Statement by

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A year ago, the global economy was hit hard by a crisis like no other, and the world subsequently entered a period of extreme uncertainty. Today, the international community stands at a critical juncture as it continues to grapple with the devastating health and socioeconomic consequences of the COVID-19 pandemic. We are beginning to see signs of economic recovery and slowdown in the spread of the virus. However, downside risks remain significant, including those arising from renewed virus outbreaks. I commend the World Bank Group (WBG) swift response to the COVID-19 pandemic, focusing on saving lives and livelihoods with unprecedented support to member countries.

Going Forward, the triple challenge for the WBG is to provide emergency financing to, and facilitate deployment of, vaccines in member countries; address debt vulnerabilities especially in low-income countries; and support economic recovery that lays the foundation for long-term growth.

**WBG Support for Access to COVID-19 Vaccines**

The world will not be safe from the COVID-19 pandemic unless everyone is safe in every part of the world. The G20, under the Saudi Presidency, called for equitable and affordable access to safe and effective COVID-19 vaccines, diagnostics, and therapeutics for all. Being the world’s premier development institution, the WBG has a leading role in the global efforts to fight the pandemic alongside the WHO, GAVI, UNICEF and other partners.

I welcome the WBG support for vaccine financing, and its strong advocacy for transparent and fair vaccine rollout. In this context, I would like to make the following points:

- Given that about 2 percent of vaccine deployment has taken place in lower-income countries (LICs), the access issue must be given the highest priority. New and innovative approaches should be explored to expand vaccine acquisition and deployment among LICs, including those in fragile and conflict-affected situations.

- Some countries lack preparedness for effective deployment of vaccines, monitoring of results, and maintenance of data. This makes the case for scaling up and fast-tracking technical assistance and capacity building support to such countries.

- The current vaccines production capacity is inadequate for the required large-scale deployment. The WBG should take proactive steps to help develop vaccine manufacturing capacity in member countries.

- COVID-19 infection rates may be grossly under-reported in some low-income countries because of testing capacity constraints, and inadequate health and data systems. This is yet another area
where the WBG can help countries improve their capacity to accurately assess the breadth and depth of the pandemic.

Saudi Arabia, on its part, remains fully committed to supporting equitable and affordable access to COVID-19 vaccines for all. To this end, it has pledged USD 500 million to support the global efforts in the fight against the pandemic.

**WBG and IMF Support for Debt Relief Under the G20 Common Framework and Beyond**

I thank the WBG and IMF for the joint efforts to address debt vulnerabilities in LICs, including through the Multi-Pronged Approach. The impact of the COVID-19 pandemic and the evolving international debt architecture point to the need for a more creative and strategic approach to address debt vulnerabilities in LICs. To this end, the G20, under the Saudi Presidency, committed to addressing debt-related issues strategically through tackling immediate liquidity needs of LICs while also considering their longer-term development financing needs.

On the G20 Debt Service Suspension Initiative (DSSI), I am pleased that this emergency response continues to provide breathing space for low-income countries and support greater transparency in public debt. Given the continued liquidity pressure, I support a six-month extension of the DSSI through December 2021.

Given the scale of the COVID-19 crisis, the significant debt vulnerabilities and deteriorating outlook in many low-income countries, the G20 also endorsed a Common Framework for Debt Treatment beyond the DSSI (the Common Framework), with the aim of facilitating timely and orderly debt resolutions for DSSI-eligible countries, with a broad participation of creditors including the private sector. I thank the WBG and IMF for providing valuable technical support to both the DSSI and the Common Framework, including the committed net positive transfers to DSSI-eligible countries.

Going forward, it is critical to implement the G20 Common Framework promptly and effectively. I see an important role for the WBG and IMF in the implementation phase, since the debt treatment, when needed, will be based on an IMF-WBG Debt Sustainability Analysis (DSA) and consistent with the parameters of an IMF-supported upper credit tranche (UTC) program. Moreover, it is important for the WBG and IMF to enhance their communication with eligible countries as well as the broader public, including credit rating agencies, during the implementation of the G20 Common Framework.

On its part, Saudi Arabia is fully committed to actively engage with all stakeholders, including eligible countries, other creditors, and international organizations, to successfully implement the G20 Common Framework.

**Green, Resilient and Inclusive Development (GRID) Approach**

I welcome the emphasis placed on green, resilient, and inclusive (GRID) recovery as it helps put countries on a long-term growth path. Within this approach, I urge the WBG to focus on its twin goals of ending extreme poverty and promoting shared prosperity. Since growth is the main driver of poverty reduction, pro-growth interventions should be prioritized in WBG operations, with due attention to policies that foster job creation and productivity.

In today’s fiscally constrained environment, I am pleased that the private sector’s role is being prominently recognized in the GRID approach, with emphasis on private sector solutions as drivers of recovery and development. It is critically important for the WBG to scale up its support for mobilization and crowding-in of private capital, with innovative products and approaches from IFC and MIGA.

Infrastructure being the backbone of every economy requires special focus. The WBG should intensify its efforts to help countries create the enabling environment for private sector participation in infrastructure financing and public-private partnerships, and improve governance, efficiency and financial performance.
of public sector investments. The G20 Riyadh InfraTech Agenda, which contains high-level elements to accelerate the adoption of technology for achieving better environmental, social, and economic outcomes, should be incorporated in WBG’s development approach.

The GRID approach should be consistent with the 2030 Sustainable Development Agenda and the Paris Agreement. While the WBG has a role in addressing climate change, such a role needs to be played in the context of the WBG’s development mandate, with due consideration to member countries national circumstances and development priorities, and in accordance with their Nationally Determined Contributions (NDCs).

The availability of adequate, reliable, and affordable energy is a fundamental priority for developing countries. In this context, I appreciate WBG support for renewable energy development because of its role in improving energy access and diversifying the energy mix. I would, however, urge the WBG to also recognize the importance of fossil fuels which will continue to be necessary in the foreseeable future to bridge the large and growing energy gap and fuel industrial growth. The WBG should incorporate the G20 endorsed Circular Carbon Economy approach with its 4 Rs framework (Reduce, Reuse, Recycle and Remove), which aims at providing a sustainable, pragmatic and cost-effective approach to mitigating or neutralizing carbon emissions, while recognizing the urgency and need to provide access to clean and affordable energy for all. The WBG can also scale up their support to Carbon Capture, Storage, and Utilization technologies (CCSU), enabling fossil fuels to become more environmentally sustainable. It is however unfortunate that CCSU has received limited and insufficient attention from the WBG thus far.

I would like to emphasize that Saudi Arabia remains committed to addressing the climate change challenges at the national, regional and international levels. At the national and regional levels, Saudi Arabia has recently launched two new green initiatives: the Saudi Green Initiative and the Middle East Green Initiative, with the aim of combating climate change, protecting coral reefs, reducing land degradation and strengthening the role of Saudi Arabia in the green era. Internationally, Saudi Arabia, during its G20 Presidency, launched a global initiative to promote the rehabilitation of degraded lands, targeting all countries of the world. Indeed, the G20 embraced the ambition to achieve a 50 percent reduction in degraded lands by 2040.

I believe that the WBG has an important role in supporting these efforts, which provide an action-oriented approach to addressing climate change challenges.

**WBG Governance**

On the shareholding reviews of WBG institutions, I would like to underscore the following points:

- The ongoing shareholding reviews of IBRD and IFC should be concluded now based on the guidance provided by Governors at the last Annual Meetings. Indeed, the swift conclusion of the shareholding reviews will help in strengthening our focus on the COVID-19 response.

- The ongoing work on IDA voting rights review should be advanced based on: (i) providing incentives for Part II members to move to the Upper Tier under the new voting system currently under discussion, and in general, with adequate incentives for future IDA contributions; (ii) minimizing transition barriers with a full and permanent grandfathering of the voting rights of Part II members; (iii) establishing differentiated pricing between Part I members and transitioning Part II members; and (iv) recognizing all historic IDA contributions.