Statement by

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Minister of Finance and Planning

South Sudan

For Africa Group 1 Constituency
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I. WBG Financing for Green, Resilient and Inclusive Development: Towards A Post-Pandemic Approach

1. We appreciate the World Bank Group (WBG) for its strategic vision for the post-pandemic period. It is, however, noteworthy that most developing countries are still going through the pandemic, fighting various mutations, and have yet to inoculate 20 percent of their populations. Without enough vaccines, it is unclear how poor countries would rein in on the virus and successfully move forward into the post-pandemic status. We, therefore, call on the continued WBG and International Monetary Fund (IMF) intervention to help poor countries acquire more vaccines. We also urge the Bretton Woods Institutions (BWIs) to support countries to strengthen their health systems including primary health care, build social protection systems, improve disaster risk management, improve debt management, and boost sustainable private sector solutions to manage crises and build back better.

2. While welcoming the WBG’s focus on Green, Resilient and Inclusive Development (GRID), we call for a more balanced approach that comprehensively considers sustainable development's economic, social, and environmental aspects in addressing the critical challenges of poverty and inequality faced by our fragile and developing countries. To support a more resilient and inclusive recovery, we urge the WBG to recognize the basic needs and development objectives of developing countries and adopt a more balanced approach of integrating poverty reduction, job creation, equity, productivity, resilience, and sustainable growth, with the just transition to green growth in WBG policy, operations, and financing instruments. As the pandemic persists, we encourage this approach to establish a clear link between GRID, the WBG twin goals, SDGs, and the need to address growing debt vulnerabilities in developing countries.

3. We also urge the WBG to recognize the worsening poverty situation of FCVs and MICs as they emerge from the pandemic and acknowledge their capacity constraints. Since the GRID entails building resilience and inclusion across all facets of the economy and society, we call on the WBG to present clear, practical, and sustainable solutions to intensely address the deepening poverty, gender disparities and human capital losses exacerbated by the pandemic. We also recommend that the BWIs accommodate a more gradual transition towards green economies.

4. We further note the commitment to adopt comprehensive and innovative approaches that scale up financing and support the launch of a multipronged approach to Private Capital Mobilization (PCM). In this regard, we urge the WBG to ramp up the operations of IFC and MIGA to augment the manufacturing capacity, crowd-in private sector investments, support low-carbon investments, and de-risk the private sector environment in developing countries.

5. Finally, we commend the WBG’s focus on domestic resource mobilization (DRM), including IDA 20 Policy Commitments, private co-financing, PCM, official public finance, and climate financing. We,
however, urge the WBG to develop a more innovative, robust, and flexible financing framework that considers the broad needs of both LICs and MICs and is supported by stronger collaboration, knowledge sharing, and clarification of roles between the WBG, other MDBs, and donors based on comparative advantages.

II. Prevention, Preparedness, and Response: The WBG’s Role in Future Crises

6. The COVID-19 pandemic continues to wreak havoc, leading to untold health, economic, and education crises, increased poverty and inequality, as well as a technological divide worldwide. Although the toll on human lives appears to be universal, the economic impact of the pandemic disproportionately affects developing countries, particularly poorer countries, where there are constraints of limited fiscal space, weak health systems, and lack of access to vaccines and limited capacity to fight back the virus. In this regard, we call for a robust and more flexible crisis prevention, preparedness, and response framework that laser focuses on building the capacity of FCS, Low-Income Countries (LICs), and the Small States to prepare and respond to future crises.

7. We recognize the role that the WBG continues to play as a global leader in saving lives, supporting economic recovery, and building resilient institutions. However, we note with concern that more than 100 million people have slipped into extreme poverty due to the impact of the pandemic. Also, the pandemic has resulted in the loss of over 200 million jobs, increased food insecurity, and widespread disruptions in essential services. Moreover, with the projected increase from 31 to 42 percent in 2020-2021, in the number of the poor living in IDA-eligible countries, we urge the WBG to adopt a pragmatic approach and concrete policy responses to mitigate against this looming crisis.

8. The pandemic has also had a massive impact on the education outcomes for most developing countries that would be felt mostly among girls who are not likely to go back to school even after its cessation. Therefore, we call on the WBG to focus on policy solutions incentivizing countries to overcome this setback.

9. While the global economy is set to expand by 5.6% in 2021, developing countries will not only face a potentially permanent output loss of over 4 percent of GDP in the process, but also fragile banking sectors, weak corporate insolvency regimes, unsustainable or near unsustainable debt situations and/or large stocks of private debt risks and challenges. We urge IFC and MIGA to scale up their operations and advisory support to the private sector to restore and create more jobs. We also call on the WBG and IMF to work with developing countries, particularly African countries, to enhance debt data transparency, improve debt management, and build our governments’ debt-management capacity. We further urge the WBG to deploy instruments that will mobilize financing, including concessional financing in the post-pandemic era, domestic capital market development, and domestic resources.

10. Finally, the COVID-19 pandemic has impacted economic growth and pro-poor strategies, making it harder for poor countries to expand investments in people and communities (rural and urban). Moreover, we firmly believe that climate change and the uneven distribution of vaccines and recovery pose global prosperity and stability risks. This might further create impediments for developing countries’ transition to green, resilient, and inclusive development. Although no amount of pre-crisis planning would be sufficient considering the complexity and uncertainty of emerging crises, lessons learned from this pandemic and the crisis response will be important in informing future decisions on investing in prevention and preparedness; a robust digital infrastructure; crisis monitoring systems, and results measurement; as well as coordinated global and regional policy. We, therefore, urge the WBG to support low-income countries to implement countercyclical fiscal policies and invest in self-preservation and protection.