Statement by

H.E. Kun Liu
Minister of Finance

on behalf of

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As the COVID-19 pandemic evolves and the global economy experiences uneven recovery, we are facing new challenges in implementing the 2030 Agenda for Sustainable Development. At the General Debate of the 76th Session of the UN General Assembly, Chinese President Xi Jinping proposed the Global Development Initiative, appealing to the international community to accelerate the implementation of the 2030 Agenda for Sustainable Development and foster a global community of development with a shared future. We expect the World Bank Group (WBG) to stick to the principles of multilateral institutions and its mission for development, better align with the client countries’ needs, step up efforts in financial resource mobilization, proactively implement its strategies including the updated Climate Change Action Plan (CCAP) 2021-2025 and the Strategic Framework for Knowledge, and work on crisis prevention and response in a balanced way, with the aim to promote more robust, greener and more balanced global development.

I. Promoting sustainable development in a way that strikes a balance among Greenness, Resilience and Inclusiveness.

First, stay committed to development as a priority, while attaching equal importance to Greenness, Resilience and Inclusiveness. Building a community of life for man and nature requires our cooperation to tackle climate change and accelerate transition to green and low-carbon development. In this regard, we encourage the WBG to proactively implement the CCAP 2021-2025, formulate an implementation plan for Paris alignment as soon as possible, and give the same priority to energy access as climate change and energy transition. Meanwhile, development should be achieved in a people-centered approach. We encourage the WBG to strengthen its support to client countries in the social sectors based on their national circumstances and help eliminate inequality in terms of healthcare, education, employment and income, so that development results can benefit all people in a more equitable way.

Second, serve all clients and increase support to middle-income countries (MICs). While the WBG has made remarkable achievements in helping low-income countries fight against COVID-19, MICs were also hit hard by the pandemic. Some graduates have to once again turn to the Bank’s support. Therefore, the WBG should strengthen analysis on the clients’ needs, as well as its resources, instruments and products available for MICs, and update the toolkit in a timely manner, including formulating an MICs Strategy to provide more targeted and higher value-added support.

Third, take an innovation-driven approach and promote Green, Resilient and Inclusive Development through digital transformation. Digital transformation is a significant shift of growth paradigm in the global economy. The WBG should, in line with its development mandate, give full play to its unique advantages of integrating knowledge and finance, help client countries seize the historic opportunities of a new round of technological revolution and industrial transformation, promote the use of disruptive technologies,
actively promote the integration of digital transformation and Green, Resilient and Inclusive Development, and address development imbalance more effectively by leveraging the power of science and technology.

Fourth, enhance financial capacity and mobilize more development financing. The WBG accounts for the largest share of pandemic financing among all Multilateral Development Banks (MDBs), which demonstrates its global leadership. We expect the WBG to further strengthen its financing capacity, thus laying a solid foundation for fulfilling its commitments to client countries. The WBG should achieve an ambitious International Development Association (IDA) 20 Replenishment and review capital adequacy of the International Bank for Reconstruction and Development (IBRD) in due course to enhance its financial capacity, while proactively mobilizing private capital to scale up development financing in innovative ways.

II. Learning from COVID-19 to improve crisis prevention, preparedness and response.

First, we encourage the WBG to improve vaccine distribution and public health systems of client countries with a continued focus on addressing the pandemic crisis. Inclusive vaccination is the prerequisite for sustainable global recovery. We encourage the WBG to strengthen coordination with the World Health Organization (WHO), Global Alliance for Vaccines and Immunization (GAVI), COVID-19 Vaccines Global Access (COVAX) and other development partners in pursuit of fair and equitable distribution of vaccines across the globe, while improving the accessibility and affordability in developing countries. We should seize the window of opportunity to help developing countries improve their public health systems and get better prepared for future pandemics. The WBG should also exercise convening power and play its role as a knowledge bank to share experiences on epidemic control.

Second, the WBG should provide professional solutions tailored to various types of crisis. Crisis management is an integral part of long-term development strategy. We encourage the WBG to conduct in-depth analysis on the characteristics of different crisis like public health crisis, natural disaster and financial crisis, identify the risk status and needs of IDA borrowing countries, Fragility, Conflict and Violence (FCV) countries, Small Island Developing States (SIDs) and MICs, and support the clients in crisis prevention and preparedness based on its comparative advantages and national circumstances. The WBG should strengthen collaboration with specialized international platforms in a complementary and synergistic way. We encourage the WBG to upgrade its toolkit for crisis identification and early warning and enhance institutional capabilities by utilizing advanced technologies such as 5G, big data, etc.

Third, we encourage the WBG to guard against debt risks, and participate in debt service suspension and treatment. We urge the WBG, one of the major multilateral creditors, to lead by example in helping the relevant debtor countries restore debt sustainability by exploring feasible ways to participate in international debt service suspension and treatment following the principle of “joint actions and fair burden sharing”, while maintaining its financial robustness and low financing cost. In addition, the WBG should respect the independent decisions of the debtor countries on debt service suspension and treatment, in line with its mandate.

III. Abiding by the principles and development mandate of multilateral institutions, and improving the legitimacy and effectiveness of governance of the WBG institutions in a coordinated way.

First, we urge the WBG to adhere to the principle of non-politicization and uphold the core value of the WBG’s institutional integrity. We have noted the rising trend of politicization in the WBG operations and call on all parties to remain highly vigilant against this trend. Any deviation from the basic principles of multilateral institutions will negatively affect the WBG’s integrity and credibility, and ultimately undermine its ability to fulfill the development mandate. We urge the WBG to abide by its Articles of Agreement, uphold the multilateral rules and procedures, strengthen internal management, enhance communication and coordination with client countries on major issues, and address the concerns of all parties in an open, transparent, professional and non-discriminatory manner, so as to maintain its orderly operation and development. All the member countries, as well as the WBG, have invested a great amount of manpower
and resources in *Doing Business 2021*, and no issues have been found through relevant investigation, therefore we request the WBG to release the result.

Second, we support the conclusion of and proposal on the IDA Voting Rights Review and expect the developed countries to make more contribution to IDA20. China pursues to improve IDA’s governance structure and build a scientific, fair and reasonable voting rights framework with a balanced consideration of both the legitimate rights of developing countries and the incentives to donor countries. China has shown great sincerity, constructiveness and flexibility on key issues to make important contributions to consensus. Part I donors, as a major beneficiary of this reform, are expected to contribute to an ambitious IDA20 Replenishment.

Third, China is deeply disappointed that the 2020 Shareholding Review concluded with no results. All parties should take concrete actions to address shareholding misalignment at the next round of review. The IBRD Shareholding Review shares the same logic with the IDA Voting Rights Review, but has failed to make any progress due to political factors, which undermines the legitimacy and seriousness of its institutional governance. China urges all parties to adhere to commitments to the Lima Principles, address shareholding misalignment through continuous and gradual reforms, and jointly promote the review in 2025 to achieve concrete results on shareholding adjustments.

Fourth, it is necessary to review and adjust the shareholding of IFC in an active and steady approach. China hopes to continue to explore all possible shareholding benchmarks and select the one that can best reflect the changing global economic dynamics and the characteristics of IFC, with a view to establishing an institutional and legal framework for future shareholding adjustments, and creating conditions for IFC shareholding review.

China has achieved steady and sound economic recovery by taking both domestic and international situations into consideration, coordinating epidemic control with economic and social development, and effectively implementing macroeconomic policies. China will stand on the new development stage, act on the new development philosophy and create the new development paradigm to continuously promote innovation-driven development, green development and common prosperity. Looking ahead, China is willing to deepen partnership with the WBG while keeping pace with the times, and boost strong, green, resilient and inclusive development of the global economy.