DEVELOPMENT COMMITTEE
(Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries)

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The Global Context: Towards a Strong and Inclusive Recovery:

Since its outbreak, the COVID-19 pandemic has been a constant reminder that the international community should stand together to fight the pandemic and recover stronger. The anticipation for a solid rebound has softened with the disproportionate impact of the pandemic, the unequal access to vaccines, and the diminishing scope for large-scale policy support, especially for many emerging markets and developing economies (EMDEs). Against this backdrop, the top priorities at this critical juncture should be to:

- **End the pandemic everywhere in the world, while supporting a strong and inclusive recovery.** The world will not be safe from the COVID-19 pandemic unless everyone is safe in every part of the world. Given that just about 2 percent of vaccine deployment has taken place in lower-income countries (LICs), the access issue must be given the highest priority. I welcome the WBG support for vaccine financing, and I would like to call for accelerated efforts, especially in LICs and fragile and conflict-affected countries. On its part, Saudi Arabia reaffirms its commitment to continue its support for the global efforts to fight the crisis and pave the way for a strong and inclusive recovery.

- **Continue the support to the most affected member countries.** LICs and fragile and conflict-affected countries entered the crisis with deep structural challenges and long-standing vulnerabilities, including high debt levels and significant development needs. Amid daunting challenges, they have undertaken decisive measures to mitigate the socioeconomic fallouts of the pandemic, benefiting from development partners’ support. However, as financial constraints intensify with the protracted nature of the pandemic, the capacity to support the most vulnerable will significantly decline, along with the opportunity to foster growth and job creation, especially for the disadvantaged groups. Therefore, collective efforts should be stepped up to accelerate international support and domestic reforms, including in the areas of domestic resource mobilization and business environment improvement.

- **Address debt vulnerabilities in low-income countries.** I thank the WBG and IMF for the joint efforts to address debt vulnerabilities in LICs, including through their support to the G20 Debt Service Suspension Initiative (DSSI). I welcome the progress achieved thus far in the implementation of the G20 Common Framework, and look forward to further progress, building on the momentum achieved by the Creditors’ Committee for Chad, which was co-chaired by Saudi Arabia and France. I see an important role for the WBG and IMF in the implementation phase of the Common Framework, including by providing timely information to creditors and enhancing communication with eligible countries and the broader public, particularly private creditors and credit rating agencies. As a creditor and G20 member, Saudi Arabia remains committed to actively engaging with all stakeholders to further advance the ongoing implementation of the G20 Common Framework.

The WBG’s strong support has been invaluable to the membership during these challenging times. The WBG’s tailored policy advice along with capacity development and financial support must continue
with emphasis on promoting members’ policy efforts to exit the crisis safely. In the same context, member
countries are encouraged to work closely with the WBG to ensure strong, sustainable and inclusive
recovery, with a focus on reinvigorating structural reforms to anchor macroeconomic stability, and address
long-standing challenges and vulnerabilities, including by building resilience against future crises.

**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 path of sustainable development. Within this approach, I urge the WBG to
focus on its twin goals of ending extreme poverty and promoting shared prosperity, in line with countries’
own development priorities. I also urge the WBG to strike an optimal balance among the green, resilience
and inclusive components of the approach.

**Given the large and growing gap in access to energy, the world needs all sources of energy to support
economic growth and sustainable development.** In this context, climate policies must be focused on
tackling net GHG emissions rather than targeting the source of energy, taking into consideration nationally
determined contributions. In addition, the importance of energy security cannot be overemphasized,
especially with the recent developments in the energy markets and the severe impact of the COVID-19
pandemic on poverty and development. We must promote the diversity of energy mix at the country-level
by utilizing all sources of energy. In this context, I urge the WBG to 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 GHG
emissions, while recognizing the urgency and need to provide access to clean and affordable energy for all.
In addition, efforts should be accelerated to capitalize on new technologies that can repurpose carbon
emissions and turn them into high-value products. In this context, stimulating large-scale investments in
Carbon Capture, Use and Storage (CCUS) systems would be a key enabler to mitigate emissions while
reliably meeting energy needs.

**We are faced with the global challenge of climate change that cannot be addressed without effective
global collaboration based on multilateral consensus.** A holistic and inclusive approach is particularly
warranted to bring all stakeholders on board to address the challenges. In this context, I underscore the
importance of advancing the ongoing global efforts that have culminated in the adoption of Paris
Agreement. Moreover, I would like to emphasize that effective implementation by advanced countries of
their commitments related to climate finance and transfer of climate technology, particularly to developing
countries, will be critical for adaptation and mitigation efforts.

**I would like to emphasize that Saudi Arabia remains committed to addressing the climate change
challenges at national, regional and international levels.** Nationally, the ambitious renewable energy
program aims at generating 50 percent of Saudi Arabia energy from renewables by 2030. In addition, Saudi
Arabia will be hosting on 23-25 October 2021 the launch of two new green initiatives announced earlier
this year: the Saudi Green Initiative and the Middle East Green Initiative under the theme "A New Era of
Action". Both initiatives aim at charting a path for Saudi Arabia and the region in protecting the planet, by
clearly defining an ambitious roadmap that rallies the region and significantly contributes to achieving
global targets in confronting climate change. The initiatives aim to collectively plant 50 billion trees as well
as propel the region towards achieving more than 10 percent of global emission reduction targets by
increasing reliance on clean energy.

**WBG Role in Future Crises:**

The WBG is not only uniquely positioned but also has a duty to play a frontal role in all three aspects
of managing crises: prevention, preparedness, and response. The WBG has a sterling record of
responding to crises once they occur. The ongoing COVID-19 pandemic and the global financial crisis of
2008-2009 are apt examples of this. Nevertheless, while there is experience with some early warning
systems about specific types of crises, where and when a health crisis or a natural disaster may occur can
be difficult to predict. Prevention and preparedness, therefore, assume particular importance in WBG operations.

**Maintaining fiscal buffers play a central role in crisis response.** However, in practice, this is a tough call, especially for low-income countries, which face a myriad of priorities in the context of heightened development needs. Hence, it is a matter of how countries can manage the tradeoffs between these priorities and reserve fiscal capacity for the future. The WBG can help in this process through country-level assessments and advice, informed by lessons learned.

**WBG Shareholdings Reviews:**

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

- I appreciate the conclusion of the 2020 IBRD/IFC shareholding review based on the views expressed by a majority of shareholders.

- I appreciate that the Executive Board has reached consensus on the voting rights framework for International Development Association (IDA). I am glad that the voting rights framework honors the past contributions with 100 percent grandfathering.

**WBG Integrity and Governance:**

The **WBG should be a model of integrity, transparency and good governance.** The recent investigation of irregularities relating to the Doing Business Report, including the process followed to deal with it, points to serious issues. It is important that the Executive Board and Management discuss potential improvements in governance and corporate culture, including by promoting more effective governance practices before public announcements are made.