Statement by

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Representing the Constituency of Brunei Darussalam, Fiji, Indonesia, Lao PDR, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga and Vietnam
The global economy is recovering, albeit unevenly. The speed of our recovery has become dependent on a complexity of factors ranging from economic contractions, vaccine access and deployment, fiscal capacity and global supply chains. Advanced economies are on a better road to recovery, but uneven global monetary and fiscal policy could reveal financial vulnerabilities, particularly in developing countries with fragile and less accommodative banking sectors, weak corporate insolvency regimes, and/or large stocks of private debt. All of these will hinder the recovery for everyone and require open and transparent coordination on phasing out fiscal and monetary stimulus to restore the balance of the global economy. In this respect, we ask the Bank to take the lead and build a stronger coordination with other international financial institutions (IFIs) in ensuring a concerted global policy cooperation to address these global issues.

Led by key International Organizations such as the World Bank Group, the global community has grown united in recognising the urgent need and opportunity to build back better from the crisis. Better development - greener, more inclusive, and resilient development - demands decisive investment and concrete action, which will require resources and innovative ways of financing. In support of this, the global community should establish a financing mechanism that will enable countries, both individually or collectively, to respond more effectively to future global threats and to quickly restore the global economy. Realizing this, the WBG and IMF in cooperation with other IFIs must equip countries with the resources and instruments needed, and looking ahead to future crises, create stronger safeguards for prevention, preparedness, and response.

WBG Financing for Green, Resilient and Inclusive Development (GRID): Towards A Post-Pandemic Approach

Even under normal circumstances, embedding a greener and more inclusive agenda in international development will have its own challenges. Sustainable development is often more expensive than conventional development. Now more than ever, every effort has to be made to formulate and invent new ways to invest in GRID that make sense for both investors and development partners, while still being able to deliver GRID outcomes. This is especially important because the huge demand for GRID financing has far outpaced the availability of public sector resources. Therefore, scaling up mobilisation of private financing and investment is critically imperative. Low- and Middle-Income Countries face major constraints hindering the ability of private investment to fill this gap because of economic instability, underdeveloped capital markets, overregulation, and weak governance and institutions. Reforms to address these challenges were underway in many countries in our region, and need to be accelerated.

To address these challenges, we call on the Bank and Fund to continue using the strength of their balance sheets to scale up lending to enable an inclusive and sustainable recovery. The Bank and Fund should deliver innovative financing solutions and introduce instruments and tools to de-risk private investment; leverage existing financial capacity among MDBs, bilateral donors and capital markets in
developed economies; and provide technical support to accelerate the flow of capital and boost investment in Low- and Middle-Income Countries. Complementing these actions, the Bank, and Fund must use their convening power to galvanise global, regional, and local actors, to explore the full range of innovative financing solutions, to incentivise private investment, backed by access to concessional resources to ensure development is aligned with GRID, SDGs and the Paris Agreement.

Acting together and acting now are vital because better development is not just for developing countries. Our environment is a global public good and our green, resilient, and inclusive development has become a global public agenda. If we fail to invest in it, everyone will suffer. Advanced countries, indeed, all countries, have a responsibility to the working people of the world, whose jobs, environments, homes, and families depend on it, to act. We must act together in order to ‘recover together and recover stronger’.

The WBG’s Role in Future Crises

The COVID-19 crisis has taught us a valuable lesson that doing business as usual in developing our economy is not sufficient. Building resiliency beyond our business-as-usual approach requires extraordinary measures. In light of this, we urge the Bank to play a larger role in shaping and operationalising the proposals currently being discussed at the G20, and making the changes needed to the Bank’s financing framework and coordination structures to reflect the lessons learned. We are supportive of having a dedicated fund under the WBG portfolio of instruments, which could be mobilised with sufficient flexibility for a swift response during future global crises.

Reviews of IDA’s Voting Rights Framework and IBRD/IFC Shareholding

Finally, we affirm the need to continuously enhance the Bank Group’s governance. The WBG must be committed to the highest standards of transparency and accountability in all its operations. The WBG’s governance structure must also be continuously updated to keep up with global changes. We therefore welcome the reviews of IDA’s voting rights and IBRD and IFC shareholding, and see both reviews as interrelated. We welcome this update of the IDA voting rights framework and note that it was made possible through many compromises, including for many in our constituency. We hope that the same constructive spirit will lead to progress in achieving an equitable balance of voting power in IBRD and IFC going forward. In this respect, we urge Governors to reaffirm their commitment that the next Review should lead to a meaningful correction in shareholding in line with the Lima Principles.

In closing, let me express my sincere appreciation to the Management and Staff of the Bank and Fund for your tireless effort during this challenging situation, and my hope that you will continue to be committed to playing this critical role.