Statement by

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European Commission
Russia’s unprovoked military aggression against Ukraine and its civilians violates international law and the principles of the United Nations Charter and undermines European and global security and stability. It is exacting a tragic human cost on the people of Ukraine.

The EU will continue to work very closely with its international partners to support Ukraine. We welcome the IMF and World Bank’s concerted efforts to assist Ukraine. The EU has so far agreed EUR 600 million in humanitarian aid, emergency support and support to state and resilience building, plus an emergency macro-financial assistance loan of EUR 1.2 billion. The EU budget is also supporting neighbouring countries affected by the flows of refugees.

The effects of the war are being felt not only in Europe but also globally. The war in Ukraine is disrupting trade flows and supply chains, raising energy and food prices, exacerbating the financing challenges faced by many partner countries. The international community needs to act in a coordinated manner to address these challenges.

To address growing food insecurity, the EU is committed to stepping up humanitarian assistance for the most affected regions and population and facilitating the transition to resilient and sustainable food systems. This includes supporting programmes on agricultural growth, sustainable agriculture, improving nutrition and increasing resilience of food systems to external shocks in over 50 partner countries. In the Sahel and Lake Chad countries, the EU and its Member States will mobilise almost EUR 1 billion by the end of the year to address the worsening food crisis. We will continue to monitor the situation in other parts of the world, including the Horn of Africa, Yemen and Afghanistan.

The EU and its Members States continue to support all pillars of the ACT-A. The EU supports the goal of vaccinating at least 70% of the population against COVID-19 in all countries. The EU and its Member States are exporting over two thirds of its vaccine production with the rest of the world; and in a Team Europe approach, already over 470 million doses have been donated. As supply is gradually more available, the EU is increasing its support to vaccine roll-out, in particular in countries with the lowest vaccination rates. The EU is also investing at least EUR 1 billion to ramp up vaccine production capacity in Africa, working closely with the World Bank Group.

The EU welcomes progress with the World Bank’s Climate Change Action Plan but more needs to be done. It is essential to link climate action to support for biodiversity. The EU will be committing an additional EUR 4 billion in climate-related expenditure in partner countries up to 2027, with the total now set to exceed EUR 28 billion and doubling its support for biodiversity. We call on other partners to increase their efforts. The dual challenge of COVID-19 and the Russian aggression against Ukraine also seriously affects the specific issues under discussion, debt and digital. We agree with the World Bank’s analysis of current global debt challenges and with the need to address them on multiple fronts.
We need to step up efforts to improve the functioning of the G20-Paris Club Common Framework, to create the right incentives for eligible countries to benefit from debt treatment. We welcome multilateral efforts to strengthen debt data transparency and improve debt disclosure, in both debtor and creditor countries, reflecting the evolution of the debt landscape and the increased importance of non-Paris Club and private creditors.

The EU also strongly supports the new Special Drawing Rights (SDRs) allocation and the voluntary re-channelling to help vulnerable countries. EU Member States have already pledged to reallocate around USD 13 billion of Special Drawing Rights, out of the USD 60 billion so far pledged by IMF lenders. **We encourage those that have not yet pledged to join the initiative.** We welcome the IMF’s decision to establish the Resilience and Sustainability Trust, which will add to the Fund’s existing toolkit addressing longer term structural challenges, including climate change and pandemic preparedness. Furthermore, we support the idea that a large part of SDRs re-channelling goes to this Trust Fund as well as the IMF’s Poverty Reduction and Growth Trust Fund. We strongly encourage the World Bank to work closely with the IMF and other MDBs in implementing the Resilience and Sustainability Trust.

We warmly welcome the IDA 20 replenishment, with over one third coming from EU Member States, and in particular its strong focus on Africa and on countries experiencing violence and fragility. But to promote resilient economic management, we need to work harder on domestic resource mobilisation and private capital mobilisation for real transformative potential, including more equitable and progressive tax systems to reduce inequalities. Tax predictability and effective tax administrations are key to improve the business environment and attract more foreign investments.

We support the World Bank’s analysis on the digital divide and its policy on digitalisation and development, building strong and inclusive digital foundations, to contribute to the twin goals of reducing poverty and promoting shared prosperity sustainably. The EU’s digital approach aims to tackle the global digital divide, promoting a human-centric connectivity and an open and secure internet. We will foster global cooperation on research and innovation and work to safeguard partner countries’ digital sovereignty, through secure infrastructures and services.

This approach is part of the wider Global Gateway initiative – the comprehensive EU strategy to boost major investments in global infrastructure, while promoting strong values, standards and international partnerships. Global Gateway will prioritise investments in digital, climate, environment and energy, transport, health, and education and research. We will also build soft connectivity through skills development and people-to-people exchange. Through Global Gateway, the EU will also support international efforts, such as the G7 Partnership for Infrastructure and Investment.

We face very difficult times, but we are determined to work ever more closely with the Bretton Woods Institutions and other partners to bring a better tomorrow.