

# Remarks by World Bank Group President David Malpass on G20 Finance Ministers Conference Call on COVID-19

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**WASHINGTON, March 23, 2020—World Bank Group President David Malpass** today issued his remarks from the G20 Finance Ministers conference call on the COVID-19 pandemic:

“These are difficult times for all, especially for the poorest and most vulnerable. For the World Bank Group, our first **goal is to provide prompt support during the crisis, based on a country’s needs. It’s also vital to shorten the time to recovery and create confidence that the recovery can be strong.**

## PROVIDE SUPPORT DURING THE CRISIS

**The breadth and speed of our response is critical to its effectiveness.** On March 17, the World Bank and IFC Boards approved a \$14 billion package to respond to COVID-19. Of that, IFC is making \$8 billion available in relatively fast-acting financial support for private companies.

IBRD and IDA will be making \$6 billion available in the near term to support health care. We’re currently restructuring existing projects in 23 countries, many of these through the use of ‘contingent emergency response components.’

We’re also preparing projects in 49 countries in a new fast-track facility, with decisions expected this week on as many as 16 country programs. Our Board will meet shortly, and I’m hopeful that this first round of countries will provide a framework to allow us to quickly scale up over the next few weeks. We’ll be inviting follow-up tranches from other MDBs into April.

Importantly, we have identified a range of rapid procurement modalities leading to bulk purchases, and we are working together with other MDBs and the IMF to assess needs, implement the new system, and develop co-financing. **We are in dialogue with China among other key countries to obtain help with the rapid manufacture and delivery of many of these supplies and are grateful for their positive responses so far.**

## SHORTEN THE TIME TO RECOVERY

Beyond the severe health impact from the pandemic, we should expect a major recession of the global economy.

**We are working to provide a fast response, utilizing all our available instruments. Countries need to move fast to boost health spending, strengthen social safety nets,** support the private sector and counter financial-market disruption.

**Countries will need to implement structural reforms to help shorten the time to recovery and create confidence that the recovery can be strong. For those countries that have excessive regulations, subsidies, licensing regimes, trade protection or litigiousness as obstacles, we will work with them to foster markets, choice and faster growth prospects during the recovery.**

The resources to address the problems I've discussed are substantial. IBRD has recently had its capital increased and IDA has also been recently replenished. **The World Bank Group, including IFC and MIGA, could deploy as much as \$150 billion over the next 15 months.**

#### OFFER DEBT RELIEF TO THE POOREST

**I need to raise a related concern. This crisis will likely hit hardest against the poorest and most vulnerable countries,** those roughly 75 poorest countries drawing on IDA. Many were already in a difficult debt situation, leaving no space for an appropriate health and economic response. We are ready to frontload IDA19 with up to \$35 billion and identify additional resources. However, we cannot have IDA resources go to pay creditors.

Today I want to make a call to action to the G20. I urge all official bilateral creditors of the poorest countries to act with immediate effect to help IDA countries through debt relief, allowing the countries to concentrate their resources on fighting the pandemic. In many cases this will require comprehensive and fair debt restructuring that includes NPV reductions sufficient for restoring debt sustainability.

I'm calling on the G20 Leaders to allow the poorest countries to suspend all repayments of official bilateral credit until the World Bank and the IMF have made a full assessment of their reconstruction and financing needs

The WBG and the IMF are ready to work quickly with official bilateral creditors and with other international organizations as partners to finalize a process by the Spring Meetings of our organizations in April."

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