

2020 second regular session of the Executive Board

Virtual session

High-level event under the theme: **Breaking down institutional silos and ensuring more integrated programming, funding and implementation**

D. Malpass, President of the World Bank Group: Your Excellencies, Secretary-General, dear Kristalina, distinguished colleagues. I would like to thank the World Food Programme and David Beasley for this important discussion and let me reiterate my huge congratulations to WFP and to David on the well-deserved Nobel Peace Prize. Your work on the frontlines is critical in addressing food insecurity and supporting the livelihoods of families. People are trapped in poverty around the world. The WFP is a valued partner for the World Bank Group and including in Afghanistan, the Sahel, Somalia and Yemen.

COVID-19 has taken lives and disrupted livelihoods in every corner of the globe. It has changed the world beyond anything we could have imagined. The hardest hit are the poorest countries and the poorest people within each country, adding to inequality.

The pandemic is likely to leave a lasting scar on the next generation with the harshest impact on women, children and the vulnerable. COVID-19 has altered every aspect of commercial activity and trade, shrinking GDP, fuelling a debt crisis and triggering severe food crises. Sickness, food insecurity, job losses and school closures are eroding human capital, leaving a loss in earnings that may last a lifetime. The result is an unprecedented global emergency that requires international cooperation at every level.

I want to focus today on food systems, debt and the FCV (fragility, conflict and violence) challenge. The World Bank Group brings together the voices and representation of advanced economies, middle-income countries and the poorest countries, providing a vital voice on resources, which are especially critical in the food emergency. Turning to that, the long-standing problems in the world food system are a key focus for all of us. WFP and FAO estimate that the number of people facing acute food insecurity will double to 265 million in 2020. We know that food insecurity is most acute in countries experiencing conflict and climate impacts.

Our household surveys reveal that large numbers of people are running out of food or reducing food consumption in order to adjust their spending to worsening circumstances. We have been partners this year in many high-level events to urge countries to keep trade open and food flowing across borders, to raise awareness of rising food insecurity and to combat food loss and waste. Food systems are a major source of greenhouse gas emissions, biodiversity losses and water and air pollution. Millions of people in East Africa are facing a triple crisis: the pandemic, the economic collapse and the largest desert locust outbreaks in decades. Stark proof of the vulnerability of harvests and the urgency of putting food systems on a more healthy, sustainable and prosperous track.

These compound crises are particularly devastating in countries affected by FCV, which are facing their deepest recession in 50 years. World Bank Group coordination with United Nations peacekeeping missions has been crucial to providing development support in the most insecure environments. In the Central African Republic, the Democratic Republic of the Congo and Mali, such missions have allowed the World Bank Group to provide rapid development support as soon as insecure areas are stabilized and to extend support in areas where security risks remain high. Solving the FCV and the food system problems, and dozens of others, requires international cooperation.

It is particularly important to build a well-coordinated effort at the country level. We are seeking flexible, mission-driven partnerships, led by the developing country and leveraging the comparative mandates, expertise and resources of our various organizations. We do not want to over-engineer this work or create rigidities, but rather to move quickly and effectively in response to country needs. On the ground cooperation is particularly important in FCV settings where the



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impact of COVID-19 and other crises are most intense and where no single organization can meet the challenge alone.

The World Bank Group is eager to continue to work with others at the country level and I look forward to our discussions today to explore how we can best do that. International cooperation is vital at all levels and in all sectors.

I would like to take a moment on the debt burden, which Kristalina discussed in detail. It got heavier due to the economic downturn. We welcome the G20's DSSI. It has provided much needed breathing space for these countries. The G20's extension of this relief through 30th June and the addendum to the term sheet and the endorsement of a common framework are welcome steps. However, in most cases these initiatives provide only temporary debt relief. They postpone the payments, but do not reduce the ultimate debt burden.

At the World Bank/IMF annual meetings last month the Development Committee tasked the Bank and the Fund to propose actions to address low-income countries' unsustainable debt burdens. We are working on effective approaches for debt reduction and debt resolution. Increased transparency will be critical to better balance the interests of the people with the interests of those signing the debt and investment contracts.

The urgency is clear. We need to avoid repeating the protracted debt restructuring processes that delayed past recoveries and created cycles of unsustainable debt. International cooperation is critical, so let us work together to avoid a lost decade for development.

I want to take a minute on what the World Bank is doing in terms of resources. We have rapidly moved to deploy our full financial capacity. We are on track to commit a record USD 160 billion over 15 months, including grants and concessional financing; 40 percent of this amount was committed in the first six months. We established a fast-track COVID-19 response that has delivered emergency support to 112 countries so far.

Most of these projects are now in advanced stages of disbursement for the purchase of COVID-19-related health supplies, such as masks and emergency room equipment. Using this framework, we are making available up to USD 12 billion of fast-track financing to client countries for them to choose, purchase and deploy COVID-19 vaccines. We are already working hard with countries to provide technical advice on vaccine procurement and effective distribution.

In response to the global food security crisis, the World Bank Group has significantly stepped up investments to strengthen food security in client countries, especially in FCV settings. Important examples include, in Afghanistan, a USD 100 million grant to fund emergency agriculture and food supply. It will improve food security by increasing local food production.

In the Democratic Republic of the Congo, we will work to lower domestic food prices by exempting agricultural inputs and food products from taxes and fees and supporting food systems by making food workers essential. In Yemen, the smallholder agricultural production restoration and enhancement project is helping increase productivity and nutrition enhancing practices by smallholder farmers. It is being delivered in collaboration with United Nations agencies and it is a good example of collaboration across the humanitarian-development nexus.

The IDA19 CRW (crisis response window) early response financing was developed earlier this year to provide up to USD 500 million to support early responses to slow onset crises, including food insecurity in low-income countries. Several countries are already seeking support from this financing.

To conclude, the challenges are daunting, but I am optimistic that solutions are possible and indeed are likely. I am encouraged by the countries that are taking bold action and by the World Food Programme, which has done that. More must be done and the World Bank Group is working hard to make all of this possible and help create a greener, more resilient, stronger recovery for everyone.

