Remarks by World Bank Group President David Malpass during Press Call on First Operations for COVID-19 (Coronavirus) Emergency Health Support

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World Bank Group President David Malpass
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Thank you for joining the call today. I hope you and your families are healthy and coping well in these challenging circumstances.

I want to start by expressing my deepest condolences to people around the world who are suffering with COVID-19 or who have lost a friend or loved one to the pandemic.

While the tragic impacts of this pandemic are being felt globally, this crisis will likely hit the poorest and most vulnerable countries, and their people, the hardest.

Countries have been taking important steps to slow or stop the spread of the virus and to provide treatment to their people.

The World Bank Group is taking broad, fast action to support those efforts with health response operations already underway in over 65 countries.

The World Bank’s Board of Executive Directors today approved a first set of emergency support operations for developing countries around the world, using a dedicated, fast-track COVID-19 facility.
The group of projects approved today, amounting to $1.9 billion, will assist 25 countries, and new operations are moving forward in over 40 countries using the fast-track process to be approved in April and begin implementation.

World Bank teams have also been proactive in working worldwide to redeploy resources from existing projects to fight COVID-19, through restructuring, reallocation, triggering emergency components of existing projects, or CERCs as we call them, and activation of Catastrophe Deferred Drawdown Options, or Cat-DDOs.

I want to express my appreciation for colleagues across the Bank Group for working tirelessly on these operations, particularly as we are having to conduct all our discussions with Government counterparts and implementing partners virtually. The professionalism and dedication of our staff is inspiring.

As we know, beyond the health impacts from the COVID-19 pandemic, we are expecting a major global recession. Last week, we presented an additional phase of our COVID-19 response to our Board that should allow the World Bank Group, including IFC and MIGA, to deploy as much as $160 billion in commitments over the next 15 months. We are able to provide this level of support in part because of shareholder support for the 2018 IBRD capital increase, the IFC capital increase that was authorized last week by the U.S., as well as last year's successful IDA replenishment.

The World Bank Group intends to respond forcefully and massively with support programs, especially for IDA countries, involving significant increase in provision of our highly concessional financing and grants. In frontloading significant volumes of financing during the time of crisis, we will be able to ensure large transfers to IDA countries.

Much like our immediate pandemic response, these operations will need to be tailored to the nature of the shock facing countries and regions, and will include poverty alleviation, social protection and policy-based financing to support reforms – to shorten the time to recovery and build conditions for broad-based and sustainable growth.
As some of you may be aware, at last week’s G20 Virtual Leaders’ Summit, I called on leaders to allow the poorest countries to suspend all repayments of official bilateral credit. This would provide critical liquidity for the countries as they fight the COVID-19 pandemic.

IMF Managing Director Kristalina Georgieva and I also issued a joint statement supporting debt relief, and we plan to seek endorsement for the proposal at the Development Committee meeting of governors during our virtual Spring Meetings on April 17.

For poor countries we are focusing on what is do-able and fast. Debt sustainability will require a moratorium for official bilateral debt payments and may require reduction in the creditor’s net present value, and participation by commercial creditors.

I've also had productive calls with heads of the IMF and regional development Banks. We discussed our institutions' actions for COVID-19 response, the importance of co-financing the World Bank operations underway, bulk procurement and logistics, and the importance of the private sector in our response.

We received a very positive response to the joint Bank/Fund call for suspension of official bilateral debt payments by poor countries.

I want to close by emphasizing how imperative it is that we act quickly and decisively to reduce the pandemic’s spread and strengthen countries' ability to respond.

Today’s Board approval and our actions at the World Bank Group are vital contributions to these efforts.