



DEVELOPMENT COMMITTEE
(Joint Ministerial Committee
of the
Boards of Governors of the Bank and the Fund
on the
Transfer of Real Resources to Developing Countries)

ONE HUNDRED AND ONE MEETING
WASHINGTON, DC – APRIL 17, 2020
(VIRTUAL)

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Statement by

Yoshiki Takeuchi
Vice Minister of Finance for
International Affairs

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1. Global outbreak of COVID-19

With the global outbreak of COVID-19, the international community is facing an unprecedented crisis. The disease is now reaching developing countries whose health system is vulnerable, without the capacity to respond.

Providing support to these countries is an urgent agenda we need to address. Preventing health emergencies in developing countries will help instill swift recovery of the global economy. We can contain the spread of the virus while providing the necessary support to sustain and enhance economic activities.

Now is the time for the international community to unite. We should spare no efforts to overcome this unprecedented crisis.

2. Supporting developing countries impacted by COVID-19

i) World Bank Group COVID-19 response package

The World Bank Group's fast-track COVID-19 package, released on March 17 with a total envelope of US\$ 14 billion, has been followed by an announcement on March 26 that up to US\$ 160 billion will be deployed over 15 months.

Japan welcomes the proactive and timely response by the World Bank Group. Indeed, supporting developing countries address COVID-19 is critically important. Japan urges the World Bank Group to implement the package in an expeditious manner and to ensure that aid is delivered to the people living in developing countries as quickly as possible.

Bolstering financial capacity of the World Bank Group bears particular importance. Japan will provide JPY 400.5 billion (US\$ 3.67 billion) to IDA19 and US\$ 560 million (JPY 61.7 billion) to the IFC capital increase. In this regard, Japan has enacted a law on March 31. We urge other member countries to follow suit in an expeditious manner.

On IDA19, Japan highly values that its policy framework features global health, covering such areas as pandemic response and UHC (Universal Health Coverage), along with debt sustainability, quality infrastructure, and resilience against natural disasters. Steadfast implementation on the ground will be important going forward.

ii) Japan’s support in partnership with the World Bank Group

Pandemic response is a development policy agenda that Japan has been championing. Japan is committed to taking the lead in the international community’s fight against COVID-19, harnessing the expertise that has been acquired over the years. In partnership with the World Bank Group, Japan will provide the following assistance.

a) An agile and quick support mechanism to help cope with COVID-19

Minimizing damage from infectious diseases hinges absolutely on the capacity to provide adequate health services from the early stages of an outbreak while putting in place proper measures to prevent the viral contagion.

To this end, we need a mechanism that delivers quick and effective support to developing countries, helping them provide the right response to infectious diseases. These undertakings should not end up as a one-off event. Hence, the need to encourage developing countries to strengthen preparedness against infectious diseases in a proactive manner.

In partnership with the World Bank, Japan is launching a landmark mechanism, named “Health Emergency Preparedness and Response Multi-Donor Fund (HEPRF).” It aims at providing quick and effective support to developing countries in their response to infectious diseases, while incentivizing them to strengthen their preparedness.

To meet the urgent financing needs of the mechanism, Japan will provide US\$ 100 million, delivering quick and strong support to developing countries that cope with infectious diseases such as COVID-19. Beneficiaries of the mechanism will include those developing countries and territories that have difficulties in accessing World Bank Group assistance. Japan calls on active contribution from other donors.

b) Build the capacity of developing countries’ response to COVID-19

To ensure the effectiveness of the mechanism set out above, we need to build the capacity of developing countries. Ramping up their capacity in terms of prevention, preparedness and response will be key, together with developing the needed human resources.

To address the urgent needs from COVID-19, Japan will provide US\$ 20 million through World Bank managed-bilateral trust funds. The funding will enable providing policy advice on how to deal with infectious diseases while building the capacity of critical health care workers, along with grass-root community-level support through NGOs. These undertakings will help promote Universal Health Coverage in developing countries – as they enhance access to and the quality of health care services.

c) Support the development of vaccines to overcome COVID-19

The ultimate response to COVID-19 passes by the development of vaccines to prevent its spread. In this regard, the International AIDS Vaccine Initiative (IAVI) is working on developing a coronavirus vaccine, building on its achievement of creating an Ebola vaccine. Japan, on its part, will support IAVI with US\$ 10 million in advancing this effort.

iii) Time-bound suspension of debt service payments for the poorest countries

With the contraction of economic activities across the globe, owing to the spread of COVID-19, some of the poorest countries are facing a severe liquidity crisis. To help these countries focus on preventing the spread of COVID-19 while sustaining the very foundations of their economies, we need to address the liquidity crisis that they are facing. In this regard, Japan supports the debt service suspension initiative for the poorest countries and welcomes the coordinated approach agreed by the G20 and the Paris Club, supported by the World Bank Group and the IMF.

Also, Japan stresses the importance of allocating funds released by the debt service suspension initiative to the urgent financing needs that have arisen due to the outbreak of COVID-19. To this end, Japan calls on the World Bank Group and the IMF to be at the forefront to make this happen.

In the implementation stage, Japan calls on the World Bank Group and the IMF to work closely with debtor countries to ensure debt transparency. Also, debt sustainability analysis exercise by the two institutions should be conducted in an expeditious manner.

iv) Post COVID-19 support to developing countries

While responding to COVID-19 is on top of the priorities for now, we should think beyond the on-going pandemic crisis. Engaging with developing countries in their endeavor to achieve the double goal of eradicating poverty while enhancing growth in a sustainable manner continues to bear importance.

Japan is committed to promote quality infrastructure investment and the sustainable development in developing countries. Sharing knowledge and expertise through such undertakings as the World Bank Tokyo Development Learning Center (TDLC) and the Japan-World Bank Program for Mainstreaming Disaster Risk Management in Developing Countries will continue to play an essential role. Japan will also strengthen its support for the preparation of World Bank-financed quality infrastructure projects, making full use of the Quality Infrastructure Partnership Fund.

3. Concluding remarks – end the crisis quickly for a rapid recovery

The international community should be united in our collective effort to end the unprecedented COVID-19 crisis as quickly as possible and pursue a rapid recovery of the global economy.

Japan looks forward to a World Bank Group that continues to play an active role at the forefront of the development community, with the leadership of President Malpass and in close partnership with the member states and other international organizations, while harnessing its deep knowledge and extensive network. With this in mind, Japan is committed to further developing its long-standing partnership with the World Bank Group and providing active support to the latter across many fronts, including finance, policies, and human resources.