

World Bank Group Input to the UN High-Level Political Forum 2021 under the theme
“Sustainable and resilient recovery from the COVID-19 pandemic that promotes the economic, social and environmental dimensions of sustainable development: building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development”.

The lead-up to the 2021 High-Level Political Forum has been dominated by the COVID-19 pandemic, the emergency health response and efforts to lay the foundations for a green, resilient, and inclusive recovery. The pandemic is hitting the poor and vulnerable the hardest through illnesses, job and income losses, food supply disruptions, school closures, lower remittance flows, and differences in access to life-saving vaccines. The pandemic is also pushing more people into extreme poverty, with the total rising to about 150 million by the end of this year.

The World Bank Group (WBG) has taken fast, comprehensive action to save lives, protect the poor and vulnerable, achieve sustainable growth, and rebuild in better ways. The WBG acted swiftly at the pandemic’s onset, making available up to \$160 billion in financing through June 2021 tailored to the health, economic and social shocks countries are facing and has rolled out COVID-related emergency health programs in 112 countries.¹ The International Development Association (IDA), the WBG’s concessional lending arm that helps the world’s poorest countries, deployed unprecedented support, frontloading resources and committing over \$50 billion on highly concessional or grants terms. Since the outbreak of COVID-19, the WB has been the largest provider of net transfers to IDA and least-developed countries. Moreover, the WBG quickly doubled trade and working capital finance to help fill the banking vacuum affecting the private sector. In 2020 the WB achieved a record 65% growth in commitments and Group-wide commitments topped \$100 billion for the first time.

Fair, broad, and fast access to effective and safe COVID-19 vaccines, including poor countries, is vital to save lives and strengthen global economic recovery. We have conducted Vaccine Readiness Assessments in 144 countries, including 44 in Sub-Saharan Africa, in partnership with UN agencies, and established a \$12 billion facility to support developing countries in their vaccination efforts. Funding can be used to access vaccines through COVAX or direct purchasing from manufacturers, as long as they meet regulatory approval. Commitments to vaccination operations are expected to reach \$4 billion in 50 countries by mid-2021.

COVID-19 will leave lasting scars on developing countries, from closed schools and physical stunting of children to lost jobs, the depletion of savings and assets, and growing debt overhangs. To repair the damage caused by COVID-19 and ensure a green, resilient, and inclusive recovery, the WBG is working with countries to link long- and short-term solutions. Developing countries

¹ All figures referenced in this document are as of April 2021

are facing a number of challenges that could greatly limit their economic recovery: climate change, debt service, inequality, and fragility and violence. We are looking for ways to help in all of these areas.

The WBG, already the largest multilateral funder for climate investments, recently [announced the launch of the Climate Change Action Plan 2.0](#), built on last year's announcement that 35% of WBG financing will have climate co-benefits over the next five years, while 50% of World Bank (IBRD and IDA) climate financing will support adaptation and resilience. This represents a big step up from the 26% achieved on average in FY16-20. The WBG plans to align all new operations with the Paris agreement and will place a greater focus on greenhouse gas emissions reduction, adaptation and resilience goals. We also intend to improve and expand climate diagnostics, including introducing new Country Climate and Development Reports that will support preparation and implementation of Nationally Determined Contributions (NDCs) and Long-Term Strategies (LTSs). Lastly, we will support transformative investments in key systems that contribute the most to emissions and have the greatest climate vulnerabilities.

Debt levels, already high in many emerging market and developing economies prior to the pandemic, have meanwhile risen further, making the global economy particularly vulnerable to financial stress. Better debt management will be critical to a sustainable recovery. Along with the IMF, the WB is supporting the implementation of the G20 Debt Service Suspension Initiative (DSSI). The DSSI will allow up to 73 countries to suspend debt-service payments owed to official creditors through December 2021. We are also taking steps to improve debt transparency, which will make debt and investment more productive, increase accountability, and support resilient economic recoveries that are vital for poverty reduction. The WB has provided close to \$17 billion net transfers to DSSI-eligible countries, of which \$5.8 billion were on grant terms, and new commitments of almost \$30 billion from April to December 2020.

Inequality is most apparent in the direct effects of COVID. The WBG is working with governments in developing countries on policy options to compensate for income losses, mitigate food price increases and service delivery disruptions, and support firms and workers to protect jobs and facilitate recovery. This includes expanding and increasing the coverage of safety net programs, scaling up health diagnostics and core capabilities in underserved areas, or adopting measures to compensate for school closures. Further measures focus on providing wage subsidies to firms to minimize layoffs, and supporting micro and small enterprises through tax exemptions, delays, or waivers. A healthy and vibrant private sector is one of the cornerstones of our COVID strategy.

To recover from COVID-19, the WBG will promote integrated, long-run strategies that emphasize green, resilient, and inclusive development (GRID). This will be aligned with the need for policies that help countries increase literacy, reduce stunting and malnutrition, ensure clean water and energy access, and provide better healthcare. The WBG is also committed to helping countries

improve their readiness for future pandemics. We need to help them accelerate the development and adoption of digital technologies, as well as to work to improve and expand local supply chains and strengthen biodiversity and ecosystems.

We are committed to working with countries and the international community – including the UN system – in adapting and tailoring response programs to meet the specific needs and circumstances of each country and deliver good country outcomes. Our collective responses to poverty, climate change, and inequality will be key to ensure a green, resilient and inclusive recovery from the COVID-19 pandemic.