

# Comments on the World Bank's “ World Development Report 2022 : Finance for an Equitable Recovery”

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# Main points of the report

1. Overview of the COVID-19 impact
  - Especially severe impact on emerging economies: Increased global poverty and worsening inequality within and across countries.
2. Interconnected financial risks and policy priorities
  - Interconnected financial risks among households & firms, financial sector, and governments and central banks are emerging threats.
  - Policy priorities should be given to address rising non-performing loans, delayed resolution of distressed loans and tighter access to credit.
3. Sovereign risk management
  - The buildup of sovereign debt poses substantial risks to the global recovery. Necessary measures include active debt management, improving debt transparency and increasing tax revenue.

# 1. Overview of the COVID-19 impact

## Comments:

- An important look-back of the Covid-19 crisis over 2 years.
- The magnitude of the initial shock tends to be inevitably emphasized.
- Heterogeneity of recovery processes and resilience across countries and issues is an area for further research.  
e.g. relatively quick recovery of remittance

## 2. Interconnected financial risks

Comments and questions:

- An important agenda to make the recovery process right and sound.
- Currently, more crisis from sovereign sides. Sovereign-bank nexus (banks' holdings of sovereign bonds) can be more highlighted.
- Any update considering economic shocks under the war in Ukraine? How can emerging economies balance preventing economic downturn with maintaining the health of the financial sector?

# 3. Sovereign debt

Comments and questions:

- We very much appreciate the World Bank's work on debt transparency.
- The detailed disclosure by the Bank for debt information of DSSI\*-eligible countries was useful: breakdown by lender countries and monthly presentation for future debt service payment. Hope this becomes a standard format of the Bank's International Debt Statistics. \* Debt Service Suspension Initiative
- Can the Bank use its member country's debt-reporting requirement as a stronger leverage to enhance the debt transparency of creditor/debtor countries?