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)

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Statement by
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The impacts of COVID-19 have stretched across all countries, and while the main concern remains, i.e. how to manage the long-term implications of the pandemic in lower and middle-income countries (LMICs), anticipating the possible impact of natural as well as biological hazards, and including their prevention in long-term in development programs, have also been identified as focus of major concern.

The world has experienced unforeseen socio-economic adversities. The COVID-19 pandemic has been the cause for distressing loss of human life; it continues to present unprecedented challenges to public health, food systems and the world of work. The economic and social disruption caused by the pandemic is discouraging: more than 100 million people are regressing to extreme poverty, while the number of undernourished people, currently estimated at nearly 690 million, could increase by up to 132 million by the end of the year. The pandemic’s economic and social effects have compounded climate change impacts, which have been intensifying over time, particularly the last two decades. Even as economies recover, many of the consequences are likely to remain.

The COVID-19 pandemic has also impaired the implementation of the 2030 Agenda, weakening decades of sustainable development progress. The pandemic has deterred human capital development through the disruption of educational systems and restrained access to social infrastructure. Women are facing diminishing income and loss of employment combined with assuming a higher share of family care. The SDG goal of reducing extreme poverty to below 3 percent by 2030 appears even more challenging. Against this expectation, the approval and implementation of comprehensive social protection packages remains essential to strengthening the resilience of poor and vulnerable households and communities to the current and future crisis.

The socio-economic consequences of the COVID-19 pandemic, have exposed the relevance of MDBs, particularly in mobilizing resources to address global challenges. In the current context, MDBs are however facing the challenge of preserving financial sustainability while enhancing their lending capacity in order to meet the mounting financing requirements of low- and middle-income countries. In this respect, the WBG’s enhanced COVID-19 response combined with the Green, Resilient and Inclusive Development (GRID) is a highly encouraging scheme.
The GRID emphasis on poverty eradication and shared prosperity, combined with sustainability, is an inclusive focus. The GRID approach promotes economic growth in line with social inclusion while respecting environmental covenants. The comprehensive approach proposed under GRID, also includes raising and utilising concessional financing, while securing support for low-income countries as well as fragile and conflict affected states, small states and countries facing migration challenges.

We noted that the WBG post-pandemic approach aims at maintaining the exceptional support for the FY 2022, in collaboration with global, regional and local partners. At this juncture we wish to express our solidarity with all developing countries and OPEC Fund readiness to support the WBG efforts, both in addressing the mitigation of the current, as well as in the longer-term proactive approach to crisis. The impact of COVID-19, climate change and other crises are global, and require effective coordinated responses, while addressing specific country circumstances and priorities. We wish to reiterate that the OPEC Fund stands ready to continue participating in coordinated global efforts, mobilize the required resources, to fight the impact of the pandemic, and progress towards a sustainable recovery. OPEC Fund will also continue assisting both public and private sectors through our dynamic and agile response to the increased financing requirements of our fellow Emerging Markets and Developing Countries (EDMCs).

We stand ready to maintain our steadfast support, within our means, to the global coordinated efforts in mitigating the economic, social and health effects of the pandemic. We also support strengthened cooperation to facilitate the development of COVID-19 vaccines, and ensure their “affordable, fair and equitable access”.

In concluding, we take this opportunity to restate OPEC Fund solidarity and commitment to strengthen the preparedness and readiness of our partner countries to address global, social, and environmental hazards. We consider that strengthening the foundations of international cooperation is fundamental to achieve the sustainable development goals and overcome future challenges.