Statement by
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The outbreak and spread of the COVID-19 pandemic continues to present exceptional health, economic and social challenges, at a global level. With over 130 million cases and 2.8 million fatalities, all countries have been required to address and adapt, as national health systems are stretched to the limits. While the direct economic impact of the pandemic appears slightly attenuated in 2021, with the perspective of moderate growth, on the social front a reverse trend in poverty reduction and increasing unemployment presents an austere perspective. By end of 2020, an additional 100 million people were estimated to be living in extreme poverty, and this number is due to increase in the current year. SDG goal of reducing extreme poverty to below 3 percent by 2030 appears even more challenging. The pandemic has also strained human capital development through the disruption of educational systems and restrained access to social infrastructure. Women have been strongly affected by the pandemic through the diminishing income and loss of employment combined with assuming a higher share of family care work. Comprehensive social protection packages are crucial to reinforcing the resilience of poor and vulnerable households and communities to the current and future crisis.

The pandemic impact on debt vulnerability continues to be an overriding concern for developing countries, in particular for those with high debt-levels prior to the crisis, now at higher risk of debt distress. The extension of the Debt Service Suspension Initiative (DSSI) to June 30, 2021, and beyond, in combination with the Common Framework for Debt Treatments (CF), is an encouraging initiative of the G20. In 2020, some 54% of IDA countries were exposed to high risk of debt distress, as compared to 24% in 2013. The extension of the DSSI will allow reducing the fiscal space constraints for participating countries, while freeing resources to address the health and economic challenges of the pandemic, including the timely deployment of the vaccines. In these unprecedented circumstances, the DSSI continues to provide liquidity relief for the poorest countries in the world. Coordinated solutions will allow major donors to extend debt relief, without diminishing their capacity to provide ongoing and future support for all developing countries.

The pace of global economic recovery is contingent on continued and effective vaccines rollout, particularly across developing countries. The equitable distribution of vaccines requires a wider global co-operation
and funding to ensure their adequate and timely availability. The partnership between research, private sector, and government agencies have facilitated the wide-ranging deployment of vaccines. However, demand for safe and effective COVID-19 vaccines is far in excess of available stocks. In addition, disparities in the vaccination roll-out prevail: a considerable portion of the COVID-19 vaccines have been provided to the population of high and upper middle-income countries, while only 2 percent has been deployed in lower-income countries. As mentioned by the WBG, public and private sectors should play a catalytic “role in developing vaccines effective against new variants, expanding production capacity to cover the urgent needs of developing countries, and delivering vaccines, equipment, drugs, supplies and services”. The COVAX Facility is a major step towards vaccines access for the poorest countries. We are encouraged by the progress reached so far, as several developing countries have benefitted from the initial supplies of vaccines, under this scheme.

Concerning the response provided by major MDBs, we note the opportunity offered to provide a framework for supporting “green, resilient, and inclusive development” (GRID) as endorsed by the WBG. The wide-ranging GRID strategy will facilitate the integration of both COVID-19 recovery with climate change mitigation and adaption activities. Investments in sustainable infrastructure are required to ensure a solid economic recovery, which promotes the generation of employment opportunities while ensuring that environmental impacts are either mitigated or reduced.

We wish to reiterate that the OPEC Fund stands ready to continue supporting the coordinated global efforts and provide the most needed assistance to fight the impact of the pandemic, and progress towards a sustainable recovery. We will continue to assist both public and private sectors through our dynamic and agile response to the increased financing requirements of our fellow Emerging Markets and Developing Countries (EMDCs). We will maintain our engagement and expand our support in response to redefined client and country priorities.

We stand ready to continue supporting, within our means, the global coordinated efforts to help developing countries mitigate the health effects of the pandemic. We also call for a globally strengthened cooperation to accelerate the development of COVID-19 vaccines, and to ensure “affordable, fair and equitable access” for all. 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.