

## High-level Regional Dialogue on WTO Accessions for the Arab Region

### The impact of Covid-19 Pandemic, IsDB response, and the importance of Economic Diversification in Post COVID-19 Era



(WHO) declared COVID-19 a Global Pandemic on 11 March 2020

Loss to global economy → \$ 1-2 trillion (UNCTAD)

Loss to global job market -> 25 million jobs (ILO)

Loss to GDP  $\rightarrow$  Advanced economies 7%  $\downarrow$  ... Emerging Economies 2.5%  $\downarrow$  (IMF)

Most IsDB MCs belong to the South  $\rightarrow$  more severe Covid-19 impact

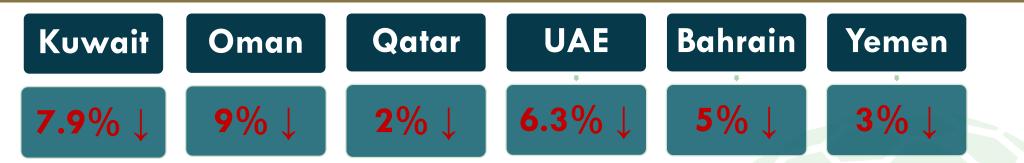
Gulf countries are high & middle-income, YET the impact was more severe



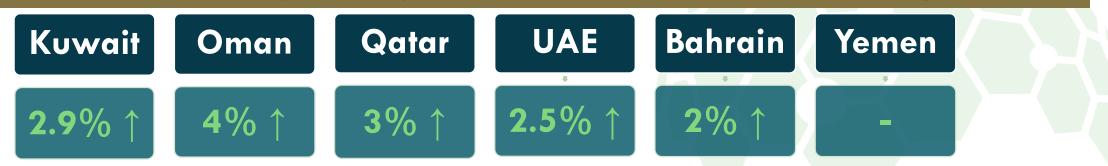
#### Impact of Covid-19 on Gulf Region (RH-UAE MCs)

In April 2020, the OPEC+ group broke down and Oil prices collapsed

5 MCs Medium/High-income, yet GDP drop in 2020 due to "The Twin Shocks"



As Oil prices stabilize (42 \$/bbl), WB forecasts for 2022 Real GDP growth



Growth is subject to Oil prices... Need to diversify away from Hydrocarbon





#### **IsDB Response to Covid-19 Crisis**

# **Country Needs Assessment Framework**

- To determine current and future needs of MCs
- Based on health impact, economic vulnerability and ability of MCs to respond
- Model based on publicly available data

# Global Coordination Platform (GCP)

- To facilitate the provision projects' implementation services
- A blockchain-based online marketplace
- Efficiency, transparency and better governance of COVID-19 response

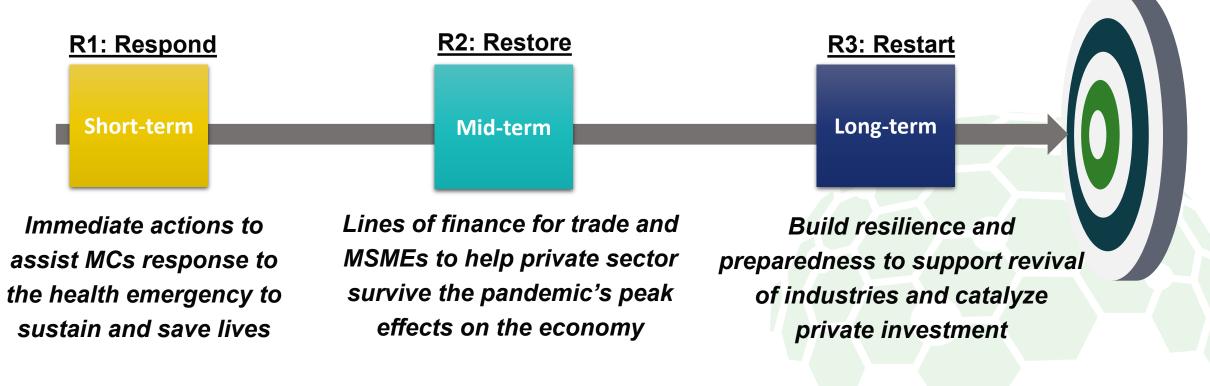
# Strategic Preparedness & Response Program (SPRP)

- Launched in April 2020, with \$ 2.3 billion Funding package
- Holistic approach for MCs recovery in the short, medium and long term
- Respond-Restore-Restart Tracks" OR "3-R approach"



IsDB's Strategic Preparedness & Response Program (SPRP) - [\$ 2.3 billion]

 COVID-19 massive and overarching impact beyond immediate health effects and its mounting economic and social ramifications, require a <u>holistic response</u> <u>program</u> for IsDB MCs recovery journey:



 <u>Under SPRP so far:</u> 37 projects approved with Total Approved \$ 823 million and Total disbursement of \$255 million



#### **Examples of IsDB Response in the Gulf Region**

### **Emergency Response Efforts**

\$100 m assistance to Yemen (2020-2023), including \$36.6 m immediate financing facility

Approve/Prepare projects in Agriculture, Education & Fisheries sector in Yemen, under SPRP

Exemption of Yemen from the payment of its overdues installment until 31/3/2021

### **Beyond Emergency Response**

Projects to support Education, Economic Empowerment, MSME for Econ Diversification

Partnerships with WB, to support its technical assistance programs to GCC countries

Cooperation with Arab Coordination Group (ACG) on \$10 billion pledge to combat COVID-19

Launch "the Arab States South-South and Triangular Cooperation (SSTrC) Initiative"

3 digital initiatives (Digital Country Presentation, Made in Series, Start-up Virtual Pitch Competition)



# Thank you