

# *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**

**November 2020**



## Global Impact of Covid-19 in 2020

**(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 → Advanced economies 7% ↓ ... Emerging Economies 2.5% ↓ (IMF)*

**Most IsDB MCs belong to the South → 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”**

Kuwait	Oman	Qatar	UAE	Bahrain	Yemen
7.9% ↓	9% ↓	2% ↓	6.3% ↓	5% ↓	3% ↓

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

Kuwait	Oman	Qatar	UAE	Bahrain	Yemen
2.9% ↑	4% ↑	3% ↑	2.5% ↑	2% ↑	-

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

### 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 holistic response program for IsDB MCs recovery journey:**



- **Under SPRP so far: 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)



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# Thank you

