



**STATEMENT BY DR ABDULHAMID ALKHALIFA**

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**TO THE MEETING OF MINISTERS AND GOVERNORS OF THE  
INTERGOVERNMENTAL GROUP OF TWENTY-FOUR (G-24)**

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This year our world is confronted to multiple challenges with immediate health and economic crisis, as well as an increasing pressure on climate change and food security. With over 34 million cases worldwide, the spread of the COVID-19 Pandemic has plunged the world economy into a deep but short recession. It has affected nearly all countries, at different levels; the most seriously affected being our fellow Emerging Markets and Developing Countries (EDMCs). We are deeply concerned by the health and social impact of the virus our partner countries are facing and the strain resulting from the collapsing global growth and trade, as well as the collapse in commodity prices.

Remittances have become the second most important source of external finance to developing countries after foreign direct investment. Since 2000, the migrant stock increased by 50% and in 2017, close to 258 million people lived outside their home country. In 2019, total remittances flows amounted to USD 714 billion, close to 1% of global output. As the COVID-19 pandemic has placed unprecedented restrictions on travel, trade, and economic activity, remittances to developing countries are falling sharply. As a result of domestic containment measures and the subsequent economic downturn, the World Bank estimates that international remittances are projected to fall around 20%.

COVID-19 has exposed the vulnerability of the global economy to health crises. Current estimates suggest a worst-case scenario where global income per person may decline by 20%, while the number of extreme poor could increase by 420 million, destroying decades of progress in poverty reduction. Before the COVID-19 pandemic, poor health resulting from ineffective WASH facilities was a significant poverty trap for low-income households, curtailing work productivity, diverting hard-earned savings towards healthcare expenses, and impeding child development

At this juncture, we wish to join our voice to the G-24 call towards securing increased development resources in the short and long-term. This will ensure a renew of economic activity while setting the pathway for the economy of tomorrow that promotes equity, ensures sustainability and supports climate friendly activities. We consider that is essential to enhance private and public support for businesses and the most affected citizens to ensure a durable exit from the pandemic. Here we wish to express our concurrence with the G-24 request to the IMF to extend the emergency response to all countries that are experiencing weaker fundamentals. We also support the G-24 advocacy for mechanisms that will allow channelling unused SDRs from countries with strong external positions to help vulnerable countries suffering from the impact of the crisis.

The monthly cost of the pandemic is estimated at US\$ 375 billion and so far some 500 million jobs have been destroyed. The developed countries have mobilised considerable internal financial resources to address the socio-economic impacts of the crisis in their own countries. We endorse the G-24 call for a globally strengthened cooperation to accelerate the development of COVID-19 vaccines, and to ensure “affordable, fair and equitable access” for all. We believe that reinforcing the foundations of international cooperation is imperative to address future crises and achieve the sustainable development goals.

The pandemic impact on debt vulnerability is of overriding concern. The Debt Service Suspension Initiative (DSSI) offered by the official bilateral creditors is a welcomed initiative that provides short-term debt relief. The extension of the DSSI beyond 2020 would allow the participating countries to lower the strain on fiscal space and channel resources to manage the health and economic impact of the pandemic. We believe that coordinated solutions beyond

debt service suspensions will allow the extension of debt relief without compromising the ability of major donors to continue providing ongoing and future support for all developing countries. This would ensure that the cost of debt relief for a debt-distressed country is not borne by other developing countries.

Since the outbreak of the Pandemic, the OPEC Fund activated a dynamic approval mechanism to best deliver urgently needed assistance. We have extended financial support to partner countries in different regions of the world to address investments in crucial sectors. OPEC Fund will continue to provide a responsive engagement, expanding our support to more countries and redirecting approved resources in line with redefined client and country priorities.

In concluding, we wish to reiterate OPEC Fund commitment to a coordinated response to contribute to the preparedness of our partner countries to mitigate future global, social, and environmental hazards. We support the G-24 to continue delivering the much-needed assistance to the most vulnerable, building more green, sustainable and equitable economy.