

Covid-19 Pandemic & Sustainable Development

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ASEF Webinar on Pandemic & the Economy: Investment for the Future

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EBRD marks 30th anniversary

EBRD is an international financial institution supporting the development of sustainable well-functioning market economies

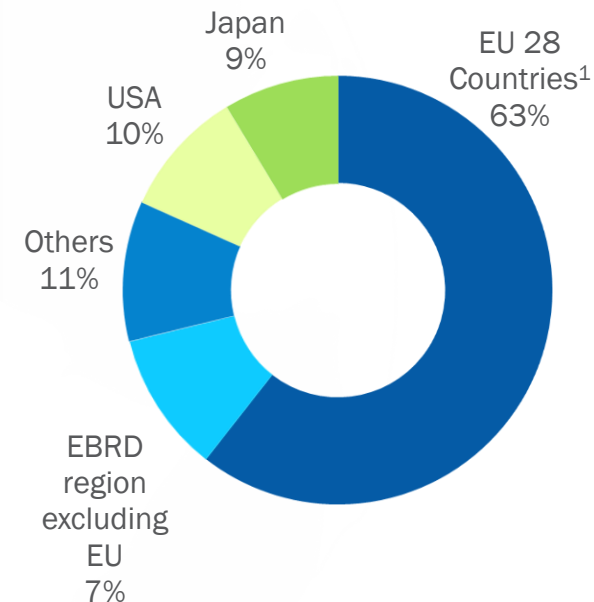
Highest credit rating (AAA/Aaa)

Owned by 69 countries and 2 inter-governmental institutions (the EU and EIB)

Capital base of €30 billion

- 1991** Established
- 1992** Russia and 11 other members of the former Soviet Union join
- 2007/08** Czech Republic first country to “graduate”; Turkey becomes Country of Operations
- 2012** Starts investing in Egypt, Jordan, Morocco and Tunisia
- 2016** 25th anniversary; China becomes 67th member
- 2017** Starts investing in Lebanon and the West Bank and Gaza

Shareholding structure



1. Includes European Community and European Investment Bank (EIB) each at 3%. Among other EU countries: France, Germany, Italy, and the UK each holds 8.6%

EBRD joins the force of **vital multilateral global actions by IFI community** to address the global health and economic impacts of the COVID-19 as well as climate change emergency

- Committed to all the activities in 2020-21, with a provision of €21 billion, to help the regions counter the economic impact of the pandemic; and delivered record **investment** of €11 billion in 2020 through 411 projects, addressing the urgent needs of the 38 COOs
- Implementing Resilience Framework (RF) to provide finance to meet the short-term liquidity and working capital needs of existing clients; targeting all sectors of the economy, but especially those badly affected by the crisis, including financial institutions, SMEs and corporate sectors such as tourism and hospitality, automotive and transport providers, agribusiness, and medical supplier.
- EBRD-financed hospitals & medical laboratories are serving the COVID-19 patients.

Covid-19 Pandemic Reverses Global Progress



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- **COVID-19 to add as Many as 119 and 124 Million Extreme Poor in 2020 and 143 and 163 million in 2021 (SDG1): for the first time in 20 years, the global extreme poverty is likely to significantly increase; 82% ‘new poor’ will be in medium-income countries (the World Bank)**
- **COVID-19 to Reverse Decades of Progress on Poverty (SDG1), Healthcare (SDG3), Education (SDG4) and Gender (SDG5): 3 million global Covid-19 deaths, 70 countries have halted childhood vaccination programmes, and in many places, disruptions in health services for cancer screening, family planning, or non-COVID-19 infectious diseases; closure of schools (90% of the global students) and limited access to digital technologies; increased violence against women (30% up in DV in some countries) and increased demand for their unpaid care work; and other impacts on (SDG2 no hunger, SDG8 decent work & economic growth, SDG10 reduce inequality etc.) (the UN)**

The Covid-19 Pandemic & the \$16 Trillion Virus for the US

Harvard economists, David M. Cutler & Lawrence H Summers estimated the cumulative financial costs of the COVID-19 pandemic in the US alone by the end of 2021 from lost domestic output and health reduction at more than **\$16 trillion (90% of US GDP)** on the optimistic assumption that it will be substantially contained by the fall of 2021. These costs far exceed those associated with conventional recessions and the Iraq War, and are like those associated with global climate change. However, increased investment in testing and contact tracing could have economic benefits that are at least 30 times greater than the estimated costs of the investment in these approaches. (“The Covid-19 Pandemic & the \$16 Trillion Virus”, JAMA, 12 Oct. 2020).

Covid-19 Wakeup Call & Investment for the Future



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Wakeup Calls & Needs

- Heavy economic costs of the pandemic (SDG1 no poverty, SDG 8 decent work & growth) as well as disproportionately heavy burden on the vulnerable (SDG4 education, SDG5 gender equality & SDG 10 reduce Inequality)
- A new zoonotic disease, like Covid-19, may repeatedly occur when the human and animal contact is increased by destruction of natural habitat, global trade & transportation and climate change (SDG13 climate change &SDG 15 Territorial ecosystems)(UNEP)
- Needs for public hygiene through access to clean water (SDG6)/healthcare services & infrastructure (SDG3)/effective drug & vaccination (SDG7 global partnership)

Investments for Future

- The WHO proposal for a new international treaty for pandemic preparedness and response
- COVID-19 Vaccine Global Access (**Covax**) by UNICEF, Gavi, WHO, the Vaccine Alliance, the Coalition for Epidemic Preparedness Innovation and others; shipped 38 million COVID-19 vaccines in 104 countries
- A total of €1.8 trillion EU COVID-19 Recovery Plan will help rebuild a post Covid-19 Europe. It will be a greener, more digital, and more resilient Europe. 1/3 of it will be spent for EU Green Deal. The US government deliver a \$1.9 trillion economic stimulus package.



- Review comprehensively different sets of public health & economic Covid-19 response policy interventions (or a lack of them) that the countries have taken and the outcomes to draw lessons & experience based on scientific facts
- Develop pandemic preparedness at both national & international levels to be allocated with adequate resources and effective mandate based on lessons and experiences to be learned from Covid-19, as the risks & costs of not preparing are far higher than the required investments as pointed by the economists
- Prepare financial mechanisms to support pandemic preparedness investment
- Promote collaboration among governments, private sector, academics and people with transparency & governance to prepare for the risk of the next pandemic
- Examine interface of Pandemic and Climate Change as sustainability & environmental challenges rather than separate issues under One Health



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Thank you