

A stylized map of the Middle East and Southeast Asia in shades of blue, set against a dark blue background with a fine grid pattern. The map highlights the regions of the Arab States and the Maldives.

OFFICE OF THE EXECUTIVE DIRECTOR

Arab States and the Maldives

SEMIANNUAL MEMBERSHIP REPORT

November 2020–April 2021

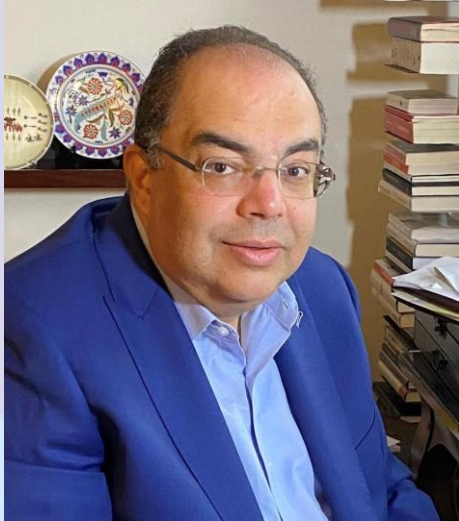


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The views expressed in this document are those of the Office of the Executive Director for Arab States and The Maldives and do not necessarily represent the views of the IMF, its Executive Board, nor IMF management

A WORD FROM THE EXECUTIVE DIRECTOR



The health, social, and economic impacts of the COVID-19 pandemic may leave deep economic scars if countries are unable, or slow, to recover. As in the rest of the world, every country in our constituency has been affected to varying degrees. One shared goal unites all of our countries: the desire to design and implement policies that ensure that the economic recovery is inclusive, resilient, and sustainable and does not leave the vulnerable behind. For many countries in our constituency, this means putting sustainability at the heart of our economic recovery plans.

There is a real danger of a divergent recovery, both across countries in our constituency and within countries. Our office is working hard to make sure that none of our countries, with their unique conditions, gets left out of the policy discussions and decisions taking place at the IMF Executive Board. Just as we are constantly calling on the IMF to support our low-income and fragile and conflict-affected countries, we are calling on the IMF to make sure that our middle-income and emerging economies do not get left behind and our oil-exporting members receive the policy advice they need to effectively diversify their economies.

This is the first issue of the *Semiannual Membership Report*. We hope the topics it highlights stir a healthy discussion and inform policy making.

TOPICS OF INTEREST

Sustainability¹

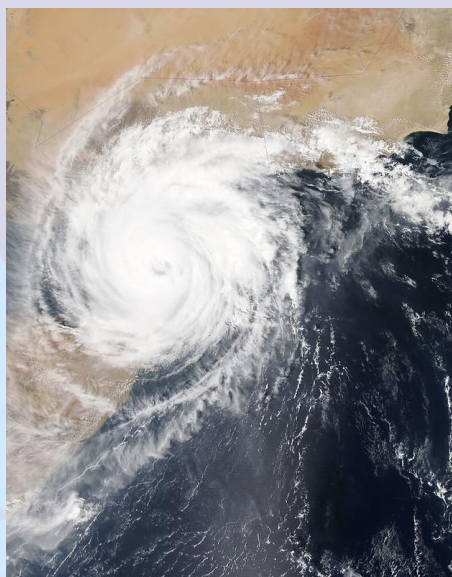


Photo Credit: [NASA Goddard MODIS Rapid Response Team](#)

expense of the human, economic, partnerships and governance SDGs will undoubtedly be counterproductive. In order to avoid a two-tier system that would fast-track climate goals towards inevitable failure if other SDGs are neglected, EMDCs need to consider climate change as part and parcel of the SDGs. Policymakers in EMDCs will need to meet competing demands, but the beneficial spillover effects between SDGs will be for the people, the planet and prosperity alike: resilient growth will enhance government revenue, which in turn will allow investments in sustainable development, including climate and biodiversity.

Martin Wolf's call for action on climate is correct and timely ("[Humanity is a cuckoo in the planetary nest](#)," Opinion, March 10). However, if the call to [combat climate change](#) were to be effective for all countries, it needs to be made within the framework of the UN's sustainable development goals. Before the onset of Covid-19, progress towards achieving the SDGs was already delayed with persistent food insecurity, environmental degradation and ever-growing inequalities. The pandemic added to the disruption. The [2020 UN SDG report](#) provides sober reading on the worsening extreme poverty, unemployment, lost incomes and education, particularly for the most vulnerable, including women and children. While advanced economies have largely been able to offset the worst thanks to generous stimulus packages, many emerging markets and developing countries have not had this luxury. As a result, they are now landed with multiple crises, difficult to disentangle from climate change, especially when it comes to adaptation and resilience. Focusing on climate and biodiversity at the



This section originally appeared as a *Financial Times* OpEd on March 14, 2021 ("[Letter: UN Goals Offer Best Route to Combat Climate Crisis](#)").

Digitalization



The pandemic has accelerated digital transformation. Countries with well-developed digital infrastructure and highly skilled workforce have been better positioned to benefit from this trend. Within countries, some sectors that were prepared for this transformation—including e-commerce, e-banking, information and communication — are coming out of this crisis as winners compared to sectors that depend less on ICT and more on face-to-face interactions like retail, hospitality, travel and aviation.

To close the digital divide between and within countries and leverage digitalization to promote more inclusive and stronger growth, countries will need to scale up investment in digital infrastructure and upskill their labor force. Doing so is particularly important to support recovery after the pandemic and reduce economic scarring. The IMF will continue to play an important role in this area, underpinned by its mandate to safeguard global economic and financial stability.

Digital solutions are gaining traction across our region, as they help reduce face-to-face interactions and facilitate tax obligations and trade. In early April 2021, the Executive Board discussed a strategic plan for continuing to deliver on the IMF's mandate in the area of digital money and payment systems. Our office strongly supported and called for an increase in resources allocated to these areas. We have called for continued support for digitalization, including by providing more policy advice and technical assistance and partnering with other international financial institutions. The Fund will ramp up work on the implications of [Central Bank Digital Currencies](#) (CBDCs) and privately issued digital money on domestic and international financial systems. It will also provide more systematic assessments of risks to financial stability and integrity from digital money.

Debt Management



Photo credit: ["Caught By a Cresting Wave."](#) Finance and Development, June 2020, Vol. 57, Number 2.

Our office has consistently emphasized the need to support developing countries in managing their debt vulnerabilities, which have been exacerbated by the pandemic, and called for strong efforts to avoid a fourth debt crisis. The G-20's [Debt Service Suspension Initiative](#) (DSSI) has provided breathing space for many low-income countries, most of which are under high risk of debt distress or in distress. The [DSSI](#) provided \$5.7 billion in debt service suspension for 43 countries in 2020; an additional \$7.3 billion will be extended through June 2021 for 46 countries. On March 22, the Board supported a further extension of the DSSI through end-December 2021 and on April 1, the Board supported the third tranche of debt service relief to its most vulnerable members, including Yemen, through the [Catastrophe Containment and Relief Trust](#) (CCRT). Our office also supported efforts to make operational the [Common Framework for Debt Treatments](#) for countries that need support beyond the DSSI to put them on the path to debt sustainability. Our office emphasized the need for more comprehensive measures to avert a debt crisis, including improved transparency of debt data, expanded capacity development for debt management, and consideration of a reform of the international debt architecture. In mid-January 2021, the Board discussed a new framework for assessing public debt sustainability in market-access countries, alongside continued work on the multipronged approach² for addressing debt vulnerabilities.

² IMF. 2020. [Update on the Joint IMF-WB Multipronged Approach to Address Debt Vulnerabilities.](#)

General Special Drawing Rights Allocation



On March 23, the Board [approved](#) a general allocation of 650 million [Special Drawing Rights \(SDRs\)](#). Since March 2020, many leaders, thinkers, and civil society organizations have called for such an allocation to meet the long-term global need to supplement reserve assets.

Our office, along with like-minded directors, has also been supporting an SDR allocation at the Executive Board. IMF staff will work on enhancing the mechanism for voluntary “recycling” of SDRs (the practice of on-lending of SDRs by countries with strong external positions to countries that need them). A number of proposals are being considered, including expanding the use of SDRs beyond low-income countries to supporting middle-income countries and supporting country efforts to meet sustainability goals. A Board meeting will be held in June at which the Executive Directors will reach a decision. If the Board decides to proceed, the IMF governors will receive notification to

vote on it in July. The SDR allocation is expected to take place in August.

Heavily Indebted Poor Countries (HIPC) Debt Relief Initiative: The Case of Sudan



On March 26, 2021, the IMF and the World Bank announced that Sudan could be eligible for debt relief under the [HIPC Initiative](#). Debt relief would improve Sudan’s economic prospects and conditions and raise the living standards of its people.

The international community supports Sudan in achieving debt relief on multiple levels. The IMF and the World Bank are supporting Sudan’s efforts to reintegrate with the international financial community through the HIPC process, including through the joint debt reconciliation exercise. The IMF supports the authorities’ policy agenda to achieve a satisfactory track record through the staff-monitored program. The World Bank and the [African Development Bank](#) (AfDB) are lending support for developing a poverty reduction strategy. Sudan cleared its arrears to the [World Bank](#) on March 23 and to the [AfDB](#) on April 23. Sudan is on its way to having its arrears to the Fund cleared thanks to the support of members who agreed to the use of their share of the IMF special accounts, SCA-1 and deferred burden charges.

Sudan owes debt to multilateral creditors, Paris Club and non-Paris Club bilateral creditors, and commercial creditors. Under the HIPC Initiative, all creditors are expected to share in the burden of debt relief by providing “comparability of treatment,” the notion that all creditors should apply the “common reduction factor” equally to their outstanding debt stock in providing relief.

CONSTITUENCY MATTERS

Statement by H.E. Obaid Bin Humaid Al Tayer, Minister of State for Financial Affairs, United Arab Emirates, at the International Monetary and Financial Committee



[Minister Al Tayer](#) issued a statement at the meeting of the International Monetary and Financial Committee (IMFC) held during the 2021 Spring Meetings of the IMF and the World Bank. He [described](#) the state of the region one year after the onset of the COVID-19 pandemic. His Excellency noted that policy responses—including supportive fiscal and monetary measures as well as a significant expansion of targeted social programs—had been rapid and comprehensive. Recovery was stronger than expected, he noted, but it remains uneven across the countries of the region and across sectors. In addition to domestic policy efforts, he called for increased attention by international financial organizations, particularly the IMF, to the needs of the region.

Toward that end, he welcomed the Managing Director’s focused [Global Policy Agenda](#) (GPA) and underscored the need for the IMF work to focus on debt issues, middle-income countries, and sustainability through the SDGs. He emphasized that work on climate change should fall within the broader objective of

supporting member countries in their efforts to meet their development challenges, achieve the SDGs, and ensure that work on climate change respects the principles of the [Paris agreement](#).

H.E. Al Tayer also welcomed the IMF's SDR allocation and called on the IMF to resume surveillance activity to navigate a safe exit from the crisis in a drastically changed world. He stressed the need to enhance engagement with fragile and conflict-affected countries, small states, and countries hosting large refugee populations and dealing with large internally displaced populations. He also noted that the countries of the region are committed to a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net and voiced his concern that the institution's administrative budget has been unchanged in real terms for the 10th consecutive year, despite an extraordinary and still unfolding crisis.

The IMFC issued its [Communiqué](#) following its 43rd Meeting.

IMFC Membership

Chair (Sweden)

Nationalities of current members:

Algeria	France	Russia
Argentina	Germany	Saudi Arabia
Belgium	Hungary	South Africa
Brazil	India	Switzerland
Canada	Italy	United Arab Emirates
China	Japan	United Kingdom
Congo, Rep. of	Korea	United States
	Malaysia	
	Mexico	
	Norway	

Source: IMF

2021 World Bank–IMF Spring Meetings

African Consultative Group Meeting

April 1, 2021

The African Consultative Group met to discuss exiting the COVID-19 crisis and returning Africa to its precrisis convergence path, an objective that requires carefully calibrated domestic policies and stronger support from the international community. Driven by an uptick in oil exporters and earlier inoculations, North Africa is expected to grow more rapidly than Sub-Saharan Africa. The legacy of the crisis is likely to be long-lasting, with per capita incomes in many countries not expected to return to precrisis levels before 2025.

Egypt is one of the 12 African countries belonging to the African Caucus (African finance ministers and central bank governors) and Fund management. H.E. Tarek Amer, Governor of the Central Bank of Egypt, attended the meeting and addressed the topic “Securing More Access to Finance for Africa”. The [African Consultative Group](#) meets at the time of the Spring Meetings, while Fund Management meets with the full membership of the African Caucus at the time of the Annual Meetings.

Middle East, North Africa, Afghanistan, and Pakistan (MENAP) Ministers and Governors Meeting with the IMF Managing Director

April 1, 2021

Finance ministers and central bank governors from the Middle East, North Africa, Afghanistan, and Pakistan met with IMF Managing Director Kristalina Georgieva to discuss regional and global developments. They focused on the IMF's role in supporting recovery from the pandemic. The meeting focused on the nascent recovery in the MENAP region, that will likely be long and divergent. Interventions from our constituency included: From Egypt, Honorable Tarek Amer, Governor of the Central Bank of Egypt and H.E. Minister of Finance, Mohamed Maait; from Jordan, H.E. Minister of Finance, Mohamad Al-Ississ; from Iraq, Honorable Ghaleb Mukheef, Governor of the Central Bank of Iraq; from the U.A.E., H.E. Minister of State for Financial Affairs, Obaid Al Tayer; and from Yemen, H.E. Minister of Finance, Salim Bin Buraik.

Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development April 5, 2021

Egypt's Minister Rania al Mashaat and Central Bank Deputy Governor Mr. Rami Aboul Naga and Vice Governors of Lebanon; Messr. Alexandre Mouradian, Bachir Yakzan, Wassim Mansouri, and Dr. Salim Chahine participated in the intergovernmental G24 meetings held on April 5. The purpose of the meeting was to collectively discuss the group's priorities for containing the pandemic and rebuilding economies to avoid a lost decade of development and a major decline in well-being. In its [Communiqué](#), the G24 called on the international financial institutions, especially the IMF and the World Bank, in coordination with the international community, to ensure the necessary liquidity and fiscal support for all developing countries. Concessional financing and positive net transfers should be essential parts of the global financial response to avoid prolonged damage to the development prospects of low-income countries and small vulnerable states. The group emphasized the importance of all major economies working together and using all policy tools to foster an environment of increased trade and investor confidence, in order to boost investment growth for all countries.

“Inclusive Green Finance: A Pathway to Sustainable COVID-19 Recovery” G-24/AFI Leaders' Roundtable April 13, 2021

Mr. Gamal Negm, Deputy Governor of the [Central Bank of Egypt](#), delivered an [opening statement](#) on behalf of CBE Governor Amer, [Chair](#) of AFI Board of Directors. Mr. Negm emphasized that policy responses to the pandemic and the economic recovery must leave no one behind. The crisis has exacerbated inequalities and disproportionately impacted the vulnerable, including, SMEs, women and girls, youth, the elderly, persons with disabilities, and forcibly displaced persons. Per the AFI network's “Kigali Statement”, all of these disadvantaged are priority groups in financial inclusion strategies and require tailored policy approaches.

Surveillance and the Use of Fund Resources

Bahrain



On March 17, 2021, the Executive Board concluded its [2021 Article IV consultation](#) with the Kingdom of Bahrain. Executive Directors commended the authorities' swift and well-coordinated policy actions to address the health and economic effects of the pandemic. They emphasized that the recommended fiscal adjustment should lead to a gradual unwinding of central bank lending to the government to rebuild external buffers and support the peg. Directors also welcomed the authorities' structural reform agenda and called for continued efforts to reduce scarring and encourage economic diversification and private sector-led growth and employment.

Egypt



On December 18, 2020, the Executive Board completed its [First Review](#) of Egypt's economic reform program supported by a 12-month Stand-by Arrangement (SBA). It concluded that Egypt had managed the COVID-19 pandemic and related disruption to economic activity well, by adopting proactive measures to address health and social needs and support the sectors most directly affected by the crisis. The Executive Board approved the [12-month SBA](#) on June 26, 2020 in the amount of US\$ 5.2 billion, to support the authorities' economic reform program during the COVID-19 crisis. On May 11, 2020, the Executive Board [approved](#) Egypt's request for emergency financial assistance of US\$2.772 billion to meet the urgent balance-of-payments needs stemming from the pandemic.

Iraq



On February 8, 2021 the Executive Board [concluded](#) its Article IV consultation with Iraq. Executive Directors noted that the pandemic and the sharp decline in oil revenues had exacerbated Iraq's significant socioeconomic fragilities. They noted the efforts to strengthen the health policy response, boost social safety nets, and reduce the fiscal and external deficits but cautioned that risks to the economic outlook remain significant amid a challenging socio-political environment. Directors welcomed the fiscal reforms the authorities outlined in a *White Paper* and encouraged their careful prioritization and swift implementation while minimizing the impact on the vulnerable.

Jordan



On April 12, 2021, during the Spring Meetings, Jordan’s delegation met with the IMF’s Managing Director, Deputy Managing Director Mitsuhiro Furusawa, and IMF staff. Following the meeting, the Managing Director issued a [statement](#) in which she “commended them on the strong reform progress made under the IMF-supported program, despite the significant challenges posed by the COVID-19 pandemic.” She also released a [Tweet](#) about the meeting. On March 30, IMF staff and Jordan reached a [Staff-Level Agreement](#) on the Second Review under the [Extended Fund Facility](#), concluding that Jordan’s IMF-supported program remains firmly on track, with strong progress having been made on key reforms. The program will continue to provide flexibility to accommodate higher than expected COVID-related spending and protect the most vulnerable.

Kuwait



An IMF staff team held virtual discussions with the Kuwait on April 4–8, 2021. Staff [concluded](#) that the authorities had acted quickly and decisively to address the health and economic effects of the COVID-19 pandemic, although the challenges posed remain significant. A gradual recovery is expected in 2021, supported by the rebound of domestic and external demand as vaccinations proceed. Staff commended the central bank’s sustained proactive monitoring of credit risks and efforts to strengthen the regulatory and supervisory frameworks aimed at bolstering financial stability.

Lebanon



Lebanon is facing a multitude of crises. The government defaulted on its debt in March 2020, leading to the emergence of a highly depreciated parallel exchange rate. International support for Lebanon is contingent on a new government committing to a reform program along the lines of the program prepared by the outgoing government. Negotiations on a possible Fund program were suspended in July; their resumption awaits the formation of a new government. The Fund is keen to assist Lebanon, as publicly announced by the Managing Director on several [occasions](#). However, the Fund is not in a position to resume discussions before a new government is in place.

The Maldives



On April 22, 2020, the Executive Board [approved](#) the disbursement of SDR 21.2 million to the Maldives, to be drawn under the Rapid Credit Facility, to help cover balance-of-payments and fiscal needs stemming from the COVID-19 pandemic. The authorities acted quickly to mitigate the impact of the pandemic, responding with a combination of fiscal, monetary, and prudential measures that sought to reduce its economic impact and provide temporary support for vulnerable households and business most affected by the crisis. The pause in tourist arrivals, the main source of foreign earnings, has severely weakened the country's fiscal and external positions, giving rise to large financing gaps.

Oman



IMF staff [conducted](#) a virtual mission to Oman January 17–31, 2021, to review economic developments,

the outlook, and policies. Discussions focused on the impact of COVID-19, the related oil price shock, and policy priorities during the recovery phase and beyond. The swift and well-coordinated response limited the spread of the coronavirus in the latter part of 2020, but the social distancing and other restrictions weighed on economic activity. Substantial measures were also implemented to mitigate the impact of COVID-19 and oil sector shocks on households, firms, and banks. The authorities announced an ambitious medium-term fiscal adjustment plan and broad public sector reforms.

Qatar



The IMF team held virtual meetings with Qatar December 6–14, 2020, to discuss recent economic and financial developments and the outlook. At the end of the visit, staff [concluded](#) that the authorities' swift response had mitigated the health and economic impact of the pandemic. The reprioritization of spending helped limit the fiscal deficit; as the recovery consolidates, efforts to mobilize nonoil revenues and optimize expenditures should continue. Qatar's ambitious structural reform agenda is at the base of its economic diversification efforts to enhance long-term potential growth.

United Arab Emirates



An IMF staff team held a virtual staff visit with the UAE authorities March 23–31, 2021, to discuss recent economic developments, the response to COVID-19, the outlook, and policies. Staff commended the authorities for their strong policy response and broad-based reform agenda, which underscores their commitment to ensuring recovery and fostering faster, more inclusive medium-term growth. For the long term, the economic development strategy focuses on accelerating the development of new sources of growth, including the digital economy and clean energy, as well as further facilitating the development of private nonoil growth and small and medium-size enterprises.

Yemen



Yemen is not currently under a Fund-supported program and has not received emergency support under the Fund's [Rapid Credit Facility](#). Before the COVID-19 crisis, it was in a precarious position, the armed conflict having crippled the economy, exacerbated food insecurity, deteriorated health conditions, and pushed the country into an acute humanitarian crisis. On April 15, 2020, the IMF Board [approved](#) disbursements under the first tranche for the [CCRT](#) for SDR 14.4 million. On October 2, 2020, another SDR 10.96 million of support was [approved](#) under the second tranche. In April 2021, the IMF Board [approved](#) the disbursement of SDR 17.05 million for repayment of Yemen's debt service falling due to the Fund during the six-month period from April 14 to October 15, 2021. In addition to financial support and debt relief, our office is in continuous engagement with the Board and Fund staff to encourage close engagement with Yemen to provide much needed capacity development and analytical work to help guide the authorities' policy responses to the pandemic.

OFFICE ENGAGEMENT

Past Events

“The Future of Globalization in a Fast-Changing World”

Communication and Financial Knowledge Center of the Kingdom of Saudi Arabia

November 8, 2020

Dr. [Mohieldin](#) started his [opening](#) remarks by showing a dashboard of indicators that show the problems the world is facing as a result of the COVID-19 crisis. He noted that it is possible to monitor the economic performance of countries to see the extent to which they have benefited from globalization by following the movement of trade, investment, and labor. A decline in one of these indicators could indicate the existence of a problem. According to estimates (then), remittances had fallen 20 percent, foreign direct investment 40 percent, and global trade by 13-32 percent, as a result of the pandemic.

“SDGs Global Councils: Preparing for the Decade of Action”

[World Government Summit](#)

December 9, 2020

Dr. [Mohieldin](#), chairman of the SDG Council on SDG1: No Poverty, [stated](#) that achieving SDG1 depends on progress on other SDGs. Before the pandemic, the world had been on a trajectory to achieve SDG1. The pandemic derailed that trajectory, causing the number of people living in extreme poverty to increase for the first time since 1998. The World Bank projects that 85–115 million people are being pushed into extreme poverty. In order to build forward better, the world must prevent a crisis in debt, stop the leakage in the system of finance caused by illicit financial flows, and enhance finance for development by encouraging the private finance to prioritize spending that achieves positive impact. Solutions are available; they require the political will to put implement them.

“Financing for Development, 2030 Global Agenda and Post Covid19 Challenges”

Special [Plenary](#) Session of the First International E-Conference of the [JCGS Jindal Centre for the Global South](#)

December 16, 2020

In his remarks at this session, Dr. [Mohieldin](#) urged policy makers to use dashboard approach to assessing risks based on the SDGs and an understanding of global megatrends. A good database is needed to be able to prioritize financing bearing in mind the interconnectedness of SDGs progress. Countries need to learn to live with the pandemic by investing in the health sector, fighting the recession, addressing debt challenges, embracing digitalization, and linking the emergency response measures to recovering sustainably.

“Financing Sustainable Development in the COVID-19 Context”

Fifth OECD–UNDP Workshop on Sustainable Development and Inclusive Globalization: G20 Policy Actions in the Time of COVID-19

January 12, 2021

Dr. Mohieldin highlighted the urgency of expediting equal access to vaccines worldwide, taking a systemic approach to sovereign debt, and aligning the recovery efforts and finances with the SDGs.

“Stimulating the Economy and the Sustainable Development Goals in the Post-Covid-19 World”

Oman Economic Association

February 1, 2021

The [Oman Economic Association](#) hosted a virtual discussion with Dr. Mohieldin. He commended Oman's reform momentum, as reflected in the actions the government has taken to implement the medium-term fiscal balance plan and the progress being made to achieve [Oman's Vision 2040](#) and the SDGs. The government has also made strong efforts in communicating both the need for reforms and the measures that are necessary conditions for successful implementation. Dr. Mohieldin discussed Oman's economic diversification efforts and the need to diversify sources of income and attract local and international investments. These efforts should focus on promising sectors, including logistics, manufacturing, agriculture and fisheries, and tourism. Digital transformation and the knowledge economy should be at the core of the diversification process. Technology is no longer a standalone sector; it cuts across all of the promising sectors identified in Oman's plans.

“Financing Growth by Empowering the Digital Economy Development”

Union of Arab Banks

February 4, 2021

In his [presentation](#), Mr. Mohieldin mentioned that Covid-19 has changed the requirements for skills and jobs where the workforce is automating quicker than previously expected. He highlighted that digitalization may create a citizen-centric financial system including by channeling domestic savings to local investments and digitally enabled SME finance. Furthermore, digitalization can also help in enhancing transparency and accountability of public finances as well as enable sustainable consumption choices. Mr. Mohieldin emphasized the critical role Fintech can play in achieving SDGs and presented evidence that Fintech measures have significant impact on reducing extreme poverty (SDG1) for a full sample of countries including MENA and SSA. Nonetheless, he emphasized that fintech can only play a complementary role to other policy measures such as human capital development and enhanced governance to achieve the SDG1 goals.

“Asia's Role in Global Currency Realignment and Financial Flows”

Asia Economic Dialogue 2021 Conference

February 28, 2021

Dr. Mohieldin was the lead speaker at this event. He noted that Asia is a strong contributor to regional and global financial flows (through swap lines, credit lines, and development lending) but faces a range of challenges. The region remains home to almost half of the world's poor, and large development gaps persist. With Asia's increasing financial power comes increasing global responsibility for debt and climate sustainability, which should be exercised within a strong multilateral cooperation effort.

“Africa's Pathway towards Sustainable Recovery and Development”

Aswan Forum

March 2, 2021

Dr. Mohieldin [participated](#) in the [Aswan Forum](#), where he highlighted three challenges facing the region: overcoming the pandemic, pulling out of the economic recession and addressing the increases in extreme poverty and unemployment it has wrought, and reducing the debt burden and the high risks of debt sustainability in more than 20 African countries.

“GCC Economies in the Wake of COVID19: Charting the Road to Recovery and Resilience”

Economic Research Forum (ERF)

March 9, 2021

Dr. Mohieldin [moderated](#) a session on the [economic prospects for and policy challenges facing the Gulf Cooperation Council \(GCC\) countries](#). The session discussed an IMF paper presented by its lead author, Dr. Daniel Kanda, and a panel of economists, academics, and business leaders from the GCC region. In his remarks, Dr. Mohieldin recognized the GCC countries' efforts over the past decades in diversifying their economies, implementing structural reforms, expanding the revenue base, and recognizing the exhaustible nature of hydrocarbon. The drive for diversification intensified in the aftermath of the latest global crisis. Dr. Mohieldin noted the improved short-term outlook in some GCC economies thanks to the effective way they dealt with the COVID crisis, noting that GCC countries have done relatively well in maintaining social distancing and rolling out the vaccine.

Civil Society Meeting on the International Debt Architecture and Liquidity

March 23, 2021

Dr. [Mohieldin](#) participated in the civil society [meeting](#) on the international debt architecture and liquidity March 29, 2021, which was held ahead of the [UN High-Level Event on Debt and Liquidity](#). On behalf of the Deputy Secretary-General of the United Nations, Dr. Mohieldin commended the participation and commitment of the speakers. He praised the moments of true multilateralism that occurred in 2020, including the creation of the [COVAX](#) Facility, the creation and extension of the [DSSI](#) and the Common Framework for Debt Treatment, and the adoption by several countries of net-zero greenhouse gas targets. Much still has to be done to protect the most vulnerable and achieve the [SDGs](#); policymakers need to be more ambitious and address the root causes of these problems rather than providing piecemeal solutions. The United Nations counts on civil society's grassroots networks and presence on the ground around the world. These organizations can count on the United Nations as an ally and partner.

“AfTIAS 2.0 Program: Contributions to Economic Recovery Post-COVID-19 through Inclusive Job Creation: Aid for Trade Stocktaking Event”

International Islamic Trade Finance Corporation (ITFC)

March 25, 2021.

Dr. [Mohieldin](#) participated in the [roundtable](#) organized by the [International Islamic Trade Finance Corporation \(ITFC\)](#) within the framework of the [World Trade Organization's Aid-for-Trade Stocktaking Event](#). He noted that before COVID, the number of poor people had been declining globally but increasing in fragile and conflict-affected situations. The MENA region has the highest ratio (1 in 5) of the population living near a conflict event. A well-designed trade policy can improve prospects, by increasing food security, employment opportunities, domestic revenues, and resilience. Dr. Mohieldin thanked the ITFC and the Islamic Bank for the fact that the next phase of the Aid for Trade programs in the Arab countries ([AfTIAS 2.0](#)) plans to include important interventions targeting fragile and conflict-affected countries, which can directly and indirectly increase jobs, spur development, and strengthen resilience.

Plenary Session, Arab Forum for Sustainable Development

March 30, 2021

This [session's](#) panelists discussed what is possible and necessary in the Arab region to achieve the 2030 Agenda. In his remarks, Dr. [Mohieldin](#) noted that the world is currently facing three main challenges: dealing with the health crisis, combating the economic recession, and forestalling a debt crisis. In addition, the world needs to invest in a sustainable recovery, use digital and green tools, and combat illicit financial flows. Aligning national budgets with the SDGs is critical to achieving them.

**“Financing the SDGs and the Environmental, Social and Governance (ESG) in Time of Covid-19”
Wharton School, University of Pennsylvania**

April 12, 2021

Dr. Mohieldin addressed Wharton students in the context of [Ideas for Action \(I4A\) Initiative](#), which provides unique opportunities for students and young entrepreneurs to engage in global knowledge exchange and capacity development. In his [lecture](#), he noted that “instead of just talking to governments and officials and ministers of finance alone and development practitioners, let’s talk about the trillions, not just billions, available through the private sector.” He advised [Wharton](#) students to pursue social impact, noting that they can make a difference in various ways—as standard setters and regulators, as market practitioners, as consultants. “Wharton is preparing you to be a globally mobile intellectual power with your network, with your knowledge, with your tools,” he said.

Plenary Session, Global Business Coalition

April 14, 2021

IMF Executive Director Dr. Mahmoud Mohieldin delivered the [keynote speech](#) of the plenary session, in which he highlighted the impacts of the pandemic on health, poverty, hunger, education, unemployment, and finance for development. He noted that global prospects for recovery are good but that they differ for rich countries and developing countries. He stressed the importance of adopting the SDG framework in building forward better by investing in human capital, infrastructure, and resilience.

**Special High-Level Meeting of the Bretton Woods Institutions, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD)
[United Nations Economic and Social Council \(ECOSOC\) Forum on Financing for Development](#)**

April 13, 2021

IMF Alternate Executive Director Dr. Sami Geadah attended the annual interactive [dialogue](#) aimed at advancing coordination and collaboration among the Bretton Woods institutions, the WTO, and UNCTAD in the fight against COVID-19 and beyond. The dialogue, mandated in the [Addis Ababa Action Agenda](#), aims to further the mutual understanding and policy coherence among the intergovernmental policy-making bodies of the international trade and finance institutions to support implementation of the Addis Agenda. Discussions focused on how to embrace shared solutions to finance sustainable development in a challenging environment.

“The Challenge of Financing for Development Pre- and Post-COVID-19”

Financing for Development Side Event Organized by the Ministry of Planning and Economic Development, Egypt

April 13, 2021

In this [panel discussion](#), Dr. Mohieldin identified five areas that need to be addressed to ensure recovery and achievement of the 2030 agenda: providing global access to vaccines, engaging in inclusive recovery efforts, preventing a fourth global debt crisis, aligning recovery efforts with the [SDGs](#), and helping middle-income countries escape the middle-income trap through development funding. Building forward better requires investments in human capital (health care, education, and social protection); infrastructure (roads, bridges, and digital transformation); and sustainability. These investments will require mobilizing all sources of financing—public, private, foreign, and domestic. Dr. Mohieldin noted that Egypt is working on producing a Finance for Development report at the national level, the first of its kind globally.

“Of Vaccines and Climate Change”

April 29, 2021

In an [article](#) Dr. Mohieldin discussed vaccines, climate change, debt, and digitalization—topics that were at the heart of the [2021 World Bank–IMF Spring Meetings](#), where equitable access to COVID-19 vaccines dominated many of the discussions and was reflected in several final communiqués. Dr. Mohieldin emphasized that tackling health issues is critical to recovery and growth. To mitigate the impacts of the pandemic, advanced economies can borrow at zero cost, but many middle-income countries (MICs) face high interest rates when borrowing from the markets, at the same time, MICs lack access to initiatives that are available to low-income countries (LICs). To address these needs, Dr. Mohieldin is supporting an initiative to establish a new trust fund for MICs, which is still at the early stage of the discussion. However, the approval of a general allocation of [SDR650 billion](#) may help supplement cash reserves for both LICs and MICs. Dr. Mohieldin emphasized the importance of digitalization and sustainability, both cross-cutting issues that affect every aspect of economic and social development. Sustainability, he warned, goes beyond climate change to include the [SDGs](#), which governments need to factor into policies and across sectors. He also stated, that developing countries and emerging economies should not borrow to finance climate change initiatives, because climate change adaptation and mitigation offer opportunities for foreign direct investment delivered through partnership frameworks. Sudan is in the final stages of debt reconciliation talks with other creditors; Dr. Mohieldin lauded its efforts to clear some of its debts and obligations and emphasized that Egypt and other countries in the Middle East and North Africa are providing full support for Sudan at this critical time.

Upcoming Events of Interest

May 5, 2021: “[How to Make Progress on Digital Trade Negotiations?](#)” The Peterson Institute for International Economics ([PIIE](#)), Virtual.

May 5, 2021: “[MENA Economies Emerging from the Pandemic: A Conversation with Jihad Azour](#),” [Brookings](#), Virtual.

May 6, 2021: “[Digital Payments: Enabler for Job Creation, Inclusion, and Public Service Delivery in Middle East and North Africa](#),” [The World Bank](#), Virtual.

May 6, 2021: “On Preventing a Debt Crisis,” Centre for Financial and Corporate Integrity ([CFCI](#)), Coventry University, United Kingdom

May 11, 2021: “[The Long Shadow of Informality: Challenges and Policies](#),” [The World Bank](#), Virtual.

May 11, 2021: “[The Pathway to Recovery: The Role of the IMF in Establishing Growth Post the Covid-19 Pandemic](#),” [Warwick University Online Alumni Series](#)

May 17, 2021: “[A Global Economic System in Turmoil: What is at Stake for the MENA region?.](#)” [ERF 27th Annual Conference: SDGs and External Shocks in the MENA Region: From Resilience to Change in the Wake of COVID-19](#), Virtual

May 19, 2021: “[Spreading the Gains From Trade More Widely](#),” [The World Bank](#), Virtual.

June 7, 2021: “Investment Opportunities in Egypt after the COVID-19 Pandemic,” [Egyptian Junior Business Association](#), Virtual

June 8–10, 2021: “[Macro-Economic/Market Forces in MENA](#),” [Bankers Association for Foreign Trade](#), Virtual

June 2021: “Recovery Strategies Post Crisis: Restoring Sustainable Development and Debt Sustainability,” International Arab Banking Summit 2021.

October 11–17, 2021: [World Bank–International Monetary Fund Annual Meetings](#), Virtual

Communication

Monthly Newsletter

Watch out for our [Monthly Newsletter](#) at the end of every month.

Membership Report

Twice a year, we will share the ways in which our office has engaged with our members and with the IMF Board. These reports will present topics of interest and positions that aim to further the interests of our members. The next issue will be released on September 30, 2021.

Website

We will be launching a website in mid-May 2021. It will provide country documents, IMF research, news from the IMF, past and future events of interest, opportunities for capacity development, and a portal through which registered users can access Board items through IMF Connect.

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