

The virus, the emerging markets, the SDGs, and the UN: why they matter to everyone?

Mahmoud Mohieldin

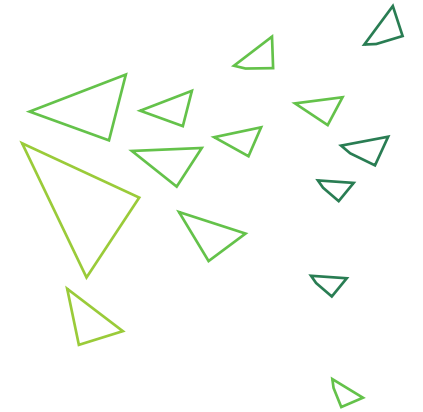
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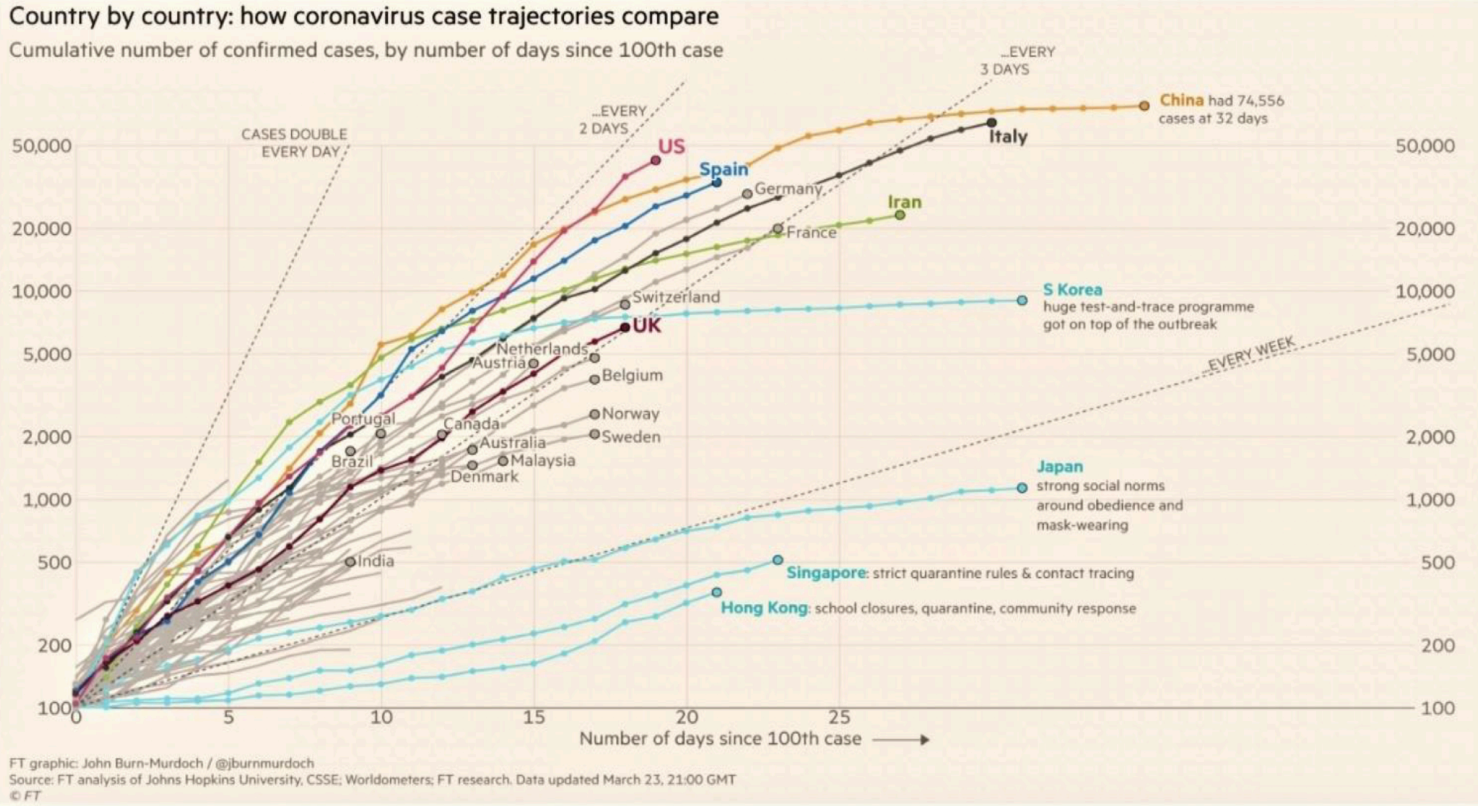
Outline

1. The Battle for Flattening the Curves
2. What SDGs have to do with COVID-19 response and recovery?
3. The cost of ignoring SDG 3
4. COVID-19 affecting all SDGs
5. 1+9 proposals
6. Great disruptors/ Global Megatrends will shape the new world
7. One major lesson: Get prepared
8. Some Old Good Proposals Should Remain



The battle for flattening the curves

Case Trajectory of COVID-19 in countries

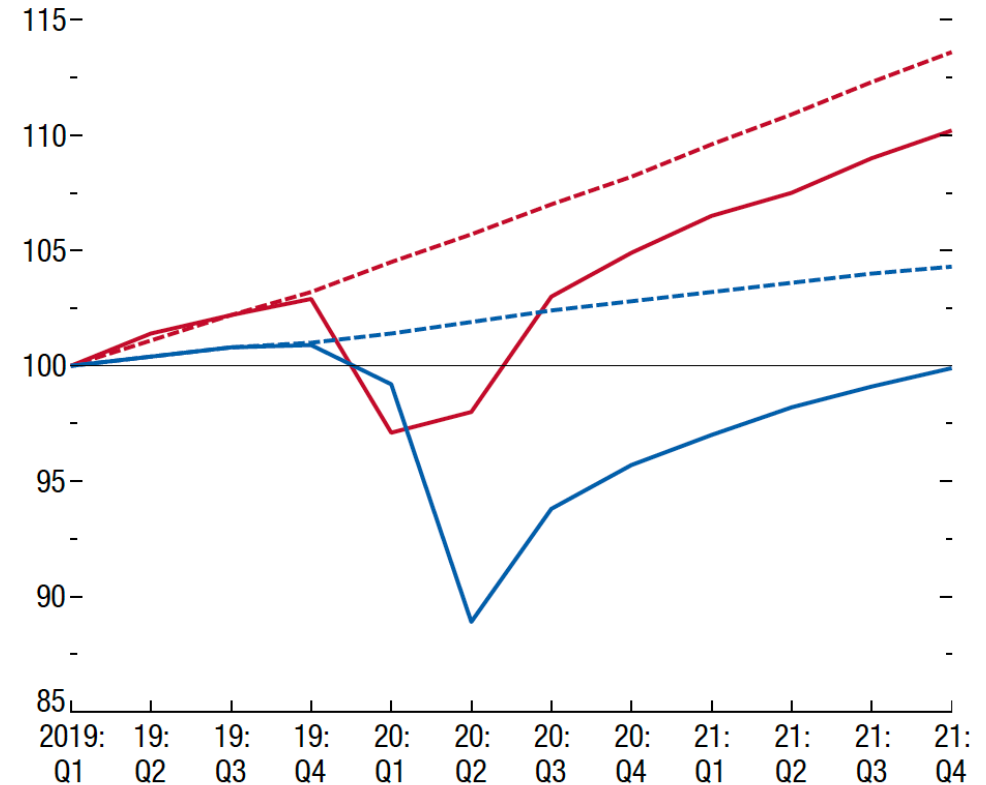


Source: FT

Quarterly World GDP

(2019: Q1 = 100; dashed lines indicate estimates from January 2020)

- Advanced economies
- Emerging market and developing economies



Source: IMF World Economic Outlook,
April 2020: Chapter 1, April 14, 2020

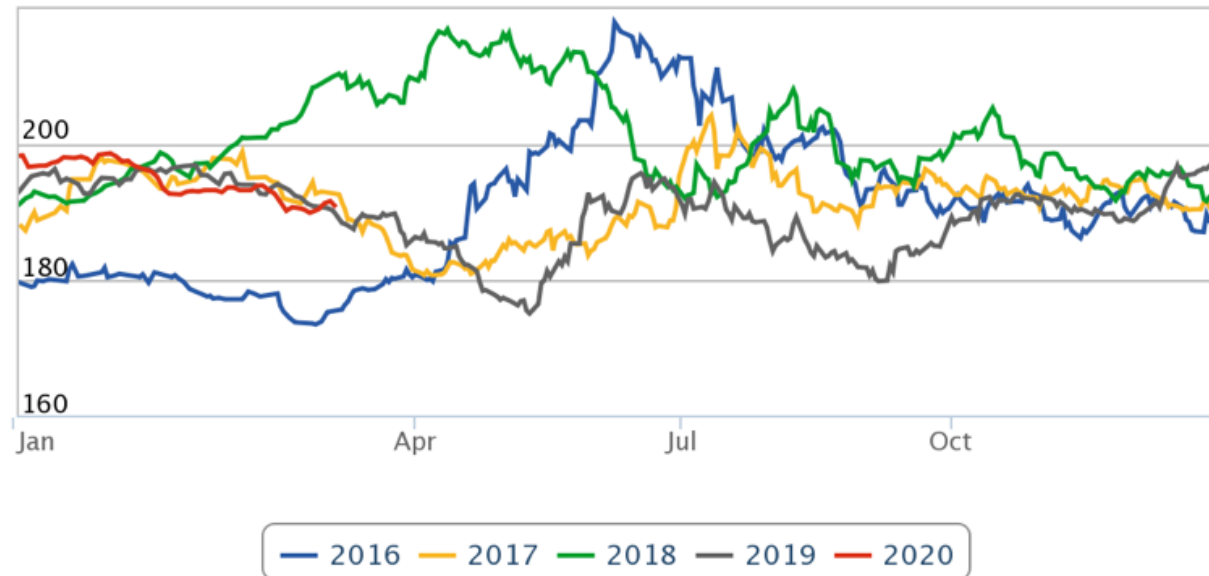
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...and combatting arising dangers



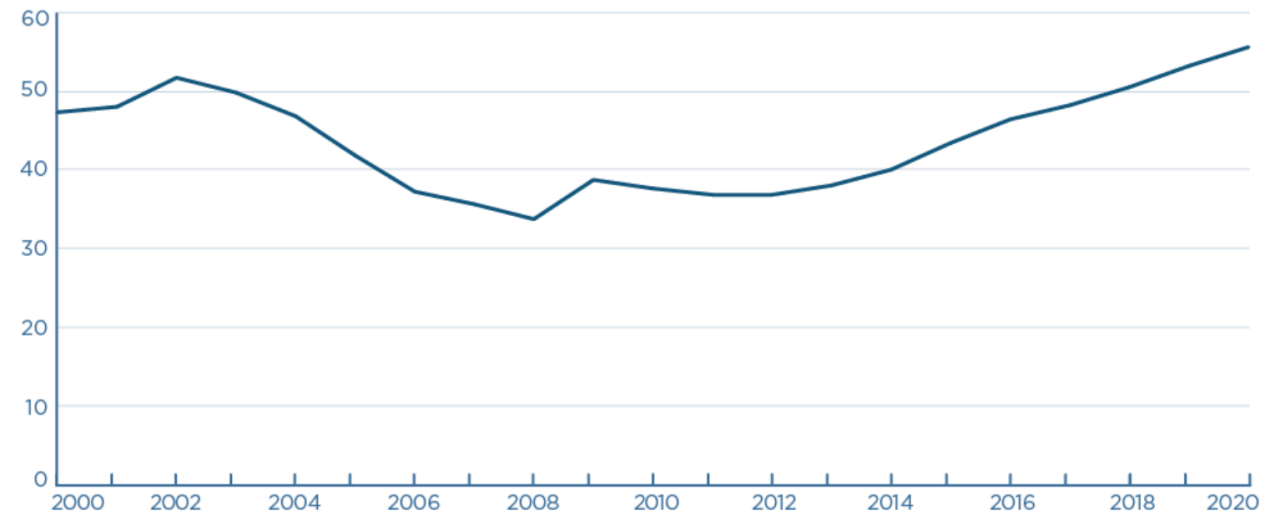
Grains and Oilseeds Index (by year)

Jan-00 = 100



Source: International Grains Council (IGC)

Gross government debt in emerging-market and developing economies, percent of GDP

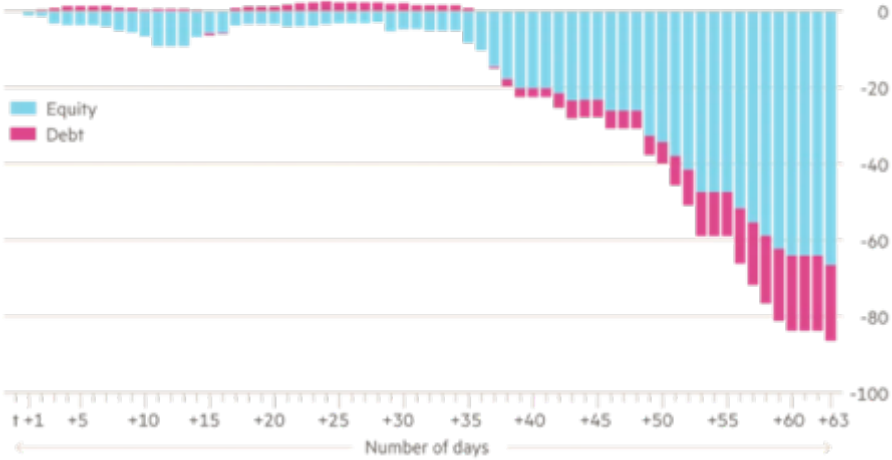


Source: Peterson Institute for international Economics

...meanwhile living with markets volatility

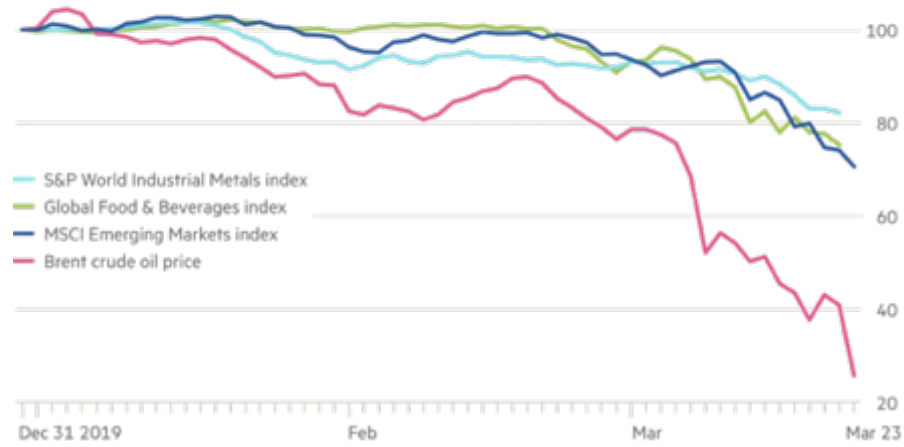
Investor sell-off of both emerging markets equities and debt

Accumulated non-resident portfolio flows to EMs since Jan 21 2020 (\$bn)



Commodity prices and emerging market stocks tumble

Indices and oil price (rebased)



Source: Financial Times – March 25, 2020

Crude Oil Brent Barrel Price as of April 15, 2020



Source: Trading Economics

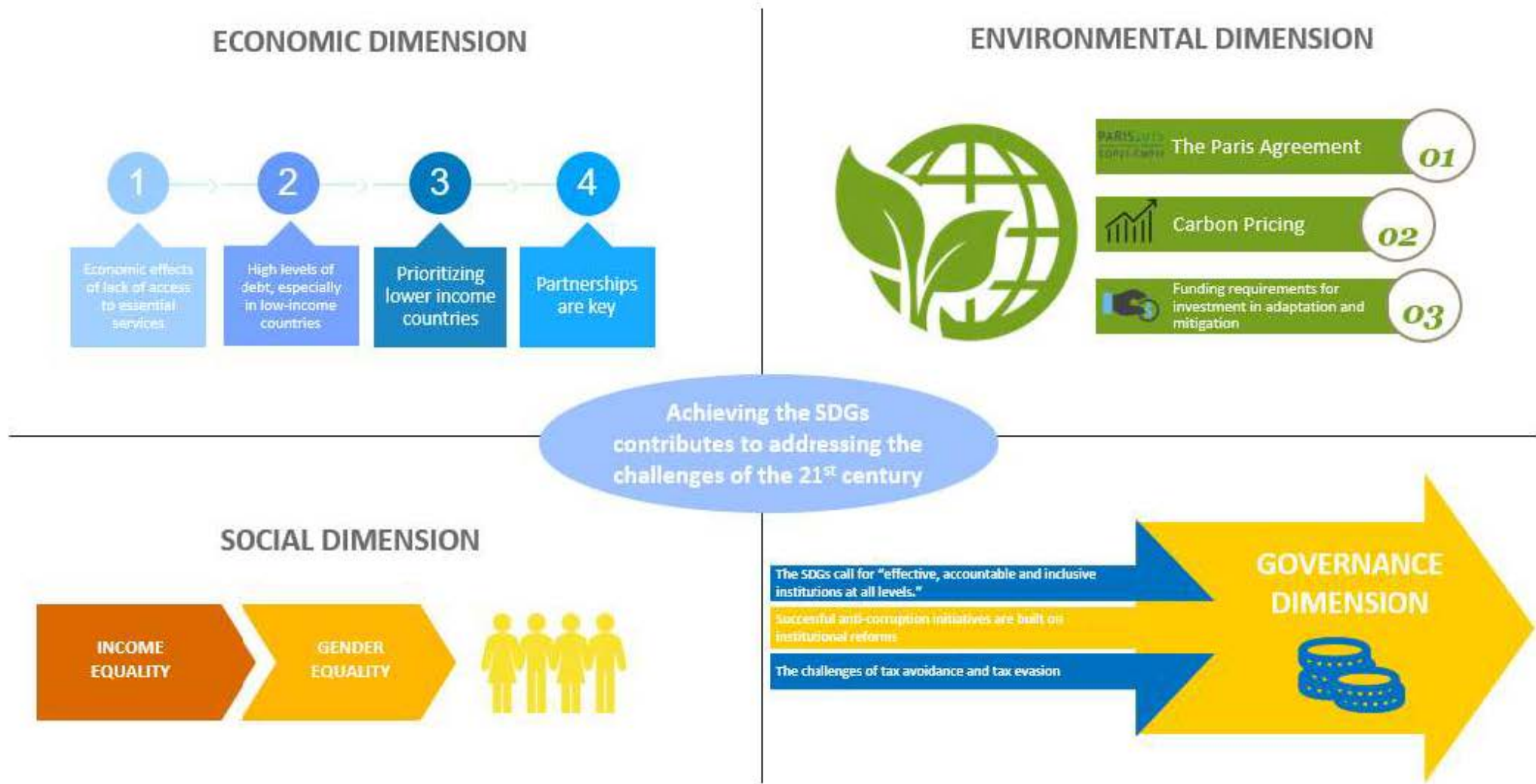
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What SDGs have to do with COVID-19 response and recovery?



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What SDGs have to do with COVID-19 response and recovery?



Source: Mahmoud Mohieldin, Durham University, based on a speech by IMF MD Lagarde (2018)

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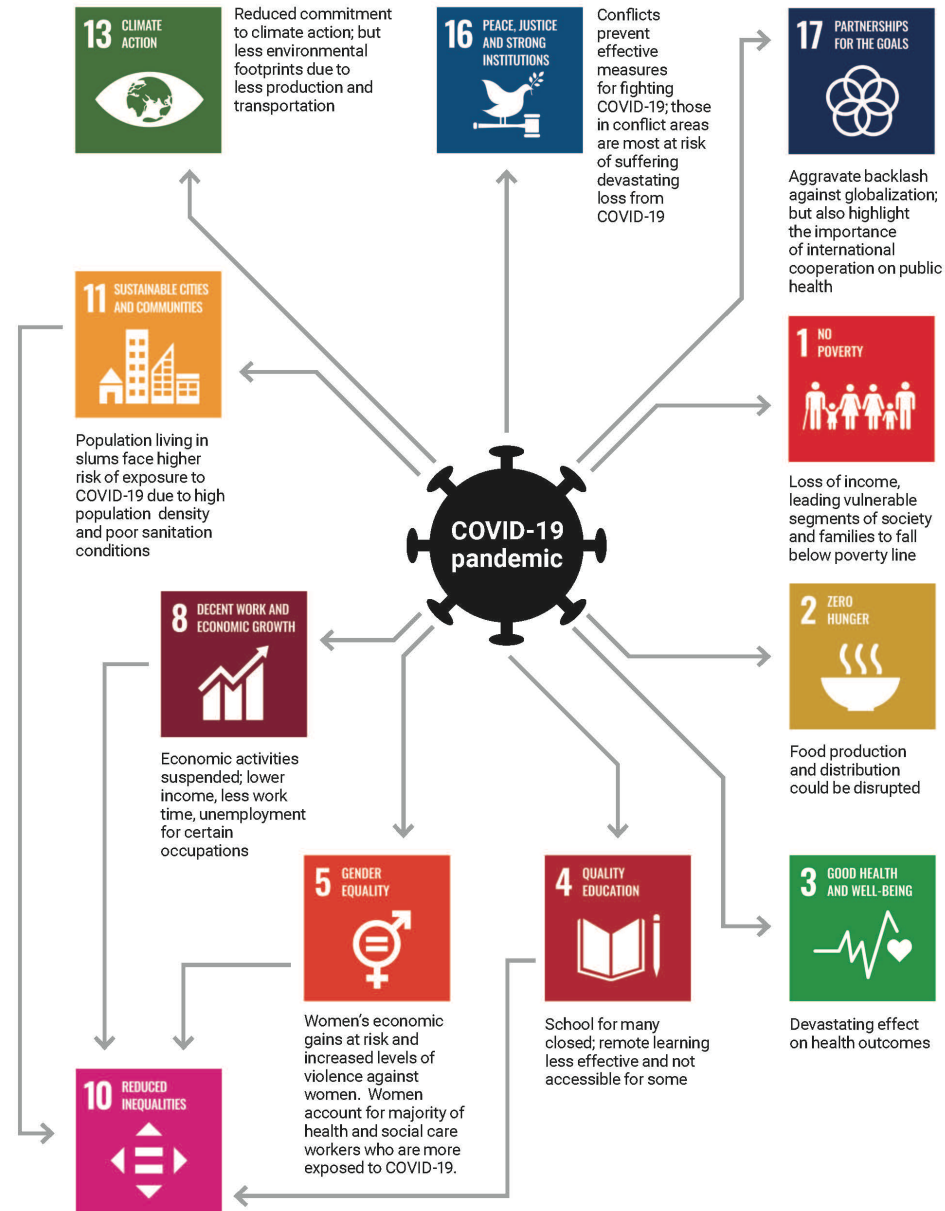
The cost of ignoring SDG 3



Global Preparedness Monitoring Board in September 2019 warned the world of an upcoming global pandemic

1. The world needs to proactively establish the systems and engagement needed to detect and control potential disease outbreaks.
2. For too long, we have allowed a cycle of panic and neglect when it comes to pandemics
3. Outbreaks hit lower-resourced communities much harder given their lack of access to basic health services, clean water and sanitation
4. Investing in health emergency preparedness will improve health outcomes, build community trust and reduce poverty, thereby also contributing to efforts to **achieve the United Nations Sustainable Development Goals.**

COVID-19 affecting all SDGs



Source: blue document

Is, and the UN: why they matter to everyone?

1+9 Proposals

1- Health Response (SDG3+)

Healthcare Front is of the utmost priority (could be 1-1.5% of GDP)

1. **Testing** Capabilities and equitable availability



Test

2. Securing Essential **Medical Supplies**



Medical Supplies

3. **Prioritize Research & Development** (COVID-19 vaccines and drugs)



Vaccines

4. **Sharing Knowledge** & Data



Shared Knowledge

1+9 Proposals

+9 Economic & Social and Financial Responses

1. **Understand that this great global crisis is unprecedented** (Whole of Nation and Whole of Government Approach – SDGs & Paris Agreement) – Intensify international cooperation and effective coordination to prevent other crises (Food, Debt, & Oil)
2. **Sustain** the support to the **health sector** after the crisis (Primary Healthcare & Universal Health Coverage) (SDG 3)
3. Invest in **education**, knowledge, and human Capital in the age of **Digitalization** (SDG 4)
4. Focus economic stimulus on the most vulnerable **people** and business (Cash Transfers & Universal Income – Targeted Support and Bailout) (SDG 1 & 10)

1+9 Proposals

+9 Economic & Social and Financial Responses

5. Prioritize **economic policies** in full partnership within a **whole of nation approach** with clear determination of the roles of Government, Community, and Private Sector. (Social protection, health insurance, enrolling the informal sector, impact investing, and social solidarity) (SDGs 1, 2, 4 8, 9, 10 & 16)
6. **Localize** Development and Investment (Implement SDG 11+ **Competition, Competitiveness, and combat Protectionism**)
7. Accelerate **Digitalization** (Develop the DNA “Data, Networks, and Artificial Intelligence”) (SDG 17 +)
8. Pay attention to **Losers, Winners, and Corona Profiteers** (The Role of Public Policy) (SDG 16)
9. Remember that **“Nothing is more permanent than the temporary”** – (Sunset Provisions) (SDGs & Beyond)

Great disruptors/ Global Megatrends will shape the new world

Megatrends collectively are going to shape a new and different world.



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One major lesson: Get prepared

Change Readiness Index

(Enterprise Capability – Government Capability – People and Civil Society Capability)

Country	Change Readiness Index (out of 140; KPMG, 2019)
Algeria	111
Bahrain	N/A
Comoros	N/A
Djibouti	N/A
Egypt	81
Iraq	N/A
Jordan	42
Kuwait	N/A
Lebanon	77
Mauritania	126
Morocco	67
Oman	N/A
Qatar	12
Saudi Arabia	30
Sudan	136
Tunisia	68
UAE	5
Yemen	N/A

Overall rank	Country	Region	Enterprise capability	Government capability	People & civil society capability
1	Switzerland	Northern, Southern and Western Europe	1	1	3
2	Singapore	East Asia and Pacific	2	2	10
3	Denmark	Northern, Southern and Western Europe	3	7	2
4	Sweden	Northern, Southern and Western Europe	8	5	1
5	United Arab Emirates	Middle East and North Africa	5	3	16
6	Norway	Northern, Southern and Western Europe	14	6	4
7	Germany	Northern, Southern and Western Europe	7	8	8
8	United Kingdom	Northern, Southern and Western Europe	6	11	6
9	New Zealand	East Asia and Pacific	10	9	11
10	Netherlands	Northern, Southern and Western Europe	9	12	7

Source: KPMG 2019 Change Readiness

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Some Old Good Proposals Should Remain

Investments in Human Capital

Early childhood education,
secondary and tertiary
Health (UHC)
Technical skills



Investments in Resilience

Social protection
Climate and disaster resilience
Risk identification and
preparedness



Investments in Infrastructure

The new DNA: Data, Networks
and Artificial Intelligence
Physical infrastructure
Internet connectivity



Pre- crisis lessons
- November 2019

The State of the
Sustainable Development Goals
in the Arab Region



Narrative Summit

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Leveraging the potential of disruptive changes requires a comprehensive policy framework

Effect of technology



Coordinate well:

- Global
- Regional
- National
- Local

Dimensions

Policy

Public policy: manage the direction and effects of change



Enablers



Goal



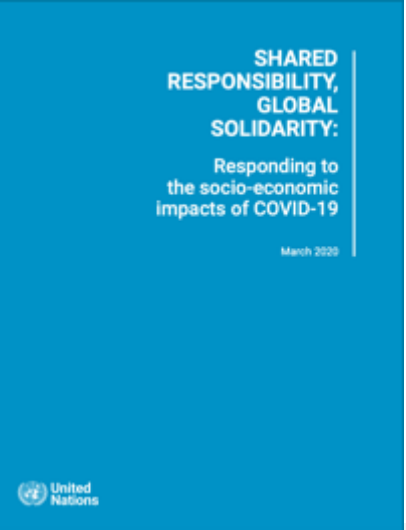
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 **SUSTAINABLE DEVELOPMENT GOALS**

Thank You



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