

GLOBAL COOPERATION DURING COVID-19

April to July 2020

TOM EVANS & ALEX SCOTT

15 July 2020

COVID-19 has disrupted the geopolitical landscape creating new challenges, barriers and opportunities for multilateral cooperation on global issues. E3G is monitoring geopolitical developments in this new landscape to track how the space for cooperation is evolving and its implications for global climate action. This memo provides a snapshot of our latest conclusions from this monitoring.

Initial conclusions

E3G's tracking of geopolitical developments since April 2020 has shown:

- The COVID-19 pandemic is a global risk that requires global cooperation to solve, and its challenges cannot be addressed in isolation. To date, cooperation has been inadequate and fractured. The overall consensus among experts is that global cooperation has failed to tackle the COVID-19 crisis with only 32.6% of 900 international relations scholars describing the global cooperation as very or somewhat effective.
- However, there have been some good examples of where cooperation has prospered. This includes extensive financial support and international aid raised to tackle the immediate health crisis, as well as regional, subnational and private sector cooperation. The final section of this paper provides further detail of the examples of cooperation seen during the COVID-19 crisis.



- In particular, climate change and calls for a green recovery have so far remained an issue where countries have been willing to cooperate, in multilateral fora such as the Placencia Ambition Forum, the Petersberg Climate Dialogue, the UNFCCC June Momentum and the IEA Clean **Energy Transitions Summit.** This raises hope for a pathway to successful outcomes at COP26. Climate change cooperation can serve as the foundations for building broader global cooperation in response to COVID-19, bolstering the multilateral system and rebuilding faith in the need for rules-based systems. However, if it is to succeed it will require efforts to ensure that climate action is complementary to wider, urgent COVID-19 issues requiring immediate cooperation, including global public health, food security and debt relief. Building these links will entail shifting dialogues from the realm of environment and climate change ministers, towards the attention of leaders and finance ministers, in order to bring top-down political drive to climate action to ensure its position as a top-tier geopolitical issue of relevance to the current crisis.
- The pandemic has accelerated pre-existing geopolitical trends, particularly the decline in the US engagement globally and a spike in its rivalry with China. China continues to seek to fill the political vacuum in the multilateral system left by a more isolationist USA. This has been powerfully demonstrated recently at the UN Human Rights Council, where 53 countries supported China, against 27 countries that called for action on issues including Hong Kong, Xinjiang and Tibet. Escalated US-China tensions risk rendering multilateral fora – including the UNFCCC and COP 26 – key battlegrounds for these global powers.
- Geopolitics has become highly volatile. The crisis is not limited to the health and economic impacts of COVID-19. Heightened tensions on the India-China border, rising maritime activity in the Asia-Pacific, global outcry at China's decision to impose new national security legislation in Hong Kong, disinformation campaigns spreading fake news all these examples, and more, are symptoms of a de-stabilised geopolitical system. Even the Black Lives Matter protests in the US (which have spread globally) are arguably reflective of this more volatile political climate.
- Many high-profile efforts from international institutions are not concrete actions, but rather statements, calls to action or pleas. Action has been limited for structural reasons – the WHO, for example, faces problems of a limited mandate, funding, and jurisdiction; as well as political ones – for example, the UN Security Council, the G20 and the G7 have been unable to drive extensive coordinated action. This has led to disappointing outcomes. For example, the loan financing and suspension of debt payments measures by the G20, World Bank and IMF are seen as



insufficient as they do not cover all the financing requirements of the Global South.

- In light of the many challenges faced by multilateralism, some countries are looking to alternative alliances be it the UK's D10 proposal, or Australia's coalition of 'First Movers' in which 'minilateralism' (convenings of a limited number of countries cooperating on an issue-by-issue basis) is creating opportunities where multilateralism has been unable to. It is too early to tell whether these minilateral alliances will serve to either exacerbate or mend tensions in multilateralism more broadly. Minilateralism may benefit policy implementation in the short-term, but risks undermining a more global rules-based approach and raises further questions about who gets a seat at the world's diplomatic tables.
- Traditional venues for diplomacy within the rules-based world order are being disrupted as a result of the political forces, both international and domestic, unleashed by COVID-19. Multilateral institutions such as the WHO have become highly politicised – as demonstrated by the US decision to withdraw from the body and the highly fraught World Health Assembly at which powers battled over the decision to commission an investigation into the pandemic. The G7 has also become a contested forum with an uncertain future, following the USA's proposal to include Russia and expand membership to Australia, South Korea and India.
- The poorest and most vulnerable countries continue to express concerns that developed nations are failing them during the pandemic. Efforts to bridge these divides will be necessary to set the conditions for ambitious outcomes on climate action. Pledges must now turn to action. These actors are particularly affected by a weakened multilateral system, becoming more exposed to bilateral political tensions and losing the global platforms in which they can make the voice heard.
- Climate is not the only issue that will require global cooperation over the next months ahead. This includes not only cooperation to strengthen health systems and tackle the pandemic, but also cooperation to handle related consequences of COVID-19 including debt relief, food security, humanitarian development, global security, macroeconomic stability and peacebuilding.



Highlights of International Cooperation in Response to the COVID-19 Pandemic

This is not a comprehensive list of all international cooperation during April-July 2020, but a snapshot of examples globally that have been captured by E3G's geopolitical tracker, to demonstrate where global cooperation has been forged during the COVID-19 pandemic.

Access to our full database for the E3G Geopolitics Tracker can be arranged on request.

Pandemic Response & Strengthening Health Systems

- The United Nations: The UN has launched a \$7.5bn inter-agency Global Humanitarian Appeal to support vulnerable countries in fighting COVID-19. So far, about \$1.64bn has been raised.
- The World Health Organization: The 73rd World Health Assembly adopted by consensus a resolution to combat the COVID-19 virus. Through the COVID-19 Solidarity Response Fund, the WHO was able to get funding to kickstart global coordination to combat the pandemic. However, the WHO is not without its challenges following the US decision to withdraw from the body, leaving it facing a financial hole.
- **The G20:** global leaders pledged to accelerate cooperation on a coronavirus vaccine and to share research, treatment and medicine across the globe.
- **The G7:** health ministers also agreed to coordinate their approach on travel regulations and precautions related to fighting the pandemic.
- **Coronavirus Global Response Initiative:** This is an international pledging marathon that has so far raised €15.9bn for universal access to tests, treatments and vaccines against coronavirus and for the global recovery.
- Access to COVID-19 Tools (ACT) Accelerator brings together governments, health organizations, scientists, businesses, civil society, and philanthropists who have joined forces to speed up an end to the pandemic.
- **The European Commission** has proposed a global alliance of high-income countries to ensure all nations gain access to any coronavirus vaccine.



• **GAVI** In June, the UK hosted the Global Vaccine Summit, with nations pledging \$8.8 billion to GAVI, the Global Vaccine Alliance, to immunise 300 million children in the poorest countries by 2025.

Regional Responses

- **The African Union:** the AU launched a continental strategy to better prepare and respond to the spread of the COVID-19 in Africa.
- Economic Community of West African States: Steps are now being taken towards the formulation of a more joined-up regional approach. Nigeria has been chosen to coordinate the regional response.
- Intergovernmental Authority on Development (IGAD): Leaders in East Africa - Kenya, Uganda, Ethiopia, Djibouti, Sudan, Somalia and South Sudan - said they will forge a joint approach to curb the spread of the coronavirus. One of the key agreements is to establish a continental anti-COVID-19 Africa Fund, with members agreeing to immediately contribute \$12.5m as seed funding.
- Southern Common Market (MERCOSUR): Mercosur is collaborating among member states to ensure the repatriation of citizens and has agreed to coordinate to ensure that trade flows, especially of medical supplies, are not interrupted by shutdown measures. Mercosur has also created a \$16m fund to increase country research and assist in the purchase of supplies needed to combat the virus.
- Association of Southeast Asian Nations (ASEAN): ASEAN has endorsed collective steps to fight the pandemic and held video conferences with China, Australia and the US discussing many collaboration efforts to combat the health crisis. The US committed to provide more than \$35.3m to ASEAN during the pandemic. The regional grouping convened a Special ASEAN Summit on COVID-19 where they discussed the economic fallout and the development of a post-pandemic recovery plan. ASEAN members have also held video conferences with Chinese, Japanese and South Korean counterparts under the ASEAN Plus Three framework to exchange information on containment and mitigation measures and to identify needs for technical support and medical supplies.
- The Gulf Cooperation Council (GCC): The GCC has established a joint operations room to share member states' experiences of handling and containing the spread of the virus, along with the latest data, statistics and level of preparedness.



• **'First Movers':** Australian officials have also been part of a weekly dialogue on the post-pandemic future with a group of countries that includes India, Japan, South Korea and Vietnam.

Finance, Aid & Debt Relief

- The IMF and the World Bank: Both institutions are providing most of the emergency response lending (a total of \$114bn available for countries to borrow). The World Bank will deploy as much as \$160bn over the next 15 months. More than 100 countries have taken out loans from the IMF and it has cancelled the debt payments of 25 countries for six months.
- The G20 suspended the repayment of debts of poorer countries until the end of 2020. However, there are challenges around accessing this, as some countries worry that accessing debt relief could negatively affect their credit ratings.
- **The G7** agreed to suspend official bilateral debt payments for the world's poorest countries. There is scope for extension to beyond the end of the year.
- **BRICS** members agreed to allocate \$15bn to the New Development Bank (NDB) to set up a special loan instrument to support the revival of economies and help meet the emergency expenses of the pandemic.
- The European Union has proposed a €3bn package to support 10 neighbouring countries, representing "an important demonstration of the EU's solidarity with these countries at a time of unprecedented crisis." This Team Europe approach has also channelled €3.25 billion to Africa, including €1.19 billion for the Northern African neighbourhood countries, as well as further funding to Asia, Pacific, Caribbean and Latin American countries.
- China will waive some Africa loan payments due this year, announced at an extraordinary summit between China and Africa leaders which issued a joint statement committing to solidarity in response to COVID-19. China augmented its contribution to the WHO to \$30m and committed to send \$2bn billion over two years to help with COVID-19 in affected countries.
- India has announced it will establish a INR 1 billion COVID-19 medical assistance plan that will target 90 countries.
- Donors pledged \$7.7bn to support Syria's collapsing economy as the civil war enters its 10th year during a pandemic.



Climate, Nature & Food

- The Partners for Inclusive Green Economy: global institutions working on development, labour and environment including UNEP, OECD, ILO and others, have united around key actions for spurring a green, just and transformative recovery.
- High Ambition Coalition for Nature and People: a group of 14
 Environment Ministers formed a new High Ambition Coalition (HAC) that
 are calling on all governments to preserve and effectively manage at least
 30% of the planet's lands and oceans by 2030 among other objectives.
- US, EU and other World Trade Organization (WTO) countries: 50 members of the WTO have signed a statement to keep food supply chains open as much as possible. They also agreed to engage in a dialogue to improve their preparedness and responsiveness to regional or international pandemics.
- The EU has mobilised a further €15 million to support the United Nations and partner countries in the fight against one of the worst desert locust outbreaks seen in East Africa in decades.
- Around 54 leaders from the African Adaptation Initiative have endorsed the policy recommendations outlined in the brief "Integrated Responses to Building Climate and Pandemic Resilience in Africa"
- Japan is to launch a 'green recovery' platform and ministerial meeting later this year. Environment minister Shinjirō Koizumi is seeking to boost international cooperation on climate change through the response to the coronavirus pandemic.
- The IEA has launched a joint report with the IMF on Sustainable Recovery and is hosting its Clean Energy Transitions Summit on this topic with Ministers representing over 80% of global energy use
- India has launched its One Sun, On World, One Grid vision to work towards a single, globally connected electricity grid.
- The UN Financing for Development Forum convened by Jamaica and Canada has launched 6 workstreams, including a UK-EU-Fiji-Rwanda led initiative on sustainable and inclusive recovery



Sub-national and private sector cooperation

- **C40 mayors** have united to launch the Global Mayors COVID-19 Recovery Task Force to rebuild their cities and economies, with a focus on improving the resilience of cities and to protect against future threats.
- Mayors of four EU capitals (Budapest, Bratislava, Prague, Warsaw) endorsed the European Green Deal proposed additional measures to the EU Council to support cities in robust climate action.
- The **Global Investors for Sustainable Development Alliance** issued a statement vowing greater action to combat the economic crisis driven by the COVID-19. Members agreed to accelerate efforts to align investment with sustainable development objectives.
- More than 150 business giants, including Carlsberg, H&M and Pernod Ricard, with a combined market capitalisation of more than USD 2.4 trillion signed a joint statement calling on all governments to align coronavirus economic responses to climate science.
- A group of 109 investor signatories, with EUR 11.9 trillion in assets under management have sent a letter to EU leaders calling for a sustainable recovery from COVID-19.