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**House Foreign Affairs Committee
Subcommittee on International Development, International
Organizations, and Global Corporate Social Impact**

**“A Year into the Pandemic: The State of International
Development”**

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Chairman Castro, Ranking Member Malliotakis, and Members of the Subcommittee, thank you for the opportunity to speak with you today.

A little more than one year ago, the first American died of Covid-19. In the year since, the virus has killed more than 500,000 of our fellow citizens and millions more around the world. Beyond these tragic numbers, however, is additional foreboding data: nearly every essential indicator of human well-being has collapsed. In one year, Covid-19 has erased decades of progress in the fights against poverty, hunger, poor education, bad health, and gender inequality, leaving billions around the world farther behind.

As the pandemic enters its second year, America is at risk of a new variant prolonging this pandemic. To avoid that outcome, U.S. leadership is as critical as ever. On our own, with bilateral partners, and within multilateral institutions, the United States must lead massive, coordinated initiatives in the developing world. This is within our power – and the broad bipartisan tradition this Subcommittee has long embodied. I know we can meet this moment as we have so many others.

A More Vulnerable World

Today, the world is even more vulnerable to another wave in this pandemic, prolonging the health and economic crisis, than it was at the start of the Covid-19 pandemic.

People and countries around the world have been battered. Global extreme poverty will rise for the first time in over 20 years: the pandemic [pushed an additional 119 million to 124 million](#) people into extreme poverty last year, with the total expected to rise to as many as 163 million by the end of 2021. Similar setbacks are expected in efforts against child mortality, gender inequality, and hunger. For example, the World

Food Programme [estimates 270 million people](#) face acute food insecurity today, an 82% increase from before the pandemic outbreak.

Thus far, the American and global responses to the pandemic – and this damage – have been insufficient. For example:

- The Access to COVID-19 Tools (ACT) Accelerator, which the World Health Organization and leading global public health entities established to pool resources and speed distribution of testing, treatment, and vaccine advances, is [more than \\$22 billion](#) short of its budget this year – despite new commitments from President Biden’s administration. And COVAX, the ACT-Accelerator’s vaccine initiative, is aiming too low, currently trying to achieve only 20 percent vaccinations in most countries. That level will not stop new variants from developing – keeping us all at risk.
- Meanwhile, developed economies [have announced](#) fiscal commitments equivalent of 24% of GDP to stimulate growth thus far; but low-income countries have only been able to muster a little more than 2%. Multinational institutions and their shareholders have yet to fill the shortfall: although, the World Bank [committed \\$160 billion](#) last year to address Covid-19, that boost was slower and smaller than what it did after the 2008 financial crisis.

As a result, the world faces extraordinary global challenges even as it is increasingly divided in two realities, with one set of countries on the verge of moving beyond the pandemic and the other still mired in it. Advanced economies, with greater flexibility for fiscal and monetary measures and access to vaccines, can look at a return to something near normal within the next year. Meanwhile, the pandemic’s tail will be far longer in developing countries, where fiscal limits slow recoveries and vaccine delays slow sufficient immunity to Covid-19.

New Risks

Unfortunately, even as much of the world has the vaccines to overcome this disease, the risks of several new crises are growing. The risk of new variant – and prolonged extension of this pandemic – is higher than many people think, but that is only one of a myriad of rising challenges.

We know people become more vulnerable to Covid-19 and other diseases when they’re hungrier, poorer and less able to access health care—the situation in many countries. As people become more susceptible to the virus or a new variant, the potential

costs of the inadequate vaccine response now grow higher. A recent study commissioned by the International Chamber of Commerce [found the global economy](#) could lose as much as \$9.2 trillion if developing economies are not given access to vaccines and support for vaccination programs.

Unfortunately, with so large a pool of vulnerable, under-vaccinated people around the world, the odds are extremely high – virtually 100 percent – that ongoing mutations will lead to variants that will be more transmissible, more deadly, and less responsive to existing vaccines and therapeutics, or a combination of these dangerous changes.

Americans have learned this year what damage variants like that, even originating thousands of miles from the United States, can do to our interests. Indeed, a vaccine-resistant variant that mutates in one under-vaccinated country threatens us all. A variant outbreak could waste all we've done in the last year: our health professionals' sacrifices, our researchers' miracle vaccines and treatments, and our taxpayers' and governments' investments to restart growth. And continued disease outbreaks could lead to shutdowns that stall our own economic recovery.

Of course, the risks this vulnerability poses to the United States are not just related to disease. Before the pandemic, developing economies represented a significant share of global and American economic growth, essential to trade and supply chains. If they remain stuck in the Covid-19 pandemic and stifled by lockdowns and low-growth, the U.S. economy will struggle to regain momentum – despite new fiscal and monetary stimulus. In addition, nations that struggle with these pandemics are more likely – over the long term – to pose security risks, either by falling apart or fighting wars that affect U.S. interests.

U.S.-Led Global Response

As generations of American leaders in both parties have understood, such risks will make the American people far less safe and secure. Today's leaders, must work bilaterally and multilaterally to lead an aggressive, coordinated response to beat the pandemic and enable an economic recovery in the developing world.

To start, the ACT-Accelerator must be fully funded and tasked with developing a multinational vaccination program. COVAX's 2021 funding targets are only sufficient to meet a target of 20 percent vaccinations in countries. The United States must encourage the WHO and its partners to do better than 20 percent. But we also must be conscientious of the difficulties in mass vaccination campaigns, some of which we are still managing

here in the United States. That's why in addition to investing in production, we must invest in the health workers and systems needed to get a dose from a delivery plane to where it can be delivered into someone's arm.

That may require more resources – economist Jeffrey Sachs suggests up to \$50 billion through 2022 – but it's a worthwhile investment that will protect the trillions we've spent on our own response and recovery. We'll need to be creative to fill this financing gap. For example, the United States and rest of the Group of 20 (G20) should continue to encourage the International Monetary Fund (IMF) to issue special drawing rights, known as SDRs, to help fill the shortfall and move quickly to ensure that the IMF has the requisite regulatory and resource support to do so.

In addition, even as the United States helps the world get vaccinated, we need to build systems to prevent future outbreaks from even becoming pandemics. The world will never feel safe enough until a multinational surveillance platform is in place to share real-time information about variants and new viruses and best practices for response.

Because better health starts with better nutrition, the United States also needs to help provide emergency food relief and reinvest in food systems to avoid the long tail of the food pandemic, which will extend the health pandemic.

And just as Congress contemplates creating infrastructure to help the U.S. economy rebound, the United States and the G20 should invest in job-rich green infrastructure in emerging and developing countries. Such growth would, according to the IMF, require \$2.5 trillion a year. That funding could be developed either via individual national contributions or multinational financing, including new or re-allocated SDRs to provide liquidity to low-income countries, both of which can be used to attract multiples of financing from the private sector.

New Era of U.S. Leadership.

The United States faces a choice between two futures. We can focus only on home: leaving too many abroad too far behind, the virus too many opportunities to mutate and spread, and the world too ill-equipped to deal with the next crisis. Or the United States can choose to help inoculate and make investments in low-income countries, to effectively end this pandemic and to make the world and the United States less vulnerable to those of the future.

As Prepared

For the past two decades, I've worked with Republicans and Democrats alike to vaccinate the world through GAVI, the Vaccine Alliance; to respond to crises in Haiti, Somalia, Afghanistan, and elsewhere; and to combat pandemics like Ebola and Covid-19. With even small investments, Americans have time and again made an enormous impact. The world is looking to the United States – and those on this Subcommittee – to do so again.

It is in America's interests for this Subcommittee, and all of us, to meet this moment. The United States can again remind ourselves and those abroad that we can come together and lead the world to a better, stronger, more stable future.

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