



EMEA Webinar on "COVID-19 in the Mediterranean and Africa: What is the way forward to tackle socio-economic challenges in the region"

Date 07 May 2020, 15:00

The panel, moderated by **Prof. Rym Ayadi**, EMEA President, included: **Roger Albinyana**, Member of EMEA Advisory Board, Director of Mediterranean Regional Policies, European Institute of the Mediterranean and Associate Professor at the University of Barcelona; **Hakim Ben Hamouda**, Former Minister of Economy and Finance, Tunisia; **Fathallah Sijilmassi**, Member of the Advisory Board, EMEA, EMNES and Former Ambassador and Secretary General of the Union for the Mediterranean; Ambassador **Sena Siaw-Boateng**, Ambassador of Ghana to Brussels, Luxembourg and EU; **Moubarack Lo**, Director General of the Economic Foresight Bureau of Senegal and Former Special Advisor to the Prime Minister, Senegal; and **Hamed El Etreby**, Senior Economic Advisor, Business Development and Employment Division, Union for the Mediterranean.

Rapporteur : Sara Ronco – EMEA Researcher

Introduction:

The COVID-19 global pandemic has shown the world that no governments from either developed or developing nations were ready to prevent or to manage such an abrupt external shock. The uncertainty surrounding the virus and its suppression, the undefined timeframe potentially needed (12-18 months) to deliver effective treatments and vaccines and the consequences of extending periods of lockdown and confinement, the absence of a clear strategy on the return to “normality” post-lockdown without risking entering another infectious wave, together with the global

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nature of the COVID-19 pandemic, have put undue pressure on economies and financial markets world-wide. Strict containment, lockdown and mobility restriction measures seem to be effective when it comes to saving lives, but at a high financial and economic cost. This webinar, motivated by the recently published study on “COVID-19 in the Mediterranean and Africa: Diagnosis, Policy Responses, Preliminary Assessment and Way forward”, will discuss the effectiveness and socio-economic impact of policy measures taken in the Euro-Mediterranean and Africa, with a view to further advancing the policy response assessment at three levels:

1. Preparedness and effectiveness of healthcare systems;
2. Completeness and timeliness of COVID-19 containment policies; and
3. Comprehensiveness (and solidarity) of socio-economic mitigation policies.

Panelist Presentations:



Roger Albinyana: He started by congratulating the work done by EMEA and EMNES in producing a timely and valuable study on COVID-19 in the Mediterranean. He moved to the case of Spain. From the disease perspective, he stressed the good news of having reached a stable virus reproduction number of below 1, since the 25th of April. From the economic point of view, the country had gone through a very difficult period since the pandemic started, with one of the highest death tolls per capita in the world. He stressed that Spain will face a very severe economic downturn, since its economy is expected to contract by more than 9% this year (the

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worst figure since 1939). The future of the economy is a scary picture and he suggests thinking from the “three Rs” perspective: Recover, Restart and Reinvent. In order to “Recover” and “Restart” public intervention will be crucial, with measures needing to go beyond the facilitation of soft credits and guarantees for the private sector, by extending payment schemes for temporary unemployment. In order to “Reinvent” he stressed the importance of taking advantage of this crisis to really move towards a new transition scenario aimed at building a more responsible, sustainable, resilient and inclusive future. It was imperative to avoid repeating the same mistakes of the past. He concluded by saying that international organisations have to be strengthened and enforced, in order to be able to effectively tackle global problems in a timely fashion, going beyond national and political interests.

Hakim Ben Hamouda: He started by talking about the impact of the pandemic in Tunisia. A study he and his colleagues published in a Tunisian newspaper in mid-March, projected a recession of around - 4% growth in 2020, if total confinement was to have been eased by the end of May. He stressed that this will be the most severe downturn in Tunisian economy in modern history and in the post-independence era. Unemployment level is already quite high in Tunisia (at almost 14%) and they are expecting that this level of employment will go up to 18%-19% by the end of the year, he said. As for the responses, in Tunisia, as in all North African countries, the government tried to respond on three levels. The first, the medical level, is under control and has been largely less dramatic than what was expected, looking at the whole of the North Mediterranean. Second, on the economic front, the government provides support for local firms, trying to reduce the level of the liquidity crisis (through social security payments, fiscal payments and trying to accelerate delays in government payments to private firms, etc). Third, social measures to support the most vulnerable categories with some monetary disbursements. He then focussed on some of the main problems in the current response which are the challenges for transitioning towards post-COVID-19: short-term responses (no medium-to-long term perspective is needed); the difficulties of implementation due to under-resourced and complicated bureaucracy; and lack of technology in both the public and private sectors. He concluded with a general thought on the international political and academic context “I don't think that we are prepared from not only the financial point of view, but also from an intellectual point of view, from the readiness of our tools to respond to this”.

Fathallah Sijilmassi: He started by analysing how the spread of the virus followed patterns of trading mobility around the world. The timeframe of spreading provided the possibility for countries, like Morocco, to have the capacity to perhaps react

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more swiftly and more rapidly than those European countries who achieved good results in containing the contagion. Morocco adopted prompt containment measures, closing borders and confining its citizens. On the economic front, he said Morocco put in place a special COVID-19 Fund which has now reached almost 4 billion euros that has enabled the government to act on three main pillars: the first pillar was improving the medical infrastructure; the second pillar was providing economic support, with the help of Morocco's Economic Monitoring Committee (CVE), which is an Inter-governmental institution with the Central Bank as a member, constantly monitoring the economic situation internally and internationally; another important pillar was social solidarity, essential not only for the co-ownership of solidarity action towards solutions by the population, but also for providing something that comes in addition to the efforts by the government. He then stressed the importance of regional and international cooperation. Morocco received 415 million euros of financial support from the European Union and the King of Morocco launched an initiative towards Africa to strengthen cooperation across the continent. He mentioned the different possible scenarios for economic recovery (V, U, L, W), saying that was very difficult to make projections on the “angle of the curve” and stressing the importance to look not only at the possible effects on 2020 but also in 2021. He stated that there will be greater importance provided and given by all governments to strengthen domestic markets in terms of industrial production, health infrastructure, the agribusiness sector (in order to ensure self-sufficiency of the country) and education. But, also, other sectors will be crucial to invest in: digitalisation, artificial intelligence, solidarity and social businesses. Nevertheless, he also stressed the need to focus on strengthening domestic markets, not only by investing domestically in the aforementioned dimensions, but also through investing in strengthening value chains for exports and FDI, especially within the Euro Mediterranean-African region. He concluded by stressing the importance of cooperation beyond any North-South division, saying that “we are facing it together and we will win together, or we will lose together”.

Ambassador Sena Siaw-Boateng: She started by quoting the president of Ghana who said, “We know how to bring the economy back to life, but what we do not know is how to bring people back to life”. Ghana implemented very prompt and decisive containment measures. Immediately after the first cases were detected, the borders were closed and all incoming flights were stopped. Those coming from abroad were all placed in mandatory quarantine at the government’s expense. This was, she said, an extremely key action in blocking the spreading of the virus. In fact, about 80% of people quarantined were tested positive. In Ghana, contact tracing

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has been put in place for each case detected, testing capacity is high and treatment is effective. The case-fatality rate is very low and amongst the deaths more than 84% were old and/or had underlying medical conditions. Furthermore, drones were quickly deployed to fly the tests around the country, from very remote areas to the centres where the testing was being conducted. She then illustrated the socio-economic mitigation measures implemented by the government. Government had put in place a very swift recovery packages for the public. During the three-week lockdown food packages were distributed to all the most vulnerable. Electricity and water bills were suspended for everyone and taxes on frontline workers' salaries have been waived. Textile factories throughout the country started producing PPEs which were also exported to other countries in the region. The Government put in place a 600 million stimulus package for MSMEs and, she stressed, technology had played an important role in gaining access to the stimulus package. In Ghana, the fintech industry is fully developed. There is a lot of mobile banking and, therefore, sending money across the country was not difficult, which also helped in the way the pandemic was managed. She said that they must conduct studies in remote areas to see where there are shortfalls in access to the internet and to study how to fill the gap. Nevertheless, education and access to technology still remained important challenges for the ECOWAS region. The Ghanaian currency depreciated by 7% between March and May against the US dollar, whilst growth during the contagion declined to 2.5% (from the 6.8% expected before the crisis). Finally, she stressed the importance for Africa to look at its potential in research and innovation, and also in developing medical equipment, treatments and vaccines for this virus.

Mobarack Lo: The measures undertaken by Senegal were very similar to what was said by previous panelists, he said. Basically, all countries had three main paths of governmental intervention. The first being the medical path, with the most urgent priority of stopping the spreading of the virus. So far, Senegal had not experienced an exponential curve in contagion. The highest percentage of infection was concentrated in the capital. The policy implemented was aimed at slowing down the rate of infection and accelerating the recovery rate. As of now, 38% of people infected were recovered, at the beginning of April the recovery rate was 62%. He stated that they are reaching what they are expecting to be the maximum. They expect in the coming days to be able to declare that by end of May the country will have reached a progression in recovery rate and a decrease in the number of cases. Senegal's policy was not to test everybody, but to concentrate their efforts around the detected cases, isolating and monitoring all the contacts of the infected person. For treatment, they have been using chloroquine from the outset. As for the socio-

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economic plan, he said that had distributed food to half of households (1 million). Furthermore, a lot of measures to help MSMEs were being implemented and there were projects for the informal sector, to give them access to some dedicated funds.

Hamed El Etreby: He started by saying that the impact of the pandemic was uneven worldwide but, that in terms of contagion and mortality, the UfM region was one of the most affected in the world. Confinement and preventive measures to combat the pandemic were asymmetric across the region, and the reaction of each country was more driven by the national interest. Nevertheless, in his opinion it was too early to evaluate the measures taken and there was not a one-size-fits-all package or metric. He stressed the need to develop a new formula for multilateralism and globalisation. He stated that a regional vision to orchestrate the path ahead was fundamental and indispensable for proceeding towards a more integrated region. Speaking about deconfinement, he said it could not be done in isolation or by one another. Talking about the UfM efforts put in place, he said they had intensified consultations with all members and strategic partners since the start of the pandemic. They had also established a permanent task force coordinating all responses to the crisis. Moreover, they had immediately revisited their annual programme, in order to re-calibrate and tailor the relevant activities to the post-pandemic recovery and to promote civic protection, resilience, social values, vision transformation and job creation amongst others. He invited everyone to look at the UfM website for an overview of all the projects and the web conferences they were organising. He concluded with the code “on the conduct of each depends the fate of all”, with the wish to take this as the guiding principle for the time to come.

Main issues discussed

- a) Governments have implemented short-term policies, there is a need for medium-to-long term planning.
- b) South-Mediterranean countries need to share practices with Europe and find a way to enforce cooperation and create solid regional institutions capable of responding effectively and coherently to a crisis, like the ECB for European Countries
- c) Africa needs to have equitable access to vaccines, technology and patents and to share ideas in order to develop its own strategy and its own treatments.