



## **CALL FOR ACTION**

### **IGAD MINISTERS OF FINANCE MEETING ON RESPONSE TO THE COVID-19 PANDEMIC**

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The global growth rate in the face of the ongoing COVID-19 pandemic is projected to be 1.8%, which denotes a recession. The weak recovery from pre-existing challenges such as a prolonged drought and the desert locust invasion coupled with the ongoing outbreak of COVID 19 has further weakened the growth forecast in all IGAD member States. Most importantly, geo-political tensions have intensified with serious economic implications to the region. The IGAD member states will continue to address these risks, and stand ready to take further action. The first online meeting of the IGAD Ministers of Finance which took place on 9<sup>th</sup> April, 2020, is the first consultation meeting of its kind coming at a time when increasing cases of COVID-19 virus have been confirmed and the numbers of affected and dead are rising.

The Ministers of Finance confirmed that appropriate measures were being put in place to mitigate the spread of the virus and ameliorate the negative economic effects of corona virus disease 2019 (COVID-19). They emphasized that the priority was to save lives by continuing efforts to raise awareness, managing the social and economic consequences of social distancing and lockdowns and focusing on the most vulnerable population groups. As the social fabric constitutes the base of solidarity in our culture, the Ministers called upon solidarity and creativity from all factions of the society including making a special call for the private sector to contribute generously during this difficult time.

The meeting focused on five main issues, (a) the health impact of COVID-19 (b) human crisis; (c) the need for debt relief and (d) fiscal stimulus for all IGAD countries including special consideration to Sudan, South Sudan and Somalia and (e) call for better coordination of all initiatives aimed at managing COVID-19 and issued the following declaration;

**We, the Finance Ministers of IGAD Member States formally convening via an online meeting to discuss the regional response to the coronavirus disease (COVID-19) pandemic on 9<sup>th</sup> April 2020;**

**Note** that this is the first ever IGAD meeting for Ministers of Finance necessitated by the challenges of COVID-19;

**Request** the IGAD Secretariat to regularly organize such meetings to discuss the regional issues of common interest;

**Deeply concerned** by the Corona Virus (COVID-19) pandemic which constitutes an unprecedented global health, social and economic crisis affecting a large part of the world and particularly the IGAD region;

**Alarmed** that the COVID-19 pandemic presents a profound challenge to IGAD health systems, economies and societies and that the regional aspiration of shared intent to build integrated, sustainable and resilient economies able to support the livelihoods and aspirations of 270 million people is under threat.

**Appreciate** the swift action taken by all the IGAD Heads of State and Government to contain and combat the spread of the Corona Virus and responding to the urgent call to collectively formulate a comprehensive response strategy to COVID-19 for the IGAD region;

**Recognize** the current needs of the region to cost, budget and mobilize the monetary and material resources required to underwrite the current needs of the region to collaboratively combat the Coronavirus for the duration of the outbreak;

**Acknowledge** that the countries Poverty Reduction efforts which would require a substantial increase in resources to address both current challenging COVID 19 while still meeting the SDGs;

**Aware of** the fact that IGAD member countries have a low number of confirmed infections thus far relative to other countries and recognize the available medical professionals, intensive care unit and regular hospital beds, insurance systems, and critical equipment is low by national, regional and international standards, and cannot sustain an effective response in the event of a modest surge in infections;

**Emphasize** that although the incidence, morbidity and mortality of COVID 19 is low in the region compared to global numbers, COVID 19 has hit IGAD member States economies and societies hard;

**Cognizant** that containment measures, while necessary, will create supply and demand shocks to our already fragile economies, reduce remittances and affect income flows to businesses and such measures will be economically expensive and may not be sustainable for most IGAD member states;

**Deeply committed** to mobilizing the leadership and citizenry of IGAD member states to action for the common good at this time of great need;

**We hereby solemnly resolve to:**

**A. On Health Impact of the COVID-19 Pandemic;**

1. Make funding available from domestic resources for increasing disease surveillance and strengthening the institutional set up including scaling up the response to the COVID-19 and other similar socially and economically important outbreaks such as Rift Valley Fever and desert locusts;

2. Request the health private sector in the region to collaborate and contribute to the fight against COVID-19 by promptly communicating changes to health procedures and implementing the said procedures in a coordinated and unified manner;
3. Ensure the international movement of critical health and technical experts;
4. Launch the emergency fund for medical supplies with a call for support from Member States, development partners and the private sector;
5. Formulate a high-level joint taskforce comprising of members from the ministries of Finance, Health and IGAD to communicate and mobilize more resources in an effective and a coordinated manner to respond to COVID-19;

**B. On socio-economic impact of the COVID-19**

1. Endorse social protection and jobs programs in response to the pandemic through social assistance programs, social insurance, cash transfer and supply-side labor market interventions,
2. Support the joint approach to the multi-lateral financial institutions while requesting for additional funding or debt relief;
3. Stress the need for greater flexibility by the IMF and World Bank to support IGAD Member States currently cut-off from IFI financial support because of outstanding arrears;
4. Support Sudan, South Sudan and Somalia to be able to access concessional and grant funding from IFIs where these member states do not have direct relations with the IFI's or have no capacity to implement projects, IGAD Secretariat could be used as a third party; or alternatively using IGAD Secretariat as third party. The later institutional arrangement has been adopted by AFDB for release of funds to Sudan, South Sudan and Somalia in the past;
5. Establish new and strengthen existing mechanisms and structures, particularly the establishment of corresponding banks to safeguard remittances by our citizens in the diaspora while encouraging them to continue sending their remittances home;
6. Provide incentives to local manufacturers and local producers to produce personal protective clothing and equipment, medical supplies and other necessary materials to respond to COVID-19 and other diseases;
7. Ensure support to vulnerable populations including homeless families in urban areas, orphans, IDPs and refugees and pastoralists, through safety nets and direct support packages to households;

8. Provide additional support measures to SMEs and taking COVID 19 as an opportunity to explore approaches to establishing a safety net for IGAD citizens engaged by the informal sector;
9. Commit to reduce various tax obligations for different segments of the population especially on essential food and hygiene items;
10. Appeal to local banks and international financial institutions to support the distressed private sector in the region;

**C. On Establishment of the Emergency Fund for COVID-19 and other disease outbreaks**

**Pledge** to step in and speed up the establishment of a sustainable Emergency Fund to respond to COVID-19, noting that the fund will not only deal with COVID-19 but also other epidemics and pestilence that may have significant direct effect on large sections of our population and national economies;

**Commit** to contribute to the emergency fund once established;

**NEXT STEPS**

The Ministers emphasize that the measures they have called for must be in place and part of the outcomes of the following activities and events for which support would be formalized:

- (a) The World Bank stakeholders' initiative;
- (b) Side events to be organized at all relevant global meetings to further discuss and mobilize emergency and development support for the IGAD region;
- (c) The IGAD regional taskforce on Pandemics which will further facilitate knowledge generation and sharing among IGAD Member States, administrate the regional emergency fund on pandemics and support the expansion and role of digital economy to counteract the economic effects of restrictions in movement and travel. Further, the study will have to identify specific border-crossing areas between member countries that are designated as potential points of transmission and essential to trade, as well as the cost of strengthening and where necessary establishing health facilities to counter COVID-19 and provide necessary detection and control capabilities like testing kits, personal protective equipment as well as quarantine & isolation facilities

And;

**We remain seized on the matter**