Over the past few weeks, the EU has been mobilising its full firepower – including health coordination, economic measures and market regulation – to address the COVID-19 crisis within its borders. Yet, in facing a global pandemic that knows no borders, it is in Europe’s interest to mount an effective global response at scale.

The recent 'Team Europe' response package is a good start, but it focusses mainly on traditional diplomatic, humanitarian and development instruments that are insufficient for the task at hand. While aid and multilateral action is a vital part of the global response, it needs to be complemented by multiple other financial, humanitarian and regulatory tools. Additional political and technical work also needs to be done to establish ‘how’ to roll out the EU’s global response in a coherent manner. Further, ahead of the G20 and IMF/World Bank Spring Meetings, the EU and its member states should seek to play a more central role in coordinating the international response to the challenge posed by COVID-19 in Africa.

The EU and its member states should try to build a comprehensive global approach by coordinating and linking their assets – both internally and externally. This will require the bureaucracy and political leadership of the EU institutions to think and act globally to a greater extent. If it manages to do this, it would be a real demonstration of global solidarity and would have tangible geopolitical and humanitarian benefits.
Introduction

Faced with the largest challenge Europe has confronted since the Second World War, the EU and its member states naturally spent much of the past weeks focussed on addressing the immediate security and safety of European citizens and dealing with the ravaging economic fallout. Yet, even internally the EU struggles to put together a common response to the transnational health challenge posed by COVID-19. European solidarity is steadily taking shape in the health sector, but fundamental issues such as how to collectively deal with the economic fallout (coronabonds or other mechanisms for instance) remain unresolved. The strengths or weaknesses of the EU's internal cohesion and solidarity in the face of COVID-19 will ultimately dictate its effectiveness and credibility as an international actor.

Mounting a global and comprehensive response to COVID-19 is hugely challenging, yet indispensable to address the pandemic at scale. The EU has recently unveiled its global EU response to COVID-19 in a joint communication on 8 April (European Commission/HRVP 2020). On 15 April, it will be presented to the G20 as the ‘response package of Team Europe’.

The response package is a good start in difficult circumstances and rightly targets the immediate health and socio-economic needs of the most vulnerable countries and populations. It also emphasises the importance of a well-coordinated collective EU approach that is fully linked to the global response that is being developed in various multilateral fora.

Yet, the EU response remains limited in terms of financial scope, technical detail on health, and political ambition. First, the response largely repurposes a portion of existing aid of the EU institutions towards addressing COVID-19, resulting in the EU becoming a rather meagre payer, but not really a global player. Second, foreign ministries and development agencies are currently leading the European global response, but the response would need to come from heads of government level to have real impact. Third, a global public good perspective should be adopted to mount an integrated EU approach that aims to address the current crisis, while strengthening preparedness for future global pandemics.

Collectively, Europe has many assets it can bring into play to respond to global crises beyond aid, from the purchasing power of the EU to its world class health expertise, research and pharmaceutical development and manufacturing industry. The menu of potential EU responses is a large one and there is a need for rapid multidimensional action now. In this paper, we focus on short- to medium-term responses in the humanitarian, economic and development spheres, as well as on the importance of laying the groundwork for a truly integrated EU approach to public health as a global public good and ensuring global preparedness for the longer term.

Across the different areas of potential action, we seek to link the EU’s internal and external dimensions of potential responses, to analyse their political and technical feasibility, to evaluate how effective the EU has been in delivering on similar actions in the past, and to consider what trade-offs or dilemmas the EU may face in delivering on these actions now.

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1. The EU global response to fight the COVID-19 pandemic

1.1. Why the EU should act globally

Slowing the spread of COVID-19 within its borders and supporting the EU economy is the EU’s main priority. Yet, to combat a pandemic that knows no borders and poses major humanitarian, public health and socio-economic threats around the globe, there is an absolute necessity to address it at a global scale too (Borrell 2020a, Borrell 2020b). Developing countries are set to be hit much harder than industrialised countries, lacking the same social safety nets and access to economic resources. The scale and length of the crisis will be much more serious if there is no effective multilateral strategy or coordination to contain and address it globally.

At a time when multilateral action is required more than ever, the geopolitical arena remains fraught. The response to COVID-19 has become a new frontier of geopolitical competition and propaganda, as evidenced for instance by US President Donald Trump’s initial insistence on calling it the ‘Chinese virus’ and suggestion that the US might cut its funding to the World Health Organization (WHO); China’s attempts to sell its pandemic response as best practice and to publicise its ‘mask diplomacy’; or in Russia providing Personal Protective Equipment (PPE), essential medical equipment and medical capacity to Italy.

Against this backdrop, the EU needs to mount and lead a swift international cooperation response and show leadership in coordinating with partners in multilateral fora. The EU’s international response is crucial if the EU wants to play a role in shaping the world that emerges after COVID-19, defending a vision based on multilateralism and a rules-based international order. Yet, if the EU truly wishes to be a player, and to protect the physical and economic health of its citizens, now is the time to look beyond the immediate short-term response and beyond the traditional ‘payer’ role of an aid provider.

The EU must take an ambitious foreign policy approach to stunt the global spread and infection rate (including the potential for later reinfection in Europe); improve both internal and external resilience to future pandemics; play its part in ensuring that the global economy gets swiftly back on track; prevent the knock-on political and security challenges that might be provoked by the health crisis and its economic consequences; and demonstrate the its ability to live up to its own ambition and rhetoric to be a strong values based global actor.

1.2. The scope and ambition of the EU response

The EU global response, mobilised in record time, stresses the EU’s collective resolve to act in global solidarity in the face of this unprecedented global pandemic, by mounting and contributing to international collective action to fight COVID-19. It emphasises the need for a comprehensive, coherent and integrated European response that addresses the health consequences and socio-economic impact in partner countries, both in the short and longer term. The communication announced that the EU is mobilising more than €15.6 billion of existing external action resources to help partner countries worldwide, which should be complemented by resources from member states and the European Bank for Reconstruction and Development (EBRD), amounting to a total of over €20 billion (EEAS 2020). Providing financial resources swiftly is necessary and welcome, but the amounts announced by the EU are still very far from the needs of developing countries, estimated between US$2.5 and US$3 trillion (UN 2020a).
Box 1: The unprecedented global and multidimensional scale of the challenge

The scale of the health, economic and societal challenge posed by COVID-19 is unprecedented. While the crisis will have dire and lasting social and economic consequences in Europe, it could be catastrophic for the most vulnerable countries and populations in developing countries. **More than 500 million additional people could be pushed into poverty** unless urgent action is taken to bail out poor countries affected by the economic fallout from the COVID-19 pandemic (Oxfam 2020).

Experts have warned that the rapidly increasing demand for health services due to COVID-19 may leave health systems in most countries overwhelmed (WHO 2020a). This is particularly disastrous in least developed countries, where public health systems are weak and up to 75% of people lack access to soap and water (UNDP 2020). Overall, the need for additional health services is estimated at US$10.6 billion in Africa alone (UNDP 2020).

Social distancing and lockdown measures are also more difficult to apply in countries where the population depends on a daily income to survive (The Economist 2020). The high prevalence of malaria, HIV/AIDS, tuberculosis and malnutrition may make the disease even harder to cope with, especially as the pandemic will coincide with peak malaria season in 2020 (Kaseje 2020).

The skyrocketing demand for PPE such as gloves, masks and gels, has led to global shortages, vicious competition and surges in selective protectionism including within the EU (WHO 2020b; Toosi, N. 2020). Meanwhile, many African countries have a weak ability to provide intensive care and have very few ventilators available. For instance, only three ventilators and one oxygen kit are available in the Central African Republic (UNOCHA 2020a).

The global economy is quickly going into an unprecedented recession, and the World Trade Organization has warned that the pandemic might cause dramatic supply and demand shocks (WTO 2020). The Organisation for Economic Co-operation and Development (OECD) indicates that there will be sequential declines in gross domestic product (GDP) at global and regional level in the current and next quarters of 2020. Furthermore, for each month of strict containment measures, the OECD has estimated a loss of 2 percentage points of annual GDP growth (OECD 2020a; OECD 2020b; OECD 2020c).

The International Labour Organization (ILO) has estimated that working hours will decline in the second quarter of 2020 by 6.7%, which is equivalent to the hours of 195 million full-time workers. The majority of job losses will occur in those sectors that are hardest hit, such as retail, accommodation, food services and manufacturing. These sectors employ 1.25 billion workers, representing almost 38% of the global workforce. In low- and middle-income countries, these sectors also include a high proportion of workers in informal employment and with limited access to health services and social protection. As a result, they are at greater risk of falling into poverty (ILO 2020).

Even before COVID-19, oil prices began to drop dramatically due to a lack of agreement amongst the OPEC+ countries. It is estimated that African oil exporters, like Angola and Nigeria, will lose up to US$65 billion in income. Lockdowns are causing a collapse in demand and further slashing commodity prices, while disruptions of imports to African countries (from China for instance) are causing shortages in some essential consumer goods. **Income losses overall in developing countries are expected to exceed US$220 billion** (UNDP 2020). Personal remittances flows to sub-Saharan Africa reached a worth of US$84 billion in 2018. For economies and families depending on remittances from abroad, the current lockdown measures mean that such income dwindles (Kuhlicke and Bester 2020).

McKinsey has suggested that in the worst-case scenario, the average GDP growth in Africa could be cut by 8 percentage points, which would result in a negative growth of -3.9% for the continent. Even in their most optimistic scenario, the GDP growth would be cut down by 2.5 percentage points (Jayram et al. 2020). Many African countries were already running high debts before the onset of COVID-19. Between 2008 and 2018, sub-Saharan Africa’s external debt rose by 150% from US$236 billion to US$583 billion.

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2 This excludes informal remittances being sent in addition.
African countries now face additional difficulties in accessing liquidity as investors flee emerging markets in search of ‘safe’ assets, triggering capital depreciations against lead currencies (UNCTAD 2020a).

The drastic measures taken against coronavirus also affect human and political rights such as freedom of expression and assembly, as governments may use the COVID-19 to undermine democratic principles (OHCHR 2020; UNOCHA 2020a and International IDEA 2020). Concerns have been expressed over the potential impact of COVID-19 on international peace and security, its potential to wreak havoc in fragile states and trigger widespread unrest, as well as disruptions of humanitarian aid flows (What's in Blue 2020; International Crisis Group 2020). The UN Secretary-General, Antonio Guterres, calling the pandemic a threat to world peace and security, warned the UN Security Council that it had the potential to increase social unrest and violence (Davidson 2020).

All of these impacts are likely to hit even harder the most vulnerable populations – whether because of age, gender, social or economic position at a higher level – all over the world.

2. Getting the most out of the EU international financial response

The EU’s response package reallocates existing aid funds of the EU institutions, including loans from the European Investment Bank (EIB) and EBRD in order to provide an immediate response to the spread of COVID-19 in the EU’s neighbourhood, Africa and other developing regions. It consists of two main pillars: EU support to partner countries and the EU’s contribution to the multilateral response. It identifies priorities and support measures to deal with the effects of the crisis in the health, sanitary and socio-economic sectors, and emphasises the need for global coordination and multilateralism.

2.1. Aid to support developing countries in tackling immediate needs in the health and socio-economic spheres

The EU’s aid package essentially consists of immediate financial support for urgent relief, to slow the spread of the virus, to protect health and sanitary systems in the world’s most vulnerable countries, and to address the social and economic consequences of the crisis. While member states are taking unprecedented steps with vastly increasing government spending at home and a much stronger role for the state, there is however limited political appetite in Europe at the moment for putting ‘fresh’ and additional aid money on the table.

2.1.1. Repurposing and reorienting of EU aid

The EU proposes to reorient existing funds and programmes to make them relevant to tackle the coronavirus. Funds are to be drawn from the re-prioritisation of programmes that are delayed due to the pandemic and from uncommitted resources. This approach allows the EU institutions to act quickly and within the boundaries of what is legally, financially, and administratively feasible. Different multilateral and bilateral donors have different regulations on the repurposing or ‘flexibilising’ of their official development assistance (ODA). For the EU institutions, it is possible to use uncommitted ODA resources and humanitarian reserves relatively quickly, including by using flexibility allowed in existing instruments, notably the European Development Fund (EDF) reserves.

The €15.6 billion announced is significant but a relatively small amount when compared to the €37 billion of unused EU structural funds that have been quickly redirected for the internal EU response or to the €540 billion package that was agreed on 9 April to support member states, companies and workers in the coronavirus crisis (Valero 2020). Of the €15.6 billion, only €3.25 billion have been noted available to Africa, including €2.06 billion for sub-Saharan Africa and €1.19 billion for the Northern African neighbourhood countries. The €15.6 billion is roughly equal to the EU institutions’ global spend on ODA for 2018 (OECD
This significant re-prioritisation remains within the existing parameters of heading 4 (‘Global Europe’) of the current EU budget for 2014-2020 and the intergovernmental European Development Fund (EDF). Significant EU budget amendments and flexibility provisions have also been used under the heading 3 (‘Security and Citizenship’) to finance the provision of emergency support within the Union through the Emergency Support Instrument (Council of the European Union 2020), and within the EU’s internal cohesion financing.

Trying to financially frontload a global response is challenging for the EU institutions as there is limited funding options at this stage, with the 2014-2020 budget period coming to an end, and a deal for the 2021-2027 EU budget looking like a distant possibility. In trying to mobilise additional resources within the existing EU 2014-2020 budget, there is the possibility to transfer unspent resources from other headings. This could also be a consideration if the EU wants to really scale up its international engagement, as the remaining budgetary space within heading 4 is not significant. But politically this will be a hard sell as the need and competition for EU resources to be spent within Europe is incredibly high.

Without fresh funds, there is a risk that the original identification of priorities, sectors and projects that were agreed with partner countries, multilateral institutions or global funds will be replaced by new COVID-19 related measures. These new priorities might be seen as superseding the original political priorities, either thematically (for example climate change or governance) or geographically. This could lead to the loss or dilution of the original objectives set out (such as poverty reduction, job creation and sustainable development). In that sense, repurposing EU aid resources from existing programmes has to be thought through in terms of what will really make a difference in relation to COVID-19, as it could also lead to significant trade-offs and undermine trust in international partnerships. Although the EU delegations were tasked to assess the needs and possibilities of rapidly reorienting and reprioritising EU funds in line with new COVID-19 priorities, it is not clear to what extent partner countries were associated in this process. Past experience shows that, while the re-purposing of significant EDF resources towards the EU Emergency Trust Fund for Africa following the migration ‘crisis’ in 2015 was deemed politically relevant for Europe, it was not well received by EU partners in Africa and significant questions arose over its effectiveness, efficiency and impact. Several member states also repurposed large swathes of existing bilateral and multilateral aid to address the irregular migration surges (Knoll and Sherriff 2017).

The EU and member states should ensure the efficient sharing of needs assessments of partner countries’ health systems and economies. Interventions and decisions need to be guided by quality dialogues with local, national and international partners on the front lines of managing this crisis. Systems for coordination exist for this, but they now need to be used in a spirit of renewed cooperation. Without strong coordination, there is a risk of significant donor concentration in one or two sectors (health and economy) to the detriment of others, or the emergence of aid darlings (countries receiving a lot of aid) and aid orphans (those receiving very little).

The EU must play a role in coordinating the EU and member states’ collective response, both at headquarters level through the Commission services, Council of the European Union’s structures, and through the EU delegations on the ground – and there is a need to be pragmatic rather than dogmatic about this. Coordination must also be enhanced crucially in the United Nations (UN), and with regional and national authorities in the EU’s neighbourhood, Africa and the developing world. ECDPM research previously revealed a limited buy-in of top-down initiatives designed to promote joint action between the EU and member states in crisis situations that are not locally owned or deemed appropriate (Jones and Mazzara 2018).

The European Commission indicates that no aid reallocations from one country to another are foreseen at this stage. European bilateral donors are usually loath to move away from ‘priority countries’, sectors or regions, where they have an added value or wider strategic interests. Yet, as COVID-19 hits countries indistinctly, there is an imperative to ensure that support is provided everywhere based on need and
that the most vulnerable and fragile countries are not left out. The EU should commit to this and the EU institutions are well placed because of the wide geographic reach of the EU delegations and existing aid programmes.

There is also the question of what channels (such as multilaterals and/or central governments and civil society) and modalities of aid (budget support to government, multilateral funds and civil society) should be considered to disburse resources. The recent communication makes a strong case for combining different approaches and modalities as part of the collective EU approach. The frontloading of budget support, under strict conditions and safeguards, is presented as an effective modality to get resources to governments directly and offering policy space and leverage for reforms. Keeping governments from collapsing fiscally will be crucial to help them overcome the health and economic impact of COVID-19, yet that may require relaxing many of the existing rules and hard learned best practice when it comes to budget support. While the EU institutions have an added value in the scale and breadth of direct budget and sector budget support, a collective approach would require other European bilateral donors revisiting the modality that has gone out of fashion and that many are deeply suspicious of.

2.1.2. Mobilising and leveraging ‘fresh’ money

There are many dilemmas associated with aid, yet with developing countries confronting a liquidity crisis in their own public spending, and unable or constrained to borrow on the international market, aid will again become an important source of finance to act counter-cyclically. African countries will need access to new funds, as well as relief on current debts, if they are to have the fiscal space to be able to mount a credible response to the massive health and economic challenges in front of them. Africa is taking forward its own initiatives through the African Union here (African Union 2020).

Good pre-emptive or frontloaded aid resources now may be effective in limiting the impact and societal and economic cost of COVID-19. However, the total amounts that can be mobilised even through international aid will not be enough to truly address the consequences – total ODA of OECD/DAC members was US$ 153 billion in 2018 (OECD 2019), while UNCTAD estimates the needs to address the global crisis between US$2.5 and US$3 trillion (UNCTAD 2020).

An important part of the EU response package is to use aid budgets to leverage new (private) resources, building on the blending and guarantee mechanisms in place such as the European Fund for Sustainable Development (EFSD) to provide guarantees, liquidity provisions and technical assistance to the private sector. The Commission has a strong role to play to harness European and member states’ development finance institutions (DFIs) and to coordinate concerted actions to mobilise and support the local private sector (see Bilal and Te Velde 2020 for more details of how to achieve this).

In past crises that have impacted European economies (such as the financial crisis of 2009), some European countries have significantly cut back their ODA. Yet, as European countries are instituting national crisis budgets and economic stimulus packages, ODA should be protected from potential cutbacks, bearing in mind the strong self-interest in addressing the risks of COVID-19 globally as well as a moral argument. Given the intense and relentless pressure on public finances ‘at home’ in Europe, increases in international spending would have to be sanctioned by the highest levels of government. For many EU member states, this would require new governments’ budgets or parliamentary approval in 2020 for such aid to be included in budgets for 2021.

The major opportunity for fresh money and reorientation from the EU institutions is after 2020. European Commission President Ursula von der Leyen has indicated that a new draft proposal of the next EU budget for 2021-2027 will be put forward at the end of April. Often presented as a ‘Marshall Plan for Europe’, it is primarily meant to respond to the huge economic consequences of the COVID-19 crisis in Europe. Yet, as the EU further prioritises its internal spending to support economic recovery after the crisis,
any new EU budget proposals should however not come at the expense of funding for the EU’s external action under Heading 6 (‘Neighbourhood and the World’). Although an early agreement on the revised long-term EU budget for 2021-2027 before December 2020 would be a big boost for the ability to plan for the medium term, sticking to the initial timetable seems even more unlikely and calls are now being made for post-2020 contingency plans (European Parliament 2020). A further delay would however have significant consequences on the EU’s capacity to plan and respond to the crisis globally and overcome the social and economic cost, notably by preventing the launch of new programmes.

More European aid resources will only address the impact of COVID-19 if they are used strategically and effectively with a good understanding of local political dynamics as well as technical sectoral issues. The question of how to manage and disburse resources would bring back well known problems about absorption capacity, ownership and oversight as well as issues associated with aid effectiveness more generally. Trust in ‘country systems’, UN systems, civil society and others to manage resources well is not high amongst European donors. All the problems of aid coordination are very well known, and the globally agreed development effectiveness principles (such as ownership of priorities by recipient countries and societies, a focus on results, transparency and accountability, and recognising the importance of complementary roles of different actors and learning) remain more, not less relevant. Likewise for other principles on the importance of conflict and gender sensitivity of aid. Yet, living up to these standards is likely to be compounded in the race to respond swiftly to COVID-19, particularly if geopolitical competition and transactional relationships trump a more principled and evidenced based approach.

2.2. Coordinating and leading the collective EU response in multilateral fora

Calls for greater international cooperation have been numerous in the past few weeks (France 24 2020; European Commission 2020a). The EU and the G20 have strongly affirmed their commitment to coherent multilateral action in their respective statements, but very little was actually achieved at the initial meeting of the G20 on 26 March (European Council 2020; G20 2020). Meanwhile, the UN Security Council only finally met to discuss COVID-19 on 9 April after an initiative led by Germany and non-permanent members, due to the standoff between the United States and China (Toosi and Heath 2020; New York Times 2020; Patrick 2020).

The G20 meeting and the IMF/World Bank spring meetings in mid-April will provide the best opportunity for a concerted international response from the world’s leading powers, including a package of measures to ensure that the world’s poorest countries are not disproportionately hit by the virus.

In a context characterised by growing geopolitical competition and limited trust in international institutions, it is important for the EU and its member states to push for a multilateral solution and ensure they have a coordinated voice in multilateral fora, which they sometimes struggle to achieve (Medinilla et al. 2019). This is even more necessary if the United States’ leadership moves away from supporting multilateral solutions or becomes openly hostile to key actors like the WHO (Forgey and Oprysko 2020). At the G20, the EU should push for a multilateral coordination mechanism encompassing the different dimensions of the support provided to developing countries, such as health or socio-economic (Cockayne 2020; ONE 2020).

2.2.1. A coordinated emergency response

So far, the international response to COVID-19 has been rather limited and uncoordinated. The EU, as a strong supporter of the multilateral system (both financially and politically), has an interest in promoting a strong and coordinated response on the multilateral front – both at headquarters and in-country level (through EU delegations, consolidated positions by all EU heads of mission and rallying support behind the in-country UN Resident Coordinator and national authorities) – as this is the only way to provide a long-term response to the pandemic and its aftermath.
This requires sufficient flexible funding, primarily to allow the WHO Contingency Fund for Emergencies and Solidarity Response Fund to provide a quick and effective response to the outbreak and support health systems around the world. In February 2020, the EU committed €232 million for global efforts to boost global preparedness, prevention and containment of the virus, including €114 million for the WHO’s global preparedness and response in countries with weak healthcare systems (European Commission 2020b). Funding pledges have not been in short supply, also in the context of the COVID-19 Global Humanitarian Response Plan (UN 2020b; UNOCHA 2020b) as well as the Red Cross and Red Crescent Movement’s emergency appeal launched on 26 March (ICRC 2020).

However, the EU should reflect on the ambition and the scale of the multilateral support provided and the methods of doing so. For instance, a new UN Response and Recovery Fund to assist developing countries with weak health systems in addressing the crisis was announced on 23 March (Euractiv 2020). Yet, a proliferation of new UN and global funds might not be the most effective multilateral response to provide direct support to people in developing countries. The added value of funds, the sharpness of their focus on COVID-19 and the opportunity costs of directing finance to them as opposed to existing channels needs to be quickly but carefully considered. Funding has to go beyond UN agencies and also support governments and civil society which will be on the frontlines of the response in partner countries.

2.2.2. A coordinated economic response

Ahead of the next G20 on 15 April, EU member states have begun to show some leadership with regard to coordinating a multilateral economic response that would act as a stimulus to low- and middle-income countries. France is supporting South Africa in advocating for a comprehensive plan to help Africa deal with COVID-19 ahead of that meeting. The plan includes measures to boost African health capacities, a massive economic stimulus package (including a waiver on interest payments and concessional loans), a humanitarian response for the worst-hit communities, and global scientific coordination to ensure that vaccines and treatments are allocated fairly (Fabricius 2020; RFI 2020).

France and Germany have also voiced support for a debt moratorium, and other EU member states could be encouraged to support this measure. France has also voiced support for other proposals that the International Monetary Fund (IMF) put forward at the 26 March G20 Meeting (IMF 2020), including increasing the organisation’s Special Drawing Rights (SDRs), thereby providing emergency liquidity for low- and middle-income countries, as well as expanding swap lines to make foreign currencies available for these countries (Nodé-Langlois 2020).

Such measures were also amongst those called by the African finance ministers, including a $100 billion international stimulus for Africa, of which a debt waiver of $44 billion in interest payments in 2020 from international creditors, as well as waivers on the principal for fragile countries (UNECA 2020). African finance ministers recently suggested that an additional $50 billion may be needed for the ‘building back process in 2021’ (IISD 2020). The UN in turn called for debt restructuring in low-income and fragile countries to be a priority, in the form of an immediate suspension on servicing the debt (no interest payments for 2020), debt deferral, debt reduction, debt swaps and debt cancellation (UNCTAD 2020b).

The EU and other EU members of the G20 should ensure they coordinate their positions with regard to the measures currently on the table (the debt moratorium, an increase in SDRs and the expansion of swap lines) ahead of the 15 April G20 meeting. They should also work closely with other international powers, notably China, the USA and South Africa, to ensure the adoption of an ambitious package. In the months to come, debt forgiveness for some fragile countries may also need to be considered as this would free up resources to invest in urgent healthcare and vital socio-economic measures such as income substitution.
Although the IMF announced that it will now have $1 trillion lending capacity available to its members, it is unclear whether this will be enough in light of the already enormous demands being put on the IMF. So far, 85 countries have already applied for emergency funds (IMF 2020). New forms of liquidity are thus necessary. Despite problems with their allocation, expanding SDRs is the swiftest and easiest way to expand access to liquidity for developing countries, and EU member states should support this measure and encourage other global powers to do the same ahead of the IMF/World Bank spring meetings on 17 April (Gallagher et al. 2020; Truman 2020).

It will also be important to try to coordinate measures with China, whose government and companies lent $143 billion to Africa between 2000 and 2017 (Shalal 2020). They should also try to convene private sector lenders to take part in the moratorium, as 21 African countries currently hold $115 billion in the form of private debt called eurobonds, and a default would cut these countries out of private capital markets (Pilling 2020). Emergency swap lines would allow emerging economies and their private sectors access essential foreign currency necessary to cover imports.

3. Preparing a truly integrated EU response at scale for the medium to longer term

3.1. Linking the internal and external response to COVID-19

For the time being, the internal and external EU COVID-19 response packages seem fragmented and connected only at the margins. At this stage this is not surprising, but the EU response should quickly move towards a truly internal/external integrated approach in pursuit of creating global public goods if it wants to be effective and sustainable. This should bring together the internal and external dimensions (health, research, market regulation, development, trade, etc.) in a more strategically coordinated manner that includes tangible short- and long-term actions.

The ‘Team Europe’ international cooperation response was largely developed by the external facing parts of the EU institutions, endorsed by the Foreign Affairs Council (development ministers) and championed by the HR/VP. It is quite detailed with regard to financial support that is under the control of the European Commission’s Directorate-Generals (DGs) DEVCO and NEAR. Yet, what is missing at this stage are clear details of exactly how the EU internal tools will be used. The same discrepancy in detail can be seen regarding international response measures (for example, coordination in multilateral fora), where member states’ buy-in for any EU leadership or collective EU backing for leading individual member states’ action will be essential. The burden of carrying forward an integrated EU approach cannot be undertaken alone by the EU institutions – it also will require the EU member states to play ball as well.

Where appropriate, coordinating and actively seeking synergies with the EU’s internal response should be part of the global approach. A global public goods approach would seek to ensure the access to and availability of medical equipment and services, and accelerate research efforts to develop, produce and distribute effective treatments, vaccines, therapeutics and diagnostics at an affordable price towards those countries and populations that need them. For example, the EU is already reorienting significant internal EU resources (€1.5 billion) at rapid speed towards the Emergency Support Instrument to allow wider stock-piling and coordination of essential resource distribution across Europe (Council of European Union, 2020). How and when this could also equitably benefit third countries is currently unclear.

The EU should use all its assets to lead the longer-term global response aimed at the development and provision of global public goods and preparedness for future global pandemics. What is needed is a common strategy to make stronger linkages and ensure policy coherence between the various levels and spheres of action, starting by bringing together and scaling up the external response.
Coordination and division of labour among the EU institutions and with member states should be stepped up to this end.

3.2. Operationalising an EU integrated approach

The EU has long promoted its added value in its ability to adopt an integrated or comprehensive approach to international crises, bringing a wide variety of tools and actors to the table to deal with complex problems. Yet, despite many policy commitments in this domain (EC and HRVP 2013; HRVP 2016; Council of the European Union 2018a and 2018b), the EU’s past track record in realising a comprehensive or integrated approach to high-stakes political crises is mixed, whether in the wake of September 11, in response to the global financial crisis of 2009, the Arab Spring in 2011, dealing with irregular migration flows towards Europe since 2015 or the hot political conflicts in the Sahel or Syria. To overcome the EU’s past weaknesses will be a huge political and bureaucratic challenge – COVID-19 does not magically undo all the many structural weaknesses in the EU’s ability to mount and follow through on a complementary and coordinated collective action.

An integrated approach requires a detailed shared analysis – which will be a challenge to undertake – agreement on shared priorities and an effective division of labour within the EU institutions as well as with the EU member states that are acted upon (Bertlesmann Stiftung ed. 2020). These need to occur at both global and in-country level. Working and listening to international partners (UN, G20, WHO, IMF, African Union, third country authorities) is fundamental and cannot be an afterthought justified because of the need to move swiftly. Indeed, the fight against a pandemic can only be solved through joint action, reciprocal and mutual exchange, knowledge sharing and peer learning (Laporte 2020).

The political steps required to realise an integrated approach are sponsorship and endorsement at the highest political level – this means heads of government and the European Council. It also means that politicians and senior bureaucrats with influence over primarily ‘internally’ focussed parts of the EU institutions and EU member state assets in the health, procurement, research, economic, business and research/innovation realm (particularly in the short term as they link to the medical equipment and pharmaceutical industry) should take even more of a ‘global approach’ to COVID-19 priority setting. At least, they should take the consequences of their actions/inactions ‘beyond’ the borders of their countries or the EU as a whole into consideration in order to ‘do no harm’.

Beyond the political focus and buy-in, operationalising an integrated and multi-dimensional response requires significant changes in practices and mindsets in the various parts of the EU and member states’ administrations, starting with a centrally-managed coordination mechanism. Thinking globally about the internal instruments of the EU institutions would mean that all relevant EU policy tools within and beyond the foreign policy remit should be mobilised and deployed in a strategically planned and well-coordinated manner. Setting up such a strategy will require significant effort and scaling up of nascent coordination bodies in EU bureaucracies (such as EXCO, the Group for External Coordination).

The EU should already start preparing the ground for such a strategy by mobilising all relevant institutional and political actors, in order to build increased policy coherence and approach the fight against infectious diseases as a global public good. This means that the EU’s own safety depends on the containment measures worldwide, but also that a clear show of leadership is needed to support countries and vulnerable populations worldwide to overcome the short- and long-term effects of this pandemic. If the EU can rise to this challenge it would represent an important contribution to a new era of international cooperation.
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