



Federal Ministry
for Economic Cooperation
and Development

Emergency COVID-19 Support Programme

*We will either beat COVID-19 worldwide
or not at all*

No return to worldwide normality of globalisation

Changing our way of thinking; acting in solidarity – nationally, at European level and internationally

The last few months have shown us more clearly than ever before that – in this age of globalisation with its global exchange of goods and travel – our lives, our economies and jobs, and our security are at risk from new threats such as COVID-19.

As early as in 2018, WHO epidemiologists warned that an unknown “Disease X” might cause an epidemic at some point. Earlier warnings that the international community has seen in the past few years include Zika, SARS, bird flu and Ebola. Now a virus transmitted from animals to humans has spread across nearly all countries of the world, starting in China, within a matter of weeks.

The effects are dramatic – not only in our country. It is particularly the poorest of the poor in developing countries and emerging economies who are now becoming affected with a two-month delay.

We all have to realise that **we will either beat the pandemic worldwide or not at all**. We need to change our way of thinking and act in solidarity, worldwide. And we already need to prepare changes to be made in the future, beyond the immediate situation. With regard to many aspects of globalisation, we cannot simply return to normality after the pandemic. Rather, we need to re-evaluate cycles within nature and the role of humans and animals by deepening our understanding of interdependencies.

It is the megatrends of our times – globalisation, urbanisation, decreasing biodiversity and climate change – that boost infectious diseases, zoonoses and pandemics. Climate change has an indirect impact on individual health, be it through degraded soil or unsafe drinking water, which give rise to ever new diseases.

Moreover, dynamic population growth (the world’s population is set to reach ten billion by 2050, and Africa’s population will double) and climate change are posing a threat to human and animal habitats. More and more often, humans move into untouched natural areas. Habitats dwindle due to drought, floods and the cutting down of rainforest for agricultural land.

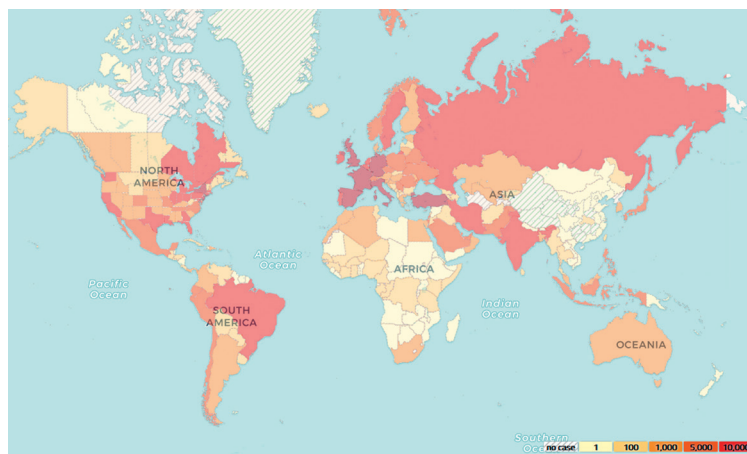
As a result, direct contact between humans and wild animals is becoming more and more frequent – with animals being caught in the wild or sold at wet markets. Especially by eating such animal products, people expose themselves to an incalculable risk of infection with zoonotic pathogens that are unknown or that only emerge through mutation as a result of such settings.

We need to change the design of globalisation. In these times, Germany and Europe need to live up to their international responsibility in a special way. Beyond the national response, Germany is already leading the way both within the EU and within UN agencies with regard to addressing the crisis and reinforcing the international response.

The COVID-19 pandemic does not stop at national borders.

It has now reached 185 countries – almost the entire world. And this includes the partner countries with which Germany engages in development cooperation.

- Worldwide, 2.2 million people have been infected and 160,000 have died.
- In Asia and Latin America, two large emerging economies are particularly affected – India and Brazil. The number of cases is rising quickly in Bangladesh, Peru and Uzbekistan.
- In Africa, after a two-month delay, the virus is now spreading rapidly. Within one week, the number of infections rose by 50 per cent. WHO expects that there may be up to 10 million infections over the next three to six months. The climax will probably coincide with the annual malaria season.
- The virus is also spreading particularly quickly in our immediate neighbourhood: in Morocco, Algeria, Egypt and Turkey.
- It is in our own interest to fight the virus worldwide. Otherwise, it will return to us in Germany and Europe in waves. So our perspective must go beyond Germany and Europe.
- The risk of infection is three times higher in many developing countries due to sanitary conditions. 4.2 billion people have no access to adequate sanitation.
- Unlike Germany and Europe, developing countries have hardly any laboratories, emergency care beds or ventilators. Mali only has four ventilators for 18 million people.
- The situation is especially precarious in densely populated urban areas, slums, and overcrowded refugee camps. There is hardly any medical care available in such places. People are living under very crowded conditions and have very little water or soap.
- Lebanon, which is hosting 1.5 million refugees from Syria, is on the brink of national bankruptcy. In other words, there is no money for nurses or doctors.
- The situation is especially dramatic in refugee camps around Syria. People there are already dependent on international assistance for their survival.



Source: <https://hgis.uw.edu/virus>

Simultaneously, the pandemic is causing a massive economic and financial crisis.

Its impact is hitting developing countries – especially in Africa – particularly hard.

- Millions of people are facing the total loss of their livelihoods as a result of the breakdown of global supply chains. They have no jobs, no incomes, no basic social protection.
- 20 million jobs are being lost in tourism alone. In Bangladesh, 4,000 textile factories have closed down which usually employ four million people.
- According to UNDP, nearly half of all jobs in Africa might be lost.
- Government revenue is declining by a dramatic 20 to 30 per cent as a result of lower demand for raw materials and massive currency devaluation.
- Nearly 100 billion US dollars in capital has already been withdrawn.
- The United Nations expects that developing and emerging economies will lose 220 billion US dollars' worth of revenue.
- Many developing countries are at risk of sovereign default, which would render them incapable of action.

So we need to assist developing and emerging economies in their fight against the virus. Otherwise, there is a risk of famine, unrest and violence. Terrorist groups are already carrying out more attacks in the Sahel region in order to destabilise governments there. The consequence would be state failure and uncontrollable refugee movements.

This means that COVID-19 is also a global wake-up call to remind us that international cooperation and solidarity are needed. In order to address the pandemic and its consequences, we need to combine our forces at the international level and mount a joint response under the leadership of the United Nations and the European Union.

We are now reinforcing Germany's efforts, and we are calling upon the European Union, UN agencies and international financial institutions to be just as determined in taking action on the basis of new structural responses.

I. Restructuring international organisations and measures and reinforcing our cooperation

- The UN Secretary-General should convene and chair a global crisis council.
- All efforts by the international community – for instance WHO, the World Bank, the International Monetary Fund (IMF), UN agencies and FAO – and all national efforts now need to be applied in a targeted manner and coordinated more effectively.
- The G20, the IMF and private creditors have decided to allow 77 developing and emerging economies to defer debt payments for a year. China has joined this effort. This is giving the countries some room to breathe. However, we cannot expect the crisis to be over after a year.
- So, as a next step, the cancellation of debt needs to be prepared for the 47 poorest countries. This will require a new transparency initiative. Not a single euro must be lost to corruption.
- WHO needs to be strengthened and developed into a world pandemic centre including
 - a crisis monitoring and early warning system for virus outbreaks,
 - a global system of interconnected research institutions,
 - coordinated action to fight COVID-19,
 - coordination of a global immunisation programme, and
 - reinforcement of the Global Health and One Health concepts.
- Gavi, the Vaccine Alliance, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the Pandemic Emergency Financing Facility of the World Bank and WHO need to be strengthened to enable them to support global emergency response programmes and to prepare and implement a global immunisation campaign.
- Global supply chains require global fundamental standards for infectious disease control and the prevention of epidemics, the use of antibiotics, veterinary regulations, animal husbandry, food hygiene and consumer protection. This includes banning wildlife wet markets and global trade in exotic animals.

II. Strengthening Europe's capacity for international action

- Our signal must be that Europe is extending a helping hand – not only within Europe but also to the poorest countries.
- The EU should appoint a special representative for pandemic control and expand its work on Global Health and One Health.
- And we need to expand the EU rescue package and aid programmes to our neighbouring regions in Africa and around Syria. It is especially important to provide health services and emergency relief for refugee camps.
- The European Investment Bank should expand its financial scope for supporting third countries and developing countries and introduce stimulus loans to stabilise Europe's neighbours.
- The European budget should be restructured to respond to the crisis – moving from the rigid pillar model of the 1990s towards flexible crisis response capacity. In total, the EU should provide 50 billion euros in stabilisation loans and emergency funding. This is only ten per cent of the rescue package for the EU itself.
- The EU's neighbourhood programmes should be endowed with additional funding.
- We need to deepen cooperation and networking between the AU and the EU through a new EU-Africa council with permanent working structures to implement decisions taken by heads of state and government.
- The crisis response also needs to include investment and efforts to strengthen Africa's economies through an investment and technology campaign with a focus on promising and innovative sectors. To that end, the EU should draft and implement a joint energy and climate strategy.

We all have to realise that we will either beat the COVID-19 pandemic worldwide or not at all. Now the time has come for international solidarity with developing countries.

III. The BMZ Emergency COVID-19 Support Programme

- (1) As a matter of principle, the **entire development budget goes towards stabilising** developing countries and emerging economies, specifically towards strengthening health systems, providing services for displaced people, fostering food security and supporting crisis management.
- (2) **In a first phase, we have already used our ongoing programmes to reinforce services and actions to control the pandemic.**
These activities are already being implemented, for example efforts to reinforce reporting systems and diagnostics and additional training for health facility and laboratory staff.
- (3) **In addition, we will restructure our programmes so as to provide more emergency relief and more services for displaced people and to strengthen crisis management.**
- (4) **In 2020, we are funding a one-billion-euro Emergency COVID-19 Support Programme by restructuring the budget of the German Development Ministry (BMZ) and increasing our efforts in the following seven areas:**
 1. Health and pandemic control
 2. Food security and basic food services to prevent famines
 3. Stabilisation of fragile regions affected by displacement
 4. Social protection and securing jobs in global supply chains
 5. Additional economic support for enterprises in key industries such as textiles and tourism
 6. Government liquidity
 7. International cooperation
- (5) **The international crisis calls for a top-up programme for 2020 requiring additional funding of 3 billion euros.**
This top-up programme will need to be financed through additional funding from the supplementary budget and can be implemented immediately in our partner countries.

THE EMERGENCY COVID-19 SUPPORT PROGRAMME – AN OVERVIEW

| Priority areas | Redirection of funds | Additional funding requirements |
|--|---------------------------------|---------------------------------|
| | Budget 2020 (millions of euros) | Budget 2020 (millions of euros) |
| 1. Health and pandemic control <ul style="list-style-type: none"> Expansion of health programmes in partner countries, especially in fragile regions (in cooperation with WHO) Increased provision of funding for international health organisations, including <ul style="list-style-type: none"> → PEF (WHO, World Bank) → Gavi and Global Fund Efforts to expand the capacities of NGOs and strengthen Global Health / One Health research | 200 | 600 |
| 2. Food security and basic food services to prevent famines <ul style="list-style-type: none"> Food security (especially WFP) Efforts to uphold food production | 200¹ | 600 |
| 3. Stabilisation of fragile regions affected by displacement <ul style="list-style-type: none"> Especially Syria region, Sahel region, Yemen, North Africa and Ethiopia | 150 | 450 |
| 4. Social protection and securing jobs in global supply chains <ul style="list-style-type: none"> Securing jobs (incl. Special Initiative on Training and Job Creation) Securing incomes (incl. cash transfers) | 180 | 340 |
| 5. Additional economic support for enterprises in key industries such as textiles and tourism | 115 | 400 |
| 6. Government liquidity | 150² | 350 |
| 7. International cooperation <ul style="list-style-type: none"> Accelerated disbursement of core contributions to international organisations (UNICEF, UNDP) Debt relief | 155 | 410 |
| Total COVID-19 package | 1,150 | 3,150 |

1 Precautionary measures to prepare for a worsened food situation in the second half of 2020

2 Final volume still to be determined

IV. The Emergency COVID-19 Support Programme in detail

1. Health and pandemic control

1.1. PRESENT SITUATION

In many of our partner countries, weak health systems are incapable of dealing with COVID-19. Unlike Germany and Europe, developing countries have hardly any laboratories, intensive care (ICU) beds or ventilators. Ethiopia estimates that it has 150 ICU beds for 105 million people.

Experts also expect that there is a very high number of undetected cases. The challenge will be to uphold necessary health services (such as malaria response and ongoing immunisation programmes) on top of the response to the pandemic.

1.2. PLANNED BMZ ACTIVITIES

What we are doing with the resources we have (redirecting funds within the BMZ's 2020 budget)

- In more than 30 countries, we are providing emergency assistance in the area of health and hygiene through diagnostics, protective clothing, training and mobile handwashing stations. Among other things, we are working closely with the African Union.
- In the German Epidemic Preparedness Team, we are currently looking into requests from ten countries.
- Together with our partners and WHO, we are supporting Gavi, the Vaccine Alliance, and the Global Fund in selecting actions to address COVID-19 in more than 40 countries.
- Together with faith-based agencies and private organisations, we are adjusting programmes to address COVID-19 and educating the public by strengthening local media.
- In addition, we are investing in local health systems, which have come under great stress, including plans for the prevention of pandemics, which are underfunded in many of our partner countries.
- We are expanding the One Health approach on pandemics prevention and zoonoses.

TOTAL

200 million euros

What we can do with additional resources (additional funding requirements for 2020 budget)

- Further investments in health systems to prevent the pandemic from spreading further
- Additional support for Gavi, the Vaccine Alliance, the Global Fund, and the World Bank's Pandemic Emergency Financing Facility (PEF)
- Implementation of internationally coordinated, rapid financing for national health plans led by WHO; funding to cover institutions' COVID-19 packages and swift provision of a COVID-19 vaccine
- Targeted investment in water supply through WASH
- Further development of a system to fight zoonoses and pandemics based on cooperation with WHO and the World Organisation for Animal Health
- Support for UNFPA in order to protect women and girls, who represent a vulnerable population group in the COVID-19 pandemic, and to enable people to continue to enjoy sexual and reproductive self-determination

TOTAL

600 million euros

2. Food security and basic food services to prevent famines

2.1. PRESENT SITUATION

COVID-19 is not only a health crisis but is also already becoming a food crisis. People are already suffering from hunger before the virus has reached them and their families. They are almost completely confined to their homes and do not know how to get food to meet their daily needs. Supply shortages have already reached a considerable level, especially in large cities, where increased food prices are hitting poorer groups particularly hard.

Moreover, restrictions on transport and work may result in seed shortages and in the loss of entire harvests. More than 820 million people worldwide suffer from hunger, and hunger has been on the rise again for a long time, with the biggest increase in Africa.

The locust crisis in East Africa may become a problem extending over multiple years as a result of the COVID-19 crisis. The virus is making locust control more difficult, as there is hardly any chance to deploy staff or materials locally, and supplies of insecticides will soon be exhausted.

The BMZ is working on food security and agricultural modernisation in 35 of its partner countries, so we are able to respond quickly.

2.2. PLANNED BMZ ACTIVITIES

What we are doing with the resources we have (redirecting funds within the BMZ's 2020 budget)

- We are supporting food security in the least developed countries and in regions affected by displacement and fragility, working through the World Food Programme and UNICEF.
- Working through our 15 Green Innovation Centres, we are increasing our activities in areas such as seeds, fertiliser and pest control.

TOTAL

200 million euros

What we can do with additional resources
(additional funding requirements for 2020 budget)

- Distribution of food for children to make up for the absence of school meals
- Transfer services to provide people with food
- Efforts to uphold local food production, improvement of storage and supply chains, and support for regional processing industries
- Expansion of food and agricultural programmes operated by faith-based agencies and civil society

TOTAL

600 million euros

3. Stabilisation of fragile regions affected by displacement

3.1. PRESENT SITUATION

The COVID-19 crisis is hitting the poorest people in regions affected by displacement and fragility particularly hard. Worldwide, more than 71 million people have been displaced. The number of crises and conflicts has risen in the last few years.

Most of those affected are living under crowded conditions in poor neighbourhoods and overcrowded camps. The risk of infection is very high. There is little scope for compliance with hygiene standards. Displaced persons and migrants often have no access to national health systems. In other words, they do not benefit from pandemic and crisis response plans.

In their precarious situation, they are also exposed to the economic consequences of the pandemic without any protection. Conflicts will increase, and social cohesion in host regions, which had already been fragile before the crisis, is under threat. So our goal must be to prevent new crises and further displacement.

3.2. PLANNED BMZ ACTIVITIES

What we are doing with the resources we have (redirecting funds within the BMZ's 2020 budget)

- We are helping to stabilise fragile regions affected by crisis, especially in the Syria region, North Africa, the Sahel region, Yemen and southern Ethiopia, working with our partners UNICEF, UNHCR, WFP and others.
- This means, above all, strengthening structures and institutions for the provision of services, financing health personnel, increasing our emergency relief and assistance for displaced persons, and taking action for direct preventive healthcare.
- We are also engaged in income-generating activities for refugees and people from host communities, and we are investing in the continuation of education measures and employment activities (cash for work).

TOTAL

150 million euros

What we can do with additional resources
(additional funding requirements for 2020 budget)

- Strengthen health and sanitation infrastructure in fragile regions affected by displacement, especially for host communities
- Integrate health and hygiene activities in current programmes, especially in the field of job creation
- Promote employment and provide support for small and medium-sized enterprises

TOTAL

450 million euros

4. Social protection and securing jobs in global supply chains

4.1. PRESENT SITUATION

The COVID-19 pandemic is already causing a massive economic and financial crisis. Its impact is hitting developing countries – especially in Africa – particularly hard. Millions of people have already lost their jobs – without any social protection to fall back on – because global supply chains are breaking down suddenly, for instance in the textile sector. Migrant workers and factory workers are losing their livelihoods overnight.

For many people, this means hunger and poverty. Experts estimate that, for the first time since 1998, the share of people in poverty has started to grow again in 2020.

The economic and social achievements of local value chain development in developing countries and these countries' growing integration in the global economy (“Africa on the upswing”) are under threat.

Unlike Germany, most developing countries have only rudimentary social protection systems. Many people, especially vulnerable groups and the poor, have no financial reserves. They need quick-impact assistance now in order to survive.

4.2. PLANNED BMZ ACTIVITIES

What we are doing with the resources we have (redirecting funds within the BMZ's 2020 budget)

- We are focusing our Special Initiative on Training and Job Creation on protecting jobs and upholding investment amidst the crisis, and we are increasing our efforts under the Initiative.
- We are expanding social protection programmes, thus helping to cushion the social and economic impact of the pandemic for the most vulnerable in countries with a high share of poverty, for example through quick-impact transfers to make up for income loss and to pay for food and drugs.
- We are supporting income-generating measures and employment through ongoing programmes.

TOTAL

180 million euros

What we can do with additional resources (additional funding requirements for 2020 budget)

- Prevent the loss of training opportunities and jobs in Africa by expanding our support for local companies and supply chains in important sectors such as health and food processing (Special Initiative on Training and Job Creation)
- Increase our programmes for the promotion of employment in Africa, Asia and the Middle East in order to protect jobs
- Increase the World Bank's Sahel Adaptive Social Protection Program in order to improve basic social protection in this particularly fragile region
- Strengthen basic social protection and labour-intensive infrastructure programmes in Africa, Asia and the Middle East in order to reduce the impact of the pandemic on particularly vulnerable people

TOTAL

340 million euros

5. Additional economic support for enterprises in key industries such as textiles and tourism

5.1. PRESENT SITUATION

Enterprises in developing countries cannot rely on the kind of rescue packages that are available in Europe and the United States.

It is therefore important to safeguard companies' liquidity and protect local value chains, and to uphold international supply chains, especially in key industries such as textiles and tourism. In that way, we can protect incomes and jobs even during the crisis, stabilise local markets and support critical industries.

5.2. PLANNED BMZ ACTIVITIES

What we are doing with the resources we have (redirecting funds within the BMZ's 2020 budget)

- We are making our programmes for cooperation with the private sector (developpp, DEG instruments, development investment fund) more flexible in order to protect private-sector activities during the crisis.
- We are expanding our support for SMEs through existing funds.

TOTAL

115 million euros

What we can do with additional resources (additional funding requirements for 2020 budget)

- Protect companies' liquidity, among other things by increasing our funds for financing SMEs (such as the MENA SANAD fund), refinancing financial institutions for SMEs (such as REGMIFA), increased fiduciary investments, and increased credit and trade guarantees (Africa Trade Insurance Agency, ATI)
- Expand liquidity support for companies to further sectors, such as agriculture, textiles (Bangladesh and other Asian countries) and automotive suppliers
- Carry out new projects with German and European enterprises, especially in the field of health infrastructure, and implement DEG's financing programme for private companies' activities in developing countries as well as business-to-business platforms and digital approaches

TOTAL

400 million euros

6. Government liquidity

6.1. PRESENT SITUATION

The global COVID-19 pandemic poses a fundamental threat to developing countries and their stability. Demand for raw materials has plummeted. This sector is one of the main sources of income for developing countries. Currencies have seen massive devaluation.

In Africa alone, it is expected that national tax revenue will decline by 20 to 30 per cent. The UN estimates that developing countries and emerging economies will lose a total of 220 billion US dollars' worth of revenue. It also estimates that capital withdrawals from developing countries and emerging economies since the beginning of the spread of COVID-19 in February 2020 have totalled nearly 100 billion US dollars. This is almost three times as much as after the world financial crisis in 2008.

Capital outflows and the drop in export earnings will further exacerbate the debt problems of many developing countries. Many of these countries are therefore at risk of sovereign default, which would render them incapable of action in the midst of the COVID-19 crisis.

6.2. PLANNED BMZ ACTIVITIES

What we are doing with the resources we have (redirecting funds within the BMZ's 2020 budget)

- The BMZ is expanding its financing instruments in order to provide liquidity to governments so that they can expand their health infrastructure, support their economies, uphold supply chains and foster macroeconomic stabilisation.
- We are increasing our support for governments to enable them to respond to the crisis, protect jobs, stabilise local markets and support critical industries.

TOTAL

150 million euros

What we can do with additional resources (additional funding requirements for 2020 budget)

- Provide reform financing for our reform partner countries in priority areas of our reform partnerships, and provide COVID-19 emergency assistance in selected partner countries, especially in the area of fiscal and macroeconomic stabilisation
- Through such programmes, we could make significant contributions towards protecting and creating jobs and enhancing macroeconomic stability in eight to twelve partner countries. The programmes could also use budget loans to make up for promotional loans (e.g. in Tunisia).

TOTAL

350 million euros

7. International cooperation

7.1. PRESENT SITUATION

The multilateral institutions are particularly capable of responding to a crisis of global dimensions. It is their mission to contribute to global public goods, they have a vast range of instruments and virtually universal reach, and they are able to foster stability through countercyclical action.

It is our goal to provide increased support for the COVID-19 response to international organisations that are able to mobilise high levels of funding swiftly to assist their partner countries. Through our core contributions and our shares in organisations' capital, we are enabling international organisations to put together quick COVID-19 packages.

7.2. PLANNED BMZ ACTIVITIES

What we are doing with the resources we have (redirecting funds within the BMZ's 2020 budget)

- In international organisations' governing bodies, we are advocating for the adjustment of ongoing and planned programmes and the targeted redirection of resources so as to enable the organisations to make a particularly effective contribution during the COVID-19 crisis.
- By making our contributions ahead of schedule and increasing our core contributions to UN agencies (UNICEF, UNDP, UNFPA and others), we are lending additional support to such efforts.

TOTAL

155 million euros

What we can do with additional resources (additional funding requirements for 2020 budget)

- Debt moratorium for the 76 IDA countries and Angola in order to give these countries additional liquidity
- Increase our core contributions to UN agencies for the procurement of health items and for cushioning the socioeconomic consequences of the crisis
- Make early payments to the World Bank in order to facilitate quicker disbursements of funds for the world's poorest countries

TOTAL

410 million euros
