

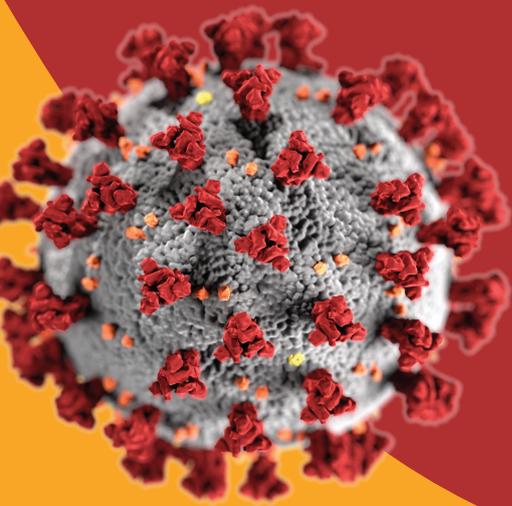
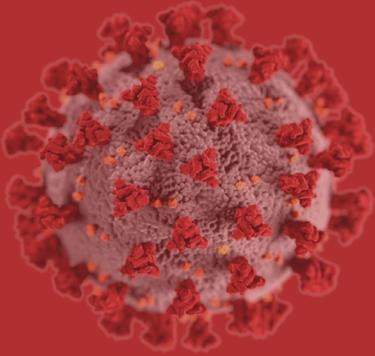


THE AFRICAN CAPACITY
BUILDING FOUNDATION

FONDATION POUR LE RENFORCEMENT
DES CAPACITES EN AFRIQUE

Securing Africa's future through capacity development

SPECIAL BULLETIN COVID-19



CONTENTS

- 3 • **Edito:**
We are all
in it together

- 4 • **Coordination is key**
to victory over COVID-19

- 5 • **Islamic Development Bank**
and BADEA continue to
stand with ACBF

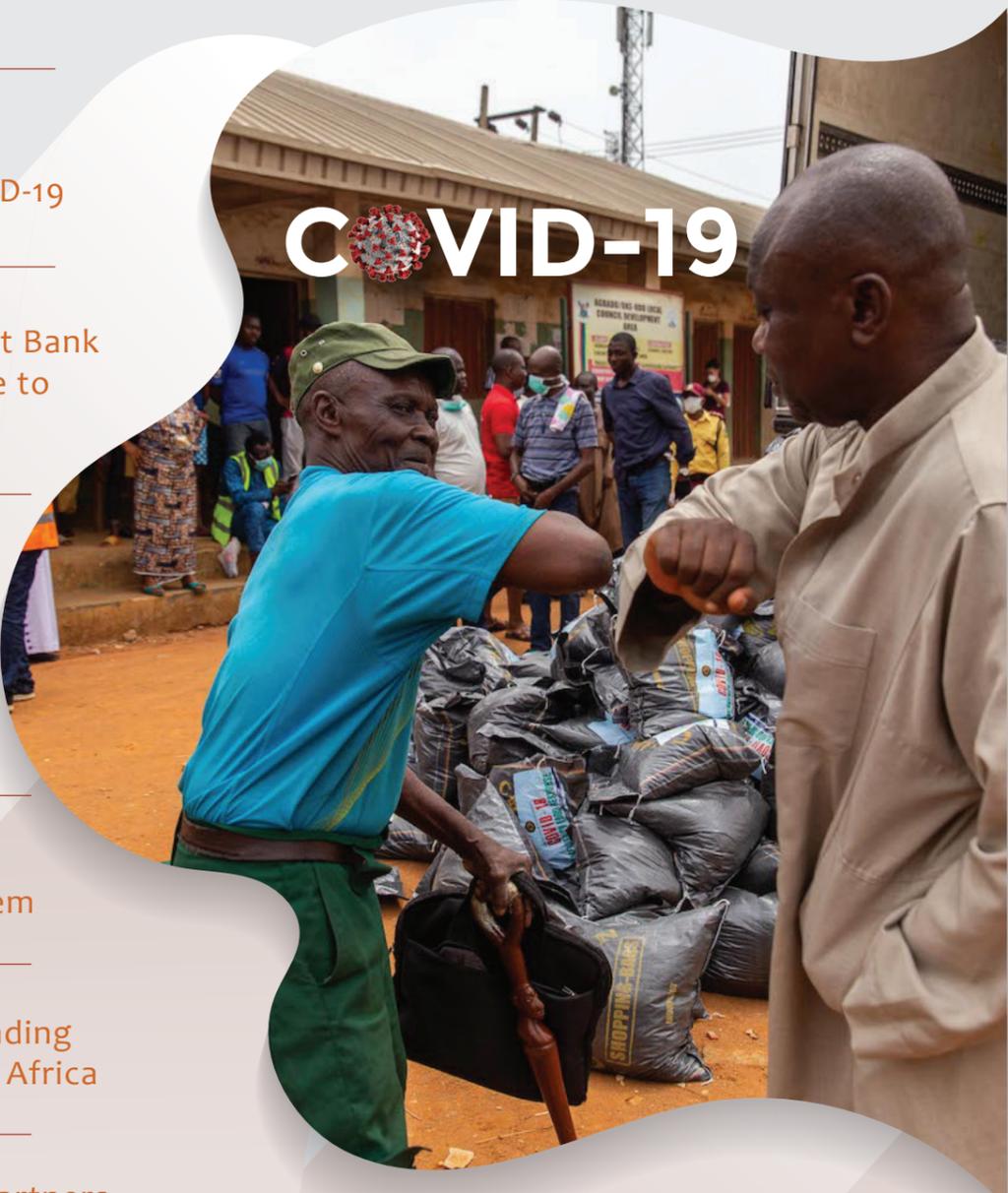
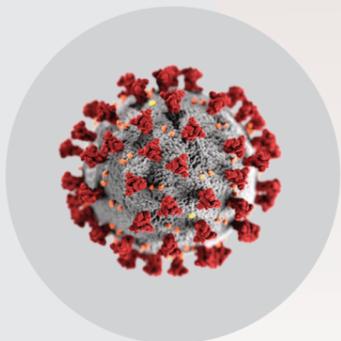
- 6 • **Africa may have to**
challenge the global
finance and trade
architecture - View
from the Chair

- 7 • **Africa must improve**
health delivery system

- 6 • **ACBF's role in expanding**
digitalization across Africa

- 8 • **Snippets from our partners**

- 9 • **Knowledge Hub**



**Africa Capable
of Achieving its Own
Development**
**L'Afrique capable
d'assurer son propre
développement**

EDITO

From our Executive Secretary

WE ARE ALL IN IT TOGETHER



The COVID-19 pandemic is a major crisis for Africa. To better understand the economic impact, we need to look at the three dimensions of this pandemic. First; is the impact of the disease itself on individuals, families, communities, nations and regions.

The second is the economic and social impact of the response to the pandemic and the mitigation measures that have been put in place, lives and livelihoods, third is the challenge of post-COVID-19 recovery and reconstruction.

According to various estimates, the pandemic has caused and will continue to have a severe impact on the economies of African countries. The African Development Bank (AfDB) has estimated a loss of gross domestic product (GDP) of between US\$22 billion and US\$88 billion.

This is a very serious challenge for the continent as it has direct impact on economic activity and productive capacity through inflation and debt. So far, we have seen disruptions in trade and value chains and there has been a sharp decline in the prices and exports of primary commodities. As such, this is an opportunity to intensify efforts in diversifying and transforming African economies to bring about more resilience.

There is also a reduction in financial flows in terms of investment and diaspora remittances. Foreign aid and tourism have been hit hard because of the travel bans and lockdowns put in place by various governments to curb the spread of the Coronavirus.

ACBF has been directly affected by the lockdowns and we find ourselves unable to function at full capacity. This affects our ability to support our Member States, our non-state actors, and all the institutions at country, regional and continental levels where we build the capacity of institutions and provide technical skills that are needed to bring about economic transformation.

To overcome this obstacle, the ACBF has devised innovative ways of doing business. This notwithstanding, the demand for our services remains huge, especially in light of the COVID-19 - induced challenges facing African countries and there institutions. Financial resources remain a challenge due to their insufficiency, unpredictability and unsustainability.

We are continuously grateful to our Member States and partners for their support and call on them to continue investing in their Foundation. This support is critical now more

than ever, as Covid-19 continues to threaten the gains made towards the realisation of Agenda 2063.





COORDINATION AND COLLECTIVE ACTION ARE KEY TO VICTORY OVER COVID-19

A lasting impact of COVID-19 will be felt in Africa, in all social and economic spheres, including health, education, industry, tourism, trade and the environment.

Unfortunately, the continent is faced with weak domestic capacity, fragile systems and an overwhelmed international aid environment. Thus, individual action on the part of African countries will be less effective in responding to the COVID-19 pandemic than a coordinated and continental joint action.

The African Union has already taken a lead in developing an Africa Joint Continental Strategy for COVID-19 Outbreak, with the Africa Centre for Disease Control and Prevention (ACDC) as the lead agency. Due to the enormity of the challenges thrown up by the pandemic, coordination became a major issue in the Brainstorming Session recently organized by ACBF.

Participants broadly agreed that ACBF had an important coordination role in the continental response to the pandemic. The Chair of the Board of Governors of the ACBF, Ghana's Minister of Finance, **Hon. Ken Ofori ATTA**, elaborated on the issue by saying that Africa should have a coordinated approach to both the pandemic and the debt issue, so that ACBF's work would lead towards an enlightened self-interest for the whole continent.

He was supported by the Vice Chair of the Board of Governors, Cameroon's Minister of Economy, Planning and Regional Development, **Hon. Alamine Ousmane MEY**, whose conviction is that, "the seemingly difficult access to medicines and equipment requires a collective approach for the continent to succeed"

Drawing attention to the unknown future, the Economic Advisor to the President of Nigeria, **Dr. Adeyemi DIPEOLU** concurred that there is an unprecedented need in capacity building following the imposition of COVID 19. Dr. Dipeolu encouraged the ACBF to adopt six response actions, being; establishment of structures for planning and coordination; strengthening of community leaders, training of health workers to be able to understand the disease and how to deal with; pooling together the means to acquire medication and vaccines to ensure that no country is left behind due to their limited fiscus.

"We need to have the means to use the Doha declaration to access the medication and vaccines. More than ever, Africa needs to have policies designed to limit the spread of the covid-19, the means of monitoring the spread in our communities as well as to be able to apply lockdowns which have been controversial in an effective manner, which would prevent social unrests that could worsen the situation on many of our countries," Dr. Dipeolu said, calling for sound economic and social policies beyond Covid-19 and complementary resources for effectiveness, use and mainstreaming of technology to respond to similar challenges in the future.

In his contribution, **Mr. Godfrey SIMBEYE**, member of the Executive Board of the ACBF emphasised the urgent need for Africa to harmonize its approach at the regional and continental level, saying that ACBF could coordinate efforts of fighting the COVID-19 pandemic within the Regional Economic Communities (RECs).

"ACBF also needs to anticipate the 'new global normal' following the COVID-19 pandemic so that it can best prepare Africans,

their governments, societies, institutions, and universities to play a positive role in protecting their interests," **Mr. SimbeYE** This view was supported by **Mr. Adeyinka ADEYEMI**, UNECA's Senior Adviser at its Regional Integration and Trade Division, who urged African countries to enhance coordination in terms of approach, interventions and logistics.

"Logistics is important because if we had one billion vaccines to cover every African today, could we get it delivered?" **Mr. Adeyemi** challenged participants, also emphasising that "ACBF has the capacity to develop the ability to handle this kind of logistical nightmare."

The gathering was of the consensus that a coordinated approach by African countries to purchase medicines and other medical supplies would cost the continent far less and would also enable and enhance access to such medicines and supplies more effectively than if countries made individualistic attempts.



ISLAMIC DEVELOPMENT BANK AND BADEA CONTINUE TO STAND WITH ACBF

As the impact of the COVID-19 pandemic affects ACBF's ability to function at full capacity, good news has come by way of the Islamic Development Bank (IsDB) and the Arab Bank for Economic Development in Africa (BADEA). Both banks have reiterated their determination to work with the ACBF to accompany African countries in the fight against the Coronavirus pandemic and its aftermath.

The IsDB and BADEA agreement to continue working with ACBF to support African countries which are also member states and beneficiaries of both banks to fight the COVID-19 pandemic and the expected economic headwinds to follow, was warmly received.

At least half of African countries are reportedly members of the IsDB. Senior Regional Coordinator of Technical Cooperation in Africa, **Mr. Sameh HUSSEIN** said the Bank had set aside \$2.3 billion to be

given as concessionary loans to member countries, to help them fight the COVID-19 pandemic.

The Bank also communicated its readiness to partner with stakeholders, including ACBF, in three action areas; including capacity development and networking of African laboratories to equip them with essential kits and consumable materials, to produce peer-reviewed preparations of protocols, and the sharing of practical experiences.

"As part of its COVID-19 response, the IsDB has organized online training on preparedness and response to the pandemic for 5,000 African health workers (covering testing, contact tracing, and patient management). The Bank will continue the training program for the next several months and it is relying on ACBF's expertise in delivering these trainings,"

said. **Mr. Hussein**.

Similarly, the Arab Bank for Economic Development in Africa (BADEA) is positioned to continue to work with ACBF to help its African beneficiaries fight the COVID-19 pandemic and particularly its aftermath.

Dr. Tshpelayi KABATA, the Technical Advisor in the Office of the Director-General of BADEA said the Bank had acted swiftly to set up a \$100 million Emergency Fund to assist African countries to fight the health crisis and its economic fall-outs.

According to Dr. Kabata, the \$100 million facility is ready although many countries are struggling to prepare their responses for both the health and economic crises. Some of them have reportedly attempted to work with other agencies to prepare their proposals, yet there are still challenges. Some countries are said to

have focused solely on the health response, others have combined the health and economic dimensions, but some think it is business as usual and have thus neglected the health crisis while pursuing the economic dimension.

"They say 'the pandemic is there but the economy is our priority'. But we know that economic recovery will not happen until we solve the health problem. In that respect, ACBF can play a key role now and in the future,"

Dr. Kabata said.

BADEA committed to continue to work with the ACBF to assist the countries in coming up with strong proposals for "bankable projects" to be funded by the Bank during and after the pandemic.

Explaining how BADEA works, Dr. Kabata said the Bank had four key priorities also referred to as pillars.

"We finance projects from the public sector, such as infrastructure. We fund projects from the private sector, including trade financing. We also finance projects from the agricultural sector, most specifically agricultural value chains, as well as SMEs. ACBF can assist countries in preparing proposals for SMEs. ACBF can play a key role in enabling those countries to actually produce strong proposals and projects that can help their SMEs to recover from the health crisis."

Prof. Emmanuel NNADOZIE, ACBF's Executive Secretary, thanked the two Banks pledging the ACBF's eagerness to play its role in the areas highlighted.

"Let me assure you that the partnership will get even stronger now that there is an emergency situation,"

the Executive Secretary said.



AFRICA MAY HAVE TO CHALLENGE THE GLOBAL FINANCE AND TRADE ARCHITECTURE IN THE FIGHT AGAINST COVID-19

Some of the liveliest contributions to the ACBF's Brainstorming Session came from the leadership of the Board of Governors and Executive Board of the ACBF.

The main reason for the Brainstorming Session was to identify priority areas in capacity development, the partnerships and institutional arrangements required to effectively respond to COVID-19 and post COVID-19 challenges.

In his contribution, Hon. Ken Ofori ATTA, Chair of the Board of Governors of the ACBF and Finance Minister of Ghana, concentrated on the impact of the pandemic on African economies and disclosed that as at May, 2020 at least 15% of African GDP had already been wiped out by the pandemic.

"With oil prices coming down to USD27 a barrel, some of our major sister countries are now under the couch," the Honourable Minister said. "Ghana has lost well over USD1 billion in revenue from oil, so far. We have also had an overall drop in Foreign Direct Investment (FDI), and remittances which are important components of our economy,"

Minister Ofori Atta said.

Certain industries like tourism, have also been hit hard by the impact of the pandemic.

According to **Hon. Ofori Atta**, hotel occupancy in Ghana has dropped from about 70% to an estimated 2%. As a result, 10 major hotels in the country were facing the reality of inability to pay their workers from June onwards, which means that at least 4,000 to 5,000 hotel workers would be laid off without unemployment benefits.

The Chair of the Board of Governors expressed concern about the effects of lengthy lockdowns in Africa, stressing that most people on the Continent are in the informal sector where confining them has a huge negative impact on their income and livelihoods.

By May some countries had already seen lockdown-related riots. According to news reports, the riots were an expression of pent-up anger among people who had been stuck indoors for long, waiting to go back to work. One thing that has come to the fore, Hon. Ofori Atta said, "is the expansion of the informal market and how difficult it is to transmit whatever support one wants to give, as well as how to formalize it so that it will be more productive and also be able to participate in taxes. We should get into an agreement with the relevant partners for a real continental

digitalization that will really help us as a new platform for the future."

Turning to the debt issue induced by the impact of the COVID-19 pandemic, the Chair of the Board of Governors said the whole global finance and trade architecture might need to be looked at, especially with the emergence of important new players.

He emphasised the importance of ACBF's role in conducting research into debt relief and debt forgiveness, digitalization and technology and getting a peer mechanism among African countries that enables learning and documenting experiences.

Hon. Ofori-Atta reiterated the need for a coordinated African approach to both the debt issue and the pandemic, so that ACBF's work would lead towards an enlightened self-interest for the whole continent. "That should be part of the thinking even as you think through strategies for people to realize that a coordinated approach is better for the continent in the medium to long term," he concluded.

AFRICA MUST IMPROVE HEALTH DELIVERY SYSTEMS!



Picture taken from <http://www.healthnews.co.ug/>

The COVID-19 pandemic is wreaking havoc in Africa and is forcing African governments to reflect on and worry about the capacity of their health systems and structures - many of which are weak - to meet the challenges caused by the pandemic.

The Vice Chair of the Board of Governors of ACBF and Minister of Economy, Planning and Regional Development of Cameroon, **Hon. Alamine Ousmane MEY**, spoke at the High-Level Brainstorming Session organised by ACBF; on how Africa should take advantage of its local pharmacopeia and other abundant potential solutions on the continent. He also spoke of Africa's need to have a robust mechanism of surveillance and monitoring of diseases so that data is available not only for the current crisis but for future calamities as

well. On the African economy, the Vice Chair asked some pertinent rhetorical questions, such as fiscal space.

"We need fresh liquidity, and therefore any strategy that could help us at the continental level to be strong, committed and collected, and to be able to get the contribution of international partners is definitely important."

He called on Africa to take advantage of the fiscal spaces that are going to be liberated to address the challenges and gaps in the health systems and infrastructure; reflect on measures that will strengthen SMEs, as well as protect the vulnerable and the poor in society.

The minister underscored that post-COVID-19; —the new normal—would require adequate human resources, good

infrastructure and strong organizational capacities.

"This is where the ACBF would be most needed," he said, adding that the ACBF had been instrumental in strengthening Africa's human resource base in the past. He said the Continent was reliant on the ACBF for strategies to find a pathway to resolve the debt issue and mobilise the much need financial resources.

"The Continent will have to work in solidarity and become cooperative. We need to pull together. Access to medicines and equipment will be difficult if we act individually. We also need to find the right solutions for the informal sector. This is where most of our population are. We have to find a solution for it, and ACBF can be of help,"

Vice Chair concluded.



SNIPPETS FROM OUR PARTNERS



Dr. Michael PLUMMER
Director, John Hopkins University, Italy and
 Eni Professor of International Economics:

No one knows how long the COVID crisis will endure, but we do know that we will continue to have health emergencies in the future, so we need to be prepared. Together with our partners, we need to prioritize investments in health care and social safety nets. **ACBF** should be supported to put together a study for best practices and set up a cooperative network of scientists, civil societies and workers. It is important to prepare for the post-COVID world in terms of trade and expertise. African countries need to be bold and resist protectionism.



Dr. Yao GRAHAM
Coordinator, Third World Network-Africa:

The COVID-19 emergency has highlighted all the long-known deficiencies of the African system. We should use the emergency response as a tipping point for fast-forwarding and accumulating new perspectives about the transformation agenda. **ACBF** should be resourced by both local and international sources. The urgency we are identifying at this moment should be brought to bear also on Africans, particularly governments and institutions, to commit to the resourcing of the **ACBF**. As we talk about us being able to take ownership of policy, the resources that will take care of that capability have to be available, and **ACBF** is clearly a very important part of that.



Dr. Arthur MINSAT
Head of Unit for Africa and Middle East, and
 Senior Economist at OECD:

COVID-19 has highlighted the structural issues on the continent where **ACBF** can help. About 82% of Africans don't have social protection. These are areas to build capacity and **ACBF** is very well placed because of the multi-sectoral nature of its work. There is a big need to enhance African expertise because of the transformation of economies now taking place on the continent and in the decades ahead. The **OECD** is working with **ACBF** and the **African Union** on a new deal of digitalization, so there is a big scope here to continue to expand the capacity with regards to digital trade and digital technology, particularly in rural areas where the gap is harshest and starkest; and also to increase the productivity of SMEs that create the most jobs in the informal sector.



KNOWLEDGE HUB

Visit our e-library to download the Africa Capacity Report and other ACBF publications.



THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE

Specialized Agency of the African Union



AFRICA CAPACITY REPORT 2019

Fostering Transformative Leadership For Africa's Development

With Foreword by HE Paul Kagame



THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE

Securing Africa's future through capacity development / Assurer l'avenir de l'Afrique en renforçant les capacités

