



## THE PARLIAMENTARY NETWORK

On The World Bank & International Monetary Fund

### Virtual Parliamentary Meeting on the IMF Responses to the COVID-19

16 June 2020

On 16 June 2020, the Parliamentary Network on the World Bank & IMF (PN) jointly organized with the International Monetary Fund (IMF) a Virtual Parliamentary Meeting on the IMF Responses to the COVID-19 crisis. The purpose of this meeting was to discuss the measures implemented by the IMF to deal with the negative impact of the pandemic and exchange insights and experiences with parliamentarians on policies for inclusive economic recovery. Around 67 participants from over 47 countries attended the conference.



#### *Discussants during the VC on the IMF Responses to COVID-19*

**The Rt Hon. Liam Byrne MP, Chair of the Parliamentary Network on the World Bank & IMF** and moderator of the meeting, welcomed the participants by urging parliamentarians to work together to protect lives and livelihoods in this time of COVID-19. He spoke about the risks of unilateral policies to face the COVID-19 crisis and the need for collective responses for a greener and fairer recovery.



*The Rt Hon. Liam Byrne, Chair of the PN*



*Ms. Antoinette Sayeh, IMF Deputy Managing Director*



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**Ms. Antoinette Sayeh, Deputy Managing Director of the IMF**, presented the IMF strategy to cope with the negative consequences of the pandemic, and the measures implemented to prepare for an inclusive recovery. She first outlined the IMF's emergency finance programmes that have reached more than 100 countries, and the joint call issued together with the World Bank Group during the G20 submit to cancel all bilateral payments for loans. She also stressed the importance of strengthening the confidence in the economy and the financial stability by augmenting liquidity lines in developing countries. She explained that high public spending must be accompanied by accountability and transparency, and highlighted the role of parliamentarians as essential actors in enforcing financial accountability.

Furthermore, Ms. Sayeh spoke about the need of doubling efforts to prepare for inclusive recovery measures. She presented the IMF's capacity development programs, which aim to facilitate social spending and support longer-term measures where they are needed the most. She stressed the importance of promoting a more inclusive and greener recovery by implementing several actions and public policies, such as investments in education, health, gender equality and sustainability. Ms. Sayeh explained that the IMF is promoting debt relief to provide countries with wider fiscal space in order to achieve a more inclusive economic recovery.



*Laura Rojas MP, Mexico*

**Laura Rojas MP, Speaker of Mexico's Chamber of Deputies**, presented the current health and economic situation in Mexico and the measures implemented by her parliament to mitigate the negative effects of the pandemic. She stated that economic conditions in the region are worsening as the pandemic keeps spreading rapidly. Mexico's situation is fragile, she said, due to regional inequalities, obesity and diabetes. However, she explained that the young age of the population is a positive factor on the way to economic recovery.

Also, Ms. Rojas expressed her concerns about the slowdown of the Mexican economic activity and the fall of the remittances and exports' revenues. She stressed the need for a fast economic response and the importance of financing small and medium enterprises to protect livelihoods. She emphasized the essential role of the international financial institutions in providing loans and financial relief and finished by making a call to work on protecting the environment and human rights amidst this crisis.

**Vjosa Osmani-Sadriu MP, Speaker of Kosovo's Parliament and Board Member of the Parliamentary Network**, spoke about the inherited fragility of the health system in Kosovo and the fast response from the government resulting in a rapid implementation of lockdown. She stated that the government is progressively lifting the containment measures such as the restriction of movement in the context of a highly fragile economic situation.



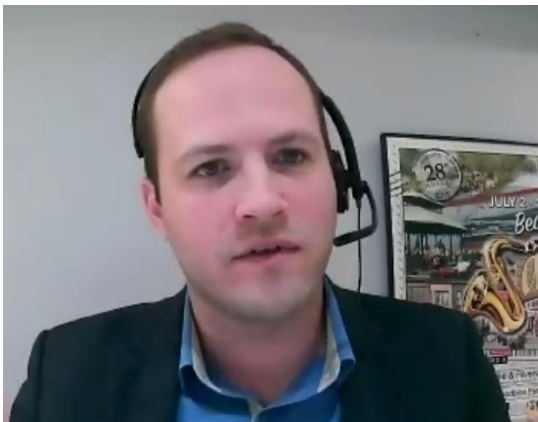
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Ms. Osmani described the fall in salary payments, business shutting down, and unemployment as primary concerns. She explained that bilateral financial support and rapid finance from the IMF have helped to mitigate some negative effects of the pandemic. However, she made a call to consider the environmental impact while properly using these economic packages in order to push for a greener recovery. She ended her presentation by highlighting the need of preparing for a second outbreak while investing in agriculture, education, access to finance and employment.



*Vjosa Osmani MP, Kosovo; Board Member of the PN*



**Nathaniel Erskine-Smith MP** stressed the importance of funding businesses at both the local and federal level to mitigate the negative impact of lockdown measures. He spoke about an imperative need of having accountability and climate policy implemented in the recovery measures. Mr. Erskine-emphasized long-term sustainability objectives while ensuring swift short-term responses such as pushing for a clean energy public policy while ensuring household's revenues. According to him, this entails the need for properly allocating fiscal expenditures to ensure an inclusive and green recovery, which requires a good balance between the political and fiscal feasibility.

*Nathaniel Erskine-Smith MP, Canada*

**Gabriela Cuevas MP, President of the Interparliamentary Union (IPU)**, explained that there is no tradeoff between economic activity and health, as in order to prevent negative economic outcomes, it is imperative to stop the spread of the disease. While taking the necessary health measures to cope with the pandemic, she said that it is highly important to find sustainable solutions in the short- and long-term in order to achieve a greener economic recovery. Ms. Cuevas also highlighted the need to focus on wellbeing by reducing economic and gender inequalities. She argued that having a proper strategy on budget spending is essential to achieve recovery and that countries must work together, and closely with IFIs, to alleviate the economic and social pressures caused by the pandemic.



*Gabriela Cuevas MP, President of IPU*



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*Cedric Frolick MP, South Africa*

**Cedric Frolick MP** spoke about the measures implemented in South Africa to cope with the negative consequences of the COVID-19 pandemic. He said that the government prioritized economic assistance to households and undertook measures to deal with unemployment. He stressed the importance of lockdown as a mean to alleviate the pressure on the health system, while providing enough time decision makers to plan recovery and economic measures.

However, he explained that inequality, poverty and unemployment are rising and that solving these issues must be a priority for the government. He stressed the importance of development plans and investing in the private sector to ensure an inclusive economic recovery. Mr. Frolick presented the pandemic as a window of opportunity to make economy greener and fairer. Also, he explained that the crisis might induce a change in the traditional conception of labor due to the use of new technologies and that countries need to be prepare to extract the positive potential of technological change, while protecting jobs and livelihoods.

**Senator Pia S. Cayetano**, stated that on March 15 the immediate concern of the parliament was to limit the spread of the virus. She said that currently businesses are reopening while sport centers remain closed. The government has to write a weekly report to the parliament describing all measures taken to deal with the health and economic consequences of the pandemic. Ms. Cayetano explained that the parliament is issuing laws to relieve the pressure on the finance systems and reallocate money to help businesses and families.



*Senator Pia S. Cayetano, Philippines*

She stressed the importance of preserving part of the country's budget for the future recovery. She described the current pandemic has an opportunity to put in place greener politics and infrastructure, such as ecological means of transportation. Additionally, she highlighted the importance of childcare, social welfare and access to health as essential components of a sustainable recovery.



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*Kandeh Yumkella MP, Sierra Leone*

**Kandeh Yumkella MP** highlighted the need of reallocating the existing funds to emergency support measures. He stressed the importance of using subsidies in a smart way to help small and medium enterprises to cope with the negative effects of the pandemic and to innovate for greener growth. Also, Mr. Yumkella spoke about the lack of production of energy in Africa and its harmful impact on the health sector. He finished his intervention by making a call for accountability in the use of development funds and to strengthen democracy on the continent.

**Ammar Moussi MP, Member of the Parliamentary Assembly of the Mediterranean (PAM)**, stated that Arab countries had suffered a huge economic and employment loss due to the pandemic. He spoke about the measures implemented in Algeria and highlighted the importance of protecting the most vulnerable sectors of the population. Mr. Moussi stressed the need of investing in education, health and essential services, and of protecting small and medium enterprises. He finished by speaking about the essential role digital platforms and startups play in job creation and made a call to use them in a proper manner to contribute to social and financial stability.



*Ammar Moussi MP, Algeria*

During her final remarks, Ms. Antoinette Sayeh highlighted the importance of sustained lockdown to prevent another outbreak that could worsen the negative economic consequences of the pandemic. She stated that IFIs are working to help countries to cope with the negative consequences of the pandemic by providing them with additional fiscal space. Ms. Sayeh concluded by calling for accountability in public spending and the transparent use of development funds to protect the most vulnerable people from the negative consequences of the pandemic.