

# Helping countries to cushion the economic impacts of COVID-19

## Background

The Covid-19 Pandemic will likely have major economic repercussions for developing countries. DCED members believe that technical assistance programmes in the area of private sector development (PSD) will play a key part to help partner countries ensure that they can:

- (1) cushion the worst economic impacts of the crisis **in the short term**;
- (2) adjust to the **medium to long-term economic consequences** of the crisis;
- (3) be better prepared **for future crises**.

## Commitment by DCED Members

DCED members are committed to helping their respective partner countries address these challenges and to working together in partner countries to ensure coordinated and effective action.

The (1) short-term response to the immediate crisis is the priority for the coming months. The (2) medium-and long-term impacts as well as (3) resilience to future crises will need to be a focus starting in the second half of 2020.

## The PSD questions that Covid-19 raises

The Covid-19 crisis raises a set of specific PSD challenges for our partner countries that DCED members can support addressing such as:

- Avoiding the collapse of businesses, sectors and economies by ensuring partner countries can design and implement support programmes for (local) businesses and assess their impact;
- Strengthening the resilience of businesses through business continuity measures, such as health and safety, and sustaining production, profits and employment (through digital and other measures);
- Supporting sectors that are critical, including particularly healthcare;
- Supporting investment climate reforms that can help cope with the crises, such as a temporary relaxation of customs processes and reductions of tariffs for vital goods and sectors;
- Raising awareness of the effects and potential measures to the most vulnerable groups of society (e.g. poorest members of society, women and forcibly displaced).

## The role of the DCED

The overall aim of the DCED is to enhance the efforts of its members by facilitating exchange and sharing information about what works – based on practical experience and evidence on results. This is particularly critical

in this crisis as all members as well as other stakeholders rely on swift access to information about how to address the crisis.

For the avoidance of doubt, the DCED has no role in determining which member organisation should provide what type of support to which countries. This is up to individual members to determine when designing specific support programmes with specific partner countries.

## **DCED actions**

The DCED is taking the following actions to help member organisations address the Covid-induced challenges together, helping members achieve better impacts more efficiently.

### **1. Exchange of information through webinars**

Due to the urgency, the most viable short-term action is the organisation of dedicated exchanges on specific topics through webinars either through the DCED Secretariat or through DCED Working Groups in coordination with the DCED Secretariat. This is to discuss cross-cutting issues with members and share current donor practices, examples from programmes in the field as well as good practices from previous crises. These can include:

- Consider how policy frameworks, government incentives and regulatory reform can be used to respond to the crisis and act as a stimulus (in the Business Environment Working Group);
- Consider how to help markets recover and regain resilience in the medium term (through the Market Systems Development Working Group);
- Consider how to support women's economic integration in the context of the crisis, as women are likely to be particularly affected (through the Women's Economic Empowerment Working Group);
- Ensure that environmental sustainability is not neglected when short-term and longer-term measures are designed (through the Green Growth Working Group);
- Consider the impact of the crisis on the activities of international investors in developing and emerging countries and on global supply chains and how to address this (in the Private Sector Engagement Working Group).

Depending on the specific topic, webinars will either be open to DCED member organisations only or to the wider interested public (including partner countries).

### **2. Sharing research through a dedicated page on the DCED website**

Significant pieces of research are already emerging. Therefore, it is not the aim of the DCED to commission a large number of studies. However, to share what becomes available, the DCED has set up a [dedicated page on the website](#) to collect and share relevant publications on this issue, setting out the key takeaways for DCED members.

### **3. In the medium term, analysis on adjustments to PSD programmes**

In the medium to long term, the Working Groups will consider whether further analysis is needed to advise donors on how to adjust PSD programmes in light of the Covid crisis in the future.