



To Ms S.A.M. Kaag
Minister for Foreign Trade and Development Cooperation
Postbus 20061
2500 EB Den Haag

Date

11 May 2020

Re

AIV Advisory Letter 34: The Netherlands and the Global Approach to COVID-19

Postbus 20061

2500 EB Den Haag

T: +31 (0)70 348 51 08

aiv@minbuza.nl

Dear Minister,

The world is currently facing a disaster. Healthcare is under pressure on every continent, and COVID-19 is having a huge socioeconomic impact. The most vulnerable are being hardest hit.

In the [14 April edition of the Financial Times](#) 18 African and European leaders, including Dutch Prime Minister Mark Rutte, called for global cooperation to tackle the pandemic. Their message was: 'Only victory in Africa can end the pandemic everywhere.' That requires concrete action. On 17 April the Advisory Council on International Affairs (AIV) – following an undertaking given by the government to the House of Representatives – received your urgent [request](#) for advice concerning an appropriate and effective Dutch contribution to global efforts to mitigate the impact of coronavirus. This letter sets out that advice.

There is much about the nature, scale and duration of the corona crisis that remains uncertain. The situation is dynamic, and that is how our response should be too – in epidemiological, social, economic and political terms. The AIV acknowledges this uncertainty and has opted to identify the most urgent priorities in terms of support for the most vulnerable countries and groups, mainly – but not exclusively – in Africa.

1. Urgent necessity

COVID-19 has now been detected in almost every country in the world. An economic and humanitarian disaster of hitherto unknown proportions looms. The illness could have an even more devastating impact given that hundreds of millions of people have no access to clean water and healthcare. Many even lack the resources for something as simple as washing their hands with soap. The health



situation in slums and refugee camps could quickly become critical. The economic devastation is also having a serious impact, with collapsing local business, plus falling income from trade, tourism and oil, leading to capital flight, business bankruptcies, and possibly also state bankruptcies. This will inevitably lead to mass unemployment which – in countries without financial reserves or social safety nets – will plunge many people into immediate poverty. The impact of COVID-19 and plagues of locusts could lead to the worst famine for a generation. The situation is exacerbated by the disruption to transport in already fragile regions. These crises could be made worse by the fact that in many countries human rights – including freedom of the press – are being restricted under the guise of responding to a sanitary emergency.

Clearly, this huge emergency in Africa and elsewhere has direct repercussions for us in the Netherlands. It touches our hearts and appeals directly to our sense of solidarity. Yet it is not only empathy for our fellow humans that spurs us to take emergency action. Helping other countries cope with the pandemic is also a matter of enlightened self-interest. Dutch society – with its healthcare workers on the frontline, and a huge financial support operation – is making unprecedented efforts to keep the public health situation at home under control, and to mitigate the immediate economic effects. This impressive show of strength at home will not, in the AIV's view, fully come into its own until it is matched by an equally impressive international effort. The coronavirus crisis will not be over in the Netherlands as long as it continues elsewhere in the world. This interdependence works in three ways. First, there is the risk of a second wave of infection, not only if we fail to remain cautious at home, but also as a result of people entering the country from regions where COVID-19 is still prevalent. The Netherlands and the rest of the EU will probably introduce stringent screening of travellers, but until COVID-19 is eradicated all over the world, a new wave of infection remains a real possibility.

Second, the economic recovery will not be able to get fully under way until all continents are 'open' again, and participating in sustainable global supply chains. It is important for jobs in a trading nation like the Netherlands that the move towards more regional production prompted by the coronavirus crisis remains proportionate and continues to focus on strategic social goals such as public health.

Third, COVID-19 will probably lead to migratory pressures at Europe's external borders. Though refugee and migrant numbers are falling in the face of an acute public health emergency, the suspension of international passenger transport and the closure of borders, they could rise again rapidly in the event of instability in the regional neighbourhood. In this connection, the AIV would recall the Arab uprisings of 2011, which began as 'food riots' whose origins lay in the financial crisis of 2008. Later, with a few positive exceptions, these rebellions turned into civil war situations that led to the migration crisis that destabilised Europe in 2015-16. This sequence of events gives pause for thought, and should prompt us to prevent a humanitarian disaster and take timely action in our own self-interest, too.

Geopolitics

There is much at stake in geopolitical terms. The coronavirus crisis is the first major global crisis to occur in the absence of US leadership since 1945. At a time when international cooperation is more vital than ever, the pandemic is heightening the rivalry between the US and China, on several levels. They are engaged in a war of words and mutual recriminations, as each side seeks to ensure that its own interpretation of events prevails.

We are witnessing a ruthless race to acquire personal protective equipment and intense efforts to develop a vaccine or drug treatment, in which Europe must also participate. And, most urgently in the context of this advisory letter, we see the power struggle between Washington and Beijing shifting to the international organisations, as evidenced among other things by the jostling for influence at the World Health Organization (WHO) and the disputes over its funding. This clash is undermining the multilateral order that has been built since 1945. It is vital for the EU and the Netherlands that this order be protected, and that we maintain our strategic influence in the WHO and other UN agencies, partly with a view to preventing and tackling future pandemics. In view of China's diplomatic efforts vis-à-vis affected countries, this strategic goal can be achieved only if Europe provides substantial, rapid and tangible support to vulnerable countries in Africa. Here, too, we must guard against being penny-wise but pound-foolish.

2. Priorities for support

The COVID-19 crisis is a health crisis, a socioeconomic crisis and a financial crisis. The most vulnerable are being hit hardest, and without support their lives are at risk. The AIV focuses in this advisory letter on the immediate support required, and is prepared to set out a longer-term vision at a later stage. The current crisis calls for a coherent package of support measures. Focus and speed are vital. Funding is needed for each of the points listed below.

Medical assistance, healthcare and air transport

During the first phase of the pandemic, immediate assistance will be needed to prevent the spread of COVID-19. Hygiene measures, including access to clean water and soap, are crucial for prevention and containment. The capacity of Dutch organisations with expertise in these matters can be used in this effort. High priority should be given to increasing testing capacity, protective equipment supplies, digital information and the development and availability of vaccines and medicines to support the primary and secondary healthcare sectors in their efforts to prevent, contain and treat the disease. The WHO will play a coordinating role in this, based on the [Universal Health Coverage](#) agenda. The EU should strengthen the position of the World Health Organization, as effective, binding rules for the reporting of and action against imminent pandemics are more important than ever. The current crisis may be followed by other, different crises. The WHO should work closely with local healthcare organisations in its response.

The AIV advises the government to prioritise Water Sanitation and Hygiene (WASH) for the prevention and containment of the COVID-19 pandemic. The AIV recommends working with a broad alliance of partner countries and companies (pharmaceutical and otherwise) to ensure that any tests, vaccines and medicines developed are supplied to developing countries as a matter of priority, in view of their limited capacity to achieve social isolation. This will prevent tests, vaccines and medicines from being used as weapons in a geopolitical power struggle. The AIV also recommends that the Netherlands continue to support, including through digitalisation, measures and funds that promote general resistance to disease (malaria, tuberculosis, HIV/AIDS, Ebola, polio).

The Netherlands can also provide support through NATO and the EU for the transportation of medical relief supplies and food aid. The AIV recommends that the



Netherlands initiate an airlift, via the European Air Transport Command (EATC) and NATO's Strategic Airlift Capability (SAC) C-17, for the transport of medical supplies and food aid to vulnerable countries in Africa and elsewhere, and coordinate it with the African Union and other international relief efforts. The KLM fleet, which is currently grounded, could also fulfil a public role in providing emergency transport of essential supplies and medicines.

Food aid and a social safety net

The COVID-19 crisis has exacerbated existing problems in the food supply chain, such as poor harvests caused by climate change and plagues of locusts. The World Food Programme (WFP) predicts that the pandemic will cause the number of people facing acute food insecurity worldwide to almost double from 135 million in 2019 to 265 million in 2020. Lack of income leads to hunger. A rapid temporary social safety net in the form of food aid or direct cash transfers will be needed for the most vulnerable population groups and communities. UN agencies (like WFP, IFAD and FAO) and the EU have taken the first steps in providing support for the most vulnerable communities. Particular attention should be given to support for women, who play a vital role, both in food supply and in healthcare.

A social safety net is necessary. To this end, it is important that as many jobs as possible be preserved. Temporary liquidity is vital to help businesses survive the effects of lockdown. The availability of critical infrastructure like electricity, transport and communications is essential for healthcare, the food supply, the economy and the social safety net. The AIV advises the government to enable development banks like FMO (the Dutch development bank), which are familiar with the grassroots of the economy, to provide viable businesses – particularly SMEs – and microfinance organisations with the support they need to overcome temporary problems, thus preventing a domino effect in terms of job losses.

Socioeconomic prospects

Developing countries have been hit hard by the financial and socioeconomic impact of global lockdowns, the rapid flight of capital, declines in remittances, devalued currencies and falling prices for natural resources and oil. Debt relief, particularly debt cancellation, would allow the poorest countries to release funds to tackle the health, social and economic crises they face.

The AIV urges the government to make a substantial contribution to the suspension of official public debt servicing payments. The mechanism for debt relief, including a set of terms and conditions, is already in place. The IMF and World Bank have called for the suspension of official public debt servicing payments by the poorest low-income countries. The AIV recommends that the Netherlands comply with this request, and make a considerable sum available via the IMF's [Catastrophe Containment and Relief Trust](#), which has a special facility for health emergencies. Such a contribution could be made in the short term, would have a structural effect, is in line with the Netherlands' leading role in this area, and would greatly enhance the Netherlands' geopolitical and economic profile. Debt relief and additional lending capacity cannot be provided unconditionally. As usual, however, the IMF and World Bank provide an appropriate framework.

In the longer term debt relief remains an important way of enabling the poorest countries to start their climb out of poverty in a sustainable fashion. It is therefore

vital that all creditor countries – particularly China, which has quickly become the biggest foreign creditor of many developing countries – actively play their part in this effort.



The coronavirus crisis will make huge holes in the budgets of both poor and rich countries, as a result of the extra expenditure they need to incur while their economies are in severe decline. This means that tax systems will have to be improved to increase revenues again and limit socioeconomic upheaval. Given the large proportion of public spending that goes on healthcare, an extra effort will be required to reduce tax evasion and avoidance.

The UN's 2030 agenda for sustainable development threatens to fall further behind schedule as a result of the COVID-19 crisis. Limits on freedom of movement and less acceptance of criticism of the authorities also put civic freedoms in jeopardy. Support for human rights activists, civil society organisations and social enterprises is therefore a vital prerequisite. International cooperation to combat crimes against humanity, via the International Criminal Court and other institutions, should continue. The management of natural resources and protection of natural habitats should also be organised in a way that minimises the risk of diseases being transmitted from animals to humans.

Protection of refugees and prevention of large-scale migration

Particular attention should be paid to the situation of refugees and displaced persons. Given their precarious situation in terms of sanitation and healthcare, they need specific support in cooperation with UNHCR, the Red Cross and IOM to mitigate major COVID-19 outbreaks. It is vital that enough resources remain available over the coming period to continue reception and protection in the region during the imminent severe economic recession. Refugees are also likely to be the first to lose their jobs.

When it comes to refugees and migration, there needs to be a true partnership between the European and host countries that are already sheltering large numbers of refugees, if Europe continues to require host countries to receive the lion's share of refugees. Partnership also entails finding a way to resume the resettlement of refugees, promised on a limited scale, via UNHCR, with due regard for COVID-19 measures. Cooperation on the root causes of migration will also become very important, in terms for example of providing work and prospects in countries of origin. This will be a huge challenge, given the remigration of labour migrants and the unemployment caused by the economic fallout of the COVID-19 crisis.

3. Dutch contribution to international efforts

In your letter to the House of 14 April 2020 you stated that coordinated action – preferably in line with the appeals for support from multilateral organisations – will guide the government in its decisions. The AIV endorses this approach. Besides the action announced in the letter, the Netherlands is also offering extra support to the Caribbean parts of the Kingdom. The question is what additional role the Netherlands is able and willing to play in this crisis, and with whom. Cooperation with like-minded countries and/or parties enhances vital capacity for the relief of suffering. The choice of partners also touches upon strategic matters of Dutch foreign policy.



The AIV recommends a political focus on cooperation and coalition with like-minded European countries. This would maximise the effectiveness of Dutch support for the four types of support discussed in this advisory letter. After the acute aid effort in the coming months, coalitions can also generate the political energy to continue this work in the medium term. Given the importance to the Dutch economy and society of bringing the COVID-19 situation under control all over the world, this approach must extend beyond development cooperation and should be led by the Prime Minister, the Minister of Foreign Affairs and the Minister for Foreign Trade and Development Cooperation.

European cooperation

On 8 April 2020 the European Commission presented an EU approach to the global response to COVID-19. It comprises a package of measures for short-term emergency aid/humanitarian support, strengthening health systems and dealing with socioeconomic effects. The measures introduced by the Netherlands and those of other member states could tie in with this 'Team Europe' approach. In practice, this cooperation is already taking shape, thanks in part to coordination between the Commission services and EEAS and national ministries and/or agencies (joint instruction notes).

When it comes to debt relief, which does not involve the EU institutions as such, a coalition with partners like Germany, France, the UK and the Nordic countries would be appropriate. The Netherlands could also leverage its good position at the IMF and the World Bank in this context.

Partnership with countries in Africa and in the Middle East

The basic principle of the European Union's Africa strategy (published in March 2020) – that we must work together as partners to meet the challenges of the 21st century and further our common interests – is even more pertinent during the present COVID-19 crisis. The African Union has appointed four special envoys to mobilise international support for Africa's efforts to deal with the economic shock of the COVID-19 pandemic. The AIV advises the government to be responsive, in its cooperation and assistance, to the priorities set by countries in Africa. One lesson of the Ebola crisis is that local ownership and legitimacy are important elements of the response to a pandemic in local communities. Authoritative communication, management of rumours and practical bottom-up solutions were found to be vital. That is why there needs to be partnership with national actors and also with regional governors and local actors and – where there is no functioning state (such as in the Sahel) – selectively with traditional authorities like tribal and religious leaders.

Cooperation with the private sector

Public-private partnership can create leverage for the support measures of the Dutch government. The private sector is able and willing to make its knowledge, technology, infrastructure and networks available for the provision of medical and food aid, and for structural socioeconomic measures. It is committed to sustainable development and is keen to invest in it. Dutch multinationals and SMEs play an important role in supporting local SMEs and social enterprises. The AIV advises the government to actively involve the Dutch private sector as a partner in the necessary measures. The role of the Dutch government in this regard is to support cooperation as much as possible, particularly in sectors like healthcare, food production and transport.

Action needs funding

Many international and multilateral organisations have produced estimates of the costs that the international community will face. Though the amounts and allocations vary, one thing is certain: hundreds of billions of euros will be needed on a global scale. The AIV has previously highlighted the need for the Netherlands to play a visible role, out of enlightened self-interest. This idea leads us to recommend that one billion euros be made available to relieve acute suffering in the poorest countries and among the poorest groups. To prevent current projects from having to be abandoned, and long-term policy from being undermined, this sum should be funded from general resources. In view of the nature of the crisis, it is also important that sufficient resources be made available in the long term to help partner countries pursue a sustainable future for themselves (in line with the sustainable development goals). Given this level of ambition, no reduction in the current development cooperation budget – which is already at a historic low – should be countenanced, even in light of the predicted fall in GNP.

4. Recommendations

The COVID-19 crisis poses unprecedented problems which will have enormous humanitarian, socioeconomic and financial consequences, particularly for vulnerable countries in Africa and elsewhere. The international community must take rapid action to support these countries in the fight against the COVID-19 virus, in order eventually to eliminate it worldwide. Ultimately, this is in our own interests. It is up to Europe and the Netherlands to take the lead in the global response. If Europe fails in this, there will be geopolitical consequences. COVID-19 is the first global crisis to occur in the absence of US leadership, and it has heightened the rivalry between the US and China. If the EU claims to have any geopolitical role, now is the time to live up to it.

1. A leading role for the European Union

The EU should fulfil this leading role by offering and actually providing generous support. The AIV advises the government to serve this end by ensuring the Netherlands leads by example. The Dutch contribution to the fight against the COVID 19-virus must be made as far as possible with EU institutions and member states, or in coalitions with like-minded countries. The Netherlands' international effort in this crisis is the responsibility of the entire government, with a particular role for the prime minister, the Minister of Foreign Affairs and the Minister for Foreign Trade and Development Cooperation. Policy in this area must be grounded in an ongoing commitment to the sustainable development goals (SDGs). The EU must also strengthen the position of the World Health Organization, as effective, binding rules for the reporting of and action against potential pandemics are more needed now than ever before.

2. A coherent package of support measures

The AIV recommends that a coherent package of measures be developed for the support priorities listed above: provision of medical assistance and healthcare; food aid and a social safety net; socioeconomic prospects and support for refugees and displaced persons. The socioeconomic measures will account for the vast majority of Dutch financial support. Medical assistance and structural investments in healthcare, and food aid and critical infrastructure, will require a considerable yet

more limited contribution than the socioeconomic measures. In this respect, the AIV would recommend that an airlift initiative be launched for the delivery of medical supplies and food aid to vulnerable countries in Africa and elsewhere.



3. Great need requires substantial funding in both the short and the long term

Additional resources are urgently needed to protect the most vulnerable from the effects of this major crisis. The AIV recommends that one billion euros be made available to relieve the most acute suffering. To prevent current projects from having to be abandoned, and long-term policy from being undermined, this sum should be funded from general resources. Sufficient resources must be made available in the long term, too.

Yours sincerely,

Professor J.G. de Hoop Scheffer
Chair of the Advisory Council on International Affairs

The advisory letter was prepared by Professor Jaap de Hoop Scheffer, Professor Mirjam van Reisen, Professor Luuk van Middelaar, Koos Richelle and Monika Sie Dhian Ho. The executive secretary was Dr Marenne Jansen, assisted by AIV trainee Nadia van de Weem.