

## CENTRAL BANKS AT THE FRONTLINE OF THE COVID-19 CRISIS: weathering the storm, spurring the recovery

### A View from the Mediterranean Countries

Conference of the Governors of Mediterranean Central Banks organised by the Banco de España, the Central Bank of Tunisia, the Organisation for Economic Cooperation and Development (OECD) and the European Institute of the Mediterranean (IEMed)

28 June 2021 | 10.00-13.45 (CEST)  
On line conference

#### PROGRAMME

10.00

#### Welcome remarks

**Pablo Hernández de Cos**, Governor, Banco de España

**Marouane El Abassi**, Governor, Central Bank of Tunisia

**Luiz de Mello**, Director of the Policy Studies Branch, Organisation for Economic Co-operation and Development (OECD)

**Senén Florensa**, President of the Executive Committee, European Institute of the Mediterranean (IEMed)

10.15

#### Keynote Speech

**Fabio Panetta**, Executive Board Member, European Central Bank

10.30

#### Session 1: **“Central banks’ crucial responses to the COVID-19 crisis: An overview of monetary policies across the Mediterranean region”**

The COVID-19 pandemic has prompted governments across the Mediterranean to take severe measures to curtail socioeconomic activities which have generated an economic slowdown of great magnitude in the countries of the region. In face of this crisis, central banks have played a key role in quickly ensuring the stability of financial markets and securing the continuation of credit flows to households and businesses. Their massive responses have notably varied from one country to another and have involved interest rate cuts, the injection of liquidity in an unprecedented

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manner and the communication of low interest rate paths for the foreseeable future.

Going forward, central banks face the challenge of appropriately modulating their policy response to the stage of the pandemic and the strength of the recovery. In addition, after a protracted period of accommodative monetary policy, macroprudential policy is key to contain risks for financial stability. Finally, some emerging market economies may need to use other instruments of the toolkit, such as foreign exchange intervention or capital flow management measures, to preserve stability.

- *To what extent the COVID-19 crisis has impacted central banks' practices across the Mediterranean region? What are the new policy tools deployed during the COVID-19 pandemic by Mediterranean central banks?*
- *What are the main obstacles, limitations and challenges Mediterranean central banks have dealt with when responding to the COVID-19 crisis? How have the structural challenges that remain since the 2008 financial crisis affected central banks' monetary responses in the Mediterranean region?*
- *What will be the long-term impacts of today's choices in terms of macroeconomic and financial stability, operational risks, and inflationary tendencies?*
- *What are the lessons learnt from this pandemic in terms of monetary policy responses for Mediterranean countries? And the opportunities to look ahead (digitalisation)?*
- *How have macroprudential policy measures contributed to preserve financial stability in the COVID-19 crisis?*

**Chair:** Pablo Hernández de Cos, Governor, Banco de España

### Speakers

**Rosthom Fadli**, Governor, Bank of Algeria

**Ignazio Visco**, Governor, Banca d'Italia

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**Saddek Omar El Kaber**, Governor, Central Bank of Libya

**Mário Centeno**, Governor, Banco de Portugal

11.55

### Break

12.05

### Session 2: “Looking ahead: The central banks’ roadmap to promote a sustainable post-COVID-19 recovery in the Mediterranean region”

When looking ahead to pave the way for recovery, it has been argued that the current crisis constitutes a major turning point that can be used to advance towards a more sustainable model of development. Aligning economic recovery with the principles of sustainable development appears to be the new roadmap of international organisations, the EU and a number of Mediterranean countries in the post-COVID-19 era.

Central banks will be at the centre stage of the post-COVID-19 recovery process in the Mediterranean countries, and therefore in a position to contribute to foster a sustainable, inclusive, green and digital agenda in their respective countries. While addressing macroeconomic and financial stabilisation needs, central banks’ policies will be key players to accelerate the sustainability transitions by enhancing green finance and steering credit towards sustainable investments.

How do climate change concerns fit with central bank mandates? How should climate change considerations be taken into account in different central bank functions: prudential supervision, monetary policy or reserve management?

- *How can macro-financial policies promote a green, digital and sustainable recovery in the region?*
- *How can central banks address macroeconomic stabilization while fostering greater financial and economic inclusion in the post-COVID-19 era?*
- *What role can central banks play in aligning the national social economic recovery plans with an increase of financial flows towards the SDGs?*

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**Chair:** Marouane El Abassi, Governor, Central Bank of Tunisia

**Speakers**

**Tarek Hassan Amer**, Governor, Central Bank of Egypt

**Yannis Stournaras**, Governor, Bank of Greece

**Mohamed Taamouti**, Director of Economic Studies, Bank Al-Maghrib

**Edward Scicluna**, Governor, Central Bank of Malta

13h30

**Closing session**

**Pablo Hernández de Cos**, Governor, Banco de España

**Marouane El Abassi**, Governor, Central Bank of Tunisia

**Nasser Kamel**, Secretary General, Union for the Mediterranean (UfM)