

COVID-19 in Africa

Protecting Lives
and Economies



**COVID-19
RESPONSE**



United Nations
Economic Commission for Africa

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“This is not a financial crisis. This is a human crisis. This is not a question of just bringing liquidity to the financial systems, which, of course, is necessary. We need to support directly those that lose their jobs, those that lose their salaries, the small companies that cannot operate anymore, all those that are the fabrics of our societies, and we need to make sure that we keep thousands afloat, we keep small companies afloat, we keep all societies afloat.”

**United Nations Secretary-General,
António Guterres.**

Summary messages

People: Anywhere between 300,000 and 3.3 million African people could lose their lives as a direct result of COVID-19, depending on the intervention measures taken to stop the spread.

Africa is particularly susceptible because 56 per cent of the urban population is concentrated in overcrowded and poorly serviced slum dwellings (excluding North Africa) and only 34 per cent of the households have access to basic hand washing facilities. In all, 71 per cent of Africa's workforce is informally employed, and most of those cannot work from home. Close to 40 per cent of children under 5 years of age in Africa are undernourished. Of all the continents Africa has the highest prevalence of certain underlying conditions, like tuberculosis and HIV/AIDS. With lower ratios of hospital beds and health professionals to its population than other regions, high dependency on imports for its medicinal and pharmaceutical products, weak legal identity systems for direct benefit transfers, and weak economies that are unable to sustain health and lockdown costs, the continent is vulnerable.

Prosperity: The impact on African economies could be the slowing of growth to 1.8 per cent in the best case scenario or a contraction of 2.6 per cent in the worst case. This has the potential to push 27 million people into extreme poverty.

Even if the spread of COVID-19 is suppressed in Africa its economic damage will be unavoidable. The price of oil, which accounts for 40 per cent of Africa's exports, has halved, and major African exports such as textiles and fresh-cut flowers have crashed. Tourism – which accounts for up to 38 per cent of the gross domestic product (GDP) of

some African countries – has effectively halted, as has the airline industry that supports it. Collapsed businesses may never recover. Without a rapid response, Governments risk losing control and facing unrest. To protect and build towards our shared prosperity at least \$100 billion is needed to immediately resource a health and social safety net response. Another \$100 billion is critical for economic emergency stimulus, including a debt standstill, the financing of a special purpose vehicle for commercial debt obligations, and provision of extra liquidity for the private sector.

Partnerships: African economies are interconnected: our response must bring us together as one. The development finance institutions must at this time play an unprecedented counter-cyclical role to protect the private sector and save jobs.

We must keep trade flowing, particularly in essential medical supplies and staple foods, by fighting the urge to impose export bans. Intellectual property on medical supplies, novel testing kits and vaccines must be shared to help the continent's private sector take its part in our response. The level of assistance that is required is unprecedented. Innovative financing facilities are needed, including a complete temporary debt standstill, enhanced access to emergency funding facilities, and the provision of liquidity lines to the private sector in Africa. We must "build back better", by ensuring that there is an abiding climate consciousness in the rebuilding and by leveraging the digital economy. And we must be firm and clear on good governance to safeguard African health systems, ensure proper use of emergency funds, hold African businesses from collapse and reduce worker lay-offs.

Abbreviations and acronyms

COVID-19	coronavirus disease 2019
CPIA	Africa Country Policy and Institutional Assessment
EIU	Economist Intelligence Unit
FAO	Food and Agriculture Organization of the United Nations
GDP	gross domestic product
IATA	International Air Transport Authority
ICT	information and communications technology
ICU	intensive care unit
IHME	Institute for Health Metrics and Evaluation
ILO	International Labour Organization
IMF	International Monetary Fund
ITC	International Trade Centre
NDC	nationally determined contributions
OECD	Organization for Economic Cooperation and Development
PPE	personal protective equipment
PwC	PricewaterhouseCoopers
SADC	Southern African Development Community
SARS	severe acute respiratory syndrome
UNCTAD	United Nations Conference on Trade and Development
UNCTADstat	dissemination platform of the United Nations Conference on Trade and Development
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNICEF	United Nations Children's Fund
UNWTO	World Tourism Organization
WASH	Water, Sanitation and Hygiene for All
WDI	world development indicators
WHO	World Health Organization

1. People

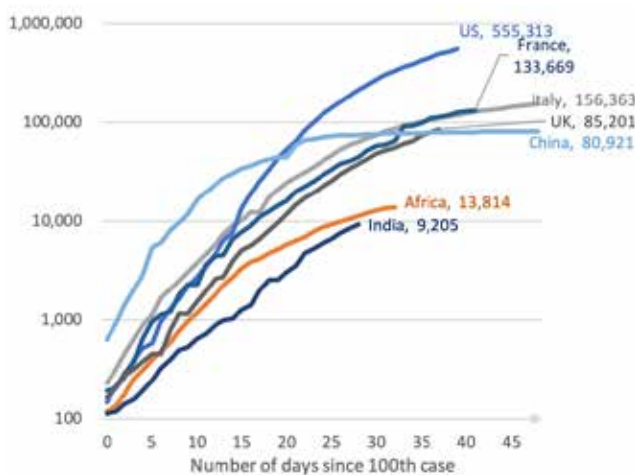
Exposure	Susceptibility	Vulnerability	Lives
<ul style="list-style-type: none"> 13,814 confirmed cases of COVID-19 in Africa as of 12 April Cases rapidly increasing with steep infection trajectory risk 	<ul style="list-style-type: none"> High population concentration in urban slums Low access to handwashing facilities High prevalence of certain susceptible 'underlying conditions' especially HIV/AIDS, malnutrition and tuberculosis 	<ul style="list-style-type: none"> Low rates of hospital beds, ICUs and health professionals Dependency on imported medicinal and pharmaceutical products Weaker economies unable to sustain health and lockdown costs 	<ul style="list-style-type: none"> 0.3 million to 3.3 million lives lost depending on policy interventions taken 2.3 million to 22.5 million requiring hospitalization 0.5 million to 4.4 million requiring critical care

Exposure – status in Africa

Confirmed cases of COVID-19 in Africa are increasing rapidly following improved testing. Africa can look ahead to countries further into their COVID-19 trajectories for possible case

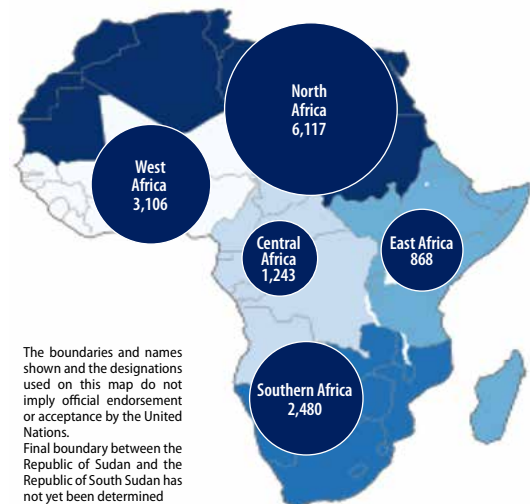
scenarios, but the particular susceptibilities of the African context and vulnerabilities inhibiting Africa's response are likely to lead to considerably differentiated impacts.

Figure 1.1 Days since 100th case: Africa's infection trajectory vs comparators



Source: Based on data from Johns Hopkins University and Africa CDC, 12 April 2020

Figure 1.2 COVID-19 Reported cases in Africa, 12 April



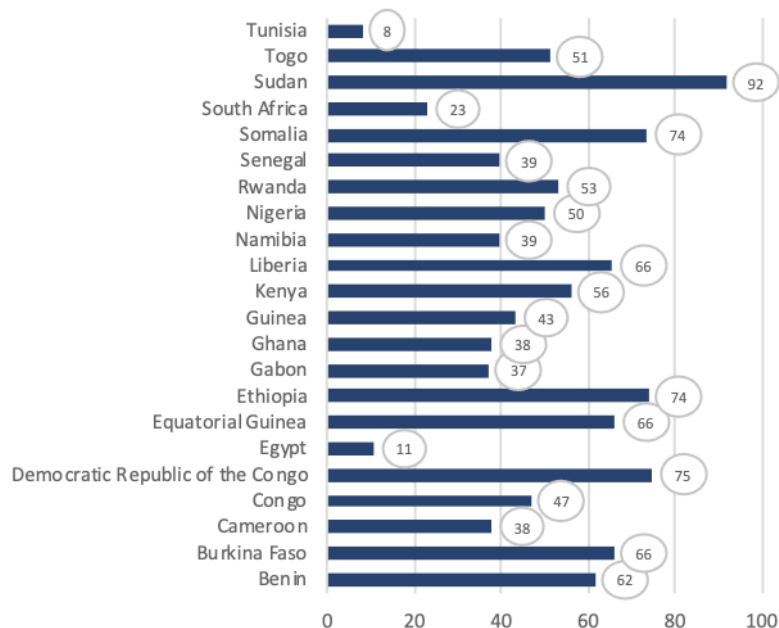
Source: Based on data from Africa CDC, 12 April 2020.

Susceptibility – sensitivity to spread and impact

Nearly 600 million people (43.5 per cent of Africa's total population) live in urban areas, of which 56 per cent (excluding North Africa) live in slums. Slums are susceptible to the spread of infectious diseases owing to population

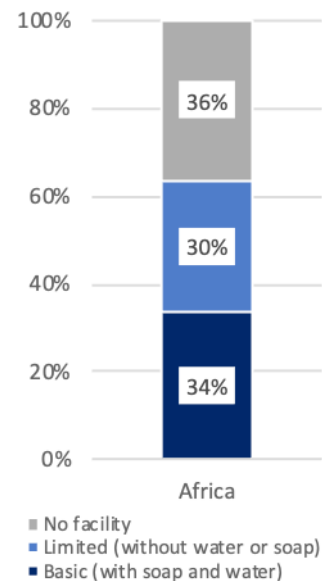
density, overcrowding, high population mobility, quarantine enforcement difficulties and poor access to health care. Surveillance, monitoring, containment and mitigation interventions pose

Figure 1.3 Proportion of urban population living in slums, percent



Source: Based on data from UN Habitat, 2016

Figure 1.4 Access to household handwashing facilities



Source: Based on WASH data from WHO/UNICEF, 2017

acute challenges for the control of infectious disease outbreaks in slums.

The main transmission mechanism for COVID-19 is respiratory droplets, against which regular hand washing is the best regular control. Basic hand-washing access in Africa is limited, with 36 per cent of the population having no access to household handwashing facilities, and a further 30 per cent having only limited access.

The impact on levels of mortality and hospitalization of COVID-19 are highly related to

age and underlying conditions, according to data emerging from hard-hit regions. Cardiovascular disease, respiratory disease, kidney disease, and immunocompromised conditions, including HIV/AIDS and tuberculosis, prove particularly dangerous.¹ While Africa has a relatively favourable demographic profile (nearly 60 per cent of the population below the age of 25), the high prevalence of HIV/AIDS in southern regions and levels of chronic respiratory and kidney diseases in certain countries, tuberculosis and malnutrition are cause for concern.

Figure 1.5 Cardiovascular diseases, prevalence



¹ "Preliminary estimates of the prevalence of selected underlying health conditions among patients with coronavirus disease 2019 — United States, 12 February–28 March 2020", Morbidity and Mortality Weekly Report, 2020; No. 69, pp. 382–386. Available at <http://dx.doi.org/10.15585/mmwr.mm6913e2>.

Figure 1.6 Chronic respiratory diseases, prevalence



Figure 1.7 Chronic kidney diseases, prevalence

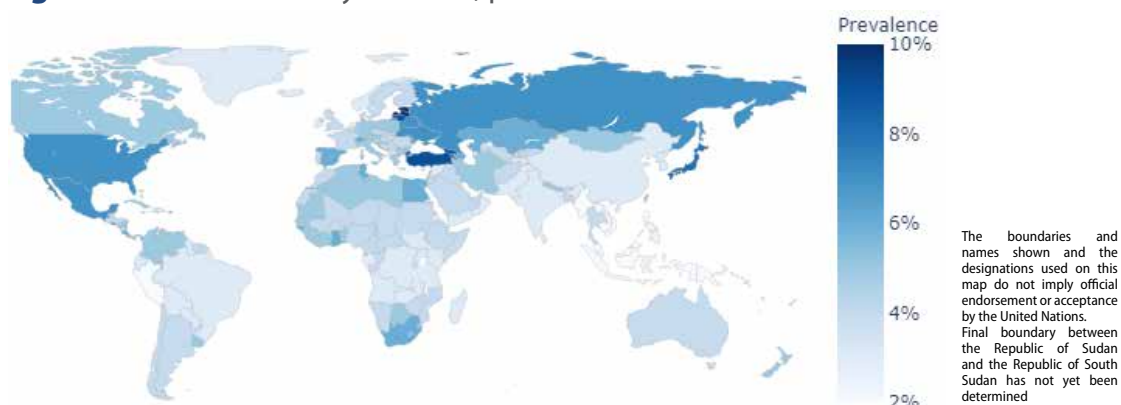


Figure 1.8 HIV/AIDS, prevalence



Source: Based on data from Global Burden of Disease Study, 2016

Vulnerability – critical fragilities in Africa’s response

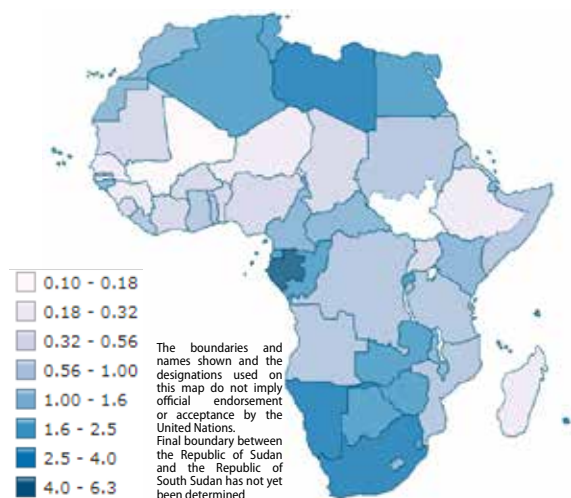
The health systems of countries in Africa are weaker than those elsewhere in the world, with lower ratios of hospital beds, ICUs and health professionals to its population. Africa has on average 1.8 hospital beds per 1,000 people, compared to 5.98 in France. Of the 25 countries

estimated by Rand to be most vulnerable to infectious disease, 22 are in Africa.²

Africa is critically dependent on imported medicinal and pharmaceutical products. Every single African country is a net importer of these

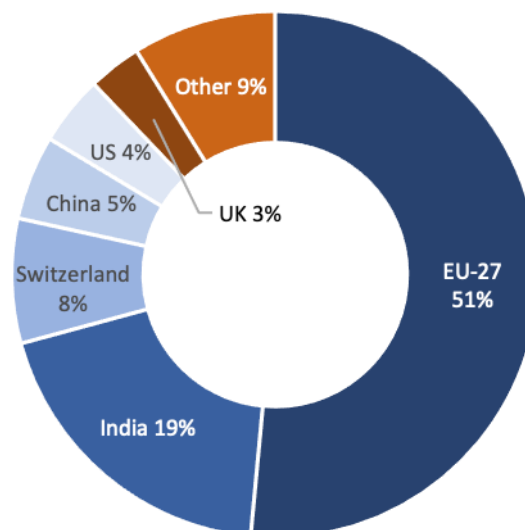
² Rand. 2016. "Identifying future disease hot spots, Infectious disease vulnerability index", (2016). Available at https://www.rand.org/pubs/research_reports/RR1605.html

Figure 1.9 With 1.8 average hospital beds per 1,000 people, hospital beds capacity across Africa is weak



Source: Index Mundi from World Health Organization, 2020

Figure 1.10 Africa's import sources of medicinal and pharmaceutical products (2016–2018)



Source: Based on data from UNCTADstat

products and as much as 94 per cent of Africa's total stock of pharmaceuticals are imported.³ At least 71 countries have now imposed limitations or outright bans on exports of certain COVID-19 essential supplies, putting access to these supplies in Africa in a perilous position.⁴

Spending on health will increase as governments set aside funds for the COVID-19 response. Africa's weaker economies will struggle, however, to sustain health and absorb costs related to lockdowns. Simultaneous economic shocks will exacerbate Africa's compromised capacity for action.

Lives – morbidity risks

How African countries respond to the COVID-19 crisis in the coming weeks will affect the trajectory of national epidemics across the continent. The Imperial College COVID-19 response team has combined data on age-specific contact patterns and COVID-19 severity to project the health impact of the pandemic in African countries. The project compares predicted mortality impacts in the absence of interventions or spontaneous physical distancing with what might be achieved with policies aimed at mitigating or suppressing

transmission. The results of the simulations are provided in the Table 1.1.⁵

Scenario A is the worst case scenario characterized by no interventions. Under this scenario the model predicts 1,222.3 million infections, 22.5 million hospitalizations and 3.3 million deaths in Africa this year. Mitigation strategies targeted at social distancing significantly reduce the burden on health systems and number of deaths. Under the best case scenario (D), the model predicts just

3 ECA, "Healthcare and economic growth" (2019).

4 Global Trade Alert. 2020. Tackling COVID-19 Together, available: <https://www.globaltradealert.org/reports>

5 In addition, it is important to note that the above estimates assume (a) no substantive difference in general health/co-morbidity prevalence between Chinese and other populations which could over-estimate the number of persons requiring critical care, and (b) the same standard of medical care available in all countries. Neither assumption is likely to hold in practice and as such mortality in unmitigated and mitigated epidemics in low income African countries may be substantially higher. On the other hand, the Imperial College model does not include other relevant policies targeted at containing the spread of COVID-19, such as travel restrictions and border closures, which have been implemented extensively across the African continent. The inclusion of these other policy measures would be expected to reduce the infection, hospitalization and death rates across African countries, other things being equal.

Table 1.1 Projected impact of COVID-19 on the African Continent by the end of the pandemic (2020) (Millions of people)

Scenario*	Infected	Requiring hospitalization	Requiring critical care	Deaths
A	1,222.3	22.5	4.4	3.3
B	841.9	16.0	3.1	2.4
C	520.3	9.9	1.9	1.5
D	122.8	2.3	0.5	0.3

Source: Imperial College Epidemiological Model as at 25 March 2020

*Scenario key:

A: Unmitigated (worst case) - no intervention

B: Mitigation using moderate social distancing - Optimal outcome when epidemic is mitigated through interventions to limit contacts in general population including social distancing (45% reduction in contact rate)

C: Suppression using intense social distancing (1.6) – introduction of intense social distancing measures that reduce the contact rate in the general population by 75 per cent once the 1.6 deaths per 100,000 per week trigger is reached

D: Suppression using intense social distancing (0.2) – introduction of intense social distancing measures that reduce the contact rate in the general population by 75 per cent once the 0.2 deaths per 100,000 per week trigger is reached

122.8 million infections, 2.3 million hospitalizations and 0.3 million deaths.

If a suppression strategy is implemented early (at 0.2 deaths per 100,000 populations per week) and sustained, then 3 million lives could be saved while if it is initiated when death numbers are higher (1.6 deaths per 100,000 population per week) then 1.8 million lives could be saved: urgency is critical.

As with the Ebola crisis, COVID-19 will also impose spillover costs on Africa's existing health challenges as resources are redirected and spread even thinner. During West Africa's Ebola crisis, the number of women giving birth in hospitals and health clinics dropped by 30 percent and the maternal mortality rate increased 75 percent.⁶ COVID-19 is already limiting access to sexual and reproductive health and increasing gender-based violence.⁷

Focus on emergency health costs

Fighting COVID-19 requires the rapid mobilization of emergency health-care and social safety net spending. We estimate the cost of emergency

medical supplies and personnel needed to respond to the COVID-19 crisis, based on the four scenarios in table 1.1 (of the preceding subsection).

In a best-case scenario, with suppression and intense early physical distancing interventions, \$44 billion would be required for testing, personal protective equipment, and to treat all those requiring hospitalization and intensive care treatment across Africa (scenario D). If COVID-19 were left to spread unmitigated, the COVID-19 medical supply gap across Africa would reach approximately \$446 billion (scenario A), and Africa would be completely unable to afford to treat even a fraction of all those in need.

Healthcare demand in Africa can only be kept within manageable levels through the rapid adoption of public health measures (including testing and isolation of cases and wider social distancing measures) to suppress transmission.

The largest share of projected medical supply costs is accounted by personal protective equipment

⁶ Davies, Sara and Belinda Bennett (2016) 'A gendered human rights analysis of Ebola and Zika: locating gender in global health emergencies', *International Affairs* 92(5): 1041–60 reported in Smith, J. Overcoming the 'tyranny of the urgent': integrating gender into disease outbreak preparedness and response, *Gender & Development*, Vol. 27, Issue 2

⁷ WEF. 2020. COVID-19 - pandemic hits women harder than men, available: <https://www.weforum.org/agenda/2020/04/covid-19-coronavirus-pandemic-hit-women-harder-than-men/>

Table 1.2 Cost of COVID-19 medical supply response (gap) across Africa, by pandemic scenario

	A - Unmitigated	B - Mitigation using moderate physical distancing	C - Suppression using intense physical distancing	D - Suppression using intense and early physical distancing
Cost of COVID-19 medical supply response (gap) across Africa, 2020 (\$ billion)	\$446	\$335	\$189	\$44
Africa's current health expenditure allocation, 2020 (\$ billion)	\$138.87	\$138.87	\$138.87	\$138.87
Projected percentage increase in required health spending (%)	321.16	240.89	136.09	31.83

A: Unmitigated (worst case) - no intervention

B: Mitigation using moderate social distancing - Optimal outcome when epidemic is mitigated through interventions to limit contacts in general population including social distancing (45% reduction in contact rate)

C: Suppression using intense social distancing (1.6) - Introduce intense social distancing measures that reduce the contact rate in the general population by 75% once 1.6 deaths per million per week trigger is reached

D: Suppression using intense social distancing (0.2) - Introduce intense social distancing measures that reduce the contact rate in the general population by 75% once 0.2 deaths per million per week trigger is reached

Source: ECA cost estimates using Imperial College demand figures and various sources for prices (see annex I below)

(PPE) reflecting a significant scale effect. This highlights the importance of getting basic healthcare right. Ensuring sufficient supplies of PPE has even been a challenge in more advanced economies such as the UK, USA and Italy.

Figure 1.1 compares the projected COVID-19 medical supply gap to Africa's baseline health expenditure projections for 2020 (without COVID-19). Under the worst case scenario (unmitigated), the continent will require a 321.2 percent increase in health expenditures (compared to the baseline without COVID-19) to fill the medical supply gap. Under the best-case scenario, this figure reduces to only a 31.8 percent increase, which is much closer to the impact previous epidemics such as Ebola and SARS-CoV-2 imposed on health expenditures.⁸ However, COVID-19 is a more infectious type of disease, spreads easily across a greater geographic coverage, and requires expensive medical equipment for treatment, such as ventilators.

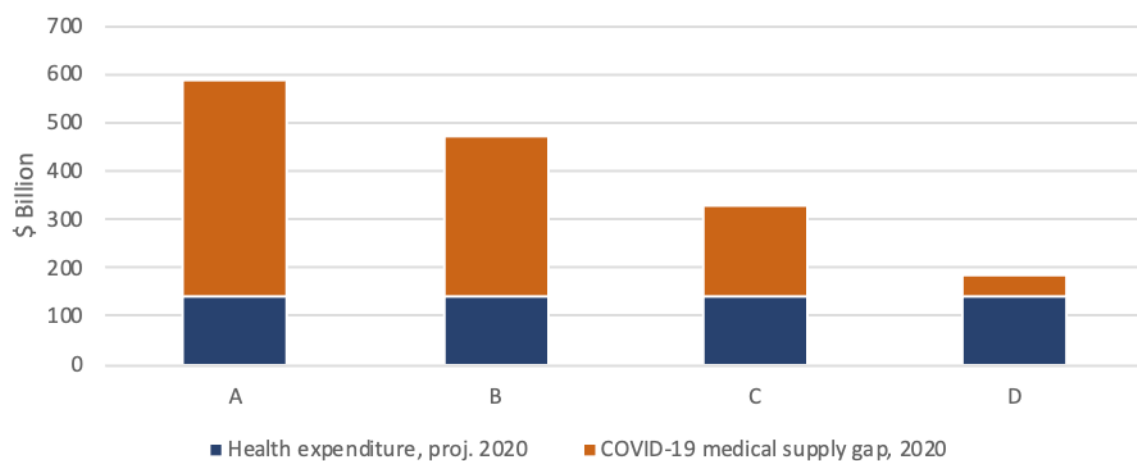
A crucial challenge for the continent is the very low ratio of medical personnel per 10,000 patients as well as weak health systems. The cost of the total health-care response (gap) is therefore likely to be much higher than the figures depicted in table 2.1 and figure 2.1, which are limited to medical equipment and exclude costs for medical staff. Medical equipment such as ventilators and oxygen concentrators are important, but without trained personnel in sufficient numbers, they will be less useful.

Care must be taken over non-COVID-19-related health issues. The experience of Ebola in west Africa suggested that funding and resources are likely to be diverted away from other areas, including sexual and reproductive health.⁹ This disproportionately affects pregnant women, lactating mothers, girls, and women in general as well as those facing existing health threats.

⁸ On average, it is estimated that the West African countries mostly affected by the Ebola outbreak experienced an 11 percent increase in their Health expenditure during the period 2014-2016. Author estimation based on data in 3 countries (Congo DRC, Liberia and Guinea).

⁹ UNFPA original estimate suggested that maternal mortality could have been 10 times as high as Ebola-related deaths. See www.weforum.org/agenda/2020/04/covid-19-coronavirus-pandemic-hit-women-harder-than-men/.

Figure 1.11 COVID-19 medical supply response (gap) above baseline projected health expenditure for Africa, 2020*



Source: ECA calculations comparing COVID-19 medical supply response (gap) with projected African health expenditure in 2020

* Owing to the lack of data on health expenditure for the period (2017–2020), ECA projections assume 6% growth per year in health expenditures as advised by WHO 2019^a

a See www.who.int/fr/news-room/detail/20-02-2019-countries-are-spending-more-on-health-but-people-are-still-paying-too-much-out-of-their-own-pockets.

2. Prosperity

Direct shock	Poverty impact	Fiscal risk	Ripple shock
<ul style="list-style-type: none"> Slowdown in growth from 3.2 per cent to as low as -2.6 per cent Additional social safety net and economic lockdown costs 	<ul style="list-style-type: none"> 5-29 million pushed into extreme poverty 19 million jobs lost Vulnerable employment up at least 10 per cent 17 per cent of households affected by COVID-19 face at least transient poverty Men seem more susceptible to the virus but women are more affected by the socioeconomic costs of the disease 	<ul style="list-style-type: none"> High initial debt levels and fiscal deficits from 2019 Increasing borrowing costs Depreciating African currencies Falling tax revenues and big tax payers hit hard African youth will not forgive misappropriation of COVID-19 funds 	<ul style="list-style-type: none"> Plummeting commodity prices Export sector job losses Travel and tourism standstill Falling remittances

Direct shock – economic impact

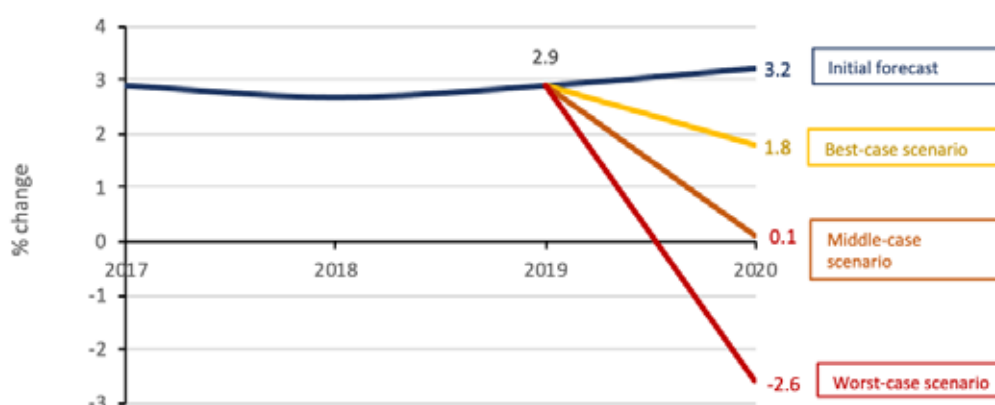
We estimate that, in a best-case scenario, Africa’s average GDP growth for 2020 will fall 1.4 percentage points, from 3.2 per cent to 1.8 per cent. In a worst-case scenario we anticipate Africa’s economy contracting by up to 2.6 per cent in 2020.

COVID-19 is a significant headwind for growth in Africa. The uncertainty around the virus and the consequent policy actions, such as physical distancing and lockdowns, have led to a decline

in demand for African products due to a sharp decline in global manufacturing activities, compounded by a decline in economic activity on the continent as the labour force remains at home to combat the virus.

Against this backdrop, we estimate that, in a best-case scenario, Africa’s average GDP growth will fall 1.4 percentage points, from 3.2 per cent to 1.8 per cent. In the worst-case scenario, Africa’s economy could contract by up to 2.6 per cent in 2020.

Figure 2.1 Expected drop in growth from COVID-19 impact, ECA estimates



Source: ECA estimates, 2020

Poverty impact – socioeconomic damage

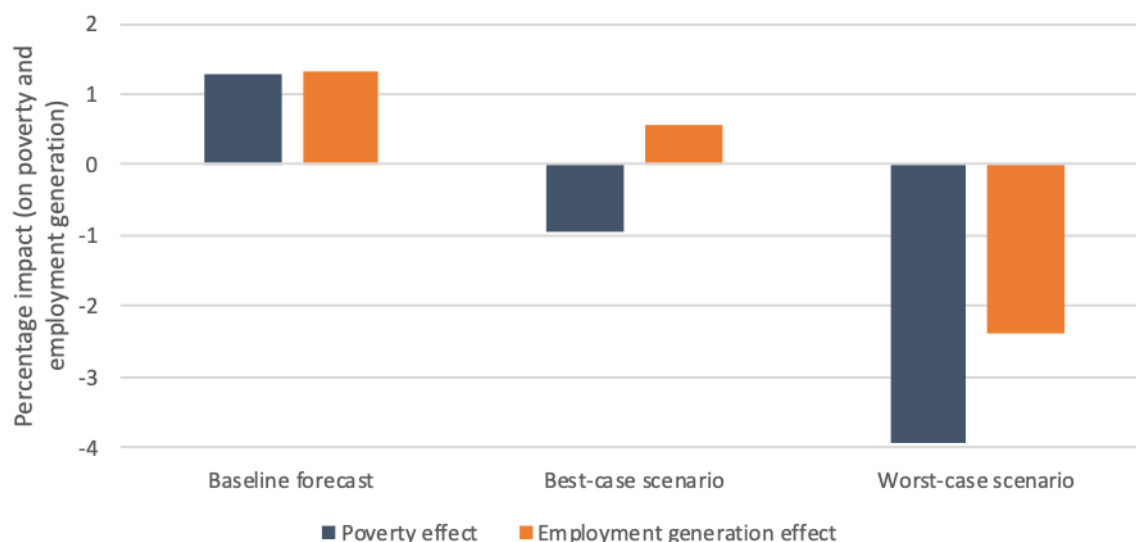
We estimate that between 5 million and 29 million people will be pushed below the extreme poverty line of \$1.90 per day owing to the impact of COVID-19, compared to the baseline 2020 African growth scenario. Vulnerable households affected by COVID-19 face an increased probability of moving into transient poverty by 17.1 per cent, a 4.2 per cent increased probability of staying in poverty for a decade or longer, and a fall in the probability of moving out of poverty by 5.9 per cent. Increased poverty levels will also exacerbate existing income inequalities.

For low-income households, which already spend an average of 36 per cent of their income on health care-related expenses, access to health care will become increasingly unaffordable in the wake of COVID-19, leading to an increase in the number of households falling below the poverty line.

Annual formal job creation (currently 3.7 million) is forecast to drop by 1.4 to 5.8 per cent, compared with the baseline 2020 African growth scenario. An increase in informal and vulnerable employment is expected (more than 60 per cent of men, and nearly 75 per cent of women are informally employed in Africa) and an increase in out-of-pocket expenditure by poor and vulnerable households.

The 2008 financial crisis increased vulnerable employment by 10 per cent. The more systemic shock of COVID-19 is expected to increase vulnerable employment considerably more than this, with the International Labour Organization (ILO) anticipating 19 million job losses in Africa as workers face full or partial workplace closures.¹⁰

Figure 2.2 Impact of growth slowdown on poverty and employment generation



Source: Based on the ECA baseline, best-case scenario (-1.4 per cent) and worst-case scenario (-2.6 per cent) growth impact and 0.68 poverty elasticity and 0.41 employment generation elasticity.

¹⁰ International Labour Organization, "COVID-19 causes devastating losses in working hours and employment", 7 April 2020. Available at www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_740893/lang--en/index.htm

Fiscal risk – Africa’s limited space to respond

Focus on falling tax revenues

Africa remains the region with the lowest tax-to-GDP ratio. At an estimated 13.4 per cent in 2018, its tax-to-GDP ratio was lower than that of Asia (14 per cent), Europe (25 per cent) and Latin America (18 per cent).

On the whole, average tax revenues on the continent consistently decreased by 2.8 percentage points from 16.2 per cent of GDP in 2014 to 13.4 per cent of GDP in 2018. Commodity exporters have in particular been under pressure since the 2014 commodity price shock.

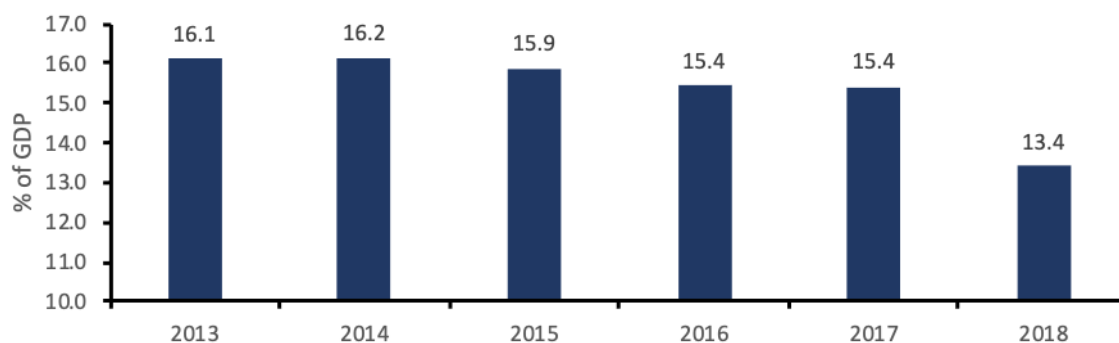
Notwithstanding increased government efforts on domestic resource mobilization, several Africa countries (oil exporters and non-oil exporters

alike), in recent years have adopted policies such as tax holidays that were aimed at attracting foreign direct investments. Consequently, tax buoyancy in Africa has been less than 1, with output and incomes growing much faster than tax revenues. Ethiopia, Gabon, Ghana and Kenya are examples of countries that have export processing zones or special economic zone agreements with foreign countries that grant tax reductions.

Focus on largest taxpayers hit hard

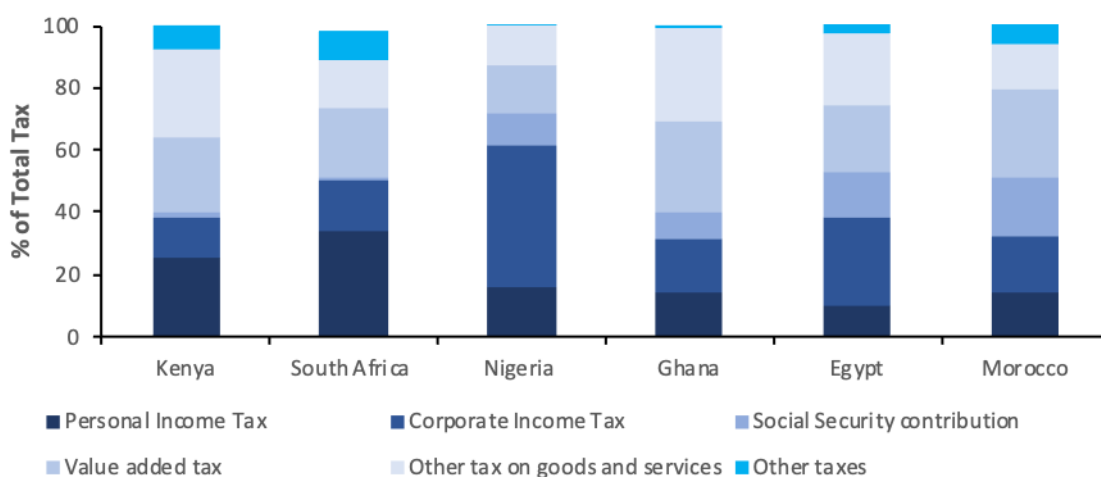
Income tax is an important source of tax revenue for African countries, contributing over 40 per cent of total tax revenue for the lower-middle-income countries and middle-income countries. Both personal income tax and corporate income

Figure 2.3 Africa’s tax-to-GDP ratio trended downward even prior to COVID-19



Source: ECA and World Bank data.

Figure 2.4 Income tax and other important sources of revenue, 2017



Source: ECA, OECD and WDI data.

tax are larger for the more diversified economies like Kenya, Morocco and South Africa.

In Egypt, Kenya, Morocco and South Africa, national carriers such as Egypt Air, Kenya Airways, Air Maroc and South African Airways are registered under the large taxpayers office. As at February 2020, regional carriers that cancelled flights to China included RwandAir, Kenya Airways, Air Madagascar and Air Mauritius. The subsequent losses were heavy, estimated at \$29 billion globally and \$400 million for African carriers. More precisely, for instance, it was estimated that Kenya Airways lost over \$8 million monthly as a result of suspending flights to China. Most airlines have currently suspended flights to over 50 per cent of their destinations.

Countries that are tourist destinations such as Côte d'Ivoire, Egypt, Kenya, Morocco and South Africa have also come under severe pressure as travel restrictions are imposed. As an example, following the imposition of travel restrictions from the northern part of Italy by the Government of Kenya, the country is currently experiencing holiday booking cancellations to Malindi, a popular destination for Italian tourists on the country's coast. It is anticipated that this will lead to closure of hotels and subsequently to job losses

As borders close as part of the COVID-19 policy response, governments can expect a drastic reduction in revenue collection. Local governments will also face a decline in own-source revenues as well as national transfers, which account for 70–80 per cent of their finances. Consequently, the financial capacity of African national and local governments to respond to the COVID-19 crisis is acutely impaired.

Focus on debt and borrowing

While developed countries have injected trillions of dollars into COVID-19 health, social safety net and economic stimulus responses, Africa severely lacks the fiscal space to react similarly. Africa is fiscally hamstrung by four critical challenges:

1. High debt-to-GDP levels;
2. High fiscal deficits;
3. High costs of borrowing;
4. Depreciation of many African currencies against the euro and the dollar.

Over 50 per cent of African countries recorded fiscal deficits above 3 per cent in 2019. Similarly, some 22 African countries had debt-to-GDP ratios above the African average of 61 per cent, breaching the 60 per cent level of debt-to-GDP-ratios, a threshold that has been defined as uncomfortable even for the more advanced economies with larger debt-carrying capacities such as South Africa. The increase in spending was a result of development financing needs, in

Table 2.2 Weak macro-fiscal position will compromise response to COVID-19 crisis

	Fiscal deficit (% of GDP, 2019)	Debt (% of GDP, 2019)
Nigeria	-2.6	29.8
South Africa	-5.9	55.9
Egypt	-8.0	84.9
Algeria	-7.6	46.1
Angola	0.7	95.0
Ethiopia	-2.7	59.1
Kenya	-7.2	61.6
Côte d'Ivoire	-3.2	52.7
Ghana	-5.0	63.8
Zambia	-4.6	91.6
Mozambique	-6.1	108.8
Morocco	-4.1	65.3
Cameroon	-2.7	40.5

Source: ECA, IMF and World Bank data.

Table 2.3 Africa’s high 10-year government bond yields

	As of Apr 6, 2020	As of Jan 1, 2020	Change in bps, YTD
Germany	-0.35%	-0.25%	-10
UK	0.36%	0.79%	-42
USA	0.73%	1.83%	-110
China	2.54%	3.17%	-62
Viet Nam	3.15%	3.06%	+9
India	6.41%	6.56%	-15
Indonesia	8.23%	7.12%	+111
South Africa	11.03%	8.24%	+279
Namibia	12.18%	10.13%	+205
Nigeria	12.31%	11.23%	+108
Kenya	12.61%	12.58%	+4
Egypt	14.85%	14.14%	+71
Uganda	16.67%	16.41%	+26

Source: www.worldgovernmentbonds.com

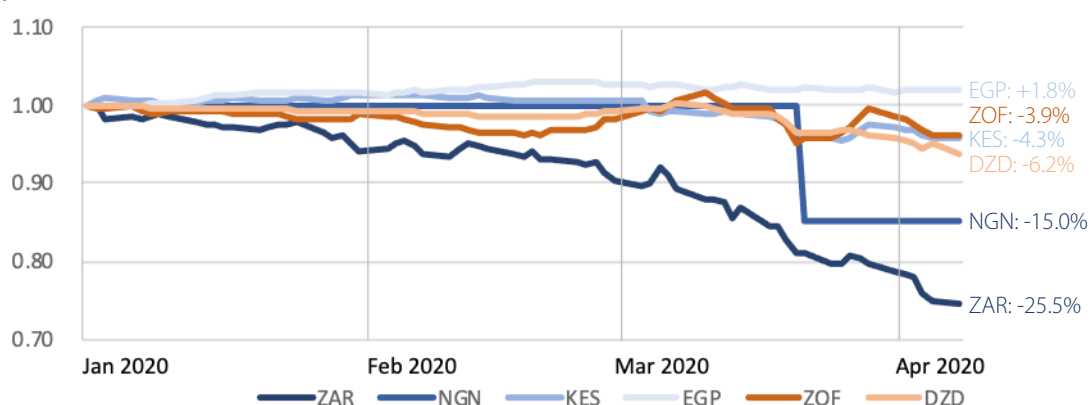
particular, investment in infrastructure. Consequently, fiscal policy has come under pressure, with very little or no fiscal space to deal with crisis situations under normal circumstances.

Traditionally, countries may turn to the bond markets to seek funds for stimulus programmes, but high borrowing costs hamper the ability of countries to do so. Compared to developed economies and emerging economies in Asia, the costs of borrowing in Africa are extremely high, with many countries seeing yields in excess of 10 per cent on a 10-year sovereign bond. Raising additional funding becomes very challenging and might further exacerbate debt burdens for many highly leveraged countries.

Another challenge for bond issuance lies in the denomination of many African sovereign bonds. Most African bonds are issued in dollars or in euros, meaning that issuers have also to be wary of exchange rate risk, especially if the home currency depreciates against the issuance currency. Since January 2020, almost all major African currencies have depreciated in value against the dollar and the euro. As the crisis continues, investors and businesses will continue to gravitate towards cash, potentially strengthening the dollar and euro further, making debt servicing even more challenging in the coming months.

It is clear that Africa does not have the fiscal flexibility or space to deal with the shocks from the COVID-19 pandemic, even though fiscal

Figure 2.5 Currency depreciation makes issuing and servicing debt even harder, 2020 (year to date)



Source: www.morningstar.com (7 March 2020).

responses are critically needed to prevent economic collapse.

Focus on financing Africa's response

Taking cognizance of the fiscal situation in Africa, considerable support will be needed for Africa's health and social safety net response and emergency economic stimulus. Based on the virtual Ministers of Finance meeting hosted by ECA in March 2020, the following suggestions are made for financing Africa's response:

1. Secure a \$100 billion African health and social safety net fund:
 - For the most vulnerable, including feeding for out of school children and unemployment support
 - To procure through WHO and CDC Africa the materials needed to save lives, share and promote research, provide vaccines, manufacture health equipment and share emergency services
2. Secure \$100 billion for Africa's economic stimulus:
 - Prioritize its investment into climate conscious and digitalization projects
 - Ensure that stimulus supports African businesses through allowing for the suspension of leasing, debt and other repayments
 - Support airlines and the future of tourism through temporary tax waivers and encouraging banks to renegotiate loans
 - Grant tax breaks to forestall the collapse of firms that keep jobs, maintain activity and that can earn export revenues in the recovery
3. Complete temporary debt standstill for two years for all African countries, low and middle income included. Many countries, especially in Africa, have lost market access because of the COVID-19 pandemic, and must also confront the consequences of the pandemic which include substantial

losses in major revenue sources. These pressures have made debt service unsustainable for most.

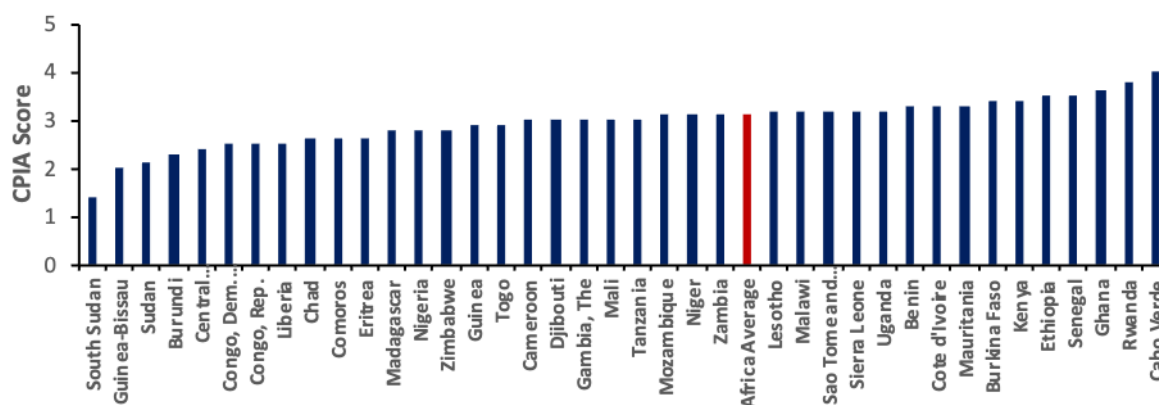
4. Double access to the IMF Emergency Financing Facility and raise IMF special drawing rights allocations to provide additional liquidity, particularly for the procurement of basic commodities, food, fuel and other essential commodities, and also to provide liquidity to the financial sector, private sector, corporates and in particular small and medium-sized enterprises over the next two–three years. This could in part also serve as a bridge special purpose vehicle for commercial debt servicing.
5. Accelerate disbursement of budget support through fast disbursement facilities, including the Crisis Response Window, the Global Pandemic Window and reprogramming of regular programmes at the World Bank Group and similar measures from the European Union and other Group of 20 members.

Countries in return pledge to build and strengthen systems to fight corruption and to enhance predictability, transparency and accountability of flows so that finance ministers can plan effectively and civil society stakeholders can help to track fund flows to ensure that these reach those most in need expeditiously.

Focus on governance

African Governments must ensure the proper use of any COVID-19 financial assistance, debt forgiveness or borrowing. The young people of Africa will not forgive the misappropriation of COVID-19 emergency funds. Citizens and all stakeholders, including development partners working with Africa to strengthen COVID-19 responses, will be better assured if financial flows and debt forgiveness or forbearance measures go through strong institutional processes. This must

Figure 2.6 Average CPIA score in the public sector management and institutions cluster, 2018



Source: Data Bank of the World Bank, world development indicators, available at: <https://databank.worldbank.org/reports.aspx?source=world-development-indicators>.

be balanced against speed, to ensure a rapid response to urgent needs.

In recent years, African countries have come under the spotlight for governance-related matters, several of which are related to public finance management. Twenty-four African countries had Country Policy and Institutional Assessment (CPIA) scores in the public sector management and institutions cluster that were below the African average of 3.1 (out of a maximum possible score of 6.0).

The appropriate use of information and communications technologies could ensure more

efficient and transparent allocation of resources. Mobile phone telephony could be used to collect data to inform Governments of the areas with the most pressing needs.

Finally, with 2020 having been designated by the African Union as the year when it would achieve its initiative of Silencing the Guns, governments must take care to protect against the ravages of unemployment and the disenfranchisement of their young people brought on by the economic impact of COVID-19. Mass unemployment is a fertile breeding ground for civil unrest.

Indirect shock – ripple effects

As the severity of COVID-19 emerged in February and March 2020, commodity prices plummeted for more than 67 per cent of African exports. The price of petroleum oils, which account for 40 per cent of African exports and about 7.4 per cent of total GDP in Africa, crashed more than 50 per cent to their lowest levels since 2003. Metal prices are down 20 per cent on December-end values, the FAO food price index lost 5 per cent in that period, while cotton – as proxy for textiles – fell 26 per cent. The exception is gold, an investment safe haven, which is up by 5 per cent.

The crashing of oil prices has considerable fiscal and exchange rate implications for Africa’s many fuel-oriented economies. We estimate a \$65 billion loss to fuel revenues, at a minimum, for 2020. Large gold exporters, such as Ghana, South Africa and Guinea, which account for 20 per cent, 17 per cent and 9 per cent of Africa’s gold exports, respectively, will experience a small compensatory benefit from the rise in the price of gold.

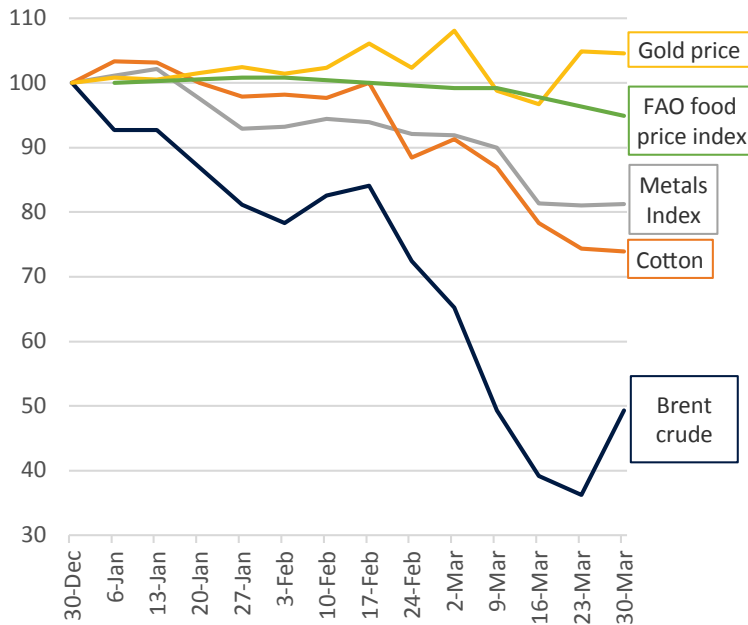
Also problematic has been the shift in the COVID-19 epicentre from China, which accounts for 11 per cent of African exports and 16 per cent

of imports, to Europe, which accounts for 33 per cent of African exports and 32 per cent of imports,

Focus on textiles and garments

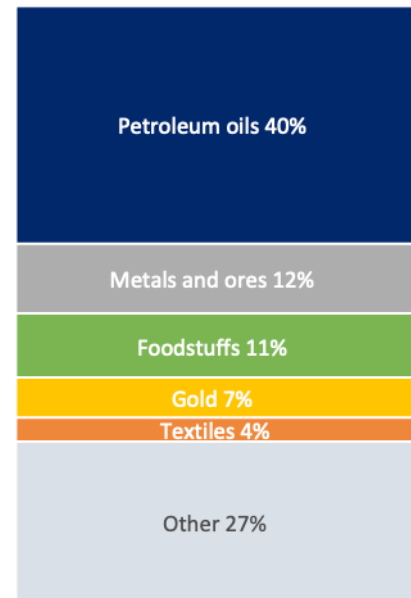
The two main textile markets for Africa are the

Figure 2.7 Commodity prices and indexes for key African exports, December-end 2019 to week of 30 March 2020



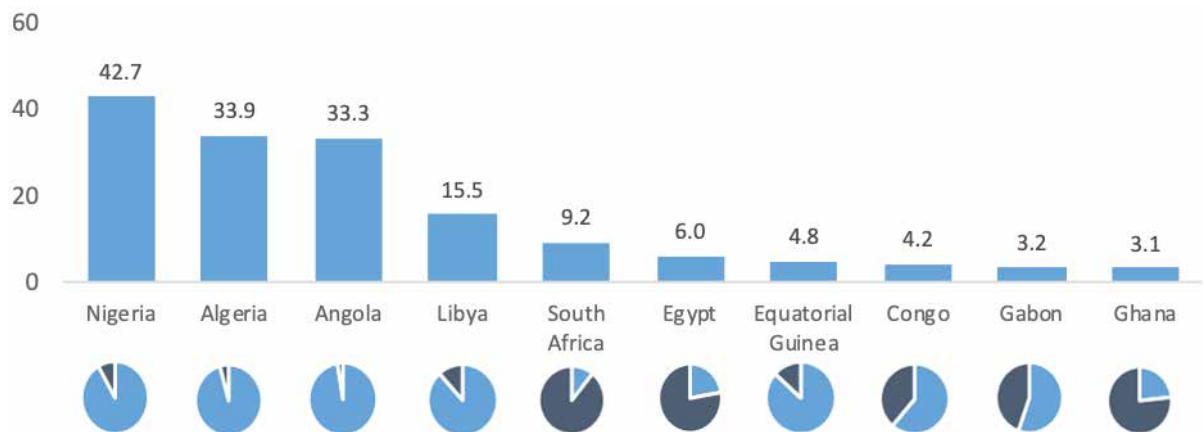
Source: FAO and Trading Economics, April 2020
 Note: All prices are weekly average, Metals index = LME Index

Figure 2.8 Composition of Africa's total exports



Source: Based from ITC TradeMap Data, 2016-18 average

Figure 2.9 Most significant exporters in Africa of petroleum fuels and share of country total exports, based on 2016–2018 averages (in billions of US dollars)

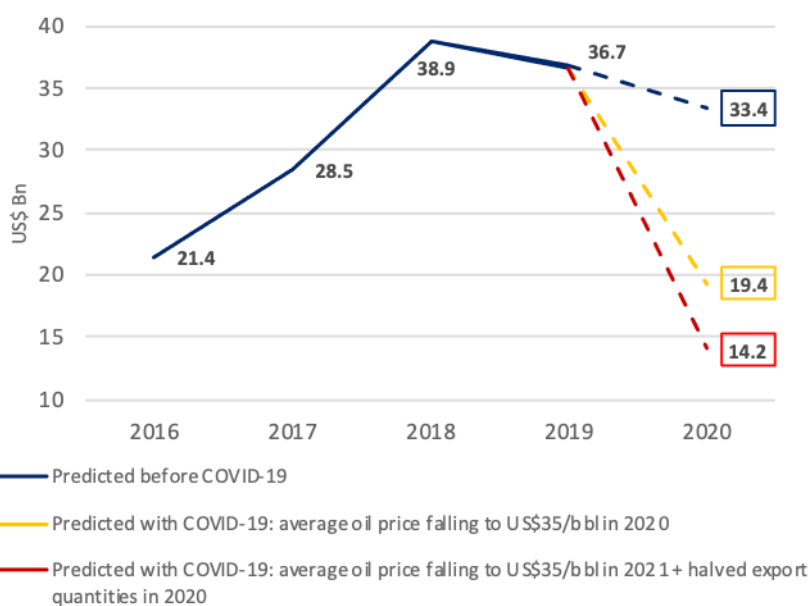


Source: Based on data from UNCTADstat

further disrupting the continent's global trade value chains.

United States of America and the European Union. Lockdown and shop closures owing to

Figure 2.10 Nigeria: revenue from oil exports, \$19 billion losses are forecast



The biggest economy in Africa, Nigeria, will be severely affected by the price and demand shock to oil.

Under two scenarios, we estimate the impact of COVID-19 on the revenue of Nigeria from oil exports resulting in a decline of between \$14 billion and \$19.2 billion, putting pressure both on the fiscal revenues of Nigeria and the naira.

Source: ECA based on Central Bank of Nigeria

COVID-19 containment measures are affecting both, causing a shift in discretionary consumer spending away from clothes towards basic food and pharmaceutical products. Offline spending on apparel in the European Union is estimated by McKinsey to have fallen 30–40 per cent and as much as 80 per cent in highly infected regions.¹¹

This puts at peril not just the continent’s \$15 billion in annual textile and apparel exports, but a crucial source of employment. In Kenya, the sector counts for more than 38,000 formal workers,¹² more than 200 large and medium-size companies, and over 75,000 micro and small companies, including fashion designers and tailoring units.¹³

In Ethiopia, the number of textile and garment factories operating in the country was estimated at 122 in 2019.¹⁴ Ethiopia counts about 37,000 formal workers while about 450,000 people are informally engaged in activities across the sector. Both countries (Ethiopia and Kenya) export more than 65 per cent of their textile products to the United State and the European Union.

Further down the supply chain, falling demand has translated into a 26 per cent fall in cotton prices since December 2019, with knock-on effects for cotton farmers in Benin, Burkina Faso, Mali and Zimbabwe.

11 McKinsey, “COVID-19 response strategies in apparel and fashion A perspective on how leading companies act now and how this crisis will change the industry”, 18 March 2020.

12 In 2018, employment in the manufacturing sector in Kenya was about 307,592 people according to the country’s 2019 Economic Survey. See www.cottonafrica.com/documents/Fashionomics_report_Kenya_2016.pdf.

13 The Kenyan textile and fashion industry. The role of fashion designers and small tailors in the fibre to fashion value chain. Available at www.hivos.org/sites/default/files/fashionomics_report.pdf.

14 See www.odt.org/sites/odi.org.uk/files/resource-documents/12694.pdf

Figure 2.11 Textile exports, value and share of total exports (annual average 2016–2018)

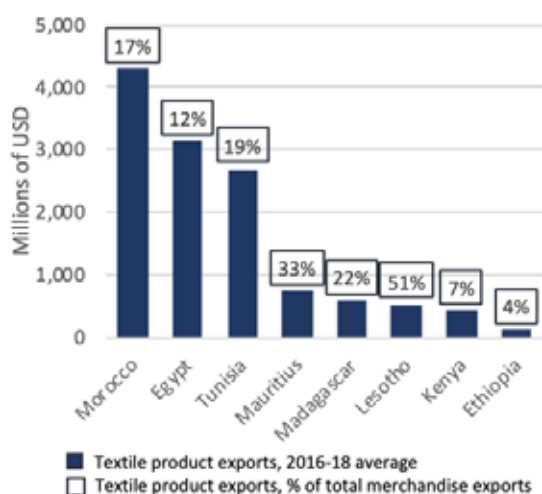
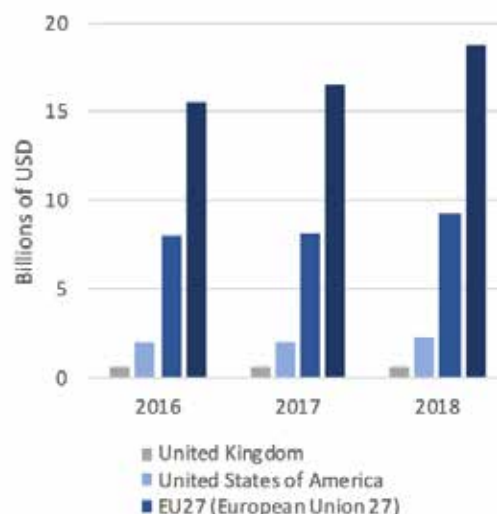
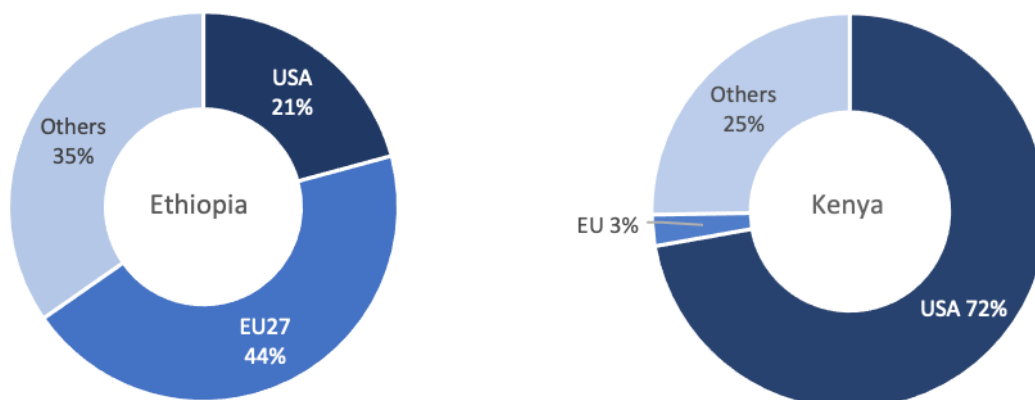


Figure 2.12 Textile exports from Africa to main partner economies (billions of US dollars, 2016–2018)



Source: Based on data from UNCTADstat. Textile products include textile fibres, yarn, fabrics and clothing (SITC 26 + 65 + 84)

Figure 2.13 Share of textile exports, by main destination (based on average values, 2016–18)



Source: Based on data from UNCTADstat, 2020

Focus on tea, coffee and cocoa

In Ethiopia, an estimated 4 million smallholder farmers grow coffee.¹⁵ In Uganda, 500,000 households depend on coffee farming, while the sector in Kenya supports about 700,000 smallholder farmers and 3,000 large growers, together with others along the value chains, including coffee millers, commercial marketing agencies, grower marketers, warehouses and coffee dealers.¹⁶

In the tea sector, Kenya remains the biggest exporting country in Africa, with more than \$1.3 billion in annual exports on average over the period 2016–2018, mainly to Pakistan, the European Union and the United Kingdom. Two thirds of the tea production of Kenya is grown by nearly 650,000 small growers.¹⁷ The industry directly and indirectly affects an estimated 3 million–5 million people.

15 www.ifpri.org/blog/ethiopias-coffee-farmers-struggle-realize-benefits-international-markets.

16 www.ugandainvest.go.ug/uia/images/Download_Center/SECTOR_PROFILE/coffee_sector_profile.pdf.

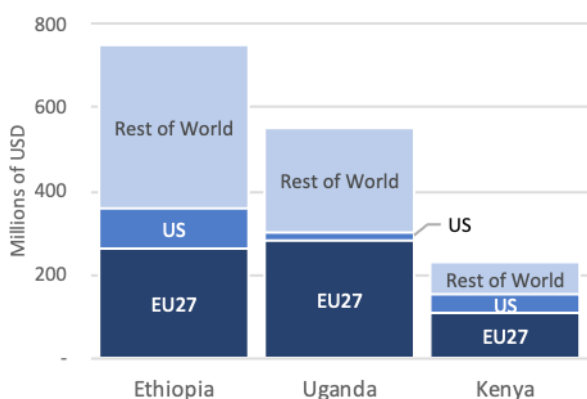
17 <https://open.unido.org/api/documents/5239228/download/2.Value%20chain%20vulnerability-Kenya%20country%20report.pdf>.

A downward trend in demand pressure has already reduced prices for coffee and tea (in particular for out-of-home consumption) in the major import markets, such as the United States and the European Union, with the International Coffee Organization composite price indicator for coffee for March 2020 falling 7 per cent from December 2019. If prices continue to fall over the coming months, the situation will affect vulnerable small-scale farmers who are the back-bone of coffee and

tea production in major African coffee producing countries such as Ethiopia, Kenya and Uganda.

Cocoa prices on 7 April 2020 had fallen 6 per cent since the start of 2020.¹⁸ Of concern is the impact of the slowdown in the European Union, United States and United Kingdom markets, which together account for 77 per cent of African cocoa exports. Côte d'Ivoire and Ghana are dependent on cocoa exports for 39 per cent and 19 per cent

Figure 2.14 Coffee exports from Ethiopia, Uganda and Kenya to main trade partners (average 2016-2018)



Source: Based on data from UNCTADstat

Figure 2.15 Tea exports from Kenya to main trade partners (average 2016-18)

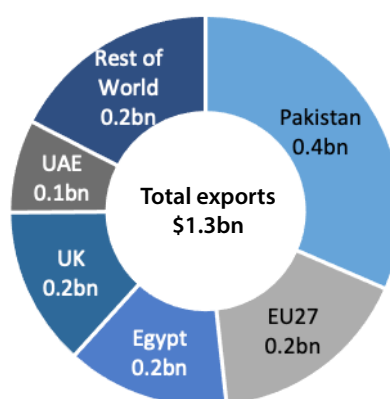
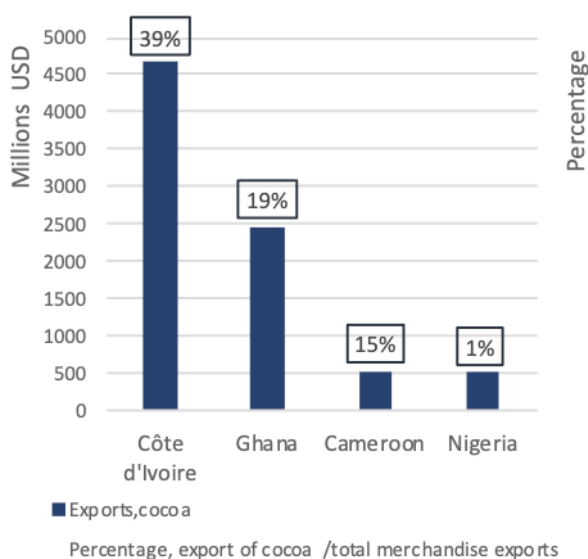
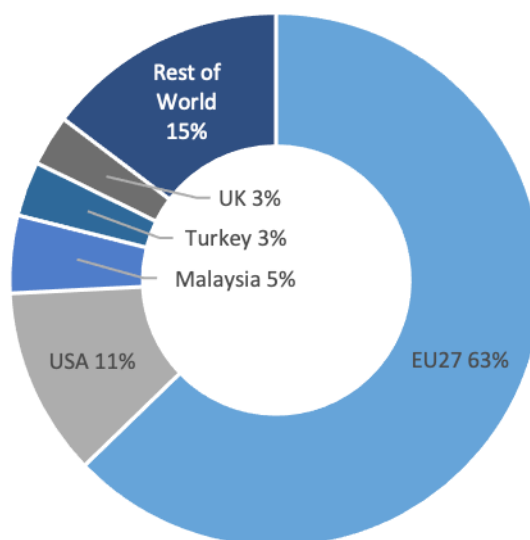


Figure 2.16 Exports of cocoa beans from the main producing countries in Africa (average 2016-2018)



Source: ECA research based on data from UNCTADstat

Figure 2.17 Destination for \$10 billion in annual cocoa bean exports from Africa (average 2016-2018)



18 Trading Economics, 7 April 2020. Available at: <https://tradingeconomics.com>.

of their exports, respectively. The sector involves more than 800,000 farmers in Ghana.¹⁹

Focus on horticulture and fresh cut flowers

Kenya and Ethiopia are the top fresh cut flower producing countries in Africa, with total exports of close to \$700 million and \$200 million respectively, more than two-thirds of which go to EU markets.²⁰ In Kenya, the flower industry provides employment to over 100,000 people directly and an estimated 2 million people indirectly.²¹ In Ethiopia the horticulture sector employs nearly 200,000 people and includes 26 investment projects in the export of flower, fruits, vegetables, and herbs. Farm ownership include local investors (46), Direct Foreign Investors (76), joint venture partnership (3) and Development Bank of Ethiopia (1).²²

The sector is being severely hit by COVID-19, leading to losses in export revenues and layoffs. In March 2020, the Ethiopian horticulture industry reportedly lost \$11 million potentially resulting in the layoff of 150,000 people. The crisis has also affected Ethiopian’s banks’ loan portfolio, especially those that provide finance to the sector. Zemen Bank has half-billion Birr (approximately US\$15 million) outstanding loans, advanced to companies operating in the horticulture sector.²³

Focus on tourism and transport

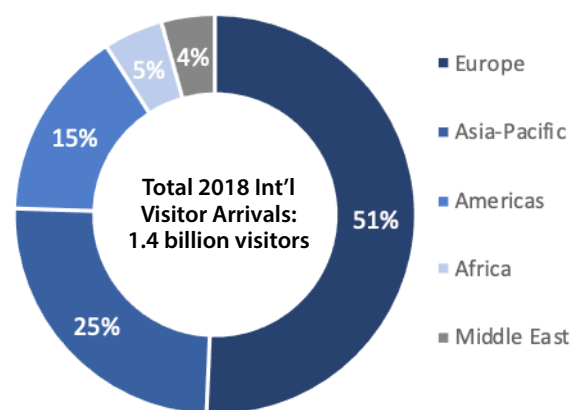
Tourism flows dropped significantly prior to the announcement of lockdowns and now, with lockdowns in European, American and Asian cities, have all but crashed to a standstill in Africa. Tourism accounts for 8.5% of Africa’s GDP. On a global scale, using the 2003 SARS outbreak as a benchmark, the World Tourism Organization expects 2020 global international tourist arrivals to decline at least 20-30 percent, a steep drop from the previously projected 3-4 percent growth.

Exposure to international tourists in Africa is especially high: in 2018, 95 percent of Africa’s 1.4 billion tourist visitors were from outside the continent, with especially high concentrations from Europe and Asia and the Pacific, which together make up 76% of all international visitor arrivals in Africa. The high share of visitors from Europe, where over 50% of all COVID-19 cases worldwide have been reported, will affect the industry greatly.

The decline in tourism will have a disproportionate effect on small island developing States, for which tourism constitutes a larger part of the economy. Other countries with high levels of tourism revenue will also see those figures drop considerably. Figure 2.15 shows the countries with the highest exposure to tourism receipts, in terms of contribution to GDP and in dollar terms. It highlights four small island developing States, with Seychelles reporting 38 per cent of its annual economic output being derived from the tourism industry.

The impact on the tourism industry is not limited to just international travellers. Domestic

Figure 2.18 International Visitor Arrivals by Region, 2018



Source: UNWTO, 2019

19 <https://www.afd.fr/en/actualites/challenges-facing-ghanas-cocoa-sector>.

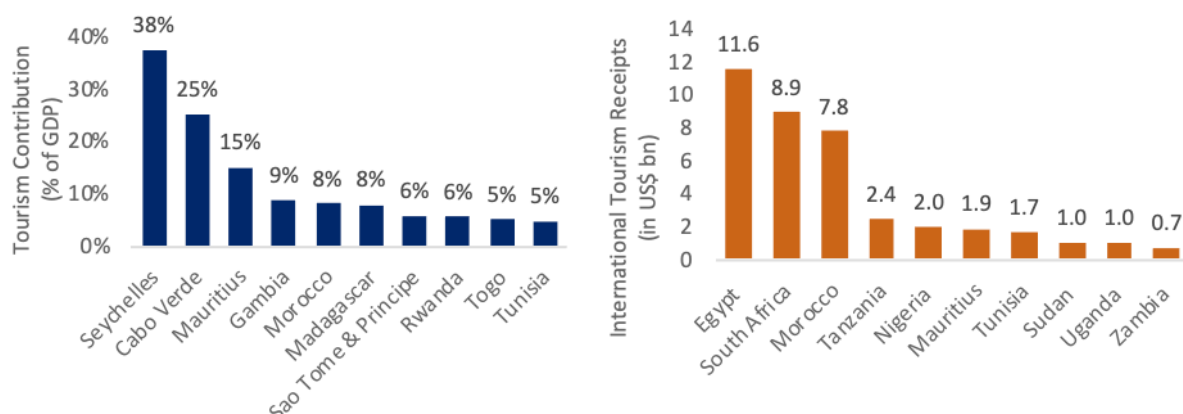
20 See <https://oec.world/en/profile/hs92/0603/>.

21 See http://kenyaflowercouncil.org/?page_id=92.

22 See <https://ehpea.org/overview-of-the-sectors-growth/>.

23 See <https://addisfortune.news/news-alert/zemen-bank-cuts-loan-interest-rate-to-zero-for-horticulture-industry/>.

Figure 2.19 Contribution of tourism to GDP (by percentage share) as an average for 2016–2018, and International Tourism Receipts, 2018 (United States dollars)



Source: UNWTO

tourism will fall as more African cities go under lockdown. And with travel on a downward trend, the transport industry, especially airlines will face many challenges.

Air travel restrictions and reductions of air travel routes by airlines, which have both increased in the past few weeks, will affect major African carriers. Those with healthy balance sheets and profitable business operations will face challenges in maintaining working capital and have to make difficult decisions regarding employment. The International Air Transport Authority (IATA) projects that African airlines will see a 32 percent drop in Revenue Passenger-Kilometres, resulting in a potential drop of \$4 billion in revenue for airlines in Africa. The airlines that were struggling before the pandemic will likely end up filing for

bankruptcy or seek bailouts. Table 2.2 below shows an overview of the airlines with the most exposure in African travel routes.

Tourism and air transport are critical sectors of Africa's economy. They employ vast numbers of people directly (6.2 million jobs in air transport) and indirectly, providing employment and additional spending to many other industries. These sectors were previously experiencing high levels of growth and connecting Africa with the world. To avoid lasting impacts to transportation infrastructure and mass unemployment of the tourism industry, actions must be taken.

Focus on remittances

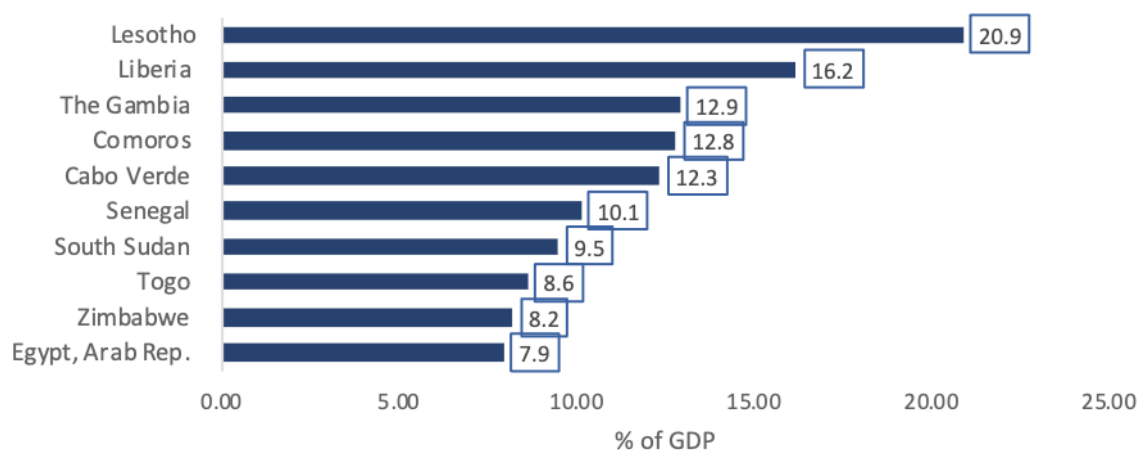
Remittance inflows are a critical source of finance for a large number of African countries, previously

Table 2.4 Overview of the top 10 airlines with highest traffic in Africa

Rank	Airline	Weekly seats	Seat share (as a per cent)
1	Ethiopian Airlines	345,016	8.4%
2	EgyptAir	229,885	5.6%
3	Royal Air Maroc	204,346	5.0%
4	South African Airways	188,421	4.6%
5	Air Algerie	175,685	4.3%
6	Emirates	172,344	4.2%
7	British Airways	131,499	3.2%
8	Kenya Airways	123,333	3.0%
9	Saudia	110,170	2.7%
10	Air France	109,836	2.7%

Source: CAPA Centre for Aviation

Figure 2.20 Remittances, top most dependent African countries, by share of GDP (average 2015-18)



Source: World Bank

projected to reach up to \$65 billion in 2020. Owing to their nature, remittance transfers tend to reach a large share of particularly vulnerable populations. Remittances are projected to decline sharply as service workers in the remittance exporting countries such as the United States and countries in Europe and are subjected to increasingly severe social lockdown policies to slow the spread of COVID-19. Declines in remittances will affect African small island developing States, least developed countries and conflict-affected countries.

Focus on women

Domestic violence rates are rising, with COVID-19 lockdowns keeping families at home together for longer periods and women unable to leave an unsafe situation, in what the United Nations Secretary General, António Guterres, calls a “horrifying global surge in domestic violence”.²⁴ As governments divert resources to deal with the public health crisis, safety, security and access to

justice services will no longer be readily available to victims of domestic violence. As has been evidenced from the experience in Sierra Leone during the Ebola epidemic, the closure of schools and the diminished protection from governments create an enabling environment for child marriage and sex transactions between young girls and older men as a means of economic survival for families.²⁵

The vast majority of nurses in Africa are female: 65 per cent of all nurses are female, while 72 per cent of all doctors are male.²⁶ For example, across several districts in South Africa more than 80 per cent of community health workers are women.²⁷ As nurses greatly outnumber doctors, women make up the vast majority of front-line medical care staff risking exposure to COVID-19. Women are also often the majority of health facility service staff – such as cleaners, laundry workers, catering assistants – such cohorts face a clear risk of increased exposure to COVID-19.

24 UN News, “UN chief calls for domestic violence ‘ceasefire’ amid ‘horrifying global surge’”, (6 April 2020). Available at <https://news.un.org/en/story/2020/04/1061052>.

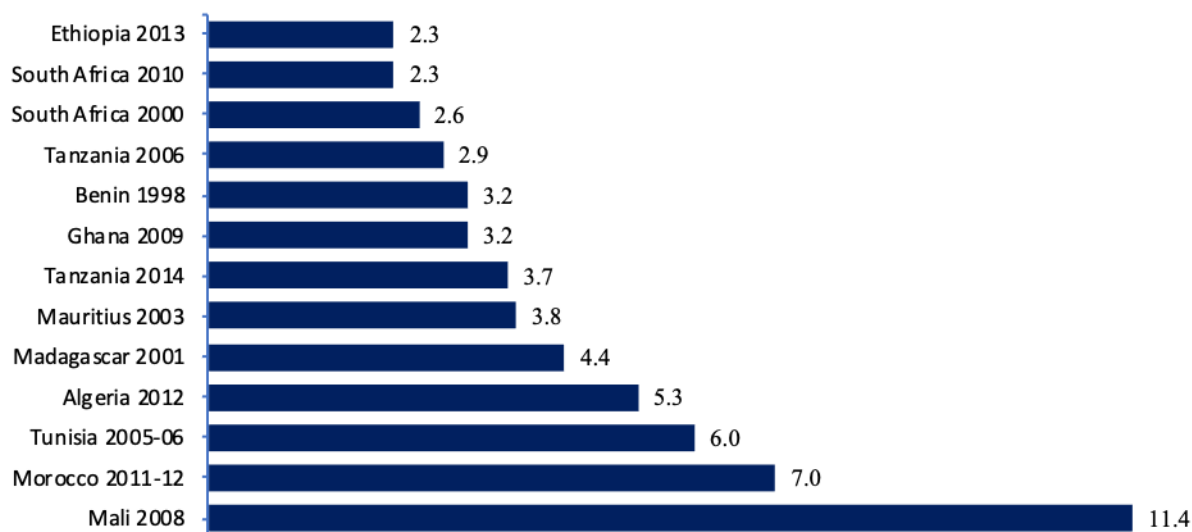
25 Girls not brides, Sierra Leone, what’s the child marriage rate? How big of an issue is child marriage?” Available at www.girlsnotbrides.org/child-marriage/sierra-leone/.

26 M. Boniol, M. Mclsaac, L. Xu, T. Wuliji, K. Diallo and J. Campbell, “Gender equity in the health workforce: analysis of 104 countries”, WHO Working Paper 1 (2020).

27 J. V. Ndimande, G. A. Ogunbanjo, S. N. Nyalunga, A. Masango-Makgobela and T. Bongongo, “Community healthcare workers’ satisfaction with ward-based outreach team services in Tshwane district, South Africa”, *South African Family Practice* 61(5) (2018).

28 See ILO, “COVID-19: Protecting workers in the workplace” (2020). Available at www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_741060/lang-en/index.htm.

Figure 2.21 Time spent by women compared to men in unpaid work (number of times)



Source: Charmes, J. (2015). "Time use across the world: Findings of a world compilation of time use surveys". Background paper prepared for the UNDP 2015 Human Development Report. Available at: www.hdr.undp.org/sites/default/files/charmes_hdr_2015_final.pdf | Year of survey follows country name .

Since women make up approximately 70 per cent of cross-border traders, their economic activity is limited and their incomes are severely affected as a consequence of border closures. In addition, since women tend to operate in the informal sector, they are not protected by insurance or eligible for any government schemes aimed at businesses (such credit facilities) or formal employees (such as wage subsidies); a different set of interventions would need to be considered for them and the broader informal sector.

Women are more likely to have to forgo economic activities owing to school closures and in order to

take care of the sick at home – an increase in unpaid work responsibilities, contributing to financial inequalities. The increase in women’s unpaid work responsibilities adds to their existing burden – in Africa, women spend between 2 and 11 times more hours performing unpaid work than men, with adverse effects on their physical and mental well-being. The health, time and welfare effects are accentuated by the relatively low levels of access to electricity and improved drinking water sources. This leads to women spending significant unpaid work time on collecting firewood and water and in the process increases the probably of further ill health effects associated with COVID-19.

3. Partnerships

<i>Medical supplies</i>	<i>Staple food access</i>	<i>Cooperation & leadership</i>	<i>Weathering the storm</i>
<ul style="list-style-type: none"> • Decongest access to emergency medical supplies • Remove African import tariffs on medical supplies • Green lanes for super-fast customs clearance • Expedite safety standards approval for trusted imports 	<ul style="list-style-type: none"> • Refrain from and remove export bans on staple foods • Protect distribution and retail supply chains • Minimize the impact of border and port closures • Keep trade flowing 	<ul style="list-style-type: none"> • Share intellectual property on vaccines and medical supplies • Ensure movement of critical health and technical experts • Pool medical quality standards and resources, as well as procurement 	<ul style="list-style-type: none"> • Leverage the ICT sector with the ECA Good Digital ID Framework principles • Adapt for the digital economy • Bounce back with a climate conscience • Keep the momentum and ambition of the African Continental Free Trade Area

Medical supplies – ensuring critical access

Africa is import dependent on many of the essential medical products to test for, protect against, and treat COVID-19. Access to these supplies is perilously constrained by export restrictions imposed by at least 71 countries. International leadership is urgently required to decongest trade flow restrictions and ensure access to medical supplies for some of the world’s most vulnerable populations.

African countries must do their part to improve their affordable access to essential medical supplies. **Tariffs on these products can be high**, constraining their affordable acquisition and distribution. Particularly problematic are:

- » **Tariffs on protective garments**, like face masks, plastic/rubber gloves and surgical garments, which tend to come under the highly tariffed apparel and textile customs codes. Across Africa, the average MFN

Figure 3.1 Export restriction or bans on essential COVID-19 medical supplies as of 7 April, including protective masks, ventilators and medicines (dark blue = export restriction in place)



Source: Based on Global Trade Alert team, University of St. Gallen, Switzerland, 20 March and ITC/Market Access Map, 6 April 2020, based on media reports and official legislation.

tariff on these products is 18%, rising to 40% in certain instances.

- » **Tariffs on disinfectants/sterilization products**, which average 9.1% across Africa but in some instances reach 50% for specific products. ECOWAS (along with Argentina) have the highest average MFN tariffs across the range of disinfectant products in the world.²⁹
- » **Tariffs on medical consumables**, like gauzes, syringes, intubation kits and paper bed sheets, averaging 7.4% and reaching up to 50%.
- » **Tariffs on soap**, averaging 24.7 per cent and as high as 50 per cent in some instances. Africa has good productive capacity for some products, like palm oil-derived soap bars, but will also need to import surge supplies of these highly-tariffed products..
- » **Tariffs on testing kits**, are currently low on average, but of critical importance

to the monitoring and containment of COVID-19.

African governments should urgently suspend tariffs on essential COVID-19 imports. A list of such products can be informed by the WCO HS classification reference for COVID-19 medical supplies as well as other essential goods beyond medical supplies to prevent shortages and skyrocketing prices. China and at least 12 further countries have already reduced import barriers on COVID-19 medical supplies.³⁰

Beyond imports, Africa must look to boost its own productive capacity for medical supplies. Many of these products are in considerable demand globally and domestic production will be essential to fill the supply gap. Pooled production and cross-border assistance can help to improve Africa's response.

Table 3.1 Africa's import tariffs on essential COVID-19 medical supplies

	Africa's annual imports (US\$ 2016-18 average)	Africa's average MFN tariffs on imports	Africa's Max MFN tariffs on imports
COVID-19 Test kits and Instruments and apparatus used in diagnostic tests	N/A	2.5	20
Protective garments and the like	748m	18.0	40
Thermometers	58m	4.1	20
Disinfectants and Sterilisation products	9,291m	9.1	50
Other medical devices	1,553m	2.6	5
Medical consumables	589m	7.4	50
Soap (bar, liquid and other)	839m	24.7	50

Source: ECA. 2020. Trade policies for Africa to Tackle Covid-19.* Notes: ITC Trade for annual import estimates and WTO data on MFN tariffs, drawing from WCO's HS classification reference for Covid-19 medical supplies**. Note: Soap is an addition to the WCO's list.

* Available at www.uneca.org/publications/trade-policies-africa-tackle-covid-19.

** See <https://timeseries.wto.org/> for WTO MFN tariff data, and the following for the WCO HS classification reference for COVID-19 medical supplies www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/activities-and-programmes/natural-disaster/covid_19/hs-classification-reference_en.pdf?la=en.

29 Global Trade Alert. 2020. Tackling Coronavirus: The Trade Policy Dimension

30 Simon Evenett. "Media reports assembled by the Global Trade Alert Team", University of St Gallen, Switzerland (24 March 2020).

Table 3.2 Africa's capacity for domestic production of essential medical products, companies and businesses by area of manufacturing and country.

	Medicine	Medicine and PPE	PPE (incl. equipment and device producers)	Other (hygiene, oxygen, textile)	Total
Western subregion					234
Nigeria	37	7	63	39	146
Ghana	20	3	4	1	28
Burkina Faso	4	7	7		18
Senegal	10				10
Mali		8		2	10
Sierra Leone				2	2
Benin				4	4
Guinea				4	4
Liberia				4	4
Côte d'Ivoire	1		1	6	8
Central subregion					15
Gabon	2	0	4	5	11
Congo			2	2	4
Southern subregion					74
South Africa	15		18	28	61
Malawi	2				2
Mozambique	1				1
Zimbabwe	2	1			3
Zambia	0	0	1	6	7
Eastern subregion					89
Kenya	16	11	1	12	40
Ethiopia	15		10		25
Uganda	15			5	20
Sudan	1				1
UR of Tanzania	3				3
Northern subregion					119
Egypt	15		21	10	46
Morocco	11		10	10	31
Algeria	8		7		15
Tunisia	10		7	10	27
Total	188	37	156	150	531

Source: ECA and Afreximbank compilation.

Focus on trade customs clearance

In addition to removing import tariffs, African countries must expedite customs clearance, estimated to account for more than twice the average cost of import tariffs³¹ and causing imports into Africa to take about twice as long as those into East Asia and the Pacific.³²

Green lanes for fast customs clearance of medical supplies have been employed in the COVID-19 response of both China and the European Union.³³ In China, these facilitate quick inspection and release of imported pharmaceuticals, disinfection supplies, protective supplies, treatment equipment and other disease prevention and

31 Average tariffs faced by exporters within regions calculated with reference group-weighted average tariffs based on 2013 MAcMap-hs6. Available at www.cepii.fr/CEPII/en/publications/panorama/abstract_items.asp?id=108&NoDoc=9217. For cost estimates of non-tariff barriers see O. Cadot, and others, "Policy issues in international trade and commodities", Research Study Series no. 69. Deep Regional Integration and Non-tariff Measures: A Methodology for Data Analysis, UNCTAD, UNCTAD/ITCD/TAB/71, 2015. Available at https://unctad.org/en/PublicationsLibrary/itcdtab71_en.pdf.

32 International Bank for Reconstruction and Development/The World Bank, Doing Business 2019. Available at: www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf

33 European Commission, Guidelines for border management measures to protect health and ensure the availability of goods and essential services, Brussels (16 March 2020).

control-related goods.³⁴ While green lanes may be employed in Africa for imports from previously vetted sources, expedited but more rigorously inspected orange lanes could be used for medical supplies from new sources.

The approval of standards for medical and pharmaceutical products must also be expedited.

Owing to their importance to human health, such products undergo more onerous safety quality assessment than other goods. Automatic registration of medical supplies that have met standards in trusted economies or that have been approved by the African Regional Standards Organization can help to fast-track standards approval.

Staple food access – maintaining access

World staple food production is enjoying favourable or excellent conditions in most major producer markets, including Southern Africa.³⁵ Despite this, a panic response to COVID-19 has resulted in export restrictions and distribution disruption. Most worrisome for Africa is the stall in shipments of rice from India, Africa's second biggest supplier, due to a nationwide lockdown there, and export bans on rice in Viet Nam and Myanmar, Africa's fifth and sixth biggest suppliers, introduced on 24 March and 3 April 2020, respectively.³⁶

The introduction of a quota on wheat exports from the Russian Federation, Africa's largest supplier, on 1 April 2020, raises concerns for North Africa. Thirty-nine African countries are net importers of basic foods, in particularly north African countries, which are dependent on wheat imports, and west African countries, which are dependent on rice imports. In total, Africa remains dependent on imports for approximately 29 per cent of its cereals.³⁷

African countries must also take care that their own COVID-19 port and border health screenings, reduced operating hours, closures

and quarantines do not unnecessarily congest food imports or disrupt distribution chains. Delays of one or two days have already accrued at the port of Mombasa as restrictions are imposed on crew changes, shore leave and health screenings, while all ports in South Africa are operating on reduced berths.³⁸

To avoid a repeat of the estimated 45 per cent increase in world rice prices and the 30 per cent increase in world wheat prices of the 2006–2008 world food crisis, export restrictions and distribution disruptions must be avoided.³⁹ African countries must ensure that lockdowns and curfews cause minimal disruption to labour for farming and food processing, and to domestic distribution and retail channels, in particular the distribution of inputs during the planting season. Continued access to agricultural services that can be provided digitally is also essential. Health and screening checks at ports and borders must be designed to minimize disruptions to trade in staple foods. World production of staple foods is currently strong; it is access to that supply that must be ensured.

34 See GACC Announcement No. 17 of 2020 Announcement on Customs Formalities for Importing Donated Supplies for Tackling the Novel Coronavirus Related Pneumonia.

35 Agricultural Market Information System, Crop Monitor (2020). Available at www.amis-outlook.org/amis-monitoring/crop-monitor/overview/en/.

36 ITC MacMap, "COVID-19 Temporary Trade Measures", (6 April 2020). Available at <https://macmap.org/en/covid19>, and Bangkok Post, "Lockdown stalls Indian rice exports", (3 April 2020). Available at www.bangkokpost.com/business/1892695/lockdown-stalls-indian-rice-exports

37 FAOSTAT 2020, Cereal import dependency ratio (percent) (3-year average), latest available data for Africa are for 2011–2013

38 INCHCAPE Shipping Services, "Coronavirus (COVID-19) Port / country implications", (6 April 2020). Available at: www.iss-shipping.com/pages/coronavirus-port-country-implications.

39 World Bank, "Export restrictions and price insulation during commodity price booms", Policy Research Working Paper 5645 (2011). Available at www.imf.org/external/np/seminars/eng/2011/trade/pdf/session1-martin-paper.pdf.

Figure 3.2 Africa's rice imports, by origin, average 2016–2018

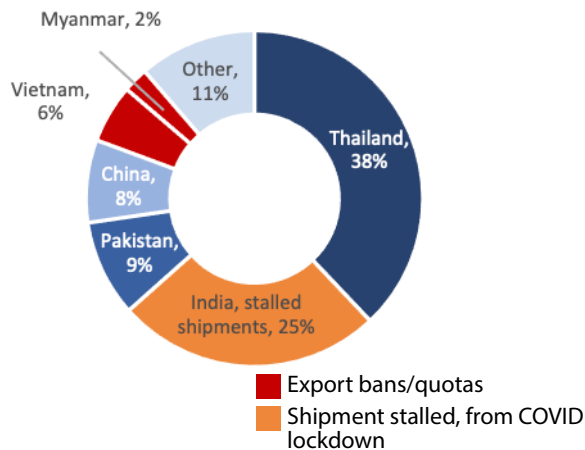


Figure 3.3 Africa's wheat imports, by origin, average 2016–2018

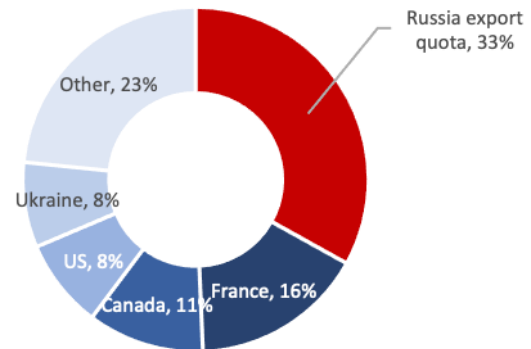


Figure 3.4 Africa's rice imports, share by importing country, average 2016–2018

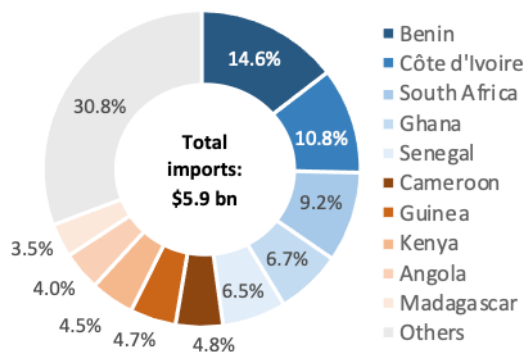
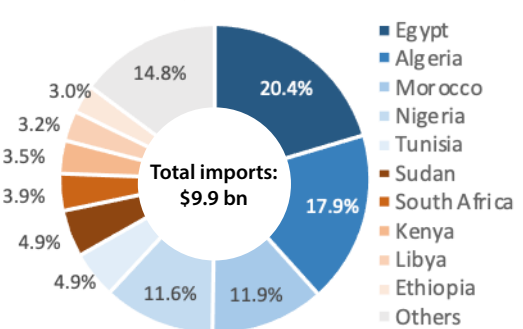


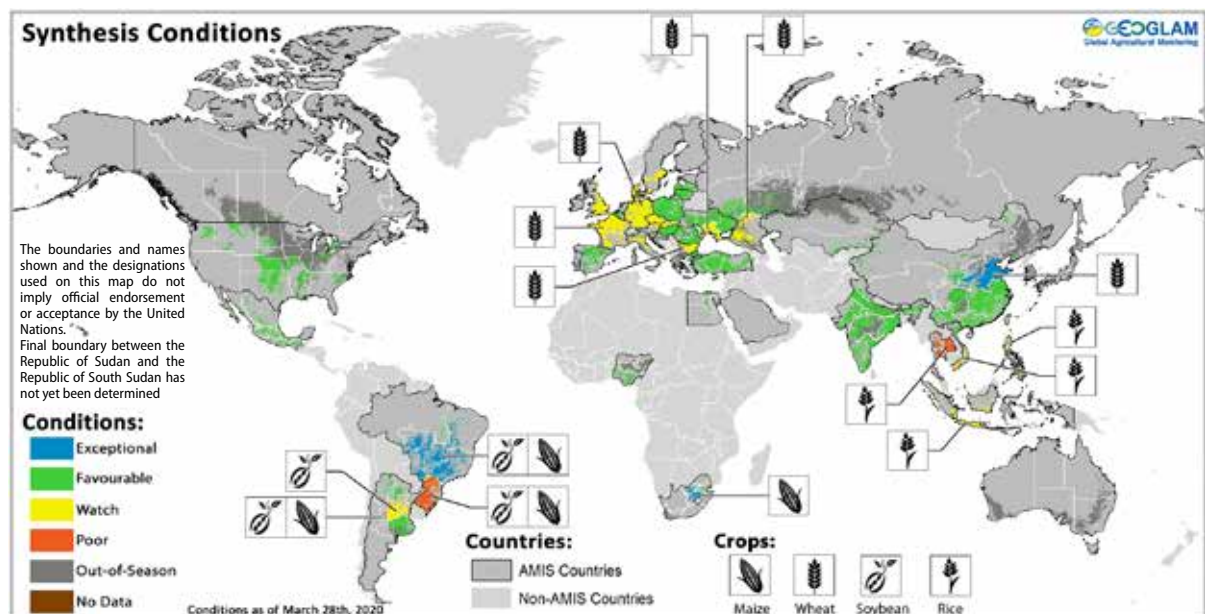
Figure 3.5 Africa's wheat imports, share by importing country, average 2016–2018



Source: Based on data from UNCTAD Stat and ITC Trademap

Source: Based on data from UNCTAD Stat and ITC Trademap

Figure 3.6 Overview of staple crop growing conditions in main international producer countries, March 2020



Source: Agricultural Market Information System, April 2020

Cooperation and leadership – leading Africa’s response

Focus on intellectual property access

African governments must be accorded emergency exemption from intellectual property rights protections on COVID-19 medical supplies to support domestic production, in particular for pharmaceuticals. The World Trade Organization decisions on trade-related aspects of intellectual property rights (TRIPS) establish a precedent for producers in developing and least-developed countries to use patents for otherwise protected pharmaceutical and other products. What is further required is the expedited sharing of novel patents, design schematics, and industrial techniques for the following priority products:

- » Shown to have some curative benefits, including antivirals
- » Inexpensive and easily produced ventilator models
- » Inexpensive and rapid testing kits
- » Protective garments
- » Medical consumables
- » Highly effective disinfectants and sterilization products

Focus on international movement of experts

African governments and their partners must facilitate the international movement of experts, including health professionals who are experienced in dealing with COVID-19, together with the technical experts required to initiate and supervise the production and safety certification of essential COVID-19 medical supplies in African factories. WHO recommendations for international travel already argue against “restrictions [that] may interrupt needed aid and technical support”. Indian manufacturers have reported that travel bans have already limited their ability to rapidly

accelerate production of COVID-19 medical equipment, such as ventilators.⁴⁰

Cancelled flight capacity of national carriers can be redirected towards the chartered international movement of such expertise, where required. As COVID-19 hit Italy, 300 Chinese intensive-care doctors moved to Italy to share advice and experiences.⁴¹ The same approach to the critical international movement of medical experts can be taken to the movement of the technical experts required for medical supply production.

Focus on medical safety standards

African standards bodies should pool and share resources to provide expedited testing and safety approval for new production of medical equipment in Africa. Africa faces extreme challenges in public health, partly owing to deficiencies in medical industry infrastructure. In the Southern African Development Community (SADC) region, South Africa remains the only State with a proper framework for recognizing medical devices in their own.⁴² The African Organization for Standardization has recommended fast tracking FDARS 1470:2019 hand sanitizers (alcohol-based). The specification is to be used as an interim measure for the fabrication of sanitizer, and some SADC countries are already using it.

Making standards for medical supplies freely available: Normally, standards must be purchased and used in line with intellectual property right rules, as the copyright on standards lies with the organizations that developed them. Upon the urgent request of the European Commission, the European Committee for Standardization and the European Committee for Electrotechnical Standardization, in collaboration with their member States, have agreed to immediately

40 Economic Times. 2020. Covid-19: Parts shortage may pull the plug on ventilator-making, available: <https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/covid-19-parts-shortage-may-pull-the-plug-on-ventilator-making/articleshow/74784732.cms?from=mdr>

41 WSJ. 2020. Chinese Doctors and Supplies Arrive in Italy, March 18th 4.51pm, available: <https://www.wsj.com/articles/chinese-doctors-and-supplies-arrive-in-italy-11584564673>

42 <https://www.nepad.org/news/medical-device-regulations-southern-africa-will-boost-innovation-and-improve-patient>

make available a number of European standards for certain medical devices and personal protective equipment. This action is expected to help companies in the European Union and third countries to swiftly start production and place products on the internal market more easily, while ensuring a high degree of safety. The African Organization for Standardization can similarly play an important role in coordinating efforts among national standards bodies to make standards for medical supplies freely available, so companies more rapidly gain access to the market for such fundamental medical and protection equipment and provide it to those in most in need. The 11 priority COVID-19 standards developed by the European Committee for Standardization could provide a helpful starting point for Africa.⁴³

Focus on African regional cooperation

Africa's regional economic communities should set up joint reporting mechanisms on

the availability of supplies and production facilities. These can be accompanied by commitments to expand production, with clear mutual agreements to export to each other.⁴⁴ A number of African countries, such as Egypt, Mauritius, Morocco, South Africa and Tunisia, already have medical supply capacity that can be expanded through collaboration.

Over the longer-term, **African countries must use the Agreement Establishing the African Continental Free Trade Area to create regional value chains for Africa to better serve its own health market**, estimated at \$259 billion annually.⁴⁵ Trade negotiators should ensure that medical supplies are not restricted by so-called "excluded lists" within the African Continental Free Trade Area..

Weathering the storm – ICT and climate change

Focus on preparing digital IDs

According to World Bank figures, more than 40 per cent of Africans (more than 500 million people) lack an official or foundational identity, such as a birth certificate. The lack of identity papers on the part of many people in African countries, in particular digital identities, hampers the ability of Governments to identify and distribute welfare benefits and services. In response to COVID-19, the Government of India decided to increase cash payments to people and households. As 99 per cent of the population is enrolled in the Aadhaar digital identity system, the decision to distribute cash payments could be implemented electronically almost instantaneously.

Countries in the developing world have been planning and implementing various initiatives to reduce poverty and benefit marginalized

groups through inclusive growth initiatives. After years of implementing government-to-citizens programmes, however, and after engaging the private sector through incentive schemes to complement development efforts, Governments have realized that macro-level planning has failed to provide the desired results. There has therefore been a shift in the focus from macro-level planning to micro-level planning to target each section of society separately, on the basis of geography, gender, age, income and other criteria, to increase the effectiveness of government programmes. To that end, digital ID systems are a critical mechanism that provide quantifiable benefits to the development process. By following the ECA framework principles for good digital identification principles, which emphasize inclusion, privacy, data protection and open standards, Governments can ensure

43 https://www.cencenelec.eu/News/Press_Releases/Pages/PR-2020-003.aspx

44 Adam Posen. 2020. Available: <https://voxeu.org/system/files/epublication/COVIDEconomicCrisis.pdf>

45 Ibid

that they achieve the critical benefits of having a digital ID while mitigating the risks.

Focus on COVID-19 impact on ICT sector

Technology and ICT companies also anticipate a slow and declining revenue due to COVID-19 as technology giants have halted operations, cancelled or postponed major events and conferences and are announcing financial objectives below expectations. Major events such as the Mobile World Congress planned for February 2020 in Barcelona, Spain, and the Wholesale Agreements and Solutions Group (WAS) meeting planned by GSMA with the event host MTN Global Connect for April 2020 in Cape Town, South Africa, are among the major events that have been cancelled because of COVID-19. Thus, the cancellation of international events translates both direct and indirect financial losses to thousands of technology companies. Microsoft, for example, has lowered its revenue estimates for the first quarter. There will therefore be a reduction in new product and service launches.

In Africa, the technology, media and telecommunications sector was expected to attract high value investments in 2020 with many telecommunications companies seeking to expand infrastructure, including the opportunities opening up for the booming e-commerce sector. The uncertainty surrounding COVID-19 means, however, that the expected investment would be delayed as technology investors wait out this uncertainty and recover from this short-term impact. Many large companies have indicated that the break in the supply chain for materials needed for their products has had a negative impact on their businesses. For example, Wuhan in China is the largest producer of optical fibre and cable in the world, accounting for one fourth of the global market. A break in the supply chain for such products means that the African telecommunications industry and the quest for

building infrastructure for the fourth industrial revolution in Africa could be affected.

At the same time, there are also opportunities, as the ICT industry has been providing solutions to contain the spread of COVID-19 through various applications and services, including the increasing use of communications technology as large proportions of countries' populations stay at home. There will also be increasing use of video calls and phone calls with increasing number of people organizing client meetings and internal team briefings via apps or collaboration platforms. Thus, technology companies and the ICT sector as a whole may be expected to enjoy opportunities which will compensate for the business slowdown and revenue losses in this first quarter of the year.

Focus on leveraging ICT

In Africa, countries have been actively employing digital technologies to respond to COVID-19, ranging from pandemic tracker tools to the use of ring-tone audio messages to teach students how to prevent the spread of the coronavirus. Nationwide lockdowns have precipitated a rise in remote working, distance learning and paperless payments.

Several policy initiatives have been undertaken to encourage the use of the digital payments over cash payments. Among others, an initiative has just been introduced in Ethiopia to allow Fintech to provide financial payment services; in Kenya, Safaricom has reduced mobile payment fees; and on 25 March 2020, a universal quick-reference code and proxy pay system was launched in Ghana to accelerate the use of cashless payments.⁴⁶

The Government of South Africa has published amendments to its National Disaster Act to put in place a tracking system using smartphones to monitor citizens who have tested positive for COVID-19. A number of governments have requested telecom companies to increase Internet speeds and reduce costs. Various mobile money

⁴⁶ Modern Ghana. 2020. Bawumia Launches Universal QR Code for Electronic Payment, 25 March. Available at www.modernghana.com/news/991713/bawumia-launches-universal-qr-code-for-electronic.html.

Figure 3.7 Mobile broadband penetration in Africa by country, 2018

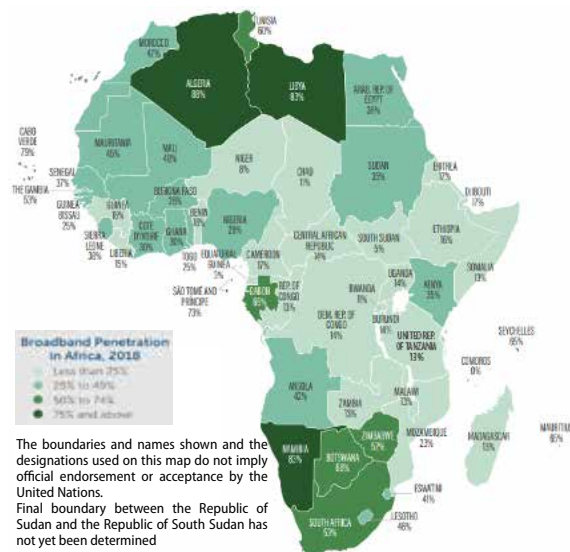
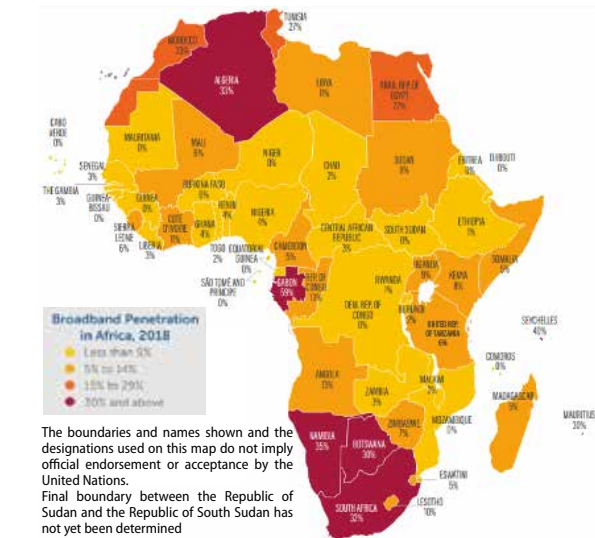


Figure 3.8 4G Mobile Broadband Penetration in Africa by Country, 2018



Source: World Bank, 2019

operators have increased their daily transaction limits.

To that end, ICT has already become an important tool on the continent. Yet Africa faces severe challenges in fully leveraging digital technologies in the fight against the pandemic.

Only 25 per cent of Africans currently use the Internet. Only 76 per cent of the population has a mobile phone subscription; and 4G penetration access the continent is still low. This constrains the use of telemedicine, mobile health initiatives – or m-health, remote working and other digital COVID-19 responses.

For Africa effectively to deliver digital health services, its telecom infrastructure services must be improved. African countries need more than ever to strengthen their ICT sector development through putting in place enabling legal and regulatory frameworks relating to cybersecurity, personal data protection and privacy, digital payments and supporting the growth of financial technology startups.

Once this pandemic is over, the world economy will be increasingly driven by digital technologies. COVID-19 has already accelerated supply chain digitalization and consumer path digitalization in developed markets.⁴⁷ Such developments must not be allowed to lock Africa out of future growth. To that end, ECA is assisting its member States in responding to COVID-19 through the use of digital technologies and has also re-initiated its ICT policy development programme to support member States in the formulation and implementation of digital technologies with a view to accelerating the socioeconomic transformation of Africa.

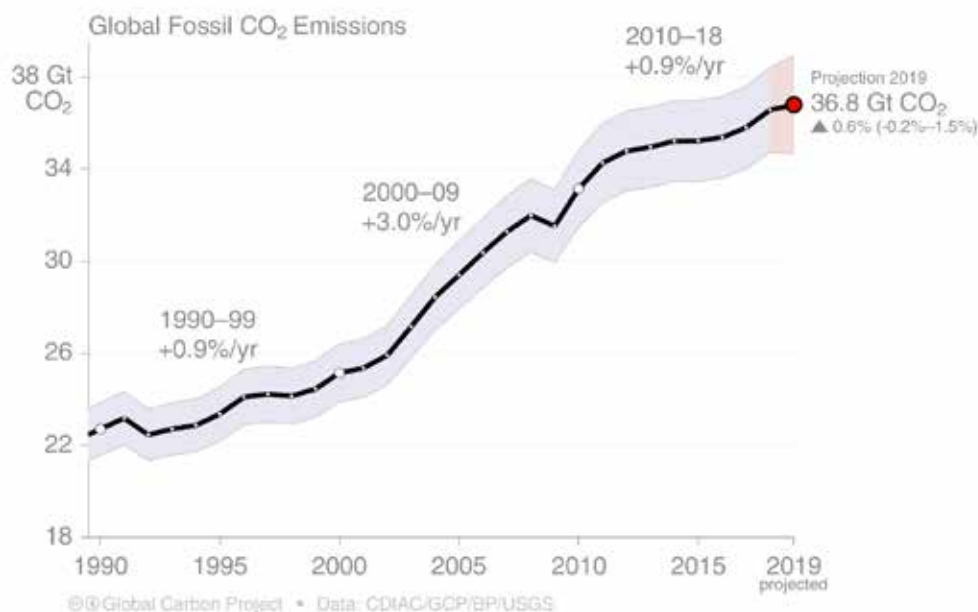
Focus on climate conscious responses

The COVID-19-related slowdown in the global economy has resulted in improved air quality and reduced emissions, in particular in China and Western economies, with emissions in China temporarily falling by as much as 25 per cent.⁴⁸ It is estimated that the pandemic will result in a significant reduction in global emissions of carbon dioxide from fossil fuels in 2020; by way of comparison, in 2009, global emissions dropped

47 McKinsey, “COVID-19 response strategies in apparel and fashion”, slide deck (18 March 2020).

48 According to analysis by Carbon Brief. Available at www.carbonbrief.org/analysis-coronavirus-has-temporarily-reduced-chinas-co2-emissions-by-a-quarter.

Figure 3.9 Global fossil carbon dioxide emissions continue to rise; sharp rebound after 2008 global financial crisis



Source: The Global Carbon Project*

* Available at www.globalcarbonproject.org/carbonbudget/19/files/GCP_CarbonBudget_2019.pptx.

by 1.4 per cent as a consequence of the 2008 global financial crisis.⁴⁹

Temporary reductions in emissions do not change the overall world emissions trajectory, just as was the case after the 2008 financial crisis. Emissions may bounce back rapidly in a low oil price scenario, under which Governments may be tempted to stimulate rapid economic growth through investments in high-emission activities.

Africa remains at the forefront of the impact of climate change, which could lead to a 15 per cent reduction in GDP in West and East Africa by 2050.⁵⁰ North and Southern Africa could lose as much as 10 per cent of GDP, and Central Africa 5 per cent.⁵¹ Governments must prioritize fiscal stimulus that is focused on low-carbon development pathways. Emissions must decline substantially between 2020 and 2030 and reach net-zero by 2050 if

the continent is to stay on track to reach the temperature goal of the Paris Agreement.

The globally coordinated response to COVID-19 provides a template for the climate response of Africa: with Africa’s fiscal space even more constrained by COVID-19, additional assistance is required for African countries to fulfil their nationally determined contributions to climate action. Strategies include debt relief for African countries, and also innovations in mobilizing private sector finance. For the latter, the ECA SDG7 Initiative for Africa,⁵² which is already being piloted in a few countries, can support African countries in reviewing their nationally determined contributions to increase bankable clean energy activities that could be fully financed from private sector resources. This is particularly relevant and timely given that all parties to the Paris Agreement

49 According to data and analyses by the Global Carbon Project. Available at www.globalcarbonproject.org/global/pdf/pep/Peters_2011_Budget2010.pdf.

50 African Development Bank, Economic Commission for Africa and United Nations Environment Programme, “Climate change impacts on Africa’s economic growth”, Addis Ababa: ECA (2019).

51 Ibid.

52 The SDG7 Initiative for Africa, based on three mutually reinforcing pillars of sustainability, governance and finance, is designed to align the interests of countries and the private sector, and combine scale and speed to fast-track transformative finance from the private sector to invest in clean energy deployment in Africa.

are required to submit revised or new nationally determined contributions in 2020.

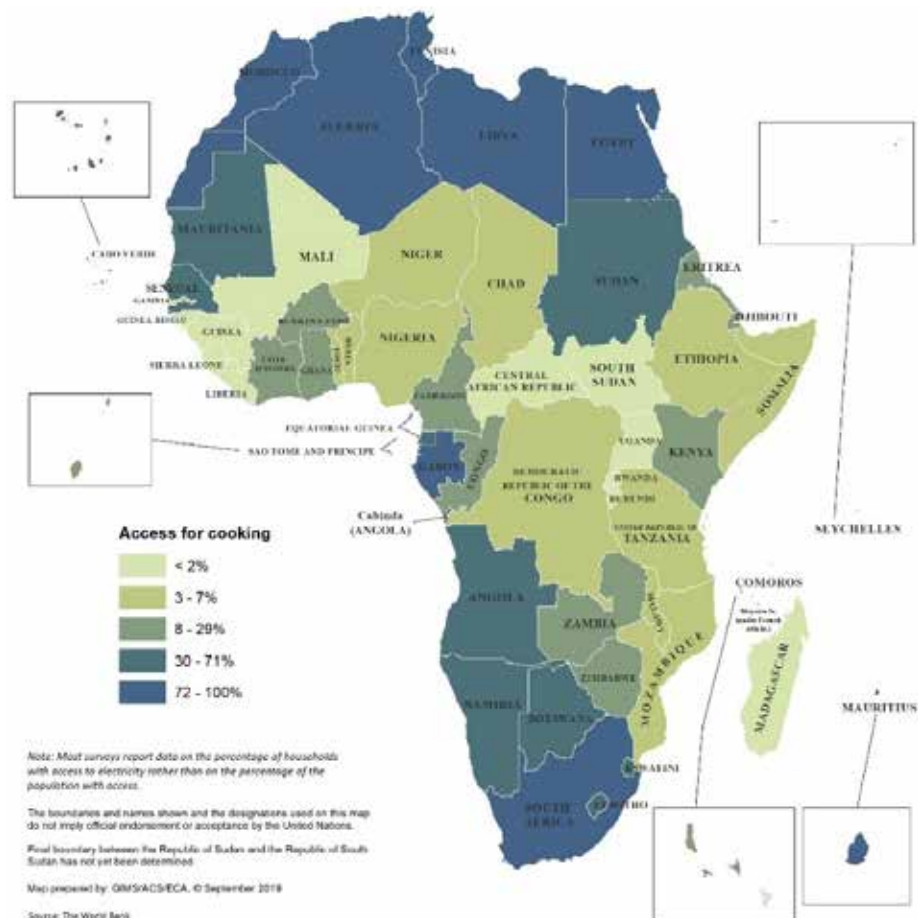
Focus on climate and disease

COVID-19 is a zoonotic disease, in other words, a disease caused by the transfer of a pathogen from animals to humans. Climate change results in extreme weather events, such as heatwaves, droughts and floods, which increase the spread of vector-borne diseases and heighten stress on health-care systems. Climate change also causes land degradation and increases the loss of natural habitats for wild animals, increasing the likelihood of human contact with such animals.

With lack of access to other forms of energy, people in many African countries depend substantially on the burning of biomass for their energy needs. This also increases land degradation and encroachment into natural habitats. These

factors, which increase the chances of human contact with wild animals, also increase the risk of zoonotic diseases. As such, COVID-19 is a harbinger of things to come without urgent and global action to tackle climate change, which will likely kill many more people than have died in recent pandemics. In fact, WHO has estimated that, in a business-as-usual scenario, climate change will result in an additional 250,000 deaths per annum worldwide from malnutrition, malaria, diarrhoea and heat stress between 2030 and 2050.⁵³ Climate change is also increasing urban migration, thereby increasing the risks of a higher proportion of the population being affected by infectious diseases such as COVID-19. In the absence of clean cooking technologies, the consumption of wood for cooking increases pressure on natural habitats, thereby increasing the risks of zoonotic diseases.

Figure 3.10 Access to clean fuels and technologies for cooking (% of population)



53 See www.who.int/news-room/fact-sheets/detail/climate-change-and-health.

4. Policy responses

<p>People</p>	<ul style="list-style-type: none"> ▪ Raise awareness through targeted public health campaigns ▪ Test extensively to identify contagion hotspots ▪ Immediately suppress outbreaks with intense physical distancing ▪ Protect health workers by prioritizing their access to protective garments and treatment ▪ Prepare to treat and cure by procuring equipment, hospital and intensive care beds, and mobilizing additional healthcare workers ▪ Urgently suspend tariffs on imports of essential COVID-19 medical supplies and create expedited customs green lanes ▪ Secure \$100 billion health-care and social safety net fund: <ul style="list-style-type: none"> » For the most vulnerable, feeding for out of school children and to protect jobs, » For procurement through WHO and CDC Africa the materials needed to save lives, share and promote research, provide vaccines, manufacture health equipment and share emergency services
<p>Prosperity</p>	<ul style="list-style-type: none"> ▪ Secure \$100 billion for Africa's economic stimulus and prioritize its investment into climate conscious and digitalization projects ▪ Ensure that stimulus supports African businesses to keep jobs by allowing for the suspension of leasing, debt and other repayments ▪ Support airlines, jobs and the future of tourism by issuing temporary tax waivers and encouraging banks to renegotiate loans ▪ Grant tax breaks to prevent firms collapsing, thereby preserving jobs and economic activity to earn export revenues in the recovery ▪ Partner with businesses to repurpose manufacturing towards essential medical supplies and boost internet connectivity ▪ Permit non-bank financial institutions to provide mobile money and reduce costs ▪ Ensure the soundness of banking system remains while providing liquidity to small and medium-sized enterprises and restructuring trade credits and other loans ▪ Fight impropriety and corrupt misappropriation of emergency funds with transparency, predictability and accountability of flows
<p>Partnerships</p>	<ul style="list-style-type: none"> ▪ Endorse a complete temporary debt standstill for two years for all African countries, low and middle income included ▪ Double access to the IMF Emergency Financing Facility and raise IMF special drawing rights allocations ▪ Call on development financial institutions to act counter-cyclically and quickly to provide a moratorium on interest and loan repayments to African private sector companies ▪ Development financial institution shareholders to extend part of the \$5 trillion stimulus package of G20 countries beyond the G20 in order to sustain and build supply chains linking to the African private sector ▪ Grant access to emergency medical supplies and staple foods by removing export bans and restrictions and keeping trade flowing ▪ Share intellectual property on vaccines and novel medical supplies ▪ Ensure international movement of critical health and technical experts ▪ Pool and share medical quality standards and resources for the rapid approval of new medical products ▪ Involve women in decision-making circles for policy responses ▪ Do not allow pandemic-related official assistance to allow private creditors to cash out of their positions ▪ Keep the momentum and ambition of the African Continental Free Trade Area

Annexes

Annex 1: Cost of COVID-19 medical supply response (gap) across Africa

		A	B	C	D
Hospital beds*	Number	4,700,000	3,450,000	2,100,000	350,000
	Price	\$ 450	\$ 450	\$ 450	\$ 450
	Cost	\$ 2,115,000,000	\$ 1,552,500,000	\$ 945,000,000	\$ 157,500,000
ICU beds**	Number	1,280,000	960,000	640,000	80,000
	Price	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
	Cost	\$ 4,480,000,000	\$ 3,360,000,000	\$ 2,240,000,000	\$ 280,000,000
Oxygen concentrators***	Number	3,200,000	2,300,000	1,400,000	200,000
	Price	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
	Cost	\$ 6,400,000,000	\$ 4,600,000,000	\$ 2,800,000,000	\$ 400,000,000
Ventilators***	Number	400,000	300,000	200,000	30,000
	Price	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
	Cost	\$ 8,000,000,000	\$ 6,000,000,000	\$ 4,000,000,000	\$ 600,000,000
Test kits***	Number	730,000,000	550,000,000	310,000,000	74,000,000
	Price	\$ 100	\$ 100	\$ 100	\$ 100
	Cost	\$ 73,000,000,000	\$ 55,000,000,000	\$ 31,000,000,000	\$ 7,400,000,000
PPE**	Number	7,040,000,000	5,280,000,000	2,960,000,000	707,200,000
	Price	\$ 50	\$ 50	\$ 50	\$ 50
	Cost	\$ 352,000,000,000	\$ 264,000,000,000	\$ 148,000,000,000	\$ 35,360,000,000
TOTAL (\$)		\$ 445,995,000,000	\$ 334,512,500,000	\$ 188,985,000,000	\$ 44,197,500,000
TOTAL (\$billion)		\$ 446	\$ 335	\$ 189	\$ 44

Source: ECA cost estimates using Imperial College demand figures and various sources for prices⁵⁴

*ECA assume 50% of hospital bed needs projected by Imperial College already exist in Africa (i.e. 50% supply gap)

**ECA assume 20% of ICU bed and PPE needs projected by Imperial College already exist in Africa (i.e. 80% supply gap)

***ECA assume that 0% of oxygen concentrators, ventilators and test kit needs already exist in Africa (i.e. 100% supply gap)

⁵⁴ **Ventilators:** <https://www.forbes.com/sites/amyfeldman/2020/03/27/medical-device-entrepreneur-designs-emergency-ventilator-at-10000-price-point-to-battle-coronavirus/#4761ff1d2611>

https://adonyss.com/medical-equipment?s_recid=173298745&s_query=ventilator

Oxygen concentrators: <https://www.healthwellness365.com/best-portable-oxygen-concentrator/>

https://adonyss.com/category/oxygen-concentrators?device=c&keyword=%2Boxygen%20%2Bconcentrator&placement=&adgroup=102034976760&campaign=9723488613&glid=CjwKCAjw6b0BRBMEiwANd1_SHgTtRR81gbM-3jPH466iS6J-IRfTH9fO_Oomflf92O1zxMtOvQ2YDhoCpOMQAvD_BwE

ICU beds: https://adonyss.com/category/hospital-beds?device=c&keyword=%2Bicu%20%2Bbeds&placement=&adgroup=104849243412&campaign=9718751492&glid=CjwKCAjw6b0BRBMEiwANd1_SENV-X_qmTctVlIP16MwaZK-FyuM-mWqWW-f-3stfYS7m7MCiIKBdPxOCOKYQAvD_BwE

Hospital beds:

https://adonyss.com/medical-equipment?s_recid=173298745&s_query=hospital+bed

Test kits: <https://www.theguardian.com/business/2020/mar/30/cheap-covid-19-test-kits-for-ocado-staff-may-be-unreliable-union-warns>

<https://www.aljazeera.com/news/2020/03/bangladesh-scientists-create-3-kit-detect-covid-19-200323035631025.html>

<https://www.ccn.com/this-10-minute-coronavirus-test-is-what-the-world-needs-and-it-costs-1/>

PPE: https://adonyss.com/medical-equipment?s_recid=173298745&s_query=protective

Annex 2: Scenarios for GDP growth estimations

Baseline	Scenario 1	Scenario 2	Scenario 3
United Nations Growth forecasts for 2020	<p>Assumptions:</p> <ul style="list-style-type: none"> Supply side shocks. Labour supply shock of about 10 per cent due to COVID-19. Trade shocks from the global economy due to a slowdown in the global economy. Decline in demand for African products would lead to a decline in GDP by 0.35 percentage points 	<p>Assumptions:</p> <ul style="list-style-type: none"> Supply side shocks. Labour supply shock of about 25 per cent due to COVID19. Trade shocks from the global economy due to a slowdown in the global economy. Decline in demand for African products would lead to a decline in GDP by 0.35 percentage points 	<p>Assumptions:</p> <ul style="list-style-type: none"> Supply side shocks. Labour supply shock of about 50 per cent due to COVID19. Trade shocks from the global economy due to a slowdown in the global economy. Decline in demand for African products would lead to a decline in GDP by 0.35 percentage points
No Change	-1.4 percentage point change	-3.1 percentage point change	-5.8 percentage point change
3.2 per cent growth	1.8 per cent growth	0.1 per cent growth	-2.6 per cent growth (recession)

Source: ECA macro model.

Annex 3: Policy responses to COVID-19, by African country, as at 7 April 2020

Country	Fiscal Policy		Monetary Policy		Exchange rate and trade	Social distancing	Lockdown and border closures	Other
	Fiscal stimulus	Tax exemptions or waivers	Monetary policy rate	Liquidity and macro-prudential measures				
Central Africa								
Cameroon	.		x			x	x	x
Central African Republic	.		x			x		x
Chad	x		x			x	x	
Congo, Rep.	x			x		x	x	x
Equatorial Guinea	x		x			x	x	
Gabon	x		x			x	x	
Sao Tome and Principe	.		.			x	x	x
East Africa								
Burundi						x	x	x
Comoros						x	x	
Congo, Dem. Rep.						.		
Djibouti							x	
Eritrea						x		
Ethiopia	.			.		x	x	
Kenya	.			.		x		
Madagascar	x	x	x		x	x	x	
Rwanda	.		x			x	x	
Seychelles	.		x			x	x	x
Somalia						x	x	x
South Sudan						x	x	
Tanzania						x		x
Uganda	x		x		x	x	x	x
North Africa								
Algeria	x	x	x		.	x		x
Egypt, Arab Rep.	x	x	x	x		x	x	
Libya	x					x	x	x
Mauritania	x		x			x	x	
Morocco	x	x	x	x	x	x	x	x

Country	Fiscal Policy		Monetary Policy		Exchange rate and trade	Social distancing	Lockdown and border closures	Other
	Fiscal stimulus	Tax exemptions or waivers	Monetary policy rate	Liquidity and macro-prudential measures				
Sudan	.					x	x	
Tunisia	x		x			x	x	x
Southern Africa								
Angola							x	
Botswana	x					x	x	
Eswatini	x		x			x		x
Lesotho			x			x		x
Malawi	.					x		
Mauritius	x		x	x	x	x	x	
Mozambique	x		x		x	x		x
Namibia	x		x			x	x	x
South Africa	x	x	x	x	x	x	x	x
Zambia	.		.			x		
Zimbabwe	.		x		x	x		
West Africa								
Benin	x			x		x	x	x
Burkina Faso	x			x		x	x	
Cabo Verde	x	x				x		x
Cote d'Ivoire	x			x		x	x	
Gambia	x		x			x	x	
Ghana	x		x	x		x	x	
Guinea								
Guinea-Bissau				x		x	x	
Liberia	.			x		x	x	x
Mali	.			x		x	x	x
Niger	x			x		x	x	x
Nigeria	x	x	x		x	x	x	x
Senegal	.			x		x	x	x
Sierra Leone	.		x			x	x	x
Togo	.			x		x	x	

Legend: 'x' indicates that a policy is being implemented; '.' indicates that a policy has been announced but not yet implemented.

COVID-19 in Africa

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