SADC REGIONAL RESPONSE TO COVID-19 PANDEMIC

Report on the COVID-19 Pandemic in the SADC region

Bulletin No. 4

#COVID19SADC
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ABOUT SADC
The Southern African Development Community (SADC) is an organisation founded and maintained by countries in southern Africa that aim to further the socio-economic, political and security cooperation among its Member States and foster regional integration in order to achieve peace, stability and wealth. The Member States are: Angola, Botswana, Union of Comoros, the Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia and Zimbabwe.

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EXECUTIVE SUMMARY

This report highlights some global public health initiatives which are being rolled out, including vaccine initiatives and testing. The report also highlights the regional case load, depicting some of the highly impacted countries. Further highlights on the testing capacity of SADC Member States is provided. In the last few days, the region has seen some plans and strategies by some Member States to ease lock down measures, this report highlights the case of Botswana and South Africa on easing lock down measures as the steps that these Member states will be taking. The report further provides updates on the economic measures and impact as well as on the implementation of the SADC Guidelines on Trade and Transport Facilitation.

Key recommendations are summarized as follows:

- Member States are urged to step up testing, including mass testing for case identification.
- Member States intending to lift lock down rules should do so in a phased manner, without compromising the efforts to reduce transmission.
- Member States intending to reopen schools should consider putting in place the following as a basic minimum which should include, but not limited to, basic hygiene, water and sanitation facilities; availability of cleaners and screeners; providing additional teaching staff to decongest classrooms as well as mobile classrooms; compulsory wearing of masks; sanitization and disinfection of classrooms and common areas, enforcing extreme social distancing in classrooms and in school buses.
- Member States who have not yet done so, are urged to submit copies of national trade and transport facilitation guidelines that they have issued under the Covid-19 emergency, details of their focal persons of their National Trade and Transport bodies and details of designated border focal persons for data sharing in order to facilitate evaluation or consistency, information sharing, monitoring and reporting as directed by Council. All Member States are also requested to share copies of revised and updated guidelines.
- Member States are encouraged to consider coordinating their approaches and timing when revising regulations and laws that affect transport in order to avoid or mitigate disruptions to cross border supply chains and transportation.
- Member States are encouraged to consider transport sector when implementing stimulus measures to ensure economic stability and COMESA, East African Community (EAC) and SADC to harmonize their approaches to regulation of transport during Covid-19 emergency.

1. GLOBAL SITUATION

On the 27 April 2020, the Covid-19 caseload crossed the 3 million mark globally with more than 200,000 associated deaths. Despite the increasing number of cases and deaths, many countries around the world are considering a gradual easing of lockdown restrictions to allow for a phased reopening of their economies. The main challenge facing countries that are reopening economies is the testing capacity to determine who in the work force should be allowed to return to work and when?

There is an increasing evidence to demonstrate that in the perspective of re-opening economies, Covid-19 antibody testing, will be crucial to determine exposure to the virus and the presumption of a temporary immunity to the disease. Many countries in Europe and United States are now rolling out antibody testing in community setting to prepare employees to return to work.

1.1 COVID-19 Vaccine initiatives

WHO has listed 52 groups, divided into 8 different platforms that are working on Covid-19 vaccine. Many of these groups are based in China, Europe and the United States. The first clinical trials have begun both in human and animals. A Chinese vaccine research group Sinovac Biotech has reported that for their vaccine has produced protection in rhesus macaques (experimental monkeys). The vaccine, a formulation consisting of a chemically inactivated version of the virus, produced no obvious side effects in the monkeys, and human trials began on 16 April in China.

1.2 Testing kits initiatives

In Senegal, the Pasteur Institute, in partnership with British company Mologic, plans to manufacture 10-minute Covid-19 test kits with the aim of distributing them by June 2020. Mologic specializes in rapid diagnostics for epidemics such as Ebola, measles, yellow fever, dengue fever and malaria. It has received a grant of €1 million from the British government to work on this project in partnership with the Institut Pasteur in Dakar. The Covid-19 tests will cost less than one dollar and will be five to 20 times cheaper than current molecular tests. The trials for the tests kit have already begun in Senegal and will be extended to other African countries in the next phase.

2. COVID-19 IMPACT FROM THE ECONOMIC PERSPECTIVE

2.1 Commodity Prices

Prices of international commodities that include oil are sensitive to events that lead to disruptions or create uncertainty about future supply or demand. Consequently, Covid-19 has brought to the fore uncertainty in future demand which has led to
weak commodity prices in light of a supply glut especially in the oil industry. The crude oil oversupply culminated in sub-zero prices of the West Texas Intermediate (WTI) oil futures in the United States on 20 April 2020. The oil price slump was short-lived largely due to optimism ahead of the OPEC production cut on 1 May 2020 and the easing of the lockdown across world which will enhance demand as economic activity increase.

In the SADC region, South Africa and Botswana have announced plans for gradual re-opening of their economies on 1 May and 8 May 2020, respectively. The easing of lockdown regulations from level 5 to level 4 in South Africa will see over 1.5 million workers (about 40 per cent of workers) returning to work with strict adherence to all Covid-19 health and safety protocols.

The oil price is expected to remain subdued as the planned cuts seem inadequate and late to rebalance the oil market given the significant fall in demand due to Covid-19 disruption of economic activities. Significant production cuts in due course should help to balance the market later in 2020, but the pace of the market’s rebalancing and rising oil prices will largely depend on demand recovery anchored on economic recovery. Crude oil prices opened the current week lower than prices at the end of the previous week, on 28 April 2020 WTI and Brent stood at $12.34 and $20.46 down from $17.18 and $21.80 on 24 April 2020, respectively. On the other hand, the OPEC Basket price was weaker at $13.30 on 27 April 2020 down from $14.31 on 24 April 2020 (See Fig 1).

The postponement of flagship global events has significant financial ramifications not only to the media and entertainment industry but also to the participating athletes and the host country. For instance, the New York Times estimated that NBC broadcaster lost $34 million when US boycotted the 1980 Moscow Olympics. The financial implication for the postponement of the Tokyo Olympics to 2021 is an estimated additional cost of $2.7 billion for Japan with widespread impact to the media and entertainment industry. The negative impact of Covid-19 may lead to a significant reduction or drying up of corporate sponsorship if the pandemic persists. Additionally, the suspension of live sport has affected programming, advertising and sponsorship deals to the media and entertainment industry.

2.2 Opportunities and risks for the ICT Industry

The global lockdown has also presented opportunities for the ICT industry. In an endeavour to limit physical interactions, people are working from home and many meetings are being held virtually, hence the ICT industry is benefiting from the increased demand of products that enabled connectivity and interactions on virtual conferencing platforms such as Zoom, Skype, Microsoft Teams, Team Viewer and Cisco Webex. In addition, social distancing measures that include lockdown, quarantine and self-isolation have seen a notable increase in media and entertainment supply and consumption.

Financial Times estimated that average weekly downloads of applications during the first two weeks of February 2020 jumped by 40 per cent compared to the average for the whole of 2019. In the same month, weekly game downloads on Apple devices also increased by 80 per cent compared to 2019. Additionally, benefits accruing to the video on demand streaming sector are reflected by the 15.8 million increase of Netflix global subscribers to reach a total of 183 million subscribers in the first quarter of 2020. Resultantly, Netflix’s revenue in the first quarter grew by 28 per cent to $5.77 billion, translating to a net income of $709 million or $1.57 earnings per share in the first quarter, which is more than double from the previous year.

On the other hand, the Covid-19 which has disrupted operations of companies is likely to squeeze the advertisement revenues for the media and entertainment industry as companies reprioritize expenditures to preserve resources in the face of uncertainty. In the same vain, the negative impact of Covid-19 may lead to a significant reduction or drying up of corporate sponsorship if the pandemic persists. Additionally, the suspension of live sport has affected programming, advertising and sponsorship deals to the media and entertainment industry.

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The benefits associated with Covid-19 to the ICT industry maybe be short-lived as the auxiliary industries are weighed down by the pandemic. The negatively impacted industries that include tourism, aviation and sport have seen a dip in visits/traffic volumes and business on websites for airlines, travel agents, hotels, tourist destinations. Additionally, uncertainty has changed consumer spending behaviours and patterns skewed towards essential products and services which can adversely affect the business and revenues for e-commerce industry that include Amazon, Alibaba, Walmart, JD.com and Rakuten in the long run. The adverse impact of the changing consumer spending behaviour can be depicted by the month on month decline in retail sales of 8.4 per cent in March 2020. The US Department of Commerce reported sales decline as the biggest since 1992.

In addition, the suspension of live sport has resulted in an upward demand in content as the changing consumer spending behaviours and patterns skewed towards essential products and services which can adversely affect the business and revenues for the ICT industry. The benefits associated with Covid-19 to the ICT industry maybe be short-lived as the auxiliary industries are weighed down by the pandemic. The negatively impacted industries that include tourism, aviation and sport have seen a dip in visits/traffic volumes and business on websites for airlines, travel agents, hotels, tourist destinations. Additionally, uncertainty has changed consumer spending behaviours and patterns skewed towards essential products and services which can adversely affect the business and revenues for e-commerce industry that include Amazon, Alibaba, Walmart, JD.com and Rakuten in the long run. The adverse impact of the changing consumer spending behaviour can be depicted by the month on month decline in retail sales of 8.4 per cent in March 2020. The US Department of Commerce reported sales decline as the biggest since 1992.

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In addition, the suspension of live sport has resulted in an upward demand in content as the media and entertainment industry is faced with programming adjustments and dwindling revenues from declining advertisements and sponsorship deals related to live sport. Consequently, the short-term gains maybe be outweighed by the long-term effects of the pandemic in light of uncertainty of future revenues and content supply due to production shutdown and suspension of live sport.
3. SITUATION ON THE AFRICAN CONTINENT AND IN THE SADC REGION

The Africa Centre for Disease Control and Prevention (Africa CDC) has received a third donation of medical equipment and supplies from the Jack Ma Foundation and Alibaba Foundation in Addis Ababa, Ethiopia. The donation is to support Covid-19 response by African Union Member States and it includes 4.6 million masks, 500,000 swabs and test kits, 300 ventilators, 200,000 sets of protective clothing, 200,000 face shields, 2,000 temperature guns, 100 body temperature scanners, and 500,000 pairs of gloves.

The Jack Ma Foundation in collaboration with Africa CDC held a special webinar on Tuesday 28 April 2020 entitled Global MediXChange for Combatting Covid-19 (GMCC): The Experience of China. This webinar enabled medical experts from Africa, China and other parts of the world to share knowledge, experience and best practices for treating Covid-19.

Nearly 3000 medical professionals have already joined the platform globally and thousands of medical staff from hospitals across Ethiopia, Ghana, Rwanda, South Africa and Zimbabwe have participated in live exchange sessions organized by the GMCC to better understand how to respond to this new virus disease pandemic.

This new collaboration is in line with the African Union Partnership to Accelerate Covid-19 Testing (PACT): Trace, Test & Track (CDC-T3), and supports implementation of the Africa Joint Continental Strategy for Covid-19. It paves the way for long-term, more structured and more strategic support to public health initiatives in Africa.

3.1 Regional caseload

The number of cases in the SADC region continues to increase with 5 Member States, South Africa, DRC, Tanzania, Mauritius and Madagascar carrying approximately 92% of the regional caseload. The incidence rate has continued to rise in South Africa and DRC over the past week, but in Mauritius and Madagascar the curve appears to be plateauing. In Mauritius the testing capacity has significantly increased over the past few weeks, this trend may entail the slowing down of the epidemic. It is however difficult at present to explain the reason behind the flattening of the epidemic curve in Madagascar, given that the testing capacity remains limited.

3.2 Testing capacity

The testing capacity remains a challenge to the overall response to the Covid-19 pandemic. Generally, Member States have made efforts to boost this response capacity over the past weeks, but the amount of testing being conducted at this stage of the outbreak is still sub-optimal to the level required to bring the outbreak under control.

With the increasing testing capacity in the region, it is expected that larger number of the population will have access to Covid-19 testing making it easier to trace contacts and isolate and treat cases. A South African case study demonstrates that the number of new cases was proportional to the number of tests conducted as shown below:
The graph above demonstrates that there is direct correlation between the number of Covid-19 tests conducted and the case detection rate. The more countries test, the more likely they will find Covid-19 cases in the exposed population.

While countries in the region are encouraged to scale up their testing capacity in order to detect the maximum possible number of cases, it is also advisable that they start exploring ways of introducing innovative testing methods such as the antibody testing which will determine the exposure status of the population and inform the return of employees to their work place.

4. TRANSPORT AND TRADE FACILITATION

The Regional Trade and Transport Facilitation Committee (RTTFC) continues to monitor implementation of Covid-19 response measures by Member States and to analyse the alignment of national measures with the adopted regional Guidelines. The following progress and observations have been recorded:

- Operators and drivers are unhappy with fees being charged for police escorts in some Member States and an NTB 000-953 that was registered against Zambia is still unresolved.
- NTB 000-949 registered against Mozambique suspending issuance of visas to commercial truck drivers still remains unresolved and is negatively affecting Member States who use the port of Beira.
- Lubumbashi and Kasumbalesa in DRC were placed under lockdown on 28 and 29 April respectively following the recording of the first positive case in the provincial capital. Indications were given that cross border transport will not be stopped during the lockdown.
- Cross border transport drivers in Malawi were reported to have gone on strike demanding to be supplied with PPE and payment of Covid-19 risk allowance. The striking drivers were reported to be threatening to block foreign trucks from entering Malawi until their demands are met.
- A number of transport companies are reported to be laying off employees and going into liquidation as a result of the sudden drop in transport demand due to factories, mines and commerce closing, under lockdown measures.
- Regional airlines including SAA and SA Express are facing liquidation. The restructuring of the airline industry appears to be inevitable as a consequence of Covid-19 pandemic.
- Construction of the Kazungula Bridge and One Stop Border Post across the Zambezi is proceeding uninterrupted. The two Governments have adopted measures to ensure compliance with Covid-19 health measures. Construction is still scheduled to be completed by the revised dates around July 2020.
- EAC has published Administrative Guidelines on Regulation of Transport during Covid-19 Emergency. COMESA Guidelines are awaiting approval. It is imperative that the three RECs harmonize the coordination and implementation of these Guidelines given the overlap in membership, shared transport and the goals of the TFTA.

Recommendations

- Member States who have not yet done so, are urged to submit copies of national trade and transport facilitation guidelines that they have issued under the Covid-19 emergency, details of their focal persons of their National Trade and Transport bodies and details of designated border focal persons for data sharing in order to facilitate evaluation or consistency, information sharing, monitoring and reporting as directed by the SADC Council of Ministers. All Member States are also requested to share copies of revised and updated guidelines.
Member States are encouraged to consider coordinating their approaches and timing when revising regulations and laws that affect transport in order to avoid or mitigate disruptions to cross border supply chains and transportation.

Member States are encouraged to consider transport sector when implementing stimulus measures to ensure economic stability and

COMESA, EAC and SADC to harmonize their approaches to the regulation of transport during Covid-19 emergency.

5. EASING OF LOCKDOWN MEASURES IN THE REGION

A number of SADC Member States are in the process of taking measures towards easing lockdown. Botswana has extended the lockdown period until 7 May 2020 with a view to easing some lock down rules on the week of 8-14 May, 2020 and then progressing into a final phase of lockdown on the week of 15-22 May where the remaining lock down rules will be lifted. Botswana has also indicated that the plan to relax lockdown rules will be dependent on the disease progression. This is an important aspect of relaxing lockdown rules, which is guided by WHO, should be a key consideration before countries can relax lockdown rules.

On May 1st 2020, the Republic of South Africa will begin easing some restrictions in order to reopen the economy. Some businesses will be allowed to reopen, and a third of their employees can return to work and some schools will reopen with restrictions. In this report we have selected a case of the Basic Education Sector in South Africa which has announced a plan to reopen schools. The following measures will be put in place effective 6 May 2020.

- Restricting the number of learners and educators in school.
- Reducing the size of the number of learners /class.
- Ensuring extreme distancing, including allocating one learner per desk.
- Sanitization of classrooms and other common areas.
- Hand sanitization on entering class, school buses as well as managing social distancing in the buses.
- Compulsory wearing of masks throughout the school day.
- Screening of temperature for all entering school premises.

Regarding water and sanitation, the government will be providing schools with installation of water tankers as well as delivering portable water in schools where there is a shortage of water, in order to uphold hand hygiene practices. The government has also developed essential guidelines which include procuring cleaning and disinfection materials, PPE and Infection, Prevention and Control measures as well as use of PPE by cleaning and other ancillary staff.

The school calendar has been amended in order to make up for the time lost during lockdown;

- The Grades who are writing national examinations which are Grades 7 and 12 will return to school as the first cohort to be phased in.
- June 2020 holidays will be reduced to one week.
- The final term will be extended to cover lost time.
- June and November examinations will be combined.
- Every lesson to include 5 minutes of teaching on Covid-19.

South Africa has also defined basic mandatory requirements as pre-conditions before any school can open and these can serve as lessons for other Member States who are in the processing of opening schools. The requirements include:

- Covid-19 Essentials (Basic Hygiene and Sanitation package).
- Water and Sanitation (mobile facilities to replace pit latrines).
- Availability of cleaners.
- Availability of screeners.
- Additional teaching posts to manage the number of learners per class, per teacher as well as to make provision for replacing staff who may be indisposed due to Covid-19 from time to time.
- Mobile Classrooms to decongest overcrowding in classrooms, each class will have no more than 40 learners.

**Recommendations**

- Member States intending to lift lock down rules should do so in a phased manner, without compromising the efforts to reduce transmission.
- Member States are urged to follow the basic minimum requirement as pre-requisite, should include but not limited ensuring basic hygiene, water and sanitation facilities are in place; availability of cleaners and screeners; providing additional teaching staff to decongest classrooms as well as mobile classrooms; compulsory wearing of masks; sanitization and disinfection of classrooms and common areas, enforcing extreme social distancing in classrooms and in school buses.