# COVID-19 IMPACT IN EAST AFRICA

Fortnightly Briefing Week Commencing 31<sup>st</sup> August

Image: <u>Coronavirus Pandemic in Rwanda (COVID-19)</u> Credit: Emmanuel Kwizera



# COVID-19 IMPACT & RESPONSE FORTNIGHTLY BRIEFING WEEK COMMENCING – 31 AUGUST 2020

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#### SUMMARY

The macroeconomic impact	Economies in the region are continuing to perform well despite COVID-19. Kenya has recorded a 4.6% growth rate over QI and Q2 2020, compared to 5.5% over the same period in 2019. In Uganda, recently released data highlights exports increased from \$290M in May to \$337M in June. This growth has been fuelled partly by a swift recovery in the country's floriculture sector. Rwandan exports also continue to perform well, powered by resilient production systems in tea and coffee. Politically, however, challenges remain. In Kenya, procurement irregularities at the Kenya Medical Supplies Authority (KEMSA) have prompted a series of investigations and calls for the resignation of the Cabinet Secretary for Health, Mutahi Kagwe. In Uganda, critics have noted that the response to COVID-19 has been politicised, with instances of state repression in opposition strongholds.
The sector impact	As Kenya and Tanzania re-open to tourism, lodges and tour operators have had to adapt by ensuring new protocols around social distancing. Average tea prices at the Mombasa auction continue to edge up week on week in a context where production in India and Vietnam continues to suffer due to movement restrictions and supply chain disruptions. The Kenyan government and mitumba traders have agreed on protocols for the resumption of importation and sale of second-hand clothes, after the COVID-19 related ban has recently been lifted.
The donor	In response to procurement irregularities at KEMSA, USAID and the Global Fund have initiated a

*The donor* In response to procurement irregularities at KEMSA, USAID and the Global Fund have initiated a response probe into how their funding for Kenya's COVID-19 response. TradeMark East Africa, through funding from the European Union, has delivered PPE to all staff at the Mombasa port.

# I. THE MACROECONOMIC IMPACT

# I.I. AFRICA

#### TRADE

The <u>Africa Policy Institute</u> has urged further cooperation between China and the continent to spur manufacturing growth and improve responses to COVID-19.

#### TRANSIT

 According to commentators at the <u>London School of Economics</u>, informal transit has a crucial role to play in enabling economic recovery from COVID-19 and should not be overlooked by policymakers.

#### FOOD SECURITY

According to the <u>Oxford Business Group</u>, the pandemic has offered an opportunity for massive reform in African food systems, which have been hitherto overly reliant on food imports. According to the authors, focus should be on enhancing productive systems with better inputs and irrigation, which needs to be coupled with efforts at diversification and better use of new technologies.

#### GENDER

- According to a <u>Research Fellow at the University of Ghana</u>, traditional female leaders have a role to play in messaging about COVID-19 prevention where more formal channels have failed.
- The <u>UN Secretary General Antonio Guterres</u> has argued that COVID-19 risks undermining decades of progress in the global fight for gender equality, as the pandemic has disproportionately impacted women working in the informal sector and has led to a spike in domestic abuse in many places.

#### **GOVERNANCE & POLICY MAKING**

• According to one commentator at <u>The Best of Africa</u>, achieving the SDGs in a post-COVID world will require a multi-sectoral approach and better collaboration between NGOs, governments, and civil society.

#### I.2. EAST AFRICAN COMMUNITY (EAC)

#### TRADE

- According to the latest <u>Northern Corridor Transport Observatory report</u>, exports as a proportion of overall cargo at the Mombasa port have decreased from 15% to 8% due to challenges related to COVID-19.
- <u>TradeMark East Africa</u> has noted that female traders have been disproportionately impacted by border closures and movement restrictions due to COVID-19

# DIGITAL TECHNOLOGY

• According to Pedro Guerreiro, Managing Director for Central Africa at <u>SAP</u>, investments in new digital technologies will enable SMEs in East Africa to adapt their business operations to a new environment in the wake of COVID-19.

#### TOURISM

• As Kenya and Tanzania re-open their tourism industries to foreign tourists, <u>Forbes</u> has explored how tour operators and lodges are adapting to ensure the safety of their guests and staff.

# I.3. KENYA

#### **GROWTH & JOBS**

- <u>President Kenyatta</u> has recently stated that Kenya's economy has continued to perform well despite COVID-19, recording 4.6% growth over the course of 2020 to date, compared to 5.5% for the same period in 2019.
- According to <u>TradeMark East Africa</u>, The Kenya Private Sector Alliance (KEPSA) was a much needed ally to the Government of Kenya at the outbreak of the crisis, first calling for a national crisis to be called, and subsequently broviding sector specific intel throughout the past several months.

#### YOUTH

- <u>Huawei and the National Youth Council</u> have announced winners for their 'Fursa vs Virus' competition, which encouraged young people to identify innovative solutions to the COVID-19 pandemic in Kenya.
- The closure of schools has led to fears amongst parents and students about the future of their education.

#### PUBLIC FINANCES

• According to the latest figures from the <u>National Treasury</u>, taxes collected from workers in Q1 declined by KSh23B year on year.

#### PUBLIC HEALTH

 According to <u>The New York Times</u>, over 300 doctors in Nairobi recently walked off the job in protest of withheld back pay and a lack of adequate PPE. More strike action is planned throughout September if the situation in public hospitals does not improve.

#### FOOD SECURITY

- The FAO has pointed out that Kenya's food security situation remains stable despite COVID-19, with the country able to meet its food needs from a mix of local production and imports.
- According to <u>The Telegraph</u>, as tourism revenue suffers in Kenya, some local communities are turning to poaching to address their food security needs.

#### NEWS FROM SECTORS IN THE WIDER ECONOMY

- According to <u>The Business Daily</u>, Standard Chartered has seen net profits drop by 31.2% over the course of Q1 & Q2 2020. In response, the bank has suspended pay-outs to investors in order to preserve capital.
- The Kenya Flower Council has argued that freight capacity in the country is still too low to meet international demand for Kenyan flowers. Freight costs also remain higher than pre-COVID levels.
- Milk production has continued to remain low in Kenya since the outbreak of COVID-19, causing Agriculture Minister <u>Peter Munya</u> to contemplate raising imports of powdered milk.
- According to <u>Business Today</u>, COVID-19 has increased Kenyans' usage of single use plastics related to personal care products, putting further strain on an already inefficient waste management systems. They call for waste sorting and removal to be re-considered an employment opportunity for young people. In the broader context, US oil & gas interests have been lobbying for Kenya to relax its hard-line stance on plastics as part of a trade deal with the US, according to released documents from <u>Greenpeace</u>.

#### GOVERNMENT RESPONSE

- <u>President Kenyatta</u> has extended curfew for another 30 days, from August 27th, as COVID-19 cases begin to rise in counties and away from urban centres.
- The CEO of <u>Kenya Medical Supplies Authority</u> (KEMSA), Dr Jonah Manjari, has been suspended over procurement irregularities at the agency.
- In response, Vice President <u>William Ruto</u> has voiced criticism over the government's handling of the pandemic, insinuating that funds allocated for the country's health response have been misappropriated. Related, <u>Kenya National Union of Nurses (KNUN) Secretary-General</u>, Seth Panyako has called for the resignation of Health Cabinet Secretary Mutahi Kagwe.
- USAID and the Global Fund have initiated a probe into the matter, and have threatened to withdraw KSh 400 M in health response funding.
- <u>President Kenyatta</u> has given the Ethics and Anti-Corruption Commission 21 days from August 27th to complete its probe into KEMSA.

FISCAL	MONETARY	GDP FORECASTS
From Ist July, GoK plans to spend <u>\$503M</u> on a	Encouraging commercial banks to lower	Government:
stimulus package to support businesses hit by	interest rates for borrowers, the Central	2.5% growth
the pandemic. The <u>State House</u> has outlined	Bank of Kenya has:	(revised down from
how the spending will be allocated across the	<ul> <li>Cut interest rates by 1% and then a</li> </ul>	pre-COVID-19
economy.	further 0.25% - now at 7%, a nine-year-	estimate of 6.2%)
	low (this was announced on 29 April and	
Preceding this announcement, the additional	retained on <u>25 June</u> + <u>30 July</u> )	IME:
spending pledged was KSh 39.8B (or 0.4% of	• Lowered banks' cash reserve ratio by 1%	1% growth
GDP) (see p.5 <u>here</u> ):	(to 4.25%) – this provides KSh 35.2B in	-
KSh 6.8B to health sector	additional liquidity for commercial banks	World Bank:
KSh 13.8B to clear pending bills	<ul> <li>Encouraged banks to provide relief to</li> </ul>	1.5% to -1% growth
KSh 10B for VAT refunds	individual borrowers & SMEs on their	C
• KSh 10B to scale up cash transfers	loans – with up to one-year extension	-
Ren rep to scale up cash transfers	(see p. 28 <u>here</u> ) – apparently loans	
Other fiscal measures include:	amounting to \$868M have already been	Kenya's growth in
<ul> <li>100% income tax relief for persons</li> </ul>	restructured (see <u>here</u> )	2019 was 5.6%
earning below KSh 24K per month	<ul> <li>Encouraged the waiving or reducing of</li> </ul>	
	charges on mobile money transactions -	
Reduction of top band tax rate for	to disincentivize use of cash (this has	
individuals from 30% to 25%	, , , , , , , , , , , , , , , , , , ,	
Reduction of the base corporate income	been <u>extended until the end of the year</u> )	
tax rate from 30% to 25%	• Released KSh 7.4B to support the	
Reduction of the turnover tax rate on	government's effort to contain COVID-	
SMEs from 3% to 1%	19 (using gains from demonetisation in	
Reduction of VAT on all goods from 16%	September 2019) (see <u>here</u> )	
to 14%		

ECONOMIC STIMULUS IN KENYA (unless otherwise stated, this is taken from IME or ODI)

# I.4. TANZANIA

#### ECONOMIC GROWTH

• An opinion piece in the <u>Daily News</u> notes that, despite COVID-19, the Government of Tanzania has been largely successful in its implementation of Vision 2025, owing to reforms in the mining industry, a diversification strategy, and concerted effort to grow the country's manufacturing base.

#### TRADE

• According to <u>The East African</u>, trade negotiations for a bilateral agreement between Tanzania and the United Kingdom have started. In 2018, Tanzania exported \$60M of goods to the UK, and imported \$170M from the UK, with its main exports being gold, coffee, cashew nuts, and cotton.

#### PUBLIC HEALTH

• <u>Health officials in Zanzibar</u> has warned against complacency in the fight against COVID-19, arguing that although rates currently remain low, the virus could resurface at any time.

#### ECONOMIC STIMULUS IN TANZANIA (unless otherwise stated, this is taken from IME or ODI)

FISCAL	MONETARY	GDP FORECASTS
Thus far, the government has spent \$8.4M to	The Bank of Tanzania has	Government:
deal with the effects of COVID-19.	<ul> <li>Lowered its minimum reserve requirements from 7% to 6% - to</li> </ul>	5.5% growth
In addition, the government has received	provide further liquidity to banks	IME:
grants and will use contingency reserve of \$3.2M to fund additional health spending to	Lowered the discount rate from 7% to	2% growth
mitigate the risks of the pandemic.	5% (a signal that lower interest rates are coming)	World Bank:
To support the private sector, the authorities	<ul> <li>Reduced interest on government securities (Treasury Bills – from 10% to</li> </ul>	2.5% growth
have expedited the payment of verified expenditure arrears with priority given to the	5% / Treasury Bonds – from 40% to	-
affected SMEs, paying \$376M in March.	20%). This will help reduce collateral requirements for bank borrowing.	Tanzania's growth in
The government has also expanded social security schemes by \$32.1M to meet the	<ul> <li>Instructed financial institutions to restructure loans on a case by case basis</li> </ul>	2019 was 6.3%

increase in withdrawals benefits for new unemployed due to COVID-19. In addition, the government has granted VAT and customs duties exemptions to imported medical equipment and medical supplies.	•	Instructed mobile money operators to increase the daily transaction limit (from TZS 3M to 5M) and daily balance (from TZS 5M to 10M)	
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# I.5. RWANDA

**GROWTH & JOBS** 

• According to <u>The New Times</u>, Rwandan agricultural exports have continued to perform strongly despite supply chain disruptions due to COVID-19, with tea, coffee and a range of cereals doing particularly well.

PUBLIC HEALTH

• According to Dr Daniel Ngamije, <u>Minister for Health</u>, Rwanda plans to double its testing capacity, and will use a mix of rapid testing for antigens in high prevalence areas as well as adopting a more conclusive Polymerase Chain Reaction (PCR) test in all public hospitals.

GENDER

• According to <u>Vice</u>, early on in the pandemic the Rwandan government turned to media firm Ni Nyampinga in efforts to reach young women and girls in their messaging about COVID-19 prevention. This has evidently proven effective in bringing awareness of the virus and how to prevent contracting it, where generic government messaging had not.

#### NEWS FROM OTHER SECTORS

• According to <u>National Public Radio (NPR)</u> in the US, the Rwandan coffee industry has struggled throughout COVID-19 due to disruptions in demand related to café closures as well as new measures put in place in factories which has limited the number of workers able to sort coffee at one time.

# ECONOMIC STIMULUS IN RWANDA (unless otherwise stated, this is taken from <u>IMF</u> or <u>ODI</u>)

FISCAL	MONETARY	GDP FORECASTS
<ul> <li>The government has rolled out a RWF 100B</li> <li>"Economic Recovery Fund" to support businesses affected by the pandemic (esp. hospitality, manufacturing, transport &amp; logistics and SMEs).</li> <li>In next year's budget, the government is set to increase spending by 7.5% (July 2020 – July 2021). Donors will fund 15.2% of the increase &amp; the rest will come from revenue, debt and borrowing externally (c. RWF 783.4B).</li> <li>Support for vulnerable individuals / households:</li> <li>Regular in-kind transfers of basic food stuffs</li> <li>Cash transfers to casual workers – now unemployed</li> <li>Cash transfers to farmers – for input purchases</li> <li>Tax relief measures:</li> <li>Suspension of down payments on outstanding tax</li> <li>Softening of enforcement for tax arrears collection</li> <li>Extension of deadline for filing corporate income tax</li> <li>Fast tracking VAT refunds to SMEs</li> </ul>	<ul> <li>The National Bank of Rwanda has cut interest rates by 0.5% (from 5% to 4.5%) and announced the following liquidity support measures:</li> <li>An extended lending facility worth RWF 50B (0.5% GDP) – to support banks for next 6 months</li> <li>Treasury bond purchases through the rediscount window for the next 6 months</li> <li>Lowering the reserve requirement ratio from 5% to 4%</li> <li>Easing of loan repayment conditions for impacted borrowers</li> <li>Operators and banks have agreed to zero charges on all mobile money transfers and all transfers between bank accounts / mobile wallets.</li> </ul>	Government: 2% growth IME: 3.5% growth - Rwanda's growth in 2019 was c. 10%

# I.6. UGANDA

#### TRADE

• Uganda's export earnings increased for a second consecutive month to \$ 337M in June, up from \$290M in May.

#### PUBLIC HEALTH

- <u>Government officials</u> are warning of a potential return to a harder lockdown in Uganda after a sharp increase in cases throughout recent weeks. They note that cases are often traced back to *boda boda* drivers and taxis.
- Doctors from the <u>Uganda Medical Association</u> have requested that COVID-19 patients with less severe symptoms be treated from home.

#### PUBLIC FINANCE

 According to a representative with the IME, Uganda should not abandon its Charter for Fiscal Responsibility (CFR) as fiscal pressure mounts due to reduced budget and increased government expenditure related to COVID-19.

#### NEWS FROM OTHER SECTORS IN THE ECONOMY

• According to the Bank of Uganda, floriculture exports have recovered 30% - from \$4.2M in May to \$6M in June - after a 90% drop at the outset of the pandemic.

#### GOVERNMENT RESPONSE

- According to <u>The Washington Post</u>, the Ugandan government's response to coronavirus has been politicised, with instances of state repression on the rise, particularly in opposition strongholds.
- President Museveni recently declared August 29th as a national day of prayer against COVID-19.

#### ECONOMIC STIMULUS IN UGANDA (unless otherwise stated, this is taken from IME or ODI)

FISCAL	MONETARY	
FISCALThe government has announced a USh 2.9Tstimulus package to respond to COVID-19,with USh 1.1T being used to re-capitalise theUganda Development Bank (so the institutioncan offer low interest financing to firms).The government passed two supplementarybudgets in FY 2019/20 (c. \$80M + \$288M) tomitigate the impact of COVID-19 on theeconomy.The government's response strategy waspresented to parliament in May 2020 and hasfive components, namely:1. Accelerating import substitution andexport promotion by providing additionalfunding to the Uganda DevelopmentBank (UDB), recapitalizing the UgandaDevelopment Cooperation (UDC) andaccelerating the development ofindustrial parks2.Increasing agriculture production andproviding additional funding4. Deploying fiscal policy interventionsincluding delayed payment of corporationtax for corporations and small, mediumenterprises; deferred payment of PAYEby affected sectors; waiver of interest ontax arrears; expedited payment ofoutstanding VAT refunds and reductionin domestic arrears5. Providing additional funding to the health <td><ul> <li>MONETARY</li> <li>The Bank of Uganda has reduced the central bank interest rate from 9% to 8% and</li> <li>Committed to provide liquidity assistance to financial institutions for up to one year</li> <li>Ensured contingency plans are in place at supervised financial institutions</li> <li>Put in place a mechanism to minimise likelihood of sound businesses going into insolvency due to lack of credit</li> <li>Waived limitations on restricting of credit facilities at financial institutions at risk of distress</li> <li>Worked with mobile money providers / commercial banks to ensure reduction of charges on mobile money transactions</li> <li>Directed all supervised financial institutions to defer payments of dividends / bonus for 90 days</li> <li>Provided liquidity to commercial banks for a longer period – issuance of reverse Repurchase Agreements (REPOs) of up to 60 days</li> <li>Purchased treasury bonds held by microfinance &amp; credit institutions to restructure loans of corporate &amp; individual customers affected by the pandemic (i.e. loan holidays for 12 months max)</li> </ul></td> <td>GDP FORECASTS Government: 3.1% growth IME: 3.5% growth - Uganda's growth in 2019 was 4.9%</td>	<ul> <li>MONETARY</li> <li>The Bank of Uganda has reduced the central bank interest rate from 9% to 8% and</li> <li>Committed to provide liquidity assistance to financial institutions for up to one year</li> <li>Ensured contingency plans are in place at supervised financial institutions</li> <li>Put in place a mechanism to minimise likelihood of sound businesses going into insolvency due to lack of credit</li> <li>Waived limitations on restricting of credit facilities at financial institutions at risk of distress</li> <li>Worked with mobile money providers / commercial banks to ensure reduction of charges on mobile money transactions</li> <li>Directed all supervised financial institutions to defer payments of dividends / bonus for 90 days</li> <li>Provided liquidity to commercial banks for a longer period – issuance of reverse Repurchase Agreements (REPOs) of up to 60 days</li> <li>Purchased treasury bonds held by microfinance &amp; credit institutions to restructure loans of corporate &amp; individual customers affected by the pandemic (i.e. loan holidays for 12 months max)</li> </ul>	GDP FORECASTS Government: 3.1% growth IME: 3.5% growth - Uganda's growth in 2019 was 4.9%

in the urban areas; providing social insurance by continuing with the Social Assistance Grants for Empowerment Scheme; introducing tax exemption on	
items used for medical use; and expanding labour-intensive public works programmes in the roads, water and environment sector.	

# 2. THE SECTOR IMPACT

# 2.1. AGRICULTURAL INPUTS (KENYA)

No specific updates to report this fortnight. See previous briefings at https://www.gatsby.org.uk/africa/latest for more information.

# 2.2. AQUACULTURE (EAST AFRICA)

No specific updates to report this fortnight. See previous briefings at https://www.gatsby.org.uk/africallatest for more information.

# 2.3. COTTON & TEXTILES (TANZANIA & EAST AFRICA)

- The Kenyan government and mitumba traders have agreed on protocols for the resumption of importation and sale of second-hand clothes, after the COVID-19 ban has recently been lifted.
- In addition to the revival of cotton growing amidst global supply chain disruptions, through the distribution of Bt and hybrid seeds in Kenya, <u>Cabinet Secretary Betty Maina</u> has outlined the Kenyan government's intention to revive ginneries to support the Kenyan textile and garment sector. There are plans for the construction of ginneries in <u>Kwale</u> and <u>Lamu</u>.
- Through the <u>Kampala City Traders Association (KACITA</u>), Ugandan entrepreneurs have filed a petition against the government's imposition of import duties on fabric imports (\$5 per kg in addition to the EAC Common External Tariff), to promote import substitution in the context of COVID-19.
- <u>China's total exports</u> rose 7.2% year on year to US\$237.6 billion, with these figures supported by record shipments of medical supplies.
- Despite the challenges of COVID-19, US apparel retail sales were cushioned somewhat by increased online demand. Of particular interest given its sourcing from East Africa, <u>The Children's Place</u> saw a decline in net sales of 12.3% to US\$368.9 million in the three months to 1 August, as a result of temporary store closures and lower back to school sales.

# 2.4. FORESTRY (EAST AFRICA)

No specific updates to report this fortnight. See previous briefings at https://www.gatsby.org.uk/africallatest for more information.

# 2.5. LIVESTOCK (KENYA)

No specific updates to report this fortnight. See previous briefings at https://www.gatsby.org.uk/africal/atest for more information.

# 2.6. TEA (EAST AFRICA)

- According to the India Tea Association, the country's industry continues to struggle due to COVID-19 related movement restrictions, with Kenya making strides into its market share.
- Vietnamese tea exports decreased by 10% over the course of Q1 year on year, according to the <u>Vietnam Tea</u> <u>Association</u>, as Taiwanese, Russian, and Chinese markets shut down due to the pandemic.
- <u>Tea prices in the region</u> continue their upward trend, with avg Mombasa auction prices edging up to \$1.95 a kilo, from \$1.85 the previous week.

# 2.7. WATER (KENYA)

No specific updates to report this fortnight. See previous briefings at https://www.gatsby.org.uk/africallatest for more information.

# 3. THE DONOR RESPONSE

# 3.1. BILATERAL DONORS

INSTITUTION (A-Z)	EAST AFRICA SUPPORT
AFD – France (has committed \$1.5B and will move ahead with planned increase of aid budget in 2021)	No specific East Africa support to report
BMZ – Germany (has committed €3B to fight the pandemic worldwide & scale up economic exchange with Africa)	No specific East Africa support to report
DFID - UK (has committed <u>£744M</u> and announced <u>£2.9B</u> cut to budget in 2020, with only spending on "bottom billion", climate change and girls education protected)	<ul> <li>Trade Mark East Africa (funded by DFID) has announced a \$20M safe trade emergency facility</li> <li>DFID has set out how its re-orientating manufacturing support in response to COVID-19 – with reference to market assessments undertaken in Uganda &amp; Kenya (supported by Msingi)</li> <li><u>f6.85M</u> fund announced to support conditions for workers in export oriented supply chains in Rwanda, Tanzania and Uganda (amongst others). The fund will be run in collaboration with major supermarket and clothing retailers such as Sainsbury's, Tesco, Waitrose and Primark -which will contribute £2M to the fund.</li> </ul>
JICA – Japan (has committed <u>\$768M</u> )	No specific East Africa support to report
USAID - US (has committed <u>\$1B+</u> )	<ul> <li>East Africa: Kenya &amp; Tanzania are benefitting – among other countries – from a \$22M programme to prevent the spread of COVID-19. In addition, countries in the region have received \$19M to help fight the locusts.</li> <li>Kenya: \$6.6M for COVID-19 activities. Facemasks for border police unit &amp; journalists covering the pandemic. An additional \$50M to strengthen health / water systems, support small businesses and enable more children to benefit from distance learning. A collaboration with Vital Capital to provide \$5M in financing for agribusiness.</li> </ul>
	<ul> <li><u>Tanzania</u>: \$3.6M to support surveillance, laboratories and infection prevention / control efforts</li> <li><u>Rwanda</u>: donated 100 medical ventilators</li> </ul>

# 3.2. MULTILATERALS

INSTIUTION (A-Z)	EAST AFRICA SUPPORT
AfDB (has raised a \$3B bond & established a \$10B facility, which will in part fund the Feed Africa Response to COVID-19) African Export-Import Bank (has established a \$3B facility)	<ul> <li>Kenya: KSh 22B loan to help the country mitigate the economic, health &amp; social impact of the pandemic</li> <li>Tanzania: \$50M concessional loan for budget support</li> <li>Rwanda: \$98M concessional loan to strengthen the national budget – fund health system, safeguard economic resilience and support the vulnerable</li> <li>No specific East Africa support to report</li> </ul>
EU (is mobilising €15.6B)	<ul> <li>East Africa: €60M to tackle the health &amp; socio-economic impact of COVID-19 in support of the Intergovernmental Authority on Development (which includes Djibouti, Ethiopia, Eritrea, Kenya, Somalia, Sudan, South Sudan &amp; Uganda). In addition, signed a €5M deal to support the Safe Trade Emergency Facility, run by Trade Mark East Africa. Through this, PPE has been provided to all Mombasa port staff.</li> <li>Kenya: \$350M in funding for the country's COVID-19 response measures</li> <li>Kenya: 66.25 M KSh to support local communities in responding to COVID-19</li> <li>Rwanda: RWF 55.5B grant to support social protection response to COVID-19 crisis, protecting food security of 630K households</li> </ul>
IMF (stands ready to mobilise its full \$11)	<ul> <li><u>East Africa</u>: Raised the annual loan limit for low-income countries via its Rapid Credit Facility, which Rwanda, Uganda and Kenya have accessed</li> <li><u>Kenya</u>: Access to Rapid Credit Facility (\$739M)</li> <li><u>Tanzania</u>: Access to the Catastrophe Containment and Relief Trust (\$14.3M - \$25.7M)</li> </ul>

	Rwanda: Access to Rapid Credit Facility (\$109.4M + \$111M) & Catastrophe
	Containment and Relief Trust (\$10.96M)
	Uganda: Access to Rapid Credit Facility (\$491.5M)
UN World Bank (expects to deploy <u>\$160B</u> in	<ul> <li>East Africa: UN's IFAD has launched a Rural Poor Stimulus Facility - providing an initial seed capital of \$40M in order to mobilize an additional \$200M</li> <li>Kenya: \$3.1M committed to mitigate the impact and spread of the virus &amp; launch of <u>One Stop Youth Resource Centre</u> in Mandera, which will introduce 10 handwashing stations in the county</li> <li><u>Uganda:</u> The United Nations Children's Fund (UNICEF) has received \$4.4M from the Government of Sweden to support Uganda's COVID-19 humanitarian response</li> <li>East Africa</li> <li>The World Bank hast set up the Emergency Locust Response Programme - a</li> </ul>
emergency financing over the next 15 months)	<ul> <li>* The World Bank hast set up the <u>Energency Edust Response Frogramme</u> a \$500M scheme to assist rural households in East Africa &amp; the Middle East</li> <li>The World Bank has set up a <u>Pandemic Emergency Financing Facility</u> (\$195.8M) to support 64 of the world's lowest income countries. East African states could access up to \$15M each in grants.</li> </ul>
	Kenya
	<ul> <li>\$1B loan for budget support (to secure the loan, the government has promised pro-poor policies e.g. better targeting of subsidised agricultural inputs through electronic vouchers)</li> <li>\$50M in immediate funding to support the Kenya COVID-19 Emergency Response Project</li> <li>\$43M transferred to counties to bolster local health response measures</li> <li>\$50M transferred via IFC to Equity Bank - for onward lending to SMEs struggling due to COVID-19</li> <li>\$50M transferred via IFC to Diamond Trust Bank - for onward lending to SMEs struggling due to COVID-19</li> </ul>
	<ul> <li>\$150M to support access to basic services for slum dwellers</li> </ul>
	<ul> <li>Rwanda</li> <li>€91.4M Ioan agreement between Rwanda &amp; the World Bank's International Development Association (IDA)</li> <li>\$14.25M in immediate funding to support the Rwanda COVID-19 Emergency Response Project</li> <li>Uganda</li> </ul>
	<ul> <li>\$300M loan for budget support (to secure the loan, the government has promised pro-poor policies e.g. better targeting of subsidised agricultural inputs through electronic vouchers, stronger social protection system)</li> </ul>

# 3.3. PRIVATE FOUNDATIONS / INDIVIDUALS

INSTITUTION (A-Z)	EAST AFRICA SUPPORT
Bill & Melinda Gates Foundation (pledged <u>\$250M</u> to COVID-19 response and <u>\$1.6B</u> to GAVI, the Vaccine Alliance)	No specific East Africa support to report
Bloomberg Philanthropies (pledged <u>\$40M</u> )	No specific East Africa support to report
Facebook (pledged <u>\$20M</u> )	No specific East Africa support to report
Google (pledged <u>\$800M</u> )	No specific East Africa support to report
IKEA Foundation (pledged €10M - contributed €1.5M to the "Start Fund COVID-19", which is pooling donor finance to address humanitarian issues in low- income countries)	Kenya & Uganda: Pledged \$3.5M to support FAO's work with refugees in light of COVID-19

Instiglio Jack Dorsey	Kenya & Rwanda: Launched \$800K COVID-19 Adaptation Fund – to help governments, aid agencies and development organisations adapt programming and alleviate poverty during the pandemic. No specific East Africa support to report
(moved <u>\$1B</u> to "Start Small" fund)	
Jack Ma & Alibaba Foundation	Sent medical equipment to numerous countries, including Rwanda & Tanzania
Mastercard Foundation	<ul> <li>East Africa: Mastercard has launched a COVID-19 Recovery &amp; Resilience Programme (which will support Kenya, Rwanda &amp; Uganda). In Kenya, funding will be channelled through Technoserve, KEPSA, the Kenyan Chamber of Commerce and the Women Work Network.</li> <li>Kenya: \$5M for the purchase of personal protective equipment for frontline medical staff. Also, in partnership with Equity Group Foundation, committed \$1.93M to support home learning during the COVID-19 lockdown. In partnership with Kenya Red Cross, supporting the training of 2.5K health workers &amp; 2.1K community health volunteers.</li> <li>Rwanda: In support of World Refugee Day &amp; COVID-19 recovery, distributed grants worth \$2.3M to businesses in refugee camps</li> </ul>
Rockefeller Foundation (pledged <u>\$50M</u> )	No specific East Africa support to report
Skoll Foundation (pledged <u>\$200M</u> - a list of COVID-19-related grants is here)	No specific East Africa support to report
Shell Foundation (is deploying additional funding, capturing evidence, delivering market insights, commissioning research)	No specific East Africa support to report
Waitrose & Partners Foundation (pledged <u>£200K</u> )	Kenya: £88K to support 7 supplier farms and their 12K employees

# **USEFUL LIVE TRACKERS & RESOURCE LIBRARIES**

- Center for Global Development: a round-up of analysis re economic impact of COVID-19 globally & in Africa
- DCED: a library full of links to articles re the potential economic impacts of COVID-19 globally & in Africa
- <u>Donor Tracker.org</u>: this website monitors press briefings released from the world's major bilateral donors
- FAO: this "locust watch" is regularly updated reporting on how the swarm is moving throughout East Africa
- IME: this page lays out how every government around the world is responding in monetary & fiscal terms
- Johns Hopkins University: this live dashboard reflects case numbers & deaths from COVID-19 around the world
- ODI: this page lists articles that explore vulnerable African sectors & how African governments are responding
- Tony Blair Institute: this page contains resources to help African governments respond and this is a live dashboard of COVID-19 data in Africa

# A SHORT BIBLIOGRAPHY OF KEY REPORTS

- African Development Bank (July 2020) East Africa Economic Outlook: Coping with the COVID-19 Pandemic
- African Union (April 2020) Impact of the Coronavirus (COVID-19) on the African Economy
- Boston Consulting Group (June 2020) East Africa's Rebound
- ILO (April 7 2020) COVID-19 & The World of Work. Second Edition.
- <u>McKinsey & Company</u> (April 2020) Tackling COVID-19 in Africa
- McKinsey & Company (April 2020) Finding Africa's Path
- McKinsey & Company (May 2020) Reopening & Reimagining Africa
- McKinsey & Company (June 2020) Safeguarding Africa's Food Systems Through and Beyond The Crisis
- UN Conference on Trade and Development (June 2020) World Investment Report 2020
- UN Economic Commission for Africa (April 2020) COVID-19 in Africa: Protecting Lives & Economies
- UN Habitat (June 2020) COVID-19 in African Cities: Impacts, Responses and Policies
- World Bank (April 2020) Assessing the Economic Impact of COVID-19 and Policy Responses in Sub-Saharan Africa
- World Bank (April 2020) Kenya Economic Update: Turbulent Times for Growth in Kenya Policy Options During the COVID-19 Pandemic
- World Bank (May 2020) Tanzania Economic Update: Addressing the Impact of COVID-19

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