

COVID-19 IMPACT IN EAST AFRICA

—
Fortnightly Briefing
Week Commencing 17th August



*Image: A girl poses for a photo with UN-Habitat branded facemask
Credit: UN-Habitat/Julius Mwelu*

COVID-19 IMPACT & RESPONSE
FORTNIGHTLY BRIEFING
WEEK COMMENCING – 17 AUGUST 2020

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SUMMARY

<i>The macroeconomic impact</i>	The African continent has now exceeded 1 million COVID-19 cases. Negotiations for the African Continental Free Trade Area have moved online, with the African Union confident they will meet the operationalisation timeline for January 1 st . According to the Kenyan National Bureau of Statistics, 70% of Kenyan households are struggling to pay rent. In tourism, Tanzania has been listed by the World Travel and Tourism Council (WTTC) as a 'safe travel destination'. Alternately, Kenyan tourism continues to struggle, recently being hit with an updated travel advisory from the US due to increased cases, closures of major hotels and few visitors for this year's wildebeest migration. The WHO and Africa CDC have, however, raised questions about the situation on the ground in Tanzania. Uganda has seen a return to growth in the last quarter, with Stanbic's Purchasing Managers' Index (PMI) moving into positive territory for the first time since February. Bad news for Rwanda, however, as Standard & Poor's revised the country's economic outlook to negative, citing rising pressure on debt and a slowdown in economic activity.
<i>The sector impact</i>	The American Apparel and Footwear Association (AAFA) predicts that US textiles and apparel sales could decline by 50% to \$200B in 2020. The Government of Kenya has succumbed to pressure from the US and the country's mitumba association to lift the country's COVID-19-imposed ban on second-hand clothing, while local manufacturers have suggested that the ban should have remained permanent. Mitumba traders are now requesting that clearances for used clothing be fast tracked to make up for five months of lost revenue. The Bank of Tanzania has reported that the country's construction sector continues to perform well despite COVID-19, with 31.2% annual growth in commercial loans to the sector. Tea prices at the Mombasa auction have continued to edge up slightly week on week, from \$1.82 to \$1.85 per kg. A fierce debate is raging in Kenya's water sector over the ethics of cutting off water as a payment enforcement strategy, after the release of a World Bank-sponsored paper on the subject.
<i>The donor response</i>	In partnership with prominent UK supermarkets and clothing retailers, DFID has announced a £6.85M fund to support conditions for workers in export-oriented supply chains in Rwanda, Tanzania and Uganda (amongst others). The EU has announced 66.25 M KSh to support local communities in Kenya responding to COVID-19. The IFC has transferred \$50M to Diamond Trust Bank in Kenya for onward lending to SMEs struggling due to COVID-19. Lastly, in Kenya, the Mastercard Foundation has partnered with Technoserve, KEPSA, the Kenyan Chamber of Commerce and the Women Work Network as part of its COVID-19 Recovery & Resilience Programme.

I. THE MACROECONOMIC IMPACT

I.1. AFRICA

TRADE

- According to [Deutsche Welle \(DW\)](#), the pandemic has highlighted the importance of a free trade zone within Africa and offers an opportunity to speed up momentum behind the African Continental Free Trade Area (AfCFTA). Negotiations have moved online and the [African Union](#) is hopeful that the current operationalisation timeline of January 1st 2021 will be met.

PUBLIC POLICY

- The [International Growth Centre](#) has argued that COVID-19 offers a unique chance to remove wasteful fuel subsidies, popular in many African countries, and re-channel government resources to more productive uses.

PUBLIC HEALTH

- [The Economist](#) has recently noted that the African continent has now reached 1 million reported cases of COVID-19.
- According to [Quartz](#), the African continent is suffering from a lack of available oxygen to aid in the treatment of COVID-19. Some have argued this is due to the fact that two firms dominate the continent's market for cylinders and have been overcharging.

FUTURE OF WORK

- According to [Selma Ribica](#), former executive at M-Pesa, COVID-19 offers an untapped opportunity for digital platforms to solve payment and logistical constraints in healthcare, finance, and logistics markets across the continent.

CONFLICT & SECURITY

- According to [Foreign Policy in Focus](#), COVID-19 may exacerbate instability in many parts of the continent, as it has fuelled police repression, led to a rise in xenophobia and nationalist sentiments in many places, and has increased food insecurity due to supply chain disruptions.

I.2. EAST AFRICAN COMMUNITY (EAC)

TRADE

- According to the [Kenya Transporters Association](#), the EAC region has greatly enhanced testing capacity at border points such as Mombasa, with a regional electronic certificate system currently being piloted that would further reduce congestion at key ports.

SECURITY

- According to commentators at [The Standard](#), COVID-19 has the potential to exacerbate tensions along borders areas in the region, particularly in impoverished zones such as along the border between Kenya and Ethiopia.

I.3. KENYA

GROWTH & JOBS

- Despite increased optimism in the country's economic prospects, a recent survey from the [Central Bank of Kenya](#) indicates that 11% of top tier lenders in the country are likely to see further redundancies.
- [The Standard](#) has recently published an article reflecting on the past five months of economic hardship in Kenya, noting that the hospitality and tourism sectors have been particularly badly hit.

TRADE

- Despite coronavirus, trade negotiations between the US and Kenya have continued. [According to Brookings](#), there are a number of issues that need to be ironed out, including how a bilateral deal might overlap or contradict with plans for a continental free trade agreement, taxes on data, and competing stances with regard to Genetically Modified Organisms (GMOs).
- The [CEO of Astral Aviation](#), a Nairobi-based freight company, forecasts that a return of passenger flights will reduce freight costs out of Kenya by around 20%. Passenger flights make up 40% of export freight for the country.

HOUSING MARKET

- According to a recent survey from the [Kenya National Bureau of Statistics](#), 70% of households are struggling to afford their rent as a result of economic hardship wrought by COVID-19. This has meant many Kenyans have begun moving in with others to share rent as well as accelerating the trend toward moving out of Nairobi towards satellite towns.

PUBLIC HEALTH

- [The US Embassy](#) has issued an enhanced travel advisory for Kenya due to a rise in cases of COVID-19.
- According to [Kenya's Health Cabinet Secretary](#) Mutahi Kagwe, masks imported from China have recently failed quality checks. Where possible, he has encouraged Kenyans to purchase locally manufactured ones instead. [Chinese officials](#) have retorted that masks underwent strict quality checks before being exported.
- Health Chief Administrative Secretary [Dr Mercy Mwangangi](#) has noted that 15% of Kenyan deaths due to COVID-19 are from individuals aged 20-40, highlighting the importance of even young, healthy individuals following public health guidelines at this time.
- According to [The Star](#), a bio-monitoring device called the ADC-200 Bobcat, that can be used to detect COVID-19 in the air and on surfaces, is evidently now available in Kenya.
- According to [The Daily Nation](#), COVID-19 patients in public hospitals are now being charged for the use of Personal Protective Equipment (PPE) by hospital workers that treat them.
- The Ministry of Health, in conjunction with the World Bank, is planning to establish a Kenya Centre for Disease Control (KCDC), and, according to [The Standard](#), has already diverted KSh300 M away from the Kenya Medical Research Institute (KEMRI) towards the initiative.

FOOD SECURITY

- According to an editorial in [the Business Daily](#), Kenya has been able to avoid a food crisis from COVID-19 and the recent locust invasion as a result of proactive government planning through a food security 'War Room', well-timed donor funding, and a host of policy measures such as labelling food traders 'essential workers' throughout lockdown.

- According to [USAID](#), desert locust populations in Kenya have begun to decline due to continued control operations as well as migration towards Ethiopia and Sudan.

NEWS FROM SECTORS IN THE WIDER ECONOMY

- As tourism has come to a standstill in Kenya due to COVID-19, [few tourists are now visiting the Maasai Mara](#) to observe the yearly wildebeest migration. The [Business Daily](#) notes that this has impacted the hotel industry, with the prominent InterContinental hotel in Nairobi recently releasing all employees and terminating its lease as a result of slowdown in hotel patrons. In response, [President Kenyatta](#) has urged tourists to return to the country, stating it is safe and open for business.
- According to [The Standard](#), the country is seeing an increase in re-possessed vehicles and properties due to the economic hardship wrought by COVID-19. The auction industry is now struggling to find buyers for key pieces of real estate, such as the Laibon Hotel in Nairobi.
- [The Kenya Auto Bazaar Association](#) anticipates car prices to increase by 7% over of the coming months due to continued delays at the Mombasa port, disruptions to supply chains, as well as a weakening shilling against the dollar.
- Andrew Mutuma, [DHL's Country Manager for Kenya](#), has noted a sharp increase in demand for delivery services in recent weeks, as Kenya's curfew continues and many businesses remained closed.
- In a press conference on August 15th, the [Kenya Casino Employees Union](#) pleaded with government to re-open businesses, citing mounting debt and loss of livelihoods as a result of casino closures.

GOVERNMENT RESPONSE

- After months of [international assistance and stimulus packages from the IMF, World Bank and African Development Bank](#) to support Kenya's efforts to combat COVID-19, [concerns are being raised](#) about how these funds have been spent in certain instances.
- Related, COVID-19 has necessitated an expansion of cash transfer programmes in Kenya. This is welcomed, however, as a commentator with the Massachusetts Institute of Technology's [Gov/Lab](#) noted, these transfers have been mired by challenges related to the lack of a coherent government database for those living in the informal sector leading to instances of nepotism and inconsistent transfers.
- According to [The New York Times](#), Kenya's decision to cancel an entire school year may exacerbate educational inequality in the country, as many poor and rural students struggle to access remote learning.
- President Kenyatta [has been criticised](#) recently for attracting large crowds at a recent event commissioning three hospitals in Nairobi's informal settlements.
- According to an opinion piece in [The Star](#), despite setbacks triggered by COVID-19, the Big Four Agenda is still on track, with the government making tangible progress in terms of universal health access, affordable housing, manufacturing and food security.

ECONOMIC STIMULUS IN KENYA (unless otherwise stated, this is taken from [IMF](#) or [ODI](#))

FISCAL	MONETARY	GDP FORECASTS
<p>From 1st July, GoK plans to spend \$503M on a stimulus package to support businesses hit by the pandemic. The State House has outlined how the spending will be allocated across the economy.</p> <p>Preceding this announcement, the additional spending pledged was KSh 39.8B (or 0.4% of GDP) (see p.5 here):</p> <ul style="list-style-type: none"> • KSh 6.8B to health sector • KSh 13.8B to clear pending bills • KSh 10B for VAT refunds • KSh 10B to scale up cash transfers <p>Other fiscal measures include:</p> <ul style="list-style-type: none"> • 100% income tax relief for persons earning below KSh 24K per month • Reduction of top band tax rate for individuals from 30% to 25% • Reduction of the base corporate income tax rate from 30% to 25% • Reduction of the turnover tax rate on SMEs from 3% to 1% • Reduction of VAT on all goods from 16% to 14% 	<p>Encouraging commercial banks to lower interest rates for borrowers, the Central Bank of Kenya has:</p> <ul style="list-style-type: none"> • Cut interest rates by 1% and then a further 0.25% - now at 7%, a nine-year-low (this was announced on 29 April and retained on 25 June + 30 July) • Lowered banks' cash reserve ratio by 1% (to 4.25%) – this provides KSh 35.2B in additional liquidity for commercial banks • Encouraged banks to provide relief to individual borrowers & SMEs on their loans – with up to one-year extension (see p. 28 here) – apparently loans amounting to \$868M have already been restructured (see here) • Encouraged the waiving or reducing of charges on mobile money transactions - to disincentivize use of cash (this has been extended until the end of the year) • Released KSh 7.4B to support the government's effort to contain COVID-19 (using gains from demonetisation in September 2019) (see here) 	<p>Government: 2.5% growth (revised down from pre-COVID-19 estimate of 6.2%)</p> <p>IMF: 1% growth</p> <p>World Bank: 1.5% to -1% growth</p> <p>-</p> <p>Kenya's growth in 2019 was 5.6%</p>

I.4 TANZANIA

NEWS FROM SECTORS IN THE WIDER ECONOMY

- The [World Travel and Tourism Council \(WTTC\)](#) has announced Tanzania as a safe destination for tourists.

PUBLIC HEALTH

- [On August 5th, Tanzania reviewed its travel advisory measures](#) to curb a potential influx of COVID-19 cases, calling for advanced screening measures and evidence from travellers and returning residents that they have tested negative for the virus upon entry.

AGRICULTURE

- Noting that food production systems in Eastern and Southern Africa have slowed due to COVID-19, [Minister of State in the President's Office - Regional Administration and Local Government](#), Selemani Jafo has argued for the research community to intensify efforts to improve agricultural and livestock productivity.
- According to [Agriculture Minister](#), Japhet Hasunga, fertiliser prices in the country have continued to reduce year on year despite initial fluctuations due to COVID-19.

GOVERNMENT RESPONSE

- According to the [BBC](#), Tanzanian authorities have recently banned the sharing of information related to the outbreak of infectious diseases online, without express government permission.
- While Tanzania has officially been declared COVID-19 free, [The New York Times](#) reports that criticism of the government's response has been mounting outside of Tanzania, particularly amongst the WHO and Africa CDC, who have argued for more testing data to evidence the government's view.

ECONOMIC STIMULUS IN TANZANIA (unless otherwise stated, this is taken from [IMF](#) or [QDI](#))

FISCAL	MONETARY	GDP FORECASTS
<p>Thus far, the government has spent \$8.4M to deal with the effects of COVID-19.</p> <p>In addition, the government has received grants and will use contingency reserve of \$3.2M to fund additional health spending to mitigate the risks of the pandemic.</p> <p>To support the private sector, the authorities have expedited the payment of verified expenditure arrears with priority given to the affected SMEs, paying \$376M in March.</p> <p>The government has also expanded social security schemes by \$32.1M to meet the increase in withdrawals benefits for new unemployed due to COVID-19.</p> <p>In addition, the government has granted VAT and customs duties exemptions to imported medical equipment and medical supplies.</p>	<p>The Bank of Tanzania has...</p> <ul style="list-style-type: none"> Lowered its minimum reserve requirements from 7% to 6% - to provide further liquidity to banks Lowered the discount rate from 7% to 5% (a signal that lower interest rates are coming) Reduced interest on government securities (Treasury Bills – from 10% to 5% / Treasury Bonds – from 40% to 20%). This will help reduce collateral requirements for bank borrowing. Instructed financial institutions to restructure loans on a case by case basis Instructed mobile money operators to increase the daily transaction limit (from TZS 3M to 5M) and daily balance (from TZS 5M to 10M) 	<p>Government: 5.5% growth</p> <p>IMF: 2% growth</p> <p>World Bank: 2.5% growth</p> <p>-</p> <p>Tanzania's growth in 2019 was 6.3%</p>

I.4. RWANDA

GROWTH & JOBS

- Ratings Agency [Standard & Poor's \(S&P\)](#) has revised Rwanda's economic outlook to negative, citing rising pressure on debt and a slowdown in economic activity due to COVID-19.

GOVERNMENT RESPONSE

- [CNN Africa](#) has recently interviewed ICT Minister Paula Ingabire on the country's use of robots in testing for COVID-19.

ECONOMIC STIMULUS IN RWANDA (unless otherwise stated, this is taken from [IMF](#) or [ODI](#))

FISCAL	MONETARY	GDP FORECASTS
<p>The government has rolled out a RWF 100B “Economic Recovery Fund” to support businesses affected by the pandemic (esp. hospitality, manufacturing, transport & logistics and SMEs).</p> <p>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 & the rest will come from revenue, debt and borrowing externally (c. RWF 783.4B).</p> <p>Support for vulnerable individuals / households:</p> <ul style="list-style-type: none"> • Regular in-kind transfers of basic food stuffs • Cash transfers to casual workers – now unemployed • Cash transfers to farmers – for input purchases <p>Tax relief measures:</p> <ul style="list-style-type: none"> • Suspension of down payments on outstanding tax • Softening of enforcement for tax arrears collection • Extension of deadline for filing corporate income tax • Fast tracking VAT refunds to SMEs 	<p>The National Bank of Rwanda has cut interest rates by 0.5% (from 5% to 4.5%) and announced the following liquidity support measures:</p> <ul style="list-style-type: none"> • An extended lending facility worth RWF 50B (0.5% GDP) – to support banks for next 6 months • Treasury bond purchases through the rediscount window for the next 6 months • Lowering the reserve requirement ratio from 5% to 4% • Easing of loan repayment conditions for impacted borrowers <p>Operators and banks have agreed to zero charges on all mobile money transfers and all transfers between bank accounts / mobile wallets.</p>	<p>Government: 2% growth</p> <p>IMF: 3.5% growth</p> <p>-</p> <p>Rwanda’s growth in 2019 was c. 10%</p>

I.5. UGANDA

GROWTH & JOBS

- According to a recent report from [Stanbic Bank](#), the start of Q3 2020 has seen a return to growth following a downturn caused by Covid-19, with Stanbic’s Purchasing Managers’ Index (PMI) moving into positive territory for the first time since February.

FOOD SECURITY

- According to [The Daily Monitor](#), lockdown measures and disruptions to food supply chains have led to increased growth in urban farming within cities such as Kampala.

PUBLIC HEALTH

- According to the Executive Director of the [Community Health And Information Network \(CHAIN\)](#), civil society and strengthened community structures have a vital role to play in supporting the country’s response effort to COVID-19.

NEWS FROM OTHER SECTORS IN THE ECONOMY

- Uganda has opened the [Uganda Wildlife Conservation Education Centre](#) to international tourists as long as they adhere to strict social distancing measures.
- A Chinese firm based in Uganda, [ENGO Holdings Ltd](#), has begun assembling phones with an infrared thermometer to support in the fight against COVID-19.
- [Makerere University](#) has recently piloted a solar-powered, automatic, hand-washing unit to promote hygiene and reduce contact with surfaces.
- As with Rwanda, [the e-commerce industry](#) has expanded in Uganda as a result of COVID-19.

YOUTH EMPLOYMENT

- In the wake of economic hardship caused by COVID-19, a commentator for [The Observer](#) has noted that young people in Uganda need to better organise around a common development agenda.

GOVERNMENT RESPONSE

- A commentator in [The Observer](#) has argued that COVID-19 should signal an opportunity to put the country on a more resilient pathway but investing in healthcare, scientific research, ICT and the agricultural sector.

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

FISCAL	MONETARY	GDP FORECASTS
<p>The government has announced a USh 2.9T stimulus package to respond to COVID-19, with USh 1.1T being used to re-capitalise the Uganda Development Bank (so the institution can offer low interest financing to firms).</p> <p>The government passed two supplementary budgets in FY 2019/20 (c. \$80M + \$288M) to mitigate the impact of COVID-19 on the economy.</p> <p>The government's response strategy was presented to parliament in May 2020 and has five components, namely:</p> <ol style="list-style-type: none"> 1. Accelerating import substitution and export promotion by providing additional funding to the Uganda Development Bank (UDB), recapitalizing the Uganda Development Cooperation (UDC) and accelerating the development of industrial parks 2. Increasing agriculture production and productivity by increasing funding for agriculture inputs and entities such as UDC that support the sector 3. Increasing household income among SMEs by providing additional funding 4. Deploying fiscal policy interventions including delayed payment of corporation tax for corporations and small, medium enterprises; deferred payment of PAYE by affected sectors; waiver of interest on tax arrears; expedited payment of outstanding VAT refunds and reduction in domestic arrears 5. Providing additional funding to the health sector; delivering food to the vulnerable 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. 	<p>The Bank of Uganda has reduced the central bank interest rate from 9% to 8% and...</p> <ul style="list-style-type: none"> • Committed to provide liquidity assistance to financial institutions for up to one year • Ensured contingency plans are in place at supervised financial institutions • Put in place a mechanism to minimise likelihood of sound businesses going into insolvency due to lack of credit • Waived limitations on restricting of credit facilities at financial institutions at risk of distress • Worked with mobile money providers / commercial banks to ensure reduction of charges on mobile money transactions • Directed all supervised financial institutions to defer payments of dividends / bonus for 90 days • Provided liquidity to commercial banks for a longer period – issuance of reverse Repurchase Agreements (REPOs) of up to 60 days • Purchased treasury bonds held by microfinance & credit institutions • Granted exception permission to supervised financial institutions to restructure loans of corporate & individual customers affected by the pandemic (i.e. loan holidays for 12 months max...) 	<p>Government: 3.1% growth</p> <p>IMF: 3.5% growth</p> <p>-</p> <p>Uganda's growth in 2019 was 4.9%</p>

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/africa/latest> for more information.

2.3. COTTON & TEXTILES (TANZANIA & EAST AFRICA)

- [Tanzania's Minister of Investment](#), Angela Kairuki has directed buyers of agricultural produce to pay their farmers through bank accounts to incorporate them into the formal banking system. The National Microfinance Bank (NMB) stated that it had opened 86K accounts for farmers in Simiyu.
- According to La Rhea Pepper, [CEO of Textiles Exchange](#), the next few months of the cotton growing season will expose challenges businesses and farmers are facing due to an uncertain market context. The future of the industry, she argues, will require increased transparency and risk sharing.
- The [American Apparel and Footwear Association \(AAFA\)](#) predicts that US textiles and apparel sales could decline by 50% to US\$200 billion in 2020. Textiles exports have been somewhat protected by demand for PPE.
- At a meeting of the [WTO's Consultative Framework Mechanism on Cotton](#) on 30th July, a review of development assistance for cotton showed a 9% decline since the last reporting period. There were [renewed calls](#) to remove cotton export subsidies and to offer duty-free quota-free access for cotton exports from least-developed countries.
- In response to mounting pressure from [international actors](#) and the [Mitumba Association of Kenya](#) the [Ministry of Industrialization and the Kenya Bureau of Standards \(KEBS\)](#) announced a lifting of the temporary ban on second hand clothing imports. [Local manufacturers](#) had argued that the COVID-19 imposed ban should be made permanent.
- According to [Business Daily](#), Mitumba importers are now urging government to fast track clearance for second hand clothing and shoes to recoup losses incurred over the past five months.
- South Africa, a major destination for East African textiles, saw clothing a footwear retails sales decline [7.6% year on year to June](#) in line with broader retail sales. [Imports of textiles fell 53%](#) month on month in June.
- Capitalising on import substitution potential of COVID-19, [Ghanaian President](#) Akufo-Addo has directed that all public sector procurement of textiles and garments be from local producers.

2.4. FORESTRY (EAST AFRICA)

- [According to a recent report from the Architectural Association of Kenya \(AAK\)](#), construction costs have increased significantly due to travel restrictions imposed as a result of COVID-19. Input construction costs have increased by 6.5% year on year.
- Tanzania's construction sector has continued to perform well despite COVID-19, with a 31.2% annual growth in commercial loans distributed to the sector according to the [Bank of Tanzania](#).

2.5. LIVESTOCK (KENYA)

- According to Kenya's [Director of Veterinary Services](#), Charles Ochodo, a recent increase in camel deaths in Marsabit, Wajir, Isiolo and Garissa is not due to a strain of coronavirus (Mers-CoV) as originally speculated.

2.6. TEA (EAST AFRICA)

- According to [The Star](#), average tea prices at the Mombasa auction continued to edge up slightly to \$1.85 kg per kilo, up from \$1.82 week on week – indicating a mild recovery after the impact of COVID-19 on the industry.
- Kenya's [Minister of Agriculture](#), Peter Munya, has pushed forward with another set of agricultural reform efforts on the back of COVID-19 – this time putting in place a host of new measures in the tea industry (such as a reduction in KTDA management fees) to ensure more funds end up in farmers' pockets. The industry is currently hampered by 42 various taxes that cut into farmers' profit margins, according to one opinion in the [Daily Nation](#).
- According to India's [state-run Tea Board](#), the country's tea production has reduced 26.4% year on year due to flooding and movement restrictions related to COVID-19 in the country's main tea producing area.
- Globally, [black tea production is down 8%](#) year on year over Q1 & Q2 2020, resulting from lockdown measures, closure of factories as well as adverse weather patterns in a number of tea producing countries.

2.7. WATER (KENYA)

- As COVID-19 has triggered a liquidity crisis in Kenya's water sector, recent research from the [National Bureau of Economic Research](#) in the US has analysed the efficacy of using the hard threat of cutting off supply to enforce repayment. The paper has provoked a fierce debate on [Twitter](#) about the ethics of conducting this type of Randomised Control Trial (RCT).

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)	<i>No specific East Africa support to report</i>
BMZ – Germany (has committed €3B to fight the pandemic worldwide & scale up economic exchange with Africa)	<i>No specific East Africa support to report</i>
DFID - UK (has committed £744M and announced £2.9B cut to budget in 2020, with only spending on “bottom billion”, climate change and girls education protected)	<ul style="list-style-type: none"> • Trade Mark East Africa (funded by DFID) has announced a \$20M safe trade emergency facility • DFID has set out how its re-orientating manufacturing support in response to COVID-19 – with reference to market assessments undertaken in Uganda & Kenya (supported by Msingi) • £6.85M 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.
JICA – Japan (has committed \$768M)	<i>No specific East Africa support to report</i>
USAID - US (has committed \$1B+)	<ul style="list-style-type: none"> • East Africa: Kenya & 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. • Kenya: \$6.6M for COVID-19 activities. Facemasks for border police unit & 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. • Tanzania: \$3.6M to support surveillance, laboratories and infection prevention / control efforts • Rwanda: donated 100 medical ventilators

3.2. MULTILATERALS

INSTITUTION (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)	<ul style="list-style-type: none"> • Kenya: KSh 22B loan to help the country mitigate the economic, health & social impact of the pandemic • Tanzania: \$50M concessional loan for budget support • Rwanda: \$98M concessional loan to strengthen the national budget – fund health system, safeguard economic resilience and support the vulnerable
African Export-Import Bank (has established a \$3B facility)	<i>No specific East Africa support to report</i>
EU (is mobilising €15.6B)	<ul style="list-style-type: none"> • East Africa: €60M to tackle the health & socio-economic impact of COVID-19 in support of the Intergovernmental Authority on Development (which includes Djibouti, Ethiopia, Eritrea, Kenya, Somalia, Sudan, South Sudan & Uganda). In addition, signed a €5M deal to support the Safe Trade Emergency Facility, run by Trade Mark East Africa. • Kenya: \$350M in funding for the country’s COVID-19 response measures • Kenya: 66.25 M KSh to support local communities in responding to COVID-19 • Rwanda: RWF 55.5B grant to support social protection response to COVID-19 crisis, protecting food security of 630K households
IMF (stands ready to mobilise its full \$1T)	<ul style="list-style-type: none"> • East Africa: Raised the annual loan limit for low-income countries via its Rapid Credit Facility, which Rwanda, Uganda and Kenya have accessed • Kenya: Access to Rapid Credit Facility (\$739M) • Tanzania: Access to the Catastrophe Containment and Relief Trust (\$14.3M - \$25.7M) • Rwanda: Access to Rapid Credit Facility (\$109.4M + \$111M) & Catastrophe Containment and Relief Trust (\$10.96M)

	<ul style="list-style-type: none"> • Uganda: Access to Rapid Credit Facility (\$491.5M)
UN	<ul style="list-style-type: none"> • 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 • Kenya: \$3.1M committed to mitigate the impact and spread of the virus & launch of One Stop Youth Resource Centre in Mandera, which will introduce 10 handwashing stations in the county • Uganda: The United Nations Children's Fund (UNICEF) has received \$4.4M from the Government of Sweden to support Uganda's COVID-19 humanitarian response
World Bank (expects to deploy \$160B in emergency financing over the next 15 months)	<p>East Africa</p> <ul style="list-style-type: none"> • The World Bank has set up the Emergency Locust Response Programme - a \$500M scheme to assist rural households in East Africa & the Middle East • The World Bank has set up a Pandemic Emergency Financing Facility (\$195.8M) to support 64 of the world's lowest income countries. East African states could access up to \$15M each in grants. <p>Kenya</p> <ul style="list-style-type: none"> • \$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) • \$50M in immediate funding to support the Kenya COVID-19 Emergency Response Project • \$43M transferred to counties to bolster local health response measures • \$50M transferred via IFC to Equity Bank - for onward lending to SMEs struggling due to COVID-19 • \$50M transferred via IFC to Diamond Trust Bank - for onward lending to SMEs struggling due to COVID-19 • \$150M to support access to basic services for slum dwellers <p>Rwanda</p> <ul style="list-style-type: none"> • €91.4M loan agreement between Rwanda & the World Bank's International Development Association (IDA) • \$14.25M in immediate funding to support the Rwanda COVID-19 Emergency Response Project <p>Uganda</p> <ul style="list-style-type: none"> • \$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)

3.3. PRIVATE FOUNDATIONS / INDIVIDUALS

INSTITUTION (A-Z)	EAST AFRICA SUPPORT
Bill & Melinda Gates Foundation (pledged \$250M to COVID-19 response and \$1.6B to GAVI, the Vaccine Alliance)	<i>No specific East Africa support to report</i>
Bloomberg Philanthropies (pledged \$40M)	<i>No specific East Africa support to report</i>
Facebook (pledged \$20M)	<i>No specific East Africa support to report</i>
Google (pledged \$800M)	<i>No specific East Africa support to report</i>
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	Kenya & Rwanda : Launched \$800K COVID-19 Adaptation Fund – to help governments, aid agencies and development organisations adapt programming and alleviate poverty during the pandemic.

Jack Dorsey (moved \$1B to “Start Small” fund)	No specific East Africa support to report
Jack Ma & Alibaba Foundation Mastercard Foundation	Sent medical equipment to numerous countries, including Rwanda & Tanzania <ul style="list-style-type: none"> • East Africa: Mastercard has launched a COVID-19 Recovery & Resilience Programme (which will support Kenya, Rwanda & Uganda). In Kenya, funding will be channelled through Technoserve, KEPSA, the Kenyan Chamber of Commerce and the Women Work Network. • 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 & 2.1K community health volunteers. • Rwanda: In support of World Refugee Day & COVID-19 recovery, distributed grants worth \$2.3M to businesses in refugee camps
Rockefeller Foundation (pledged \$50M)	No specific East Africa support to report
Skoll Foundation (pledged \$200M - 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 £200K)	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
- [Donor Tracker.org](#): this website monitors press briefings released from the world’s major bilateral donors
- [FAQ](#): 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.*
- [McKinsey & Company](#) (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*
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- [World Bank](#) (May 2020) *Tanzania Economic Update: Addressing the Impact of COVID-19*

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