



Council of the European Union
General Secretariat

Brussels, 17 April 2020

WK 3918/2020 INIT

LIMITE

COAFR

WORKING PAPER

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NOTE

From:	General Secretariat of the Council
To:	Africa Working Party
N° prev. doc.:	WK 3482 2020 INIT
Subject:	COVID 19 epidemic impact assessment on Africa

Delegations will find attached, for information, an assessment of COVID 19 epidemic impact on Africa.

Please note that the document does not represent an official position of EU institutions.

COVID 19 epidemic impact assessment on Africa #2

Summary

As of early April, almost all African countries have notified confirmed cases and the cumulative has passed the 10,000 threshold. However, COVID-19 appears to be spreading more slowly than initially expected.

Despite their necessity, confinement measures (up to many “State of Emergency”) put African societies under increasing stress with fears that their negative impact as a result of economic asphyxiation will out-weigh the health progress. Certain adaptation efforts could be envisaged given local specificities where a large share of the active population tries to make a daily living in the informal sector.

The social-economic consequences of the outbreak are becoming real. The combination of trade and production shocks will be most felt by the agricultural sector. Disruptions within manufacturing, tourism, transportation and construction sectors will also have a negative economic and social impact. Knock-on effects for public sector are severe, in terms of reduced tax revenues, limitations on access to hard currency and debt stress.

Beyond isolated violent demonstrations directly deriving from the confinement the internal stability of certain countries will be tested with COVID-19 also being instrumentalized for political purposes. In this respect, following situations require specific monitoring Guinea Conakry, Malawi, CAR; Lake Chad, Burundi, Sudan, Somalia, Mozambique.

Besides the “Team Europe” mobilisation, G20 approved a suspension of debt service payments for the poorest countries.

Detail

1. On the ground, the COVID-19 is spreading more slowly than expected in Africa

i) Most African countries have notified confirmed cases and the cumulative has **passed the 10,000 threshold on 07 April**, of which 55% in Sub-Saharan Africa. As of April 15th, the cumulative number of confirmed cases in Sub-Saharan Africa is 7275. The mortality rate remains stable around 2.3% or 10 per day, less than half the mortality rate in North Africa, while the relative share of recovered cases continues to increase to over 18% now; less than 80% of the cumulative total of registered cases are still active.

The late official detection of COVID 19 can be explained by the limited traffic with the initial epicentre of the pandemic (not. China, Europe) and the limited initial testing capacity.

ii) **Progress of the pandemic in Africa has been much slower than most models had predicted.** It seems that the number of confirmed cases doubles only every 8 days and growth rates are not rising. In Sub-Saharan Africa only 13 countries have notified more than 100 cases, and only South Africa has reached the 1,000 cases bar, on 28 March, but since then the viral curve has considerably slowed down and the number of confirmed cases has still not doubled, 11 days later. Only very few countries report no cases (Comoros, Lesotho).

It had been anticipated that the COVID-19 viral curve could be more explosive than elsewhere but various factors explain the current trend in Africa:

- the **young population** (more than 50% under 18, less than 5% older than 65) slows down transmission and has a much larger share of asymptomatic COVID-19 cases;
- the initial cases were imported by **expatriates and members of the socio-economic elite** who could more easily self-isolate, limiting the initial take-off of the viral curve and delaying initial community transmission;
- the impact of **early containment** measures taken by national and local authorities;
- while research hasn't confirmed this hypothesis, some claim that co-morbidity may be partially neutralised by vaccination campaigns and use of **anti-retroviral therapies**;
- **under-reporting** in countries with extremely weak health systems and limited monitoring capacities for the diagnosis and surveillance of infectious diseases. This could explain a contrario the faster spread in countries with better capacity such as South Africa, Mauritius.

Nonetheless, a larger spread of the virus is still expected and it is probable that preventive measures will need to be prolonged. Delegations already warn that the multiplication of clusters of contamination and their increasing geographic spread stretches the capacity of the health system to trace all suspected contacts beyond its limits, enhancing under-reporting.

2. Confinement strategies put African societies under increasing stress

All countries are responding with **decisions to reduce mobility and impose social distancing** as well as limitation of public gathering, international travel and ultimately closure of airspace. In addition, closure of market places and limitation of public transport, up to even more strict confinement measures. Preventive measures such as compulsory quarantine are put in place (e.g. Mozambique almost 5.000 people), or release of prisoners (e.g. Zimbabwe 1680 prisoners). Measures are largely security driven – hence supported by a declaration of general “lockdown”, “state of emergency” and “curfew” – with less emphasis on society to self-control and respond through civil society organisations including religious organisations, youth groups, women's groups etc. Only very few countries are implementing a partial lockdown (Eswatini) or are still waiting to take bold measures (Seychelles).

An **increasing number of voices are questioning the effectiveness of confinement measures, out-weight by their harsh social impact due to economic asphyxiation**. In high-density urban areas, they are hard if not impossible to implement given the housing conditions and community life. Similarly, where a large share of the active population tries to make a daily living in the informal sector, mobility and access to (informal) markets, sometimes across borders, are essential elements in its coping strategy, not only for the informal traders and transporters but also for the peasants who have to sell their limited surplus production.

The social consequences can be felt also with the **disorganisation of the basic health and education systems**: vaccination campaigns are being suspended (with potentially much larger health impact), human and physical resources are reoriented to cope with the pandemic. There is a possibility of increased overall morbidity by diverting efforts from other crucial diseases. Schooling but also the accompanying measures such as school-feeding and WASH programmes have also been suspended which could ultimately reinforce negative impact.

Against this background, the mobilisation of armed forces to impose measures can quickly become counter-productive, leading to protest actions, excessive force or arrests, which all undermine the social distancing objectives. Citizens are arrested for flouting the regulations (more than 2.000 in South Africa), police brutality and clashes with the police are reported in

Mozambique, Namibia, and South Africa. **Isolated violent demonstrations** took place in South Africa, Zimbabwe, Mozambique, Namibia, Mali.

In South Africa it has led to a massive fall in crime rates, while reports on domestic gender based violence (87.000 complaints) have shot up. Same in Nigeria. In Madagascar, an urban exodus is underway with waves of travellers, mostly people who have lost their jobs, leaving Antananarivo and trying to get on foot to their hometowns.

3. Economic implications

Although individual countries have reacted swiftly through enacting preventive measures, most African governments lack fiscal space to be able to adequately address the socio-economic impact. Namibia is an example of a country that has put in place significant economic stimulus and **relief package** of €410 million including repayment moratoriums for small businesses. Similar measures have been approved in Ghana, Mauritius, Eswatini and Mozambique.

The combination of trade and production shocks will be most felt by the **agricultural** sector. In East-Africa, the pandemic combined with the ongoing locust crises now threaten food security and livelihoods of 25 million people in a region that relies on agriculture for roughly one-third of its GDP and more than 65% of its employment. The same percentages apply for West Africa. The impact will extend to the next season because of the difficulty in getting fertilisers often imported from overseas. Shortages will immediately feed through into price inflation, as Vera Songwe, head of UNECA, has warned. For Kenya, Ethiopia, Uganda and Northern Tanzania, the closing of borders has a dramatic impact on the flower industry and horticulture export. Industry experts assess that, beyond 90 days, the multibillion-horticulture export sector in Kenya which support an estimated 8 million people will collapse. In Ethiopia alone 1.41 million jobs could be lost over the coming three months. The main risk for food security in Southern Africa's landlocked countries (Botswana, Zambia, Zimbabwe, Eswatini and Lesotho) and in West Africa is posed by disruption of supply chains and trade in goods at borders.

Disruptions within **manufacturing, tourism** (South Africa, Senegal, Ethiopia, Kenya, Uganda and Tanzania), **transportation** (Addis Ababa, Nairobi, Johannesburg as regional travel hubs) and **construction** sectors will also have a negative economic and social impact. It is already affecting millions of people's livelihoods, with disproportionate impact on poor households and small & medium enterprises that are under cost pressure and face potential closure and bankruptcy.

Governments will face rising deficits and increased pressure on currencies. In the absence of significant fiscal stimulus packages, combined impact of economic, fiscal, and monetary challenges could reduce the continent's GDP growth in 2020. A few examples: in Kenya, GDP growth could decline from 5,2% to 1,9% - representing a reduction in GDP \$3 billion (best case) or fall to -5% representing a loss of \$10 billion (worst case). Similar growth projections in Ghana (from 7% to 2,5%), Senegal (from 6,8% to 2,8%), In Ethiopia, Angola, Zambia the risk of external debt distress remains high due to falling export revenue, while the forex crisis, already significant a few months ago, will get even more dramatic. The economy of South Africa is expected to contract by 3%.

Zimbabwe stands out: it has not announced any mitigating measures and as regards the monetary policy, the Reserve Bank has relaxed the ban on the use of USD which can be used

with some conditions instead of the weak local currency ZWL. Exchange rate controls have been relaxed, bringing the official and black market rates closer to each other.

4. Internally, there is a growing temptation to instrumentalise COVID-19

Like in any other country, a positive outcome and handling of the crisis will inevitably reinforce the image of those in power. In turn, opposition parties are already tempted to disrupt national unity and criticize, rightly or not, either the public response or its effects on civil liberties. Nonetheless, it is foreseeable that COVID-19 will have a lasting an impact on governance:

- **Weakened social cohesion:** In the context of the fragile social contract, the pandemic is likely to exacerbate social and ethnic tensions and undermine social cohesion;
- **Weakened legitimacy and representativeness** of elected institutions as the urgent response has already lead to a growing independence of governments from national parliaments. In the longer run, this could break the fragile balance of powers.
- **Deteriorated security context:** The additional pressure on security forces may give the opportunity to terrorist or armed groups to expand their activities, exacerbating the situation of peace and security (Sudan, Somalia, Sahel).

ii) Following country situations call for specific attention in the coming weeks:

- COVID-19 offers opportunities for **armed/terrorist groups** to further destabilise an already fragile situation. Despite UNSG Guterres' call for a truce, in Somalia, **IS** already and eventually also **al Shabaab** will use the opportunity to increase attacks. In Cameroon and Chad the **Boko Haram** has already increased its attacks in the Lake Chad region. In Chad, a curfew has been imposed in parts of the country on account of the Covid-19 threat (although very few cases as yet), and the country will quickly run out of economic resources to maintain its military riposte operations. Only positive reports following the UNSG call for a ceasefire come from one of the separatist armed groups in Cameroon and two armed groups in CAR. In Sahel and Mali in particular, violent extremist groups such as Al-Qaida affiliate JNIM and Islamic State in the Greater Sahara (ISGS) significantly continue to apply growing pressure on international, national and local security forces. Recent developments even include abduction of a major political leader (Soumaïla Cissé) and a major attack on a military base killing 25 soldiers.
- In **Guinea Conakry**, President Condé is using COVID-19 measures to contain internal and external (UN, AU, OIF, ECOWAS, EU, DE, FR) pressure and preserve the option of a third mandate following a flawed double ballot (new constitution adopted by 92% of the votes) on March 22nd.
- In **Malawi**, the political situation is extremely tense, ahead of a Court decision on the re-run of presidential elections foreseen for May 2020. The President has consolidated his fragile position with personnel changes in the upper echelons of the security forces. The viability of an electoral process under lockdown will also need close examination.
- In **CAR**, there is a risk that the peace and reconciliation process slows down. Armed groups instrumentalise violence whilst CAR authorities and actors are increasingly nervous and tempted to take advantages. Recent arrests of soldiers suspected of mounting a coup and rumours on a possible law prolonging President Touadera's mandate in view of a postponement of the elections foreseen in December are very negative signals.
- In **Burundi**, the government's denial mode of the Covid-19 threat, combined with the increased political uncertainty (regarding elections, further restrictions of political

freedoms) and a de facto withdrawal of the international community, may lead to serious consequences for the population.

- In the **Horn of Africa**, the tripartite summit aimed to defuse dangerously escalating tensions between **Ethiopia, Kenya and Somalia** is postponed, although discussions between the federal government and Puntland are continuing. The fragile peace processes in **(South) Sudan** could also suffer from this lack of international attention.
- In **Ethiopia**, PM Abiy Ahmed held a meeting with leaders of the opposition parties to discuss the handling of the COVID-19 outbreak and the postponement of the elections. Earlier, two leading opposition parties from Oromia published a statement in which they accept the postponement of the elections, while also saying that it gives the opportunity to the electoral board to correct its “immediate and fundamental wrongs”.
- **Mozambique** has experienced three reversals: an escalation of violence in Cabo Delgado, challenging President Nyusi’s authority; the announcement by Exxon, ENI and Total that the crisis will force them to delay their final investment decision for the gas fields; a stalled peace process between Government and RENAMO. Current State of Emergency will make progress on all these tracks improbable for the time being.

5. International response is building up and so are African expectations

With a first meeting of health ministers in February, the **African Union** reacted rapidly to the Coronavirus outbreak. The AU’s specialized agency, the Africa Centre for Disease Control (ACDC) developed an AU Continental Strategy on COVID-19. At the political level, AU Chair Cyril Ramaphosa mobilised the AUC Bureau of Heads of State to develop a coordinated continental response and raise international support. In particular, the African leaders called for short-term access to testing, masks and protective equipment as well as a comprehensive stimulus package for Africa – debt relief – in line with pledges made by the G20 and IFIs. They also highlighted the particular vulnerability of the Sahel region and called for the lifting of sanctions on Zimbabwe and Sudan. To pool funds for continental efforts, the African Union also set up a COVID-19 Response Fund. Furthermore, the AU established continental ministerial coordination committees (Health, Finance, Transports). AUDA-NEPAD and the African Development Bank Group also announced regional efforts to address the pandemic.

The AU report Impact of the Coronavirus (COVID-19) on the African Economy, issued in 6 April, asks the AUC to lead negotiations for the cancellation of total African external debt (US\$236 billion). EU and African leaders have all expressed their support to the moratorium (it is a suspension of repayments from IDA countries; not a cancellation) proposed by IMF and WB. At the same time, the report points out that the COVID-19 crisis has shown the limits of China’s being the solely global manufacture hub considering that Africa could take advantage of this, and argues this crisis should introduce a change in the trade patterns of African countries and transform African economies.

On 15 April the **G20**, with support by the EU and the MS, approved a suspension of debt service payments for the poorest countries, thus creating fiscal space to better respond to the COVID related challenges. Particularly welcome is the setting by the G20 of the “right incentives”, in reality very sound commitments to be undertaken by beneficiary countries. On the issue of eligibility, the line originally proposed by IMF/WB to allow access to all IDA countries was adopted while, as you recall, China reportedly wanted to limit the number of countries to the Least Developed Countries. It proved politically untenable for China to maintain its initial position which would have excluded approx. 30 countries (including some

countries in Sub-Saharan Africa) from the eligibility list. The additional reference to LDCs seems more an elegant way out for China;

China, Jack Ma, was very visible in its initial response by sending testing kits and other crucial medical supplies needed to fight the spread of Covid-19 across the continent. However, reportedly the quality of Chinese kits may not be always as good as required. Most of the credit gained was lost by African leaders' protest against racist discrimination against Africans in Gunagshou.

The **US** State Department and USAID announced an initial investment of nearly \$274 million in emergency health and humanitarian assistance to help countries in need. The US has now step up its efforts to counter Chinese influence on the continent.

The announcement of the **Team Europe** package (€15,6 billion) as well as French President Macron's G20 activism for debt relief, medical aid, research and humanitarian funding has raised expectations of African leaders who will now want to see deliverables.

6. Information, disinformation and communication will remain a challenge

i) Disinformation about the pandemic is a global trend, not specific to Africa, but which finds fertile ground on the continent, particularly because of the widespread use of social media/networks. Like elsewhere in the world, fake news concerning how to treat COVID-19 or how to prevent it are spreading on the African continent. This is the case not only on social media but also on TV channels, self-proclaimed 'healers' are dispensing non-scientific and even fake advice on how to prevent or treat the virus. Central and West Africa seems to have been particularly susceptible, with large seizures of fake medicines in Cameroon and Nigeria.

ii) Physical hostility, stigmatization or discrimination seems to aim primarily people diagnosed with COVID-19 and foreigners in general, then by extension at European, and, to a lesser extent, Asian nationals. This stigmatisation remains globally limited and relatively localised.

On social media, the idea that the West (or even the EU) might use Africans as guinea pigs has been gaining traction following a recent, and largely misinterpreted, interview on a French TV on possible vaccine trial tests.

iii) A specific communication has already been deployed by the Delegations and, more generally, by the EU Institutions. While it is probably still too early to measure the impact on public opinion in the countries of West Africa, it seems at first sight that the communication that accompanies emergency measures and practical aid directly to the people is the most effective. Financial announcements will therefore have to be linked to concrete actions to alleviate the impact of COVID-19./..