African Development Bank Group's COVID-19 Response Evaluation

Case Study – South Africa

June 2022
# TABLE OF CONTENTS

Figure 1. Evolution of South African COVID-19 pandemic  4 ........................................................... 1

1. Acronyms ......................................................................................................................................... 2

2. Introduction ................................................................................................................................... 3

3. Country context ................................................................................................................................ 3
   3.1. The Bank's COVID-19 Response Operations in the Country ....................................................... 7

4. Methodology .................................................................................................................................... 7

5. Evaluation findings .......................................................................................................................... 8
   5.1. Preparedness ................................................................................................................................ 8
   5.2. Relevance and adaptation ........................................................................................................... 8
   5.3. Coherence and Coordination ....................................................................................................... 9
   5.4. Efficiency .................................................................................................................................... 9
   5.5. Effectiveness ............................................................................................................................ 10
   5.6. Monitoring and Evaluation ......................................................................................................... 11

6. Conclusions and key lessons learned ......................................................................................... 12

7. Annexes .......................................................................................................................................... 15
   Annex 1: Performance ratings by evaluation criteria ........................................................................... 15
   Annex 2: Data Collection Sources ...................................................................................................... 15

Figure 1. Evolution of South African COVID-19 pandemic ........................................................................ 4
1. Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF</td>
<td>African Development Fund</td>
</tr>
<tr>
<td>AfDB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>BFAP</td>
<td>South African Bureau for Food and Agriculture Policy</td>
</tr>
<tr>
<td>CDC</td>
<td>Center for Disease Control</td>
</tr>
<tr>
<td>CRF</td>
<td>Crises Response Facility</td>
</tr>
<tr>
<td>DSD</td>
<td>South African Department of Social Development</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GoSA</td>
<td>Government of South Africa</td>
</tr>
<tr>
<td>HSRC</td>
<td>South African Human Sciences Research Council</td>
</tr>
<tr>
<td>IDEV</td>
<td>Independent Development Evaluation Department</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IMT</td>
<td>Incident Management Team</td>
</tr>
<tr>
<td>MDB</td>
<td>Multilateral Development Bank</td>
</tr>
<tr>
<td>NCCC</td>
<td>National Corona Virus Command Council</td>
</tr>
<tr>
<td>NDB</td>
<td>New Development Bank</td>
</tr>
<tr>
<td>NT</td>
<td>South African National Treasury</td>
</tr>
<tr>
<td>PBO</td>
<td>Policy Based Operations</td>
</tr>
<tr>
<td>PCR</td>
<td>Project Completion Report</td>
</tr>
<tr>
<td>RBF</td>
<td>Results Based Framework</td>
</tr>
<tr>
<td>RMC</td>
<td>Regional Member Country</td>
</tr>
<tr>
<td>SDR</td>
<td>Standard Drawing Rights</td>
</tr>
<tr>
<td>UA</td>
<td>Unit of Account</td>
</tr>
<tr>
<td>UIF</td>
<td>Unemployment Insurance Fund</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
<tr>
<td>YTD</td>
<td>Year to Date</td>
</tr>
<tr>
<td>ZAR</td>
<td>South African Rand</td>
</tr>
</tbody>
</table>
2. Introduction

The coronavirus (COVID-19) outbreak was first announced in December 2019 in Wuhan, China, and it spread rapidly to the rest of the world. This led to the World Health Organization (WHO) declaring the virus as a pandemic on March 1, 2020. Faced with this situation, the Bank, like several other Multilateral Development Banks (MDBs), implemented a package of measures which included a USD 2 million emergency assistance to WHO-led response to curb the spread of the disease and a UA 7.4 billion (USD 10 billion) Crisis Response Facility (CRF) in 2020. The CRF included UA 6.4 billion (US$8.65 billion) of financing directly to RMCs with up to UA 4.1 billion (US$5.54 billion) for sovereign operations for ADB countries; up to UA 2.3 billion (US$3.1 billion) for sovereign and regional operations for ADF countries; and up to UA 1 billion for ADB non-sovereign operations in all African countries.

Following the implementation of the Bank's COVID-19 Response, the Independent Development Evaluation (IDEV) function of the African Development Bank Group (AfDB), launched an evaluation of the response as part of its approved 2021 approved work program. The evaluation includes Country Case Studies of seven (7) Sovereign Operations (SOs) in Seven (7) RMCs, two (2) multi-country operations covering three countries (Djibouti and Somalia and Madagascar), and one multinational operation implemented by the Africa Centre for Disease Control (CDC).

This report presents South Africa’s case study which was undertaken as part of the evaluation of the African Development Bank (AfDB) Group's support to RMCs' response to COVID-19. South Africa together with Botswana, identified the highly infectious new Omicron variant in November 2021 (Department of Health COVID-19 Statistics, 2022). It was the first country to suffer a surge of infections as a result of new omicron variant, with daily records of positive cases rising to as high as over 20,000.

3. Country context

South Africa is situated on the southern tip of the African Continent and is home to approximately 59.2 million people living across nine provinces. The country is classified as an upper middle-income country by the World Bank (WB); however, the Inequality Index has rated South Africa as one of the most unequal countries in the world in terms of economic distribution. The evolution of Covid-19 cases depicted quite abnormal curves just as in many other parts of world.

Twenty-two days after the first COVID-19 was reported, South Africa went into a national lockdown. A five-level risk-adjusted strategy was developed by the National COVID-19 Command and Control Council (NCCC) to contain the spread of COVID-19 by imposing various economic and social measures, including limits on local and international travel, the closure of educational institutions, a ban on public gatherings and border closures (Moonasar D, et al. 22 Feb 2021 p2).

By 30 September 2020, 209 days after the first case was identified, South Africa had conducted 4,187,917 tests, recorded 674,339 COVID-19 cases and 16,734 deaths (Moonasar D, et al. 22 Feb 2021 p2) see figure 1 below. The graph shows the key milestones in South Africa alongside the 7-day moving average of new COVID-19 cases.
It is also worth noting that South Africa ranked 10th globally with the highest number of cumulative cases (Moonasar D, et al. 22 Feb 2021 p2). Within Africa, South Africa had the highest number of cases, followed by Morocco (123,653 cases) and Egypt (103,193 cases) (Moonasar D, et al. 22 Feb 2021 p2). It also recorded over 100,000 deaths from the disease, more than any other African nation by March 2022. Excess death data, a measure of mortality against a historical average, shows the figure could be three times higher (Antony S. April 2022).

Despite the early interventions initiated to curb the spread of COVID-19, South Africa experienced an exponential increase in COVID-19 cases, as depicted in figure 1. It is speculated that the rapid rise in infections was due to poor adherence to isolation and quarantine guidelines and to non-pharmaceutical interventions, which were exacerbated by high levels of alcohol consumption and socioeconomic factors, especially in high-risk informal settlements (e.g., areas with high population, household densities, and a lack of access to clean water). Furthermore, the return of migrant workers to their place of work, observed after the transition from level 5 to 4, contributed to the spread of and increase in COVID-19 cases (Moonasar D, et al. 22 Feb 2021 p2).
There is a general perception that the early announcement of lockdown measures undertaken in South Africa contributed to the flattening of the curve and the importation and spread of COVID-19 in the country. As observed, the epidemiological curve of the COVID-19 infection showed a flattening and then a gradual increase for nearly three months before cases started to peak in June 2020 (figure 1).

Meanwhile, COVID-19 also accelerated the economic meltdown in South Africa. It was clear that South Africa's economy had not been performing well overall even before the COVID-19 pandemic had begun. The economy had not been growing well even before the pandemic. The national lockdown due to COVID-19 caused a drastic reduction of aggregate demand in the economy, an absence of labor from production sites (with the exception of essential services and digital economy workers), and a near total stoppage of transportation services, leading to severe disruptions on the supply side (SACRSP - PCR, April 2021). South Africa's real GDP growth was 0.2% in 2019 but declined further in 2020 with the onset of the pandemic. Real GDP contracted by 8.2% in 2020, the result of a decline in many sectors of the economy. Inflation was estimated to have declined to 3.4% in 2020, within the reserve bank target of 3%–6% (AfDB Africa Economic Outlook 2021).

The budget deficit was estimated to widened significantly to more than 14% of GDP, mainly due to spending pressures to contain the economic impact of the pandemic. By straining public finances, COVID-19 pandemic further weakened South Africa's fiscal position. At the same time, the economic collapse, and loss of tax revenues, created a significant revenue gap. To address the gap, South Africa has traditionally borrowed from the market and did not borrow from multilateral banks such as the World Bank, AfDB or the International Monetary Fund (IMF). They always used expensive route of borrowing from the money market. COVID-19 became the entry point that nudged the South Africa government hand to approach the World Bank, IMF and AfDB for funding for COVID-19 emergency response. The National Treasury (NT) approached World Bank, New Development Bank including Africa Development Bank for assistance.

While these loans were considered to provide substantial support to the economy and livelihoods, they were bound to significantly increase the already worsened budget deficit and debt burden in the country. There was a double blow for South Africa economy. COVID-19 took its toll and lingering economic weaknesses prompted the three major credit rating agencies to downgrade South Africa's local and foreign currency credit rating to sub investment grade. According to the first wave of national income Dynamics Study – COVID-19 Rapid mobile Survey- NIDS-CRAM (7 May to 27 June 2020) carried out by Statistics, South Africa showed that 'employment declined substantially and that the effects of this were largest for the most disadvantaged 'population'.

The South African economy was already slowing down in the third and fourth quarters of 2019, with unemployment at 29% in the fourth quarter. With the advent of COVID-19, income loss to the workforce was estimated at R89 to R96 billion during the 65 days of lockdown at levels 5 and 4 (UNDP COVID-19 Rapid Needs Assessment Study 2020). An estimated 2.6 million informal workers in micro and small enterprises were impacted in the same period, resulting in an estimated income loss between R 15.7 billion and R 17.0 billion. 25% of informal workers who were just above the Upper Bound Poverty Line were anticipated to likely fall into poverty (UNDP COVID-19 Rapid Needs Assessment Study 2020).

The 2020 UNDP COVID-19 Rapid Needs Assessment Study also revealed that over 740 000 informal workers were at risk of falling below the upper poverty line during the extended lockdown due to COVID-19. Income loss was estimated at between R 41 and R 53 million (USD 2.2 and USD 2.9 million, respectively) for 9.5 million affected employees in the formal sector. In addition, 2.5 million informal workers and owners of SMMEs were affected (93% of the total informal sector), losing between R 15 and R 17 million (USD 814,682 and USD 923,306) (UNDP COVID-19 Rapid Needs Assessment Study 2020).

The impact of COVID-19 on employment was also significant: the African Development Bank Economic Outlook 2021 report estimated that about 2.6 million people lost their jobs since March 2020, bringing the unemployment rate to 30.8% in September 2020 from 23.3% in December 2019.

The agricultural and education sector were not spared either. Even before COVID-19 hit, South Africa had an ongoing political debate about land expropriation without compensation submitted to parliament.
for debate had already created uncertainties and affected investor confidence in the agricultural sector. (BFAP, Baseline Agricultural Outlook 2018-2027, p102). While the debates were ongoing, COVID-19 hit and disrupted the entire food system at different levels and at different points along the value chain.

Disruption of the supply value chain and logistical problems in harvesting and transport exerted upward pressure on food prices in South Africa. Although many agricultural services and supermarkets were classified as essential services; access to informal food sources, which the majority of resource-poor families relied on, was restricted. This negatively impacted the business of these small street vendors and the consumers in the low-income band (BFAP Baseline Agricultural Outlook 2018-2027 p78-79)). Due to COVID-19, many countries introduced trade restrictions, including South Africa. For example, during the first part of the lockdown in South Africa (Level 5 and 4) the sale of alcohol was banned entirely. This had a direct impact on the flourishing wine industry and exports.

Although, South Africa is food secure at the national level, with a robust agricultural system, even before the advent of COVID-19, in 2017, about 13.4 million households reported inadequate access to food, and 1.6 million reported hunger (BFAP, Baseline Agricultural Outlook 2018-2027; UNDP, COVID-19: Socioeconomic Impact Assessment, 2020, p15). Export volumes recorded during lockdown were well below levels earlier in the year and YTD exports were below 2019 levels (e.g. apples passing export inspection were down 8%, pears were down 7%), hampered by substantial delays at regional border posts. Food prices increased, possibly due in part to consumer hoarding, market conditions, or supply shortages. The urban food basket rose by 4.5% from R 869.94 in November 2019 to R 908.62 in April 2020 (BFAP, Baseline Agricultural Outlook 2018-2027, p7).

COVID-19 caused significant food insecurity in many households, with an estimated 8.2 million people living below the food poverty line before the pandemic. Food insecurity was likely to be especially dire for the 0.9 million households with severely inadequate food access before the lockdown. (BFAP, Baseline Agricultural Outlook 2018-2027; UNDP, COVID-19: Socioeconomic Impact Assessment, 2020, p15). In addition, the school nutrition program was also disrupted, causing many children that depended on this school food to go hungry. The lost school meals due to school closure compromised the nutrition status of 9 million children who no longer benefitted from the National School Nutrition Program (UNDP, COVID-19 in South Africa: Socioeconomic Impact Assessment, 2020). For many South African children, school meals are the primary source of reliable and nutritious food, and the lack of school meals risked increasing acute malnutrition or wasting among these children.

The health sector was significantly affected. The healthcare system was extremely overstretched, barely coping with its patient load in the 1st and 2nd waves. COVID-19 was first reported in South Africa on 5 March 2020 and by 26 March 2022, on the 2nd year of anniversary since the lockdown was imposed, South Africa had accumulated total of 3,709,209 positive cases, with recovery rate of 96.9% (3,595,512). Sadly the country lost 99,939 lives from COVID-19 (Department of Health COVID-19 Statistics). It was also estimated that the country lost nearly 600 of its healthcare workers during the 1st and 2nd waves, who played the vital role of front-line workers battling the virus to save lives. (Department of Health COVID-19 Statistics). In addition, there was a significant negative impact on access to other healthcare services, with 7.8% of a (relatively small) survey of persons with chronic conditions indicating that they had not been able to access normal healthcare due to fear of infection or arrest, lack of travel money, and other factors (UNDP, South Africa COVID-19: Socioeconomic Impact Assessment, 2020).

The government initiative to contain the virus by repurposing the staff responsible for HIV and other health programmes for the country's COVID19 response hampered routine contact tracing for many diseases and their follow-ups (UNDP, COVID-19: Socioeconomic Impact Assessment, 2020). In addition, equipment and staff involved in provision of routine and essential health services were diverted to fulfil COVID-19 response needs as the country was mobilizing all resources to increase its health care capacity in the face of the pandemic (UNDP, COVID-19: Socioeconomic Impact Assessment, 2020). A report by Imperial College London p145 stated that ““in high burden settings like South Africa, HIV and TB related deaths over 5 years may be increased by up to 10% and 20%, respectively, compared to if there were no COVID-19 epidemic”” (Alexandra B Hogan and others, Report p19, 2020).
Routine health services were seriously hampered by consequences of not seeking services for fear of contracting infection, avoiding overcrowding in facilities, physical distancing, travel restrictions due to lockdown and economic slowdowns. Excess TB and HIV mortality (compared to a hypothetical baseline of no COVID-19) at the end of five years may rise 10-20% (Alexandra B Hogan and others, Report p19, 2020, pp7-8). A survey by the Human Sciences Research Council (HSRC) also indicated that approximately 13.2% of the population indicated that their chronic medication was inaccessible during the lockdown. Approximately 13%-25% of those living in informal settlements, rural (traditional tribal areas) and farms indicated their chronic medications were not easily accessible. (HSRC Study, 2020, p146).

3.1. The Bank's COVID-19 Response Operations in the Country

The African Development Bank board approved UA212m/ ZAR5 billion Crisis Response Budget Support, which was comparatively small compared to the US$1 billion request to the bank to meet SA COVID-19 needs estimated at ZAR500 Billion budget target announced by the National Treasury in February 2020. The aim of the Africa Development Bank's program support (SACRSP) was to support the government of South Africa (GoSA's) efforts to respond to the COVID-19 pandemic and to mitigate its economic and social impacts (SACRSP, Appraisal Report April 2021).

The operational policy objectives of the program were to: (i) Protect Lives and promote access to essential COVID-19 goods and services (ii) Protect Livelihoods by preserving jobs, incomes, food security and access essential public services (iii) Protect Firms by supporting enterprises in the formal and informal economy to withstand COVID-19 (SACRSP, Appraisal Report April 2021). The expected outcomes of the program as a whole included reduced loss of life; enhanced social protection and food security; protected income, jobs and livelihoods, and enhanced access to public services; and boosted resilience of businesses, especially MSMEs, to withstand the pandemic and prepare for economic recovery (SACRSP, Appraisal Report April 2021).

The AfDB SACRSP, budget support was clearly aligned with the South Africa government policy measures. The program consisted of three broad mutually reinforcing components derived from the government's policy objectives. Component 1 sought to contain the pandemic through funding health care services in order to facilitate the phased reopening of the economy planned by the authorities; component 2 sought to safeguard livelihoods to cushion the poor and vulnerable from the adverse effects of the pandemic while component 3 focused on economic resilience firstly to safeguard jobs which was quite critical to ease the burden on individuals, society, businesses and state from severe impact of the pandemic and secondly to act as catalyst for economic recovery (SACRSP, Appraisal Report April 2021).

4. Methodology

The objective of the Case Study exercise is to undertake a deeper assessment of the relevance, efficiency, coherence, and effectiveness of sampled COVID-19 response PBOs. The case studies assess aspects related to the Bank's coordination with other stakeholders in the selected countries, policy
dialogue etc., and subsequently synthesize the results to draw relevant lessons for effective response to future crises by the Bank. The case study data collection tool included rating scales to enable aggregation of findings from the different country case studies being undertaken. The applicable ratings for each of the specific evaluation questions and the main evaluation ratings for each evaluation criteria and focus area were based on simple averages of the ratings for the specific questions as outlined in Annex 1 of this report. Consequently, gathered useful quantitative and qualitative data as well as document review was an integral part of the study as can be seen in annex 2.

5. Evaluation findings

5.1. Preparedness

The arrival of COVID-19 was sudden, but there was sufficient evidence that enabled the government to adjust and respond effectively using previous lessons from the HIV pandemic. Meanwhile, Bank employees had no prior lessons learned from the previous pandemics to apply, although they received a lot of praise from the government and other stakeholders for their pro-activeness in doing the right things. This included allowing for flexibility and skipping many processes and guidelines to accommodate the emergency, from the design, approval and disbursement stages of the COVID-19 response fund. One respondent from the government said, ""It is difficult to say the country was prepared as the pandemic was sudden, but we had to rapidly adjust, based on the unfolding situation"". The overall rating of preparedness is 4, equivalent to highly satisfactory.

5.2. Relevance and adaptation

The evaluation observed clear evidence of alignment between the Bank's operations' objectives, and the strategic priorities and objectives of the country's COVID-19 response. Further, evidence was noted that the Bank tailored its response based on the government-identified policy measures and needs. Evidence of flexibility and leniency of the Bank's loans, cheapness in terms of cost of repayments, none-conditionality, and that the funds were tailored towards the most vulnerable segment of society were clearly cited as the fund's relevance; although on the flipside the banks loan was of a smaller size compared to the government budget needs and the fact that the fund did not address long term sustainability and building of resilience in the interventions were factors that were cited as areas for future improvements. The overall rating of relevance and adaptation is 4, equivalent to highly satisfactory.

According to the documents reviewed and the respondents interviewed in both the bank and government, the AfDB CRSP was clearly aligned with the South African government policy measures and identified needs- see Annex 3: AfDB Objectives, Outcomes and Outputs alignment with Government Policy Matrix (SACRSP Appraisal Report July 2020- Result Framework).

Overall rating is 4- highly satisfactory.
5.3. Coherence and Coordination

The evaluation observed evidence of national leadership in the implementation of the 'Bank's COVID-19 response and other related Covid19 response programs, including establishing the National COVID-19 Command and Control Council (NCCC) led by the President and his cabinet. It established the National Solidary fund to help mobilize resources from the private sector, businesses and individuals for the COVID-19 response. However, there was no active donor coordination forum where the government frequently interacted with donor partners. Even though the government cited a donor coordination group based at the National Treasury, this was found to be dormant and nonfunctional. Nonetheless, the treasury officials made every effort to coordinate the response with the bank and other agencies.

Evidence gathered pointed to significant synergies and interactions among the 'Bank's COVID-19 response operations and other related COVID-19 responses by other development partners. For example, an informal Development partner Coordination Group was formed that included other multilateral institutions (WB, IMF, AfDB and NDB) that jointly held policy dialogue and coordinated their response with the government throughout the design and approval of the fund. Evidence also showed that when it came to the implementation phase, the Bank staff had difficulties receiving implementation reports, because the Treasury found it challenging to provide quarterly reports which are not aligned with their existing reporting arrangements. While participation of CSOs were also found to have been limited in the 'bank's design process with reasons given to be due to COVID-19 restrictions and limited time to engage them due to the crisis situation. Overall rating of coherence and coordination is 3, equivalent to satisfactory.

5.4. Efficiency

The efficiency of the design, approval, and disbursement of funds from the 'bank's side was significantly improved. It was one of the success stories cited by the government and other stakeholders, including peer multilateral institutions such as the WB. Clear evidence of no delays in the design, approval, disbursements of funds and implementation of Covid-related operations throughout their project cycle was observed, although a delay of 2 months waiting time before the signing of the agreement was recorded from the government side due to longer time taken by their legal team to provide feedback before the final sign-off by the Minister of Finance.

A few issues emerged, such as the appropriate template to design the crisis response support, including changing PBO operations guidelines to CRF operations. This was initially a bit confusing to staff; the timing of the 'banks' intervention- waiting to be approached by government rather than be the one to approach; share of time taken to negotiate the loan with government staff compared to the 'fund's size and evidence also showed that due to the magnitude and the ability of the bank to respond to COVID-19 overstretched the bank resources including its staff capacity based on the amount of the work they had to perform within short span of time. Despite these glitches, there was strong evidence demonstrating the banks management commitment to fast-track the CRF for COVID-19 response to RMCs to enable swift and timely response for relief assistance, while maintaining quality and ensuring full compliance with relevant Bank policies and guidelines.

The government developed national COVID-19 response plan and announced ZAR500 Billion budget with a range of broader areas that needed immediate support, used digital technology to disburse grants to beneficiaries; while also acted fast and established Solidary Fund where individuals, businesses and private sector players were able to contribute resources towards mitigating the impact of COVID-19,
although incidences that affected efficiency were noted related to inadequate and lack of transparency and necessary accountability mechanisms for effective oversight of interventions during implementation allowed loopholes for fraud and corruption, even though government received praise for acting quickly to nap it on the band. Other challenges of efficiency from the government side emanated from a few system failures that occurred denying some beneficiaries from access to some services such as Social Relief Grant and UIF, although these were negligible as compared to the majority who timely received these services.

**Overall rating of efficiency is 4, equivalent to highly satisfactory.**

### 5.5. Effectiveness

The result section is divided into four components. a) The health sector component; b) social protection component; c) economic and business relief measures component and d) vulnerable population component.

A general assessment of the effectiveness outcome of the ‘bank’s contribution to the COVID-19 emergency response was a mixture of excellent success stories and some catastrophic failure, even where government had good intentions, although the successes outweighed the failures and therefore the intended purpose and impact was achieved.

**Health and Social protection component**

Conclusive and preliminary evidence pointed to the fact that the outputs and outcomes related to the health sector component (improved health systems especially testing and vaccination capacity); and social protection components (such as special COVID-19 SDR grant, Unemployment Insurance Fund (UIF)) and those interventions targeted at vulnerable population (women, children, and the elderly) were successfully achieved or were likely to be achieved at the time of evaluation. These interventions were assessed to have highly succeeded in reaching or were likely to reach their intended beneficiaries and significantly had the greatest impact in the ‘recipient’s lives during the pandemic, despite minor drawbacks such as challenges with criteria of qualification, in some cases inadequate procurement processes and attempted corruption during the tendering for services. For example, first iteration of the Special Covid/19 grants subcomponent was under implemented, due to the general low rate of applications received and approved with a considerable gender unbalance. To address this gender imbalance, the grant has been extended to include caregivers, the majority of whom are women.

Nonetheless, substantial improvement has been achieved in the average time to receive COVID-19 test results, which are received within a maximum of 24 hours with slightly delays in public centers. Tough, government need to continue investing in good surveillance and scientific infrastructure to build a solid basis of his preparedness for any other future pandemic.

**Economic and business relief**

Final results from the PCR shows that the SMME Relief scheme, was the most successful subcomponent of this intervention, overachieving rates of 227% above their initial targets, mainly on the most vulnerable groups (youth and persons with disabilities), with a highlighted achievement in terms of Gender balances. This intervention supported prosperous SMEs such as Spaza Shops Support; Tshisanyama and cooked food Support; Bakeries and confectionaries Support; Autobody repairers and mechanics Support; Personal Care Support; Clothing, Leather and Textile; Fruit and vegetable Hawkers; and Butcheries Support program.
However, the overall economic relief and business recovery component of the 'banks’ contribution was perceived by many respondents including government officials themselves and beneficiary ‘representatives’ as total failure. These included ZAR200 billion COVID-19 Government Guaranteed loan scheme to SMEs; and interventions meant to improve SOE governance and to bring stability to energy supply by Eskom.

The reasons for failure included the fact that these interventions were not adequately planned and designed with beneficiaries in mind and with the understanding of the prevailing environment at the time-officials failed to realise the changed environment from normality to emergency during the design and execution, which in all purposes needed a different and painful approach. Most of the criteria would be borrowers/clients for these new schemes were the same if not even more stricter than during the normal circumstances, for example, government and banks not able to predict that borrowers would be reluctant to borrow in uncertain and unpredictable situations and would prefer a mixture of grants instead of loans; coupled with a tendency to only consider borrowers who were in good standing before the onset of COVID-19 outbreak threw out many would be borrowers for these schemes leading to the cited failures.

Evidence also indicated no progress was achieved or was likely to be achieved in the foreseeable future from the outputs of improved SOE governance and stability of energy from Eskom as the issues of the power utility were much bigger and complex than the ‘bank’s contributions during the response and would take government many decades to resolve. Therefore, there is need to increase competition and security of electricity supply, private sector participation increasing and renewable energy production is being accelerated to decarbonize the energy sector. In this context, the 1 MW limit for license exemption for new embedded generation (EG) has been raised to 100 MW, fitting within the power consumption profile of many industrial facilities, instead of relying exclusively on Eskom.

Evidence also indicated that there was no formal framework for policy dialogues with the bank and the government, but there was regular ad hoc engagement during COVID-19 response support, although government cited that there is formal donor coordination group, but evidence pointed out that ‘it’s dormant and not active – not functional. The reasons were that South Africa is a middle-income country and does not seem to value its demand, coupled with the fact that government had not been borrowing from multilateral financial institutions instead preferred to access the funds through the money market.

Overall rating of effectiveness is 3, equivalent to satisfactory.

5.6. Monitoring and Evaluation

Evidence showed that the bank had result based framework (RBF) which was in place to monitor the grant and had quarterly reporting requirements in place included in agreement, although the monitoring data was available at national ministries and departments, South Africa government through the National Treasury found it hugely challenging to collect data for quarterly reporting which led them not to provide quarterly reports as stipulated in the agreement, save to say that they managed to provide annual report/project completion report at the end of the project. This made it difficult for the bank to track/monitor the implementation of the fund as the money goes to the National Treasury (a big pot) and the treasury then distribute it to various departments implementing various economic and social relief measures. Given the small size of the funding – it was difficult for government to collect the data from all these departments and report in quarterly basis, even though the data could have been available. The government respondents suggested that it would be better to align the reporting requirements with the current reporting processes – which is annual reporting, although, they felt that additional monitoring mechanisms may be required by the NT to effectively monitor the funds within the departments. The government conceded that it was difficult to monitor the funds and alluded to the fact that the quarterly reporting requirements would need to be renegotiated in the future as short reporting period could not apply in the face of emergency response.
The bank's respondents also agreed that the bank should not have included short term quarterly reporting given the emergency nature of budget support, although there still need for better mechanisms to carry our fiduciary responsibilities to ensure proper utilization of the funds. The review therefore concluded that it became difficult for the bank to measure attribution of results – as the small funds went to budget support and this were then lumped/put together in large pot of money from various sources and distributed to the national departments who were the implementers and so getting direct attribution of where the money went was very difficult if not impossible.

Overall rating of M&E is 3, equivalent to satisfactory.

6. Conclusions and key lessons learned

The AfDB Crisis Response support to the government was found to be timely, relevant and aligned with government policy matrix- response plan, the loan was cheaper in terms of cost of repayment and largely channelled to sectors of the economy that had the greatest need and had significant impact, although the budget was of smaller size as compared with government large budget and emergency response needs. Evidence also pointed to the fact that the bank design and approval processes were fast tracked, although there were some initial challenges with proposal guidelines to be used and additional human resources capacity was needed as staff were overstretched during the design process. It was also found that the bank worked together with other multilateral financial institutions to align the intervention during their engagement with government.

The bank's budget support was found to have largely achieved its intended purpose, although there were number of challenges in the implementation such as inadequate transparency in the procurement processes that could have led to some resources siphoned off through corruption, although government was commended to have detected this early in the process and acted quickly by investigating and prosecuting all those who were found to be involved. There is difficulty in claiming claim of the results as most of the budget support was distributed to various national departments and therefore it was difficult to monitor and ascertain the direct results realized with the bank's funds as this was placed in a bigger pot with other resources. The bank can only claim contribution in this case, but not attribution.

Key lessons

- **Leveraging of existing and active epidemiological data capacities in the country prior to COVID-19 were effective in identifying pandemic hot spots and in combating the crises.** Existing systems built during the previous epidemics such as HIV/TB outbreaks helped to identify which geographic areas were hotspots and where to implement prevention and control strategies as well as ensuring interventions were adapted and that these were culturally appropriate and effective in the identified hotspots.

- **High-level leadership and commitment of National Corona Virus Command Council (NCCC) was critical in ensuring a coordinated multi-sectoral response intervention from strategic, technical and operational perspectives.** The high political engagement and decentralized provincial incident management teams (IMTs) were in line with global lessons learnt in the response to COVID-19 pandemic which enabled swift evidenced based decision-making from the highest political levels for instituting lockdowns to prepare the health system to increase its capacity and cope with the crisis.
• The use of existing South African epidemiology team and a sentinel hospital surveillance system capacity built prior to COVID-19 served as a good foundation for response to the pandemic. Some of the best practices by the South African epidemiology team was leveraging its capacities in the country built prior to COVID-19 during HIV epidemic which were activated such as the formation of a sentinel hospital surveillance system, which collected data used to monitor bed utilization. Additionally, COVID-19 data were rapidly integrated into the existing influenza and pneumonia surveillance system and COVID-19 Modelling Consortium was established, which was used to guide planning and implementation (Moonasar D, et al. 22 Feb 2021 p4).

• The best practice identified in government response to COVID-19 pandemic was also the creation and implementation of the risk-adjusted strategy together with strong multi-stakeholder collaborations and rapid and decisive actions taken to mobilise the appropriate resources that included established Solidary Fund by the President where business, private sector and individuals were free to donate funds for the response.

• Another key strategy employed early in the pandemic, using lessons and best practices learnt within the country as well as internationally during HIV pandemic, was community engagement and risk communication. A Risk Communication and Community Engagement Working group was established in March 2020, which allowed continuous communication with the population and dissemination of messages through a variety of channels including WhatsApp, radio, television and the internet in all the official South African languages to build and maintain public trust through the pandemic. (Moonasar D, et al. 22 Feb 2021 p4).

• A key lesson noted in the response was the early national lockdown, although was detrimental economically, provided an opportunity to increase the capacity of the health system. During this period, a surge strategy was developed, and provinces were engaged to align the strategy within the specific provincial context. Models were developed to estimate the capacity that would be required at the peak of the epidemic. Healthcare staff were repurposed and trained to ensure there was sufficient knowledge of the specific care that patients with COVID-19 would require (Moonasar D, et al. 22 Feb 2021 p4). A demand forecast for medicines was developed and constantly updated, aligned to the epidemiological profile and new clinical research and experience. Furthermore, the Stock Visibility System was expanded to include monitoring of PPEs at all levels of healthcare, and a governance system was established to oversee the PPE and medicine supply chain (Moonasar D, et al. 22 Feb 2021 p4).

• The major lesson was the activation of the already existing community health workers for the community screening and contact tracing strategy as well as successful activation of digital contact tracing innovative applications used by contact tracers called COVID-Connect. Data were used to pinpoint hotspots and contact tracing teams were deployed into these areas (Moonasar D, et al. 22 Feb 2021 p4). The COVID-Connect system enables individuals who have undergone COVID-19 testing to receive their laboratory results via WhatsApp or short message service.

• The need for continuous oversight and accountability among leaders and the need for strong governance systems to avoid corruption (Moonasar D, et al. 22 Feb 2021 p4).

• A key innovation and lesson learned in administering the MCEP loans were that it was possible for IDC to introduce blended financing instruments that combined both loans and grants together and that the funds can be approved initially as loans and later can be converted as grants.

• The enhanced partnership between government and key stakeholders such as business, labour and development partners made it possible to move with speed and agility in developing economic plans and getting consensus for quick decisions and implementation to improve the economic situation and improve people lives compared to normal times where it always took more than 6 months to 2 years to decide and implement any meaningful economic intervention.
The coming together of all stakeholders to leverage their strengths and resources and have solidarity with the poor compromising for broader public good made it possible to develop the whole society and uplift many people from poverty considering the speed in which hospitals were built including getting ventilators during COVID-19 for everyone and that government could develop all areas both rural and urban and provide equipment with adequate facilities for everyone ensuring equity within a short period of time.

The coordination and collaboration by AfDB with other development partners (such as WB/NDB) to leverage expertise, experience and resources gave better visibility and audience for the bank and so made it easier for crisis budget support to be designed and approved quickly given that the resources offered was of smaller size.

The Bank was better-off and most appropriate to identify one specific policy measure/government response action and put the funds into it so as to be able to measure attribution. The fact that the fund was lumped/put together in large pot of money from various sources and distributed to the national departments health, social development, trade, industry and small businesses whose role were the implementers made it difficult for direct attribution of the bank's response funds.

The Bank could have been better off providing support to South Africa Government through co-financing instrument as opposed to the crisis budget support given that the budget size was smaller as compared to the needs of government to help leverage resources and be more appealing to the government for future lending.

The use of online digital platforms has prepared the ground for the advent of digital welfare in South Africa which means SASSA's current operations model and expenditure of grant administration will come under scrutiny and savings and efficiencies from digital technology have been proven through the Special COVID-19 SRD Grant (DSD Rapid assessment Survey report,p33).
7. Annexes

Annex 1: Performance ratings by evaluation criteria

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Preparedness (Country and the Bank)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Relevance and Adaptation</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Coherence et coordination</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Effectiveness</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>5. Efficiency</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>6. Monitoring and evaluation</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Annex 2: Data Collection Sources

Documents


AfDB. (2021). **P-KE-K00-007 Implementation Progress and Results (IPR) Report for CRF Program Based Operations**. Abidjan: AfDB.


