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Inside Issue

- 01** SA Responses to COVID-19 and COVID-19 Vaccine challenges
- 02** COVID-19 vaccines and developing economies
- & More**

COVID-19 VACCINES AND DEVELOPING ECONOMIES



1 COVID-19 VACCINES AND DEVELOPING ECONOMIES



As the roll-out for COVID-19 vaccine continues to unfold, the OECD (2021) has noted that the wealthy countries remain the primary recipients of the vaccine. Of the 12.5 billion doses that pharmaceutical companies have pledged to deliver, an estimated 6.4 billion doses have been preordered by wealthy industrialized countries. As of March 2021, 380 million doses of COVID-19 had been administered and the largest number of vaccinations

were conducted in the following countries: The United States of America (USA) 70 million, the EU 51% and the United Kingdom (UK) 15 million. South America accounted for less than 10 million of the doses administered globally.

Some 130 countries are yet to administer a single dose with Africa having administered less than 10 million doses (OECD, 2021).

The South African President Cyril Ramaphosa and the World Health Organisation (WHO) have raised concerns about richer countries hoarding for their own welfare first and not caring about poorer nations despite virus spreading globally with few countries unaffected. They are arguing that pharmaceutical companies of “vaccine nationalism” – a situation where producers prioritize their own countries and citizens (OECD).

2 CHALLENGES OF VACCINATING IN AFRICA OR OTHER LESS ADVANCED DEVELOPING COUNTRIES (LDCS, LMICS)

Carrying out rapid immunization against COVID-19 in developing countries is likely to be hampered by logistical and infrastructure challenges that will be necessitated by a shortfall of health workers and fragile health care systems. Developing economies struggle to provide sufficient and affordable supplies of quality medicines and they are

lagging behind in introducing vaccines for existing viruses such as rotavirus and pneumococcal-conjugated vaccine (OECD, 2020). Furthermore, the health system in many Low-Income countries is in a fragile state with many countries suffering from a serious shortage of health workers. The OECD estimates that developing economies have a shortfall

of 5.9 million nurses and 18 million healthcare workers.

Figure 1 below shows the challenges that will confront governments in developing countries in acquiring accessing COVID-19 vaccine from pharmaceutical companies.

Figure 1: Challenges for vaccine access and delivery in developing countries (OECD,2021)

AVAILABILITY OF VACCINE

- Vaccine nationalism
- Transparency in the negotiation of contracts
- The rise of vaccine diplomacy

LOGISTICS AND INFRASTRUCTURE CHALLENGES

- Fragile health care systems
- Challenges on refrigerated storages
- Shortfall of health workers



COST BARRIERS

- Reliance on MDBs to finance for the distribution of vaccine
- Funding gap to developing countries is USD 7.8 billion

BARRIERS TO LOCAL PRODUCTION

- Challenges of intellectual property rights
- Dependence of developing countries on western suppliers

Developing countries will also have to hurdle over the barriers of local vaccine production. Intellectual property rights (IPRs) are regularly cited as a constraint to scaling up access to vaccines in developing countries. In an attempt to address this impasse, multilateral organizations such as the WHO are

advising pharmaceutical companies on building a partnership model that encourages individual companies to grant non-exclusive licences and technology transfer of their products, along the lines of the agreements that AstraZeneca and Novavax have established with the Serum Institute of India for vaccines.

Cost barriers have also imposed difficulties for developing countries to access the COVID-19 vaccine. In this regard, the WHO has called on pharmaceutical companies to be transparent on these contracts, including on volumes, pricing and delivery dates to developing countries.

3 SA RESPONSES TO COVID-19 AND COVID-19 VACCINE CHALLENGES



With a total of 2.85 million cases of COVID-19, South Africa ranks high on the list of African countries that have been affected by COVID-19. The number of deaths also add weight to the cases. In September 2021, number of confirmed deaths was at 849 751 (National Department Health, 2021), likely an underestimate as the South African Medical Research Council estimates that there has been over 250,000 excess deaths since the start of the pandemic. Davenport (2021) argues that South Africa's efforts of curbing the spread of the virus has been hampered by three factors.

Firstly, SA's vaccine drive was complicated by concerns around the effectiveness of AstraZeneca vaccines on the Beta variant in the South African setting. Just as the government was to begin administering the shots to

front-line health care workers, a small study showed that AstraZeneca provided low protection against the beta variant, which was dominant in South Africa at the time (BBC,2020). As a result, the AstraZeneca vaccines were redistributed to other countries and SA quickly pivoted to the Pfizer vaccine.

Secondly, according to the WHO (2021) Africa's vaccination rates are low with just 16 million, or less than 2%, of Africa's 1.3 billion people are now fully vaccinated. In South Africa, more than 10.7 million people, or about 26.9% of adults have received at least one dose, with 6.9 million fully vaccinated and 14.7 million doses given. The CSR (2020) argues that the reason behind the slow drive on vaccination is in part caused by the lack of awareness particularly regarding the myths surrounding the COVID-19 vaccine.

Thirdly, efforts at producing Johnson and Johnson COVID-19 doses were hampered, initially because the US drug regulator recommended a pause in use of the vaccine following concerns over rare blood clots that developed after vaccination. Subsequently, ingredients sent from the USA. were recalled when irregularities were identified at one of the production plants. First there was the temporary pause by FDA due to blood clots (unrelated to the ingredients produced at the Baltimore plant). Subsequently, there were irregularities at the Baltimore production plant that resulted in Aspen having to discard many doses. As a result of the latter, the SA pharmaceutical company, Aspen Pharmacare, had to discard its doses because they were made with materials provided by the factory in the USA. However local doses are now being filled and finished in the Gqeberha plant and supplied to South Africa, the AU and others.

4 EFFORTS OF MOBILIZING COVID-19 RESOURCES FOR DEVELOPING COUNTRIES



Efforts at mobilizing support to address some of the challenges of COVID-19 have attracted a wide variety of development partners. DEVEX (2021) notes that since June 2020, Development Partner (DP) have pledged \$291.2 billion to help fight the scourge of COVID-19. In addition, COVID-19 has been supported through 1489 programmes and 1204 grants

(DEVEX, 2021).

The ACT-Accelerator was established as a global collaboration to accelerate development, production and access to tests, treatments and vaccines for COVID-19 challenges globally. President Ramaphosa has been appointed as co-chair of the ACT Accelerator facilitation

council together with the Prime Minister of Norway. It is organized into four pillars of work: diagnostics, treatment, vaccines and health system strengthening. South Africa has committed to purchasing 12 million doses for 6 million people through the vaccine pillar (COVAX) but to date, only 1.4 million Pfizer doses (i.e. for 700,000 people) have been delivered

4 EFFORTS OF MOBILIZING COVID-19 RESOURCES FOR DEVELOPING COUNTRIES



as COVAX has struggled to acquire sufficient doses from suppliers.

Analysts have warned that developing countries are not receiving sufficient support from developed countries. The OECD argues that this is mainly due to the fact that developed countries have shifted their attention internally and directed resources to support their own countries in dealing with the virus. As a result, developing countries especially in Africa are suffering from a lack of COVID-19 vaccines and a lack of resources to fight the virus.

South Africa has purchased about 72 million doses of vaccine. The US has donated around 5 million doses of Pfizer to South Africa. In a speech delivered at a virtual seminar hosted by international asset management company, NinetyOne, the Chinese Ambassador to SA, Chen Xiaodong said that “China will continue to provide PPEs (personal protective

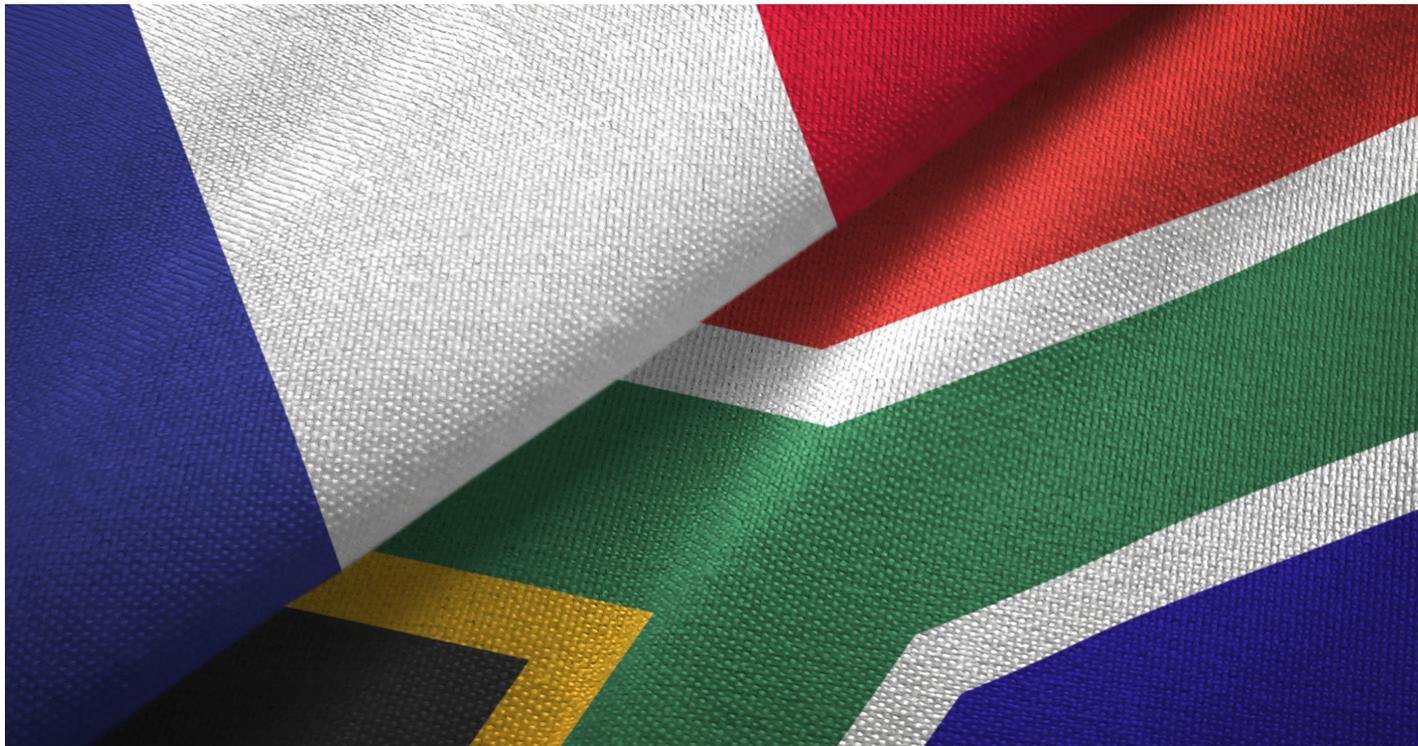
equipment) to the South African side and share response experience”. Indeed, the support has also been complemented by pledges made by China to provide SA with 5 million doses of Sinovac vaccine. In January 2021, the Department of International Relations and Cooperation (DIRCO) requested the government of India to lift export restrictions on 26 active pharmaceutical ingredients deemed crucial to SA’s need for adequate medical and pharmaceutical supplies in the face of the pandemic. This will facilitate the export of certain pharmaceuticals and formulations in favour of South Africa.

South African companies have also been assisted with customs clearance procedures for medical equipment bought in China. In addition, the National Department of Health and the National Health Laboratory Service have made purchases of critical supplies needed in the country’s fight against COVID-19.

The support ranges from the provision of Technical Assistance (TA) to the National Department of Health (NdoH), ventilators and PPE for health workers.

Through a bilateral cooperation that seeks to provide medical assistance, Cuba has deployed a team of medical practitioners known as “the medical brigades”. The brigades are distributed throughout all nine provinces in SA and working mainly in quarantine and isolation sites, ward-based contract tracing and epidemiological surveillance. Other significant forms of support have been mobilized by South Africa in its quest to help Africa weather the COVID storm. The efforts undertaken in this regard include a R288 million contribution made by SA through the African Renaissance and International Cooperation Fund to support the distribution of COVID-19 vaccines in Africa.

5 FRENCH PRESIDENT EMMANUEL MACRON'S VISIT TO SOUTH AFRICA AND STATEMENTS ON THE BATTLE AGAINST COVID-19



The French President, Emmanuel Macron, made a state visit to South Africa on 28 May 2021 during which he focused on the battle against Covid-19 and the economic ramifications of the virus. The visit lasted 24 hours and was intended to raise awareness of the virus.

At a media briefing on the battle against the Covid-19 pandemic, Ramaphosa said that South Africa was grateful for the assistance and solidarity shown by France, which he described as "willing to take the lead to speak for Africa's cause."

According to Ramaphosa, Covid-19 demonstrated that no nation was

immune to disasters. "It is for this reason that we must step up our joint efforts to guarantee that vaccinations become a global public benefit and are made available to all countries in the shortest amount of time feasible", said Ramaphosa.

The two presidents also addressed the possibility of a waiver of Trade Related Intellectual Property Rights (TRIPS), which would enable poor nations to produce their own vaccines and accelerate their immunization programs

Ramaphosa went on to say that Africa is working hard to build its own vaccine manufacturing capacities as well as the

infrastructure necessary to guarantee vaccine supply security. According to him, "while financing is essential, it must be supplemented by the transfer of technology and a commitment by international procurement organizations to purchase vaccines manufactured in Africa."

The two heads of state also committed to work together to improve public health security in Africa by extending research, innovation, and manufacturing beyond the Covid-19. Macron also announced that the French Development Agency will give €2 billion (about R33.57 billion) to improve primary healthcare systems.

6 EDUCATION FOR EMPLOYABILITY (E4E) BUDGET SUPPORT SECTOR REFORM PROGRAMME



Although South Africa devotes a relatively high proportion of its gross domestic product (GDP) to education and training, the country faces challenges such as high dropout rates, low pass rates, and high youth unemployment rates. Youth unemployment is 38.6% which is more than 10% above the national average (Annex Financing Agreement 2018 p1)

The European Commission acting on behalf of the European Union signed a financing agreement with South Africa for EUR 30.5 million to fund the Education for Employability (E4E) Sector Reform Programme.

E4E aims to support government efforts in improving the quality of basic edu-

cation, vocational training and job placement services, from early childhood, through teen-years, until the acquisition of skills needed for the world-of-work. The overall objective of the programme is more inclusive, equitable, and quality education and employment prospects for young South Africans.

The programme will be implemented as a Budget Support Sector Programme. During the course of five fiscal years, the program will offer financial resources in the form of fixed and variable tranches. In order to improve the employability and educational prospects of youth, these funds are expected to support the piloting and testing of policies and actions that can lead to improved cross-departmental collaboration in criti-

cal policy areas such as social cohesion/equality, poverty alleviation, and growth.

The complementary support, in addition to regular policy dialogue and monitoring, will consist of technical assistance and grants to civil society organizations in order to further build the capacity of government departments, particularly in the areas of collaboration, project management, and the mainstreaming of gender issues.

Reference

Annex Financing Agreement Sector Reform Contract 2018, (No ZA/DCI-AFS/040-033), opened for signature 14 February 2018 and 19 July 2018

7 GENDER EQUALITY AND WOMEN EMPOWERMENT IN SOUTH AFRICA



Inequality between men and women continues to be one of the most significant obstacles to the fulfillment of the worldwide commitment to inclusive development made in the South African National Development Plan Agenda 2030. The high incidence of violence against women and girls is one of the symptoms of the current state of gender inequality.

The European Commission acting on behalf of the European Union devised a EUR 10 million programme to support South Africa's women's economic

empowerment and to address the scourge of high levels of gender based violence.

The programme seeks to improve the South African government's capacity to plan, budget, and execute more comprehensive gender equality and women's empowerment programs. It will assist the South African government in converting its commitment to gender equality into measures that allow the realisation of social and economic rights, particularly for women and girls.

Through a Sector Reform Contract and in accordance with South Africa's national policy on the use of official development aid, the program will provide resources to government departments to develop and pilot innovative activities in gender responsive budgeting, disaggregated data collection, evaluation, policy reviews, and strengthening their capacity to address some of the causes of gender-based violence. This will be supported with technical assistance for cross-sector policy dialogue and better Departmental and development partner coordination.

8 BIODIVERSITY PROGRAMME IN SOUTH AFRICA AND ON REUNION ISLAND WITH SUPPORT FROM, AGENCE FRANÇAISE DE DÉVELOPPEMENT (AFD)



A bipartite agreement between South African National Parks (SANParks) and the Agence Française de Développement (AFD) was signed on the 29 May 2021. The ceremony was held in presence of Mr. Rémy Rioux, Chief Executive Officer of the AFD, and of Dr. Luthando Dziba, Acting Chief Executive Officer of SANParks. The funding is allocated to support the sharing of experiences between SANParks and the Reunion Island National Park (PNR) to preserve biodiversity in South Africa and Reunion Island. The project will benefit from €1.85 million in financial support from AFD, including €1,2 million to SANParks and € 0,65. million to Reunion Island National Park.

The project focuses on a territory-to-territory cooperation between Reunion Island National Park (PNR) and Table Mountain National Park (TMNP) in Cape Town. TMNP, nominated as the main project partner, is managed by South African National Parks (SANParks), an internationally recognized reference for protected area management.

The two parks face similar challenges in terms of management and conservation

of fragile ecosystems. Both parks are located in urban environments, which stretch from the mountain to the sea, with a presence of invasive and vulnerable species, and high numbers of tourists. Both SANPARKS and PNR will contribute expertise and collaborate on improving park management. In addition, the project will mobilize partner research bodies, including the University of Reunion, (the French Agricultural Research Centre for International Development(CIRAD)and University of Cape Town.

We welcome this support by France that will not only support biodiversity but also enhance dialogue and regional cooperation, and will facilitate in building capacities within national parks in both countries.

According to SANParks Acting Chief Executive Officer, Dr. Luthando Dziba, this peer-to-peer project will allow the teams of the two parks to strengthen their capacity by exchanging experiences around park management. “The main project activities include developing strategic plans and sharing tools for invasive species management, vulnerable species management, fire management

and climate change preparedness, training, pilot field interventions, awareness raising activities and joint studies and research.”

Dr Dziba said the expected project impacts include a strengthening of know-how and skills for the biological control of invasive alien species and associated restoration (for example, integration of new detection tools from aerial images), anti-poaching, and analysis of risks. In addition, project outputs will address management of vulnerabilities related to the effects of climate change and its consequences for the territories of PNR and TMNP, governance and dialogue with stakeholders involved in the management and use of the parks, and management of the World Heritage site.

“Biodiversity conservation is one of France’s priorities. France will host the World Conservation Congress in 2021. Through this exemplary regional cooperation project, France is providing concrete support for the preservation of biodiversity in Southern Africa and the Indian Ocean.” Aurélien Lechevallier, Ambassador of France to South Africa