



Impact of the COVID-19 Pandemic on the DBSA: Lessons Learnt

Richard Goode

Authorised for distribution by Zeph Nhleko

WP/2021/01

Table of Contents

List of acronyms	v
Abstract	vi
Acknowledgements	vii
1. Introduction	8
2. Pandemics and social theory	9
3. COVID-19 impact and response in South Africa	11
3.1 National pandemic response.....	12
3.2 Pandemic economic shocks.....	15
4. Response of Development Finance Institutions	16
5. DBSA responses to COVID-19	18
5.1 Short-term relief measures.....	20
5.2 Shift of operations to Work from Home mode	21
5.3 Staff health, welfare and experiences	22
5.4 Connectivity and productivity.....	23
5.5 Communication and leadership.....	24
5.6 Business performance	25
5.7 Innovation	26
5.8 Long-term recovery focus	27
6. Lessons learned	27
7. Conclusion	28
8. References	29
9. Appendix	32

Table of figures

Figure 1: South African COVID-19 daily curve	13
Figure 2: Daily number of confirmed cases (top) and daily numbers of	13
Figure 3: Example of Minister of Health Daily Update on COVID-19	14
Figure 4: South African Government 10-year Bond Yield.....	16

Table of tables

Table 1: Selected Economic Indicators	15
Table 2 Reported COVID-19 cases – 23 April 2021	22
Table 3 Communications 6 March to 18 December 2020	24

List of acronyms

BCM	Business Continuity Management
BMWG	SDG business model working group of IDFC members
COGTA	Co-operative Governance and Traditional Affairs
COVID-19	Coronavirus Disease 2019
CTT	COVID-19 Task Team
DDM	District Development Model
DFIs	Development Finance Institutions
DMA	Disaster Management Act no. 57 of 2002
ESG	Environmental, Social, Corporate Governance
ICT	Information and Communications Technology
IDFC	International Development Finance Club
ILO	International Labour Organization
IMF	International Monetary Fund
NCCC	National Coronavirus Command Council
NHLS	National Health Laboratory Services
NPL	Non-Performing Loans
PMU	Project Management Units
SARB	South African Reserve Bank
SARS-CoV-2	Severe Acute Respiratory Syndrome Coronavirus 2
SDG	Sustainable Development Goals
WFH	Work from Home
WHO	World Health Organization

Abstract

The DBSA acted swiftly in response to the COVID-19 pandemic, shifting operations to a WFH mode and successfully maintaining continuity of operations. Lending activities had to overcome a shortage of liquidity and higher capital costs but reached targets, nevertheless. This paper looks at the internal workings of the Bank during 2020 and documents how it successfully stayed on mission to build Africa's prosperity while caring for its employees. Through this examination, and despite the ongoing pandemic, several issues of current practices where improvements could be made were identified and are set out as lessons learnt from the impact of COVID-19 for the DBSA

Acknowledgements

I would like to acknowledge the involvement of all those that in their various capacities made the production and completion of this paper possible.

1. Introduction

On 31 December 2019, Chinese authorities alerted the World Health Organization (WHO) of an outbreak of a novel strain of coronavirus causing severe illness (WHO, 2021). On 7 January 2020, 'Severe Acute Respiratory Syndrome Coronavirus 2' (SARS-CoV-2) was confirmed as the causative agent of 'Coronavirus Disease 2019' or COVID-19. On 30 January 2020, the WHO declared a Public Health Emergency of international concern, and on 11 March 2020, declared the outbreak to be a global pandemic. Within 10 weeks of identification the pandemic had spread to 114 countries with 118 000 recorded cases and 4 300 deaths.

South Africa's first case of COVID-19 was confirmed on 5 March 2020 in KwaZulu-Natal in a citizen returning from a holiday in Italy and the first suspected case of local transmission was reported on 13 March 2020 (Giandhari *et al*, 2020). President Cyril Ramaphosa announced a State of Disaster on 15 March and a full lockdown on 23 March 2020, by which point, the number of confirmed cases had risen to 402 nationally.

Significant shocks like the COVID-19 pandemic reveal fault lines in society, challenge the effectiveness or deficiencies of institutions created to maintain stability and disrupt established practices. All around the world the impacts of the pandemic have been dramatic and far reaching. COVID-19 caused deaths, triggered job losses, business closures, curtailed social interaction, necessitated public social security financial transfers and demanded massive medical relief measures. Businesses have been forced to make major speedy adjustments to their operating practices to reduce infection risk by following social distancing protocols, whilst endeavouring to protect employees, satisfy shareholders and serve customers.

Shocks caused by pandemics have historically spurred developments in science and medicine. For the COVID-19 pandemic, the speed at which medical advances have been made is unprecedented – unleashing a global mobilisation of research effort that harnessed decades of cumulative scientific progress to produce COVID-19 vaccines (The Economist, 2021).

Development finance institutions (DFIs) have been forced to assess their role in the face of the damage to livelihoods caused by economic shattering along with the challenges posed to their operating models by rapid increases in general debt.

The DBSA, alongside other public and private organisations, has faced uncharted waters by having to focus attention on organisational resilience and adaptability under conditions that would previously have been treated as extreme cases but have now become real operational framing conditions.

This paper identifies the lessons learnt from the impact of COVID-19 on the DBSA operational performance, clients and stakeholder relations, leaning against economic contraction by playing a counter-cyclical role and harnessing innovation stimulated by the pandemic.

2. Pandemics and social theory

Economists, epidemiologists, and historians are fascinated by the ways in which epidemics hold up a “mirror” to the social, cultural, and political conditions in which they arise. Disease outbreaks leave long shadows of social repercussions by altering demography, shaping politics, stimulating innovation, subverting the social order and sometimes provoking rebellion.

In modern polities, that is with state formations, an epidemic can expose or heighten pre-existing fault lines in society, such as inadequate social safety nets; lack of trust in institutions; and lay bare government indifference, incompetence, or corruption. Outbreaks of contagious diseases have, and continue to fuel ethnic backlashes, scapegoating of outsiders and boosting religious fervour.

A body of pandemic literature has grown to combine humanities and natural sciences to offer insights into the origins and impacts of pandemic diseases on society (Zinsser, 1935; McNeill, 1976; Walker, 2006; Snowden, 2019). A sub-set of this literature accords diseases a central role in plant and animal domestication and human migration from prehistory to the present (Diamond, 1997; Scheidel, 2017).

When *Microcosmos* (1986) was published, it was hypothesised that the evolution of multicellular organisms such as humans occurred as bacterial symbiosis which view was deemed provocative (Margulis and Sagan, 1986). Since then, thanks in large part to developments in molecular biology and gene sequencing technology, researchers are finding mounting evidence that pathogens exert selective pressure to drive the evolution of modern humans. Biologists at Stanford University have shown that ‘viruses are one of the most dominant drivers of evolutionary change across mammalian and human proteomes’ (Enard *et al*, 2016).

Some of the insights from the last global pandemic¹ that took place a century ago known as the “Spanish flu” or Great Influenza Pandemic of 1918–19 are that the flu spread in three waves: the first in the spring of 1918, the second and most deadly from September 1918 to January 1919, and the third from February 1919 through the end of the year killing an estimated 40 million people, or 2,1 per cent of the global population at the time. The economic impacts of the pandemic were estimated to have reduced real per capita GDP by 6 per cent and private consumption by 8 per cent. The decline in economic activity combined with elevated inflation also resulted in large declines in the real returns on stocks and short-term government bonds (Barro *et al*, 2020).

The severity of the pandemic’s toll was particularly acute in Africa, much of which was under colonial administration. Nearly 2 per cent of Africa’s population is estimated to have died within 6 months – 2,5 million out of an estimated 130 million, radiating outward from ports along transport routes carried by soldiers returning from World War One and migrant workers (Africa Center for Strategic Studies, 2020). The Spanish flu tore through communities, in some cases infecting up to 90 per cent of the population and generating mortality rates of up to 15 per cent. While the influenza pandemic and COVID-19 are respiratory diseases largely spread through the air, the Spanish flu, unlike COVID-19, had a very short incubation period – just 1 to 2 days. Victims were overwhelmingly the young and healthy, devastating families and leaving 10 to 12 million orphans across the continent.

¹ HIV/AIDS or Human Immunodeficiency Virus is considered by some authors a global pandemic, however, the WHO currently uses the term 'global epidemic' to describe HIV.

Responses to the great influenza pandemic focused on mitigating the spread through social distancing and quarantines given the absence of any vaccine or cure. Research has shown that the number of flu deaths at the peak was lower in cities that pursued more aggressive policies, such as school closing and prohibition of public gatherings (Barro *et al*, 2020).

The economic impacts across Africa were profound – a sharp drop in food production in 1919 caused a dramatic short-term food-insecurity. Traditional crops were replaced by fast-growing imported maize and beans varieties. All economic sectors experienced labour shortages.

South Africa was one of the five worst-hit parts of the world. About 300 000 South Africans died within six weeks, some 6 per cent of the entire population, leading the historian Howard Phillips to use the grim epithet 'Black October'. Deficiencies in the handling of the pandemic had significant political ramifications and the White regime was forced to intervene in social welfare at local level (Phillips, 1984:425).

A recent quantitative review of the social repercussions of pandemics finds that countries with more frequent and severe epidemics experience greater unrest on average (Barrett *et al*, 2020). During and immediately after a pandemic grieving and social solidarity tends to dampen social unrest, however, the risk of riots and anti-government demonstrations rise over time – particularly where the pandemic exposes or exacerbates pre-existing social challenges.

3. COVID-19 impact and response in South Africa

To provide a backdrop against which the activities of the DBSA can be seen, an initial account on the pandemic throughout 2020 is presented below. A *Country Report on the Measures Implemented to Combat the Impact of Covid-19 in South Africa* is in production and will, in due course, provide a comprehensive account (Presidency, 2020).

The COVID-19 pandemic posed a unique challenge to legislatures and executives, necessitating the development of new regulations to deal with protecting constitutional rights concurrently with curtailing freedoms on public health grounds. The

government's response utilised the powers conferred on it by the Disaster Management Act (DMA) to impose a range of strict measures to curb the transmission of the virus. Coordination for handling the disaster was established rapidly comprising the National Coronavirus Command Council (NCCC) along with subsidiary structures at provincial and district municipal levels using the District Development Model (DDM) framework.

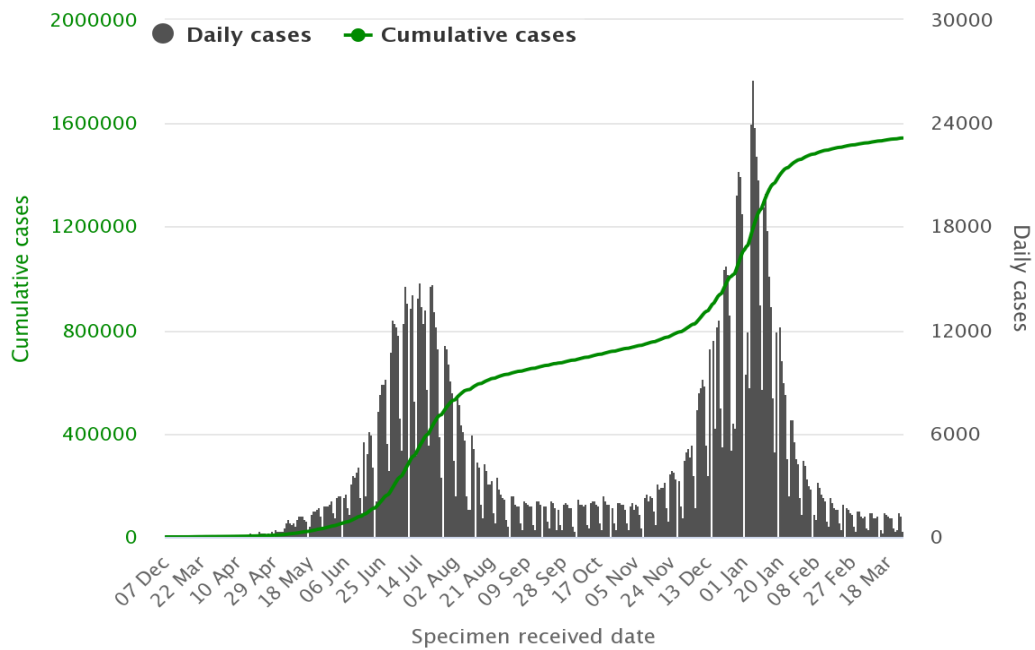
The NCCC was challenged about its role and powers in courts. Some decisions and regulations imposed were found by the courts to be irrational and not justifiable. Government decisions have at times lacked detail and transparency – for example, clarity on the national vaccination programme. Instances of excessive force by the National Defence Force and Police Services members are unconscionable.

3.1 National pandemic response

In order to improve the country's response to the COVID-19 pandemic and reduce the strain on the health system, South Africa went into a highly restrictive lockdown within a month of identifying the first case. Starting with lockdown level 5 which shattered the economy and imposed a strict curfew, lockdown level restrictions were gradually eased to open the economy up to lockdown level 1 in October 2020. The first infection wave peaked in July 2020. Rising infections in a second wave which peaked in January 2021 saw the imposition of an adjusted level 3 lockdown from the end of December 2020 through February 2021, see Figure 2.

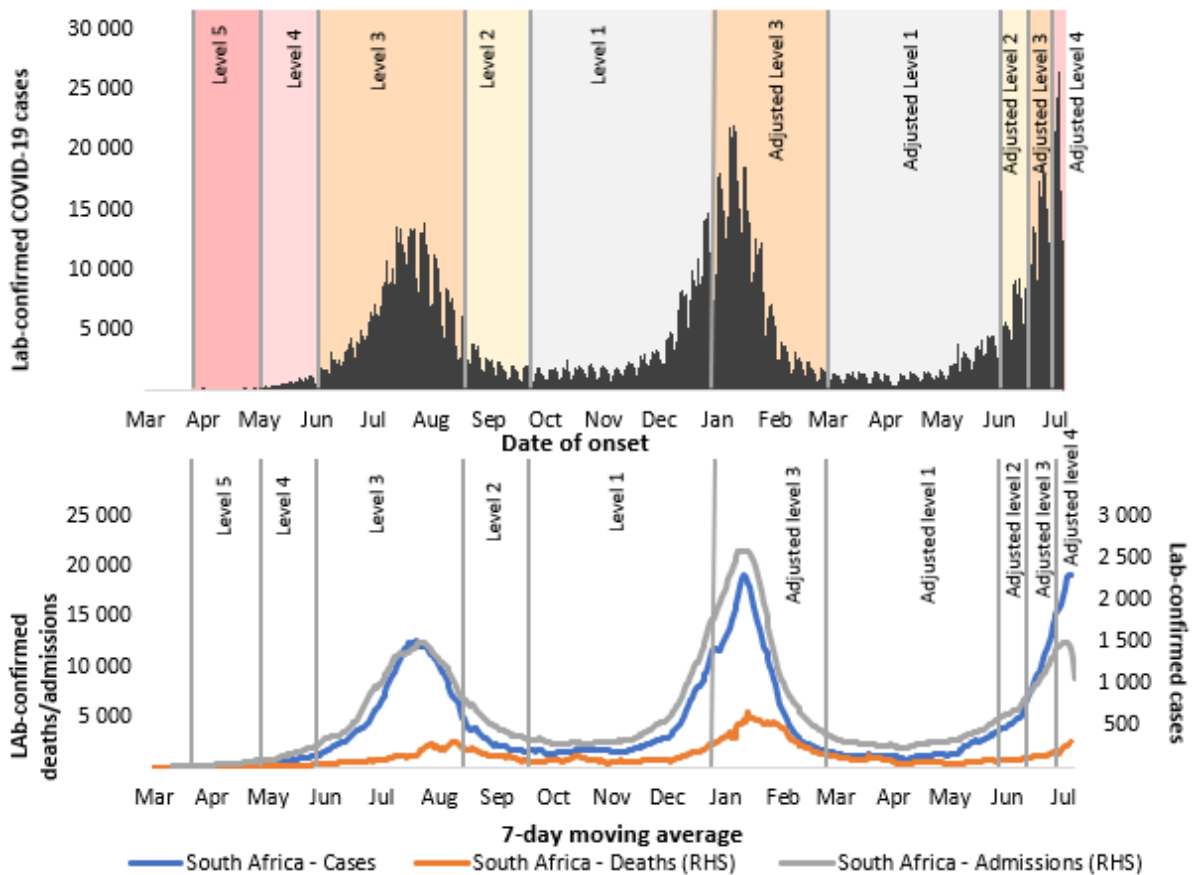
More than a year into the pandemic, through which South Africa has endured two infection waves – with a third in progress and a fourth highly likely – the health sector's response has been comprehensive and showed resilience alongside evident stress, particularly in the Eastern Cape. It seems that the health system benefitted from the decentralisation of chronic care services. It also benefitted from the effect of lockdown restrictions that helped reduce the number of emergency and trauma patients.

Figure 1: South African COVID-19 daily curve



Source: NICD 2021a

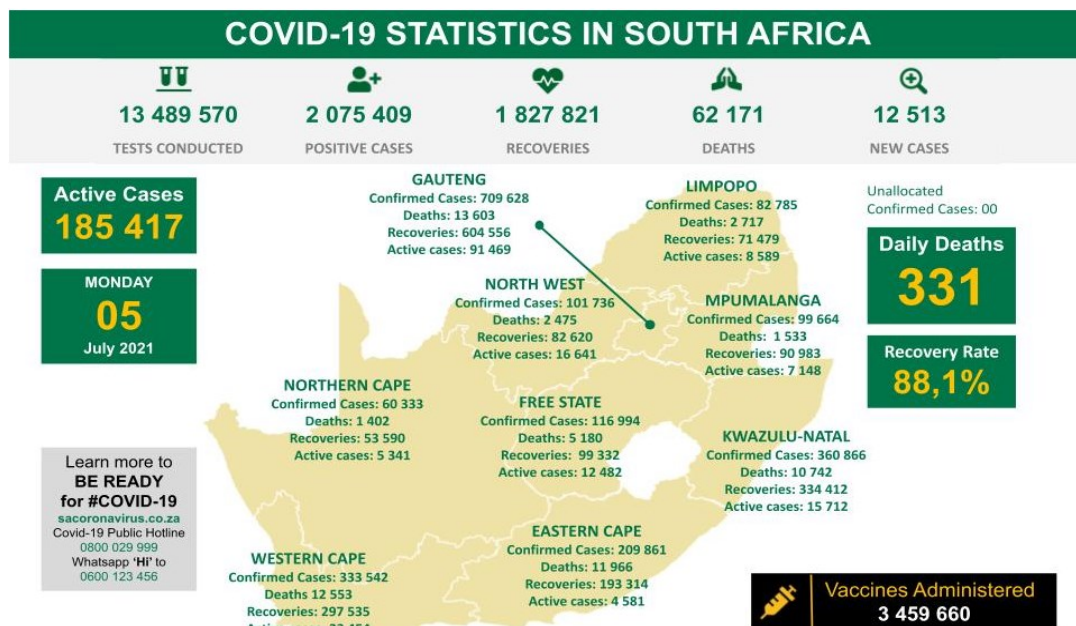
Figure 2: Daily number of confirmed cases (top) and daily numbers of cases, hospital admissions, and deaths (bottom)



Source: NICD

Pandemics create huge uncertainty and put the onus on authorities to provide information, instil behavioural change, and increase awareness and compliance with public health regulations. Government stepped up communications through call centres, the COVID-19 Resource Portal and daily media releases on COVID-19 cases.

Figure 3: Example of Minister of Health Daily Update on COVID-19



Source: COVID-19 Corona Virus South African Resource Portal

During a crisis, mortality above what would be expected based on the non-crisis mortality rate can be attributed to the crisis conditions. The difference between observed and non-crisis mortality rates are defined as excess deaths. There were more than 143,000 excess deaths between 3 May 2020 and 20 February 2021 (Bradshaw *et al*, 2021). This epidemiological fact is noted here to stress the seriousness of the pandemic.

From the start of the lockdown up until August 2020 schools were closed for contact teaching. Predictably the pandemic exposed the infrastructural and socio-economic disadvantages of most school students especially around water, sanitation, and information and communications technology (ICT) services.

Power, rail, ports and ICT networks continued to operate as essential industries along with sectors designated as essential such as food distribution from the start of the

lockdown. There was a substantial drop in electricity demand during lockdown. Demand for information and communications technology services also escalated rapidly as employees switched to working from home, and students and learners sought online teaching resources.

The pandemic exposed pre-existing coverage and reliability problems within the water and sanitation sector. These problems compelled government to implement temporary measures that rushed expensive emergency supplies to water-stressed communities.

Across the economy COVID-19 amplified existing structural economic problems especially unemployment, poverty, and inequality. Transport, catering, and accommodation businesses were particularly impacted by travel restrictions at the start of the pandemic and the prohibition on the alcohol and tobacco industries hit the employment and tax contribution of those sectors hard.

Finally, there were many examples where the pandemic exposed a lack of foresight to contend with unexpected shocks. Disaster regulation assumed that operators in different sectors would carry the implementation costs of COVID-19 protocols. Yet small business operators faced cash flow constraints, for example, the minibus taxi industry was severely impacted and struggled to comply.

3.2 Pandemic economic shocks

When the pandemic hit, South Africa's economic growth rate had been slowing year by year since 2013 due to structural weaknesses. The pandemic added extreme stress on top of a listless domestic economy, triggering a sharp contraction in GDP, throttling investment and pushing unemployment much higher.

Table 1: Selected Economic Indicators

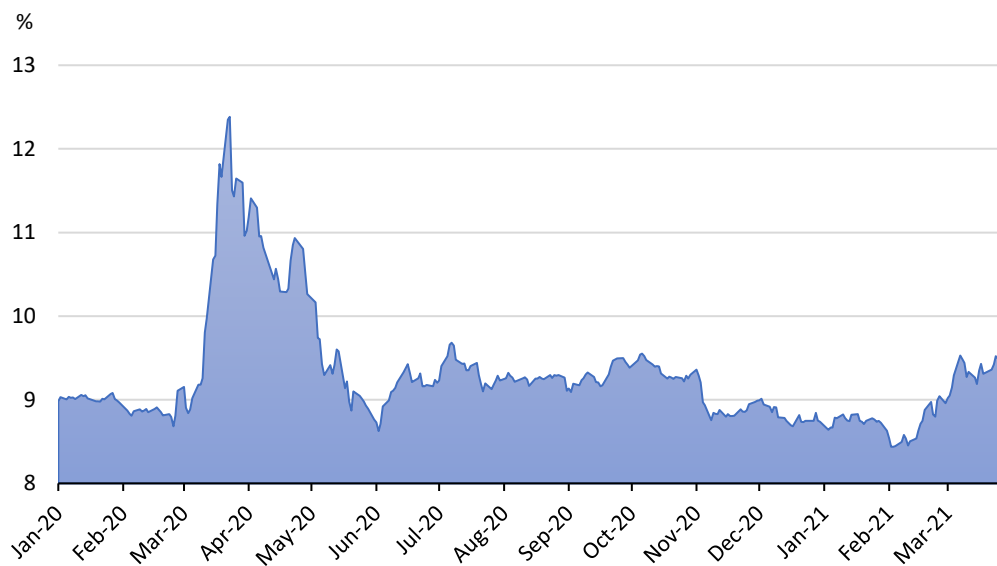
Economic indicator	Q1-20	Q2-20	Q3-20	Q4-20
GDP % y-o-y	0.4	-17.8	-6.2	-4.2
Investment % y-o-y	-5.5	-25.5	-21.6	-16.7
RMB/BER business confidence index	18	5	24	40
Unemployment rate%	30.1	23.3*	30.8	32.5

Source: BER 2021 and Stats SA 2021

*Calculation technicality, unemployment remained above 30%

At the beginning of the pandemic financial market investors reacted to the uncertainty by fleeing emerging markets and curtailing lending. This triggered a liquidity crisis that could have been more damaging had the South African Reserve Bank (SARB) not acted swiftly. Domestic credit rates spiked nevertheless and settled at a higher rate (see Figure 4). DBSA funding operations were materially impacted by these events which made lending more difficult as explored in more detail in section 5.6 below.

Figure 4: South African Government 10-year Bond Yield



Source: Bloomberg

4. Response of Development Finance Institutions

Around the world monetary authorities acted swiftly to buffer COVID-19 triggered economic shocks by increasing liquidity. Governments used fiscal measures ranging from tax holidays to direct cash transfers and stimulus programmes to assist firms and households to cope with the impact of the pandemic. The International Monetary Fund (IMF), World Bank and other multilateral institutions created new facilities to channel resources to governments in need of financial stabilisation. Significant as these responses were, they are not the focus of this paper.

National DFIs that are members of the International Development Finance Club (IDFC) work on inter-bank projects, one among them being a Sustainable Development Goal (SDG) business model working group (BMWG), to respond to the crisis. The DBSA is an active member of the IDFC. In April 2020 the BMWG challenged IDFC members to provide a prompt response to the crisis which required a business model shift involving changes in strategies, funding sources, financial instruments and channels.

Findings from the research surveying IDFC members conducted by the BMWG show a range of responses from DFIs in Africa, Asia, Europe, Latin America and the Middle East, as shown below (IDFC, 2020):

- renewable energy, healthcare equipment and service, utilities, pharmaceuticals, biotechnology and life science became priority sectors for financing;
- the majority of respondents sought greater capitalization or other forms of funding in light of COVID-19, mainly from capital markets, international funds, institutional resources and crowdfunding, including issuing COVID-19 response bonds;
- risk management was adjusted for highly impacted sectors such as tourism and transport and highlighted Environmental, Social, Corporate Governance (ESG) and climate risks in their credit assessment;
- COVID-19 created a sense of emergency and pushed institutions to accelerate their decision-making processes;
- the COVID-19 crisis accelerated the use of state guarantees channelled by IDFC members and using innovative financial instruments such as synthetic securitisation;
- surveyed IDFC members intend to focus more on research activities, advisory services, project preparation and technical assistance and capacity building to the private sector;
- COVID-19 has accelerated the partnership with all stakeholders mainly with the state and regional state authorities, other development banks, commercial banks, the private sector and NGOs; and
- counter-cyclical financing targets increased in the short-term with the expectation that this stance will dominate the post-lockdown reconstruction.

COVID-19 has accelerated the use of technology such as virtual private networks (VPN), robot advisor and funding platforms for different purposes. Some of the examples include the introduction of blockchain technology by KfW to reduce monitoring and transaction costs; virtual platforms to unify off-the-shelf solutions with bespoke online advice from leading market experts for infrastructure projects by VEB as well as crowdfunding platform to finance the supplying of materials, medication and equipment for philanthropic hospitals by BNDES. Looking forward, IDFC members are looking to join forces with multiple stakeholders in a systematic manner to aim for recovery with an emphasis on national/regional value chains, guarding against future crises such as climate change and partnering with the private sector through PPPs and blended finance mechanisms. The DBSA response to the pandemic aligns with many of the themes reported by IDFC members.

5. DBSA responses to COVID-19

When the Bank reopened in January 2020, after the year-end break, the Business Continuity Management Unit (BCM) in the Risk Division resumed their normal scan of news, adding stories of an epidemic in Wuhan, China to the watch list. It would be wrong to say DBSA was fully prepared for the COVID-19 pandemic, rather the Bank has a well-developed business continuity framework that is regularly tested with simulated crises to maintain response readiness. First, among BCM's prepared response plans is one for hypothetical pandemics. Second, the Bank had a formal Work from Home (WFH) policy in place from at least 2012 that was regularly tested by, for example, switching the Treasury Division to WFH for a day to check if systems worked smoothly.

As threat levels rose for what was at the time a coronavirus epidemic that had just been named COVID-19, BCM established a cross functional Pandemic Task Team on 28 January 2020, two days before WHO declared COVID-19 an international health emergency and 42 days before WHO declared it a global pandemic. On 3 February 2020 the DBSA Pandemic Business Continuity Plan was updated (DBSA, 2020b). The plan is built on six pillars of centralising visibility over crisis management, workforce, operations, health and safety, technology as well as third-party service providers.

The Pandemic Task Team, soon renamed specifically as the COVID-19 Task Team (CTT), under the chairpersonship of the Chief Risk Officer as the designated DBSA COVID-19 Compliance Officer, comprised representatives of all divisions, important functional units such as the clinic, security, the -IT Unit and employee representatives. It meets weekly to deal with operational issues. At the start of the pandemic the CTT expanded its membership and meeting frequency to be a cross functional forum to pool information, answer questions triggered by the abrupt switch to WFH, and escalate issues to the DBSA Executive Committee (DBSA Exco) for decisions. The CTT is not a decision-making structure. From the start of the health emergency the DBSA Exco increased the frequency of meetings devoted to monitor unfolding events and decide on the Bank's response.

Over time as the Bank, its clients and counterparts in government and business became more used to COVID-19 operating protocols the frenetic pace of meetings eased and the CTT could focus on its standing agenda of assessing risks, monitoring issues that impact DBSA operations and the DBSA campus, communicate information and ensuring compliance with regulations in terms of the Disaster Management Act. Business resumption plans with a three-month horizon for re-occupying the campus are reviewed monthly.

On 3 March 2020 a decision was made to stop all international and non-essential business travel for all employees, followed on 10 March by a directive that all staff who had travelled transfer to WFH for 14 days. As the crisis rapidly escalated to a global pandemic, Exco, applying the duty of care principle and cognisant of the rapidly developing national and international crisis, decided to invoke a full-scale DBSA Business Continuity Pandemic Plan with effect from Monday 16 March so that the Bank would switch to WFH conditions.

On Sunday 15 March President Ramaphosa addressed the nation setting out urgent and immediate measures to combat COVID-19 comprising travel bans and measures to minimise the risk of the spread of the virus by limiting contact amongst groups of people, in order to 'flatten the curve' (a term that was globally adopted to refer to preventing infection peaks) and prepare health facilities for the anticipated surge in demand for care. Simultaneously, the Department of Co-operative Governance and Traditional Affairs (COGTA) as Head of the National Disaster Management Centre

classified the COVID-19 pandemic as a national disaster (COGTA, 2020a). On 23 March the President announced a 21-day nationwide lockdown with various restrictions to come into effect the next day which was followed by a plethora of notices to regulate essential services and police restrictions as the lockdown was extended on a risk-adjusted basis over the months that followed.

The DBSA was quick to make the decision to pivot to WFH to reduce the risk of virus exposure to staff and stakeholders. This was a decisive crisis response at the time when the seriousness of the health threat of COVID-19 was recognised yet the duration, impact and resolution of the pandemic was highly uncertain.

5.1 Short-term relief measures

Early into the pandemic the Bank allocated R150 million to COVID-19 for short-term urgent response measures in South Africa and the SADC region. Project selection and funding was guided by a framework that sought to cushion the most vulnerable communities with urgent humanitarian measures; partner with public and private entities, particularly municipalities as Cogta chose to use the DDM as the local level structure for COVID-19 emergency measures as well as backup growth enhancing initiatives aligned with the Banks' long-term strategy. Initiatives selected under this framework and funds allocated were the following:

- Staffing and software for the National Disaster Management Centre (R15 million)
- Provision of modular COVID-19 screening and sampling units with isolation units to 25 district health facilities identified by the Department of Health (R26.2 million)
- Provision of laboratory testing capacity support (equipment, test kits and consumables) to accelerate disease surveillance (R27 million)
- Funding development by the CSIR of a continuous positive airway pressure non-invasive ventilator (R6.9 million)
- Emergency provision of water, sanitation and electricity to underserved communities identified as COVID-19 infection hotspots (R41.4 million); and

- Funding for purchase of PPE and other essential medical equipment for lower income SADC members (R30.5 million)

5.2 Shift of operations to Work from Home mode

Revised working from home guidelines in line with good practice² were issued by the BCM unit on 16 March. This ensured that the decision is disseminated as an executive decision positioned to operational disruptions (DBSA, 2020a). Some job functions such as essential services including security officers, cleaning officers, facilities upkeep that are required to be onsite are not amenable to a working from home arrangement. Such staff continued to work at the DBSA campus through the pandemic on a controlled and rotational basis.

In what future historians should call the great dispersion from campus of 2020, ICT support staff were exemplary – working quickly to set up mobile data services on computers or issuing 3G data modems for staff who needed them.

DBSA was technically well prepared for the crisis. First, desktop computers had been phased out a while back, so most Bank staff already worked on portable computers. Second, the Bank had been migrating productivity software over to Microsoft Office 365 from mid-2019. Third, MS Teams had been deployed as the default message platform.

WFH forced changes to be made to operating procedures. There are some instances that this has encouraged a more solution-oriented approach to be taken putting substance over form. Employees needed to have a suitable workstation in their homes that is safe and comfortable for them to be able to carry out their duties as stipulated in Bank policies (DBSA, 2020a, 2020e). In the mass exodus, inspecting home based workstations was impossible. However, staff was encouraged to raise issues relating to their WFH setups and resolutions were implemented to ensure tools of trade are provided. All over the world employers and employees have had to grapple with

² The International Labour Organisation Guide, (ILO, 2020:5).

adjusting to WFH conditions due to COVID-19. Different companies approached the situation with varying degrees of flexibility.

The protracted nature of the COVID-19 pandemic has invited a lot of discussions about the future form of what is called office-based work. DBSA's rapid implementation of WFH demonstrated that technology and work practices were successfully able to maintain business continuity. The Bank is still grappling with how the post-lockdown operational environment will look like.

5.3 Staff health, welfare and experiences

Mercifully, no staff have passed away due to COVID-19 thus far, but many family members and friends have passed on and everyone has been touched by the passing of people close to them. Reported case numbers to April 2021 are shown in Table 2. Staff have been assessed for health risks and those at risk categorised for additional controls, either to remain working from home or be redeployed to reduce exposure risk.

Table 2 Reported COVID-19 cases – 23 April 2021

	Tests	Confirmed cases	Hospitalised	Recovered	Deaths
Medical aid	155	26	7	26	0

Source: DBSA, 2021b

The Bank's experience was that early in the pandemic the dominant experience was pressure and uncertainty in a rush to adjust to new circumstances. Over time this faded and was replaced with more monotonous feelings of anxiety and stress judging by the comments made by staff at weekly Bank-wide check-in meetings. The DBSA has contracted the services of a company (Careways) to provide wellness advice and counselling to staff. Some of the concerns raised are the following:

- Concern that sick leave might be exhausted if sick staff take long to recover from COVID-19.
- Little attention paid to home dynamics, especially with regards to gendered roles at home.
- More corporate communication appreciated.

In this complex situation where the boundaries between home and work have been blurred and everyone is trying to cope with a seemingly interminable crisis. It is clear that a continuous conversation between management and staff is useful to deal with emerging issues.

5.4 Connectivity and productivity

The IT Department was impacted hard by the pivot to WFH as all work became telecommunications intensive. The switch strained services, pushing utilisation rates to high levels, however, no services failed. Communication costs shot up as network traffic moved to external carrier networks. IT support staff were in high demand and had to extend working hours, particularly at the start of the WFH switch when more staff required assistance with solving connectivity issues and help with remote work applications.

Feedback from users and comments made at business unit meetings over the course of the pandemic record a deep appreciation for the IT department and staff who maintained continuity of services and were quick to respond and solve IT problems. This includes rapid training to all staff to use MS Teams. The adoption rate of use of MS Teams was less than 22 percent before lockdown. At lockdown it shot up to 100 percent as people were pushed into Teams by necessity.

Nevertheless, there are three notable areas of improvements in the IT environment. First, the concurrent editing and background versioning capabilities of Microsoft SharePoint, OneDrive, and Office 365 can be optimised by avoiding old practices of batch editing and reducing the exchanging of multiple copies of documents by email between staff. Second, the analytic capabilities of the above applications and MS Teams can be used more to monitor work, manage teams or identify choke points in order to raise individual and team productivity. Individual weekly MyAnalytics and daily Cortana analytics are pushed to staff and no aggregate analytics at team, division or Bank level are communicated to aid team management. Third, the paper-based signature authorisation method for approvals was simply transported into the WFH era. There is room to explore digital approaches.

Unaudited indications are that outputs against targets in performance plans and balanced score cards have largely been met. The switch to WFH put stress on the Bank's operations but it seems that the Bank coped very well under difficult circumstances.

5.5 Communication and leadership

Communication during a crisis is a critical function and naturally a key part of a business continuity plan. As the Pandemic Plan was implemented, a stakeholder communication strategy was executed to formally communicate the Bank's actions to protect its staff and continue operations to clients, stakeholders and service providers.

A COVID-19 information desk channel on Teams started on 18 March 2020 and has been kept current with COVID-19 information to date. From the start of the pandemic, internal communications have served to communicate decisions from Exco, advise on health protocols, raise morale and entertain. A record of communications by channel is shown in Table 3.

Table 3 Communications 6 March to 18 December 2020

Communication Channel	No
Message from the Chief Executive	5
DBSA Brief	18
Weekly Wrap	27
SMS Notification	16
WhatsApp	16
Campus Posters	4
Presentations by the COVID-19 Task Team	1

The themes of gender-based violence and mental health featured over the year. The Check-In Pod session was initiated in June 2020 on Friday afternoons. The format covered catching up on news, communicating progress the Bank was making and most importantly addressing coping strategies and resilience. Outside speakers are also often invited to contribute.

A record of divisional meetings held after the Bank moved to the WFH mode shows that each division has a preferred communication style and differing operational requirements. Formal divisional meetings, weekly and monthly divisional management meetings, team check ins and communication over WhatsApp groups form part of the communication. From the vantage point of executives seized with the task of navigating the Bank through a liquidity crunch and keeping the business sustainable, these communication types referenced above seem comprehensive.

Strategic sponsoring and participation in conferences has been an important part of the Communications, Marketing and Events (CME) Unit's role. This is done in close collaboration with the Coverage division to develop new business, promote brand visibility and maintain contact with project sponsors. Under pandemic conditions conferences went virtual. There was also an increased use of social media for business messaging.

From a media effectiveness point of view the shift to virtual conferences has been beneficial owing to the data they provide to track attendance and engagement levels. Participating in and hosting virtual marketing events have pointed the Bank to areas of improvements. Overall, virtual engagement methods have proven to be effective at landing messages. Even when physical events become safe the benefits of virtual events mean they are likely to be used a lot, therefore the DBSA needs to be equipped with the technology to fully exploit virtual events, live streaming and similar.

5.6 Business performance

The Bank's lending business took a triple blow at the start of the pandemic as capital markets froze, financing costs spiked and approved deals could not be concluded. On 27 March 2020, Moody's Investors Service issued a sovereign downgrade from Baa3 to Ba1 sub-investment grade. Huge uncertainty in domestic and global capital markets precipitated a liquidity crisis for all participants and forced an increase in borrowing costs. The liquidity crisis was driven by short-term conditions, not fundamental payment incapacity. Nevertheless, the drying up of lending meant that funds required by the Bank to honour disbursement obligations could not be easily attained.

Several transactions caught up in this liquidity crunch were with long established major clients that had been approved by the Board. Renegotiating terms with such clients required some robust conversations made more uncomfortable by the enforced distance of virtual meetings. Despite such challenges at the start of the pandemic DBSA was able to provide R5.0 billion loans to two metropolitan municipalities. Fortunately, most clients understood the negative impact of the pandemic in the funding market in general and were willing to renegotiate pricing. By the middle of March 2021, the DBSA's had lost business to the tune of R3,4 billion and further business worth R2,6 billion was delayed.

Most pre-pandemic business development across the DBSA value chain of new business identification, client relationship management, approval, deal structuring, due diligence, credit approval, financing, pricing, and contracting was conducted through major channels of road shows, bilateral meetings, conferences and networking. At a stroke, face to face interaction was blocked and all contact had to move online. A quick transition to communication with clients, sponsors and funders using virtual platforms occurred, albeit with a steep learning curve. Notwithstanding, establishing new relationships has become more difficult under virtual meeting conditions because social networking opportunities at conference type events have fallen away. Electronic platforms do not allow the kind of interaction conducive to trust building, thus putting obstacles in the path business development.

Faced with the liquidity crunch, the Coverage, Transacting and Treasury Divisions worked closely together to get greater certainty on the probability of deal closure, size and timing of funding required. Some deals in the pipeline fell out as a result of the higher cost of funds. The liquidity squeeze forced an intense focus on the quality of prospective deals to be specific on where resources would be focused. The fruits of this effort are that despite the pandemic the frontline divisions largely met their disbursement targets for the 2020/21 year.

5.7 Innovation

Five development laboratories (Dlabs), township development precincts designed as platforms to facilitate local economic and enterprise development, were earmarked for

the 2020/21 financial year. The liquidity crunch that ensued forced a change to the sequencing of the full programme. It was resolved to proceed with two of the five approved sites in the current financial year at Jabulani in Soweto and Westridge in Mitchells Plain. The first major impact was the disruption of construction schedules, delaying their start as well as work suspensions due to COVID-19 cases. Actual Dlabs activities, such as training, also had to switch to virtual platforms. The Bank remains committed to its innovation programme in the post-lockdown environment.

5.8 Long-term recovery focus

DBSA's infrastructure finance, project preparation, non-financial support particularly to under-resourced municipalities and infrastructure delivery have an easy fit with national and continental economic recovery strategies. Cumulatively they lean against economic contraction helping DBSA play a counter-cyclical role.

The Infrastructure Fund was formally launched in 2020 after several years of development. Through the Infrastructure Fund the Bank aims to carry out its statutory aim to mobilise private and public funding for development at a greater order of magnitude than is currently the case. This would be a significant boost to economic recovery from COVID-19 impacts in South Africa and the regional community.

6. Lessons learned

A number of tractable issues raised in this review of impact of COVID-19 on the DBSA that need attention include the following:

- 6.1 Take into account the emerging experience from COVID-19 and design a blended approach to the location where staff will perform their duties in future, incorporating office and home.
- 6.2 During crises solicit more views from staff on how to support them within the limits of available resources. Leadership must also increase communication frequency.

- 6.3 Train staff to use productivity tools and equip the Bank with the technology to fully exploit virtual events.
- 6.4 Enhance methods to make new business contacts when contact with prospective clients is restricted to electronic platforms.

7. Conclusion

COVID-19 can be controlled through vaccines but unlike the influenza pandemic a century ago that burnt itself out, it appears that COVID-19 and its relatives could be an ongoing chronic public health risk. This prospect changes perspective on what a post-lockdown world will look like and turns economic recovery strategies from a quick dash into a long slog.

Through 2020 the DBSA has proven to be resilient, admirably capable of protecting its staff and serving its clients and stakeholders. The pandemic has also thrown up problems where the Bank can and should do better. Acting on these lessons will lift the performance bar higher in future crises. The pandemic is still raging and there will probably be a revision to this paper in a year or two's time.

8. References

- Africa Center for Strategic Studies. 2020. Lessons from the 1918-1919 Spanish Flu Pandemic in Africa, May 13, 2020. <https://africacenter.org/spotlight/lessons-1918-1919-spanish-flu-africa/>.
- Barrett, P., Chen, S. and Li, N. 2020. COVID's Long Shadow: social repercussions of pandemics, IMF RESEARCH perspectives, Volume 23, Number 2 Fall-Winter 2020
- Barro, R. J., Ursúa, J. F., Weng, J. 2020. The Coronavirus and the Great Influenza Pandemic: Lessons from the “Spanish Flu” for the Coronavirus’s Potential Effects on Mortality and Economic Activity. National Bureau of Economic Research, Working Paper 26866.
- Bureau of Economic Research, 2021. Trends, Reference Source of Economic Statistics, BER, Stellenbosch, March, Vol. 44.
- Bradshaw, D., Laubscher, R., Dorrington, R., Groenewald, P. and Moultrie, T. 2021. Report on Weekly Deaths in South Africa, 14 - 20 Feb (Week 7). Burden of Disease Research Unit, South African Medical Research Council, 23 February 2021.
- COGTA. 2020a. Notice by Head of the National Disaster Management Centre (Department of Co-operative Governance and Traditional Affairs) that on 15 March 2020, in terms of section 23(1)(b) of the Disaster Management Act, 2002 (Act No. 57 of 2002) (the Act), classified the COVID -19 pandemic as a national disaster. <https://www.gov.za/documents/disaster-management-act-classification-national-disaster-covid-19-coronavirus-15-Mar-2020>.
- COVID-19 Corona Virus South African Resource Portal, <https://sacoronavirus.co.za/daily-Media-Statement>.
- DBSA. 2020a. Working from Home Guidelines, 16 March 2020.
- DBSA. 2020b. Business Continuity Management COVID-19 Response Paper, 31 March 2020.
- DBSA. 2020c. WHAT TO DO, AND NOT TO DO, IF YOU SUSPECT YOU MIGHT HAVE COVID-19 EMPLOYEE COVID-19 PROTOCOL, May 2020.
- DBSA. 2020d. DBSA Update and Business Resumption Plan Presentation - 24 June 2020.
- DBSA. 2020e. DBSA Legal Obligations - Remote Working - Discussion Paper, December 2020.
- DBSA. 2021a. FORECAST MANAGEMENT REPORT, Finance Division, January 2021.
- DBSA. 2021b. DBSA RISK RESPONSE, Update Adjusted Level 3, 8 March 2021.

- Diamond, J. 1997. *Guns, Germs and Steel*. W. W. Norton, New York.
- Enard, D., Cai, L., Gwennap, C., Petrov, D.A., 2016. Viruses are a dominant driver of protein adaptation in mammals. *Stanford University, United States. eLife* 2016;5: e12469 DOI: 10.7554/eLife.12469
- Giandhari, J., Pillay, S., Wilkinson, E., Tegally, H., Sinayskiy, I., Schuld, M. and de Oliveira, T. 2020. Early transmission of SARS-CoV-2 in South Africa: An epidemiological and phylogenetic report. *medRxiv*. Advance online publication. doi:10.1101/2020.05.29.20116376.
- IDFC. 2020. Impact of COVID-19 on business models of IDFC members, International Development Finance Club. Paper prepared by the IDFC SDG Business Model Working Group, November.
- ILO. 2020. An employers' guide on working from home in response to the outbreak of COVID-19 Geneva: International Labour Office.
- Margulis, L. and Sagan, D. 1986. *Microcosmos: Four Billion Years of Evolution from Our Microbial Ancestors*. University of California Press, Oakland.
- McNeill, W.H. 1976. *Plagues and Peoples*. Doubleday/Anchor Books, New York.
- NICD. 2021a. National Covid-19 Daily Report, National Institute for Communicable Diseases. <https://www.nicd.ac.za/diseases-a-z-index/covid-19/>
- NICD. 2021b. The Daily Covid-19 Effective Reproductive Number (R) in South Africa, week 7 2021.
- Phillips, H. 1984. 'Black October': The Impact of The Spanish Influenza Epidemic of 1918 on South Africa. PhD thesis in department of history, University of Cape Town.
- Presidency of South Africa. 2020. Development of a Country Report on the Measures Implemented to Combat the Impact of Covid-19 in South Africa, Interim Country Report. Department of Planning Monitoring and Evaluation, in partnership with Government Technical Advisory Centre and National Research Foundation, December.
- Scheidel, W. 2017. *The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century*. Princeton University Press, Princeton.
- Snowden, F. M. 2019. *Epidemics and Society: From the Black Death to the Present*. Yale University Press, New Haven.
- Statistics South Africa (Stats SA), 2021. Gross Domestic Product, Statistical release P0441. 8 June.
- The Economist. 2021. Bright side of the Moonshots, 25 March.
- Walker, R. 2006. *Epidemics & Plagues*. Kingfisher. London.

Waltner-Toews, D. 2020. The wisdom of Pandemics. Aeon essay 3 November 2020.
<https://aeon.co/essays/viruses-are-not-just-threats-but-actors-in-evolutions-long-story>

WHO (World Health Organization) 2021 Coronavirus disease (COVID-19) pandemic.
WHO, Geneva <https://www.euro.who.int/en/health-topics/health-emergencies/coronavirus-covid-19/novel-coronavirus-2019-ncov> (Accessed on 01 February 2021)

Zinsser, H. 1935. Rats, Lice and History. Little, Brown and Company, New York

Appendix: DBSA COVID-19 Communication Response in 2020

DATE	KEY MESSAGE	MEDIUM
	SADC Region Responds to COVID-19 Pandemic by Southern African News Features (SANF) SADC Member States Take Action on COVID-19 by Southern African News Features (SANF)	Weekly Wrap
March	Screen Savers	Campus
06 March 20	COVID-19 Implications for the Economy	DBSA Brief
06 March 20	Coronavirus – Planning for the worst, but hoping for the best 1	DBSA Brief
08 March 20	Security Access Control – You are requested to tap/swipe your own card upon entry and exit	DBSA Brief
17 March 20	Working from Home – Day 1	DBSA Brief
18 March 20	DBSA Gym Closed Until Further Notice	DBSA Brief
18 March 20	ICT Support Contact List and Step-by-Step Guide for AnyConnect Connection	DBSA Brief
18 March 20	DBSA Campus Closure	DBSA Brief
20 March 20	DBSA Campus Closure	DBSA Brief
20 March 20	COVID-19 Prevention Methods Explained	Weekly Wrap
	Tips to Stay Productive While Working from Home	
23 March 20	Interim Paperless Payment Process	DBSA Brief
23 March 20	We Are Here for You	DBSA Brief
25 March 20	Important Alert Message – 21 Days of Lockdown	SMS Notification
26 March 20	Important Information Message	SMS Notification
30 March 20	Lockdown Day 4 – Hang in There	SMS Notification
25 April 20	Nationwide Lockdown	DBSA Brief
26 April 20	Update: COVID-19	DBSA Brief
03 April 20	Stay in Touch While Working from Home	Weekly Wrap
	Social Distancing Guidelines	
04 April 20	Message from CE	DBSA Brief
06 April 20	Lockdown Day Message	SMS Notification
09 April 20	Lockdown Day 14	SMS Notification
09 April 20	Burnout-Busting Strategies	Weekly Wrap
	Stay healthy this season – Get your flu shot	
	Food for Thought	
	Message from Home: Mental Wellness and Other Things by Michele Ruiters	
14 April 20	Stay at Home – Shop for Essentials	SMS Notification
17 April 20	Message from CE	DBSA Brief
17 April 20	When to use a Mask	Weekly Wrap
	Zoombombing is Real, don't be a victim	
	Mindfulness	
	Food for Thought: Team Management During a Crisis by Dumi Magadlela	
	COVID-19: A Threat to SADC Regional Economy by Southern African News Features (SANF)	
17 Apr 20	When to use a Mask	Weekly Wrap

DATE	KEY MESSAGE	MEDIUM
	Zoombombing is real, don't be a victim!	
	Mindfulness	
	Food for Thought: Team Management During a Crisis by Dumi Magadlela	
	COVID-19: A Threat to SADC Regional Economy by Southern African News Features (SANF)	
22 Apr 20	Gender Based Violence/Domestic Violence Message	SMS Notification
22 Apr 20	We Are Committed to the Fight Against Gender Based Violence	DBSA Brief
23 Apr 20	Message from CE	DBSA Brief
24 Apr 20	Lockdown Alert Level Four Unpacked	
	Discovery Health members – Book A Virtual Consultation with a Doctor	
	Glove Use	Weekly Wrap
	Food for Thought	
	A New World – Creating Possibility by Michele Ruiters	
30 Apr 20	Use of Cloth Face Masks in South Africa During the COVID-19 pandemic	
	Let Careways Take Care of Your Wellness Needs Through their Virtual Counselling Services	Weekly Wrap
	Food for Thought Behind the Mask by Kim Sanderson	
	Africa Unplugged – Episode 8 DFI Response to COVID-19 by Africa House	
30 Apr 20	Moving from Level 5 to Level 4	SMS Notification
30 Apr 20	Message from CE	DBSA Brief
May	Posters	Campus
May	Hand Wipe Activations	Campus
04 May 20	Provision of Library Services During the Lockdown Period	DBSA Brief
08 May 20	Supply Chain Management Activities During the Lockdown Declared in South Africa	SMS Notification
08 May 20	Business Resumption Plan Update: Lockdown Level 4	DBSA Brief
08 May 20	Step by Step Guide on How to Use and Maintain your Cloth Mask	
	Access DBSA Library Services During the Lockdown Period	
	Food for Thought: Embracing our #New Normal by Dumi Magadlela	Weekly Wrap
	Africa Unplugged – Episode 9 Post-COVID Business Opportunities (MP3) by Africa House	
11 May 20	Message from CE	DBSA Brief
15 May 20	COVID-19 Relief Initiatives: Solidarity Fund Donation	DBSA Brief
15 May 20	Stay Safe and Healthy While Working from Home	
	SADC Energy Sector Braces for COVID-19 Impact by Southern African News Features (SANF)	Weekly Wrap
	Economic Measures for COVID-19 by National Treasury	
22 May 20	Key moments to wash your hands when using public transport	
	Careways "Life EHS App" Health Benefits at your fingertips	
	COVID-19 In Africa: A Call for Coordinated Governance, Improved Health Structures and Better	Weekly Wrap
	Data by the Mo Ibrahim Foundation	
	eKnowledge Sharing Session: Economic Impact of COVID-19	
25 May 20	Message from CE	DBSA Brief
29 May 20	Building Africa's Prosperity CNBC Broadcast Series	Weekly Wrap

DATE	KEY MESSAGE	MEDIUM
	Post COVID-19 and the Role of Infrastructure in Accelerating Development Amongst other Topics	
	Essential Runs During COVID-19	
	Tips for Cybersecurity When Working from Home	
June	Video Net	Campus
01 June 20	Campus Remains Closed	DBSA Brief
01 June 20	Message from CE	DBSA Brief
04 June 20	Stay At Home Message Stay Safe	SMS Notification
05 June 20	Six Ways in Which the Workplace Will Change, and How to Navigate the New Normal	Weekly Wrap
12 June 20	Discovery Health Members – Book A Virtual Consultation with a Doctor	Weekly Wrap
	Food for Thought	
	Message from Home #3 – Returning to Work and other Horror Stories by Michele Ruiters	
17 June 20	Day 83 of Lockdown Stay Home Message	SMS Notification
19 June 20	Food for Thought: Effective Teaming in the #NextNormal	Weekly Wrap
	The Careways Telephone Lines are Up and Running Again	
03 July 20	Tips to Keep Your Glasses Fog-Free While Wearing a Mask	Weekly Wrap
	Safety Tips for Visiting Personal Care Services	
07 July 20	Increase in Infection Rate	SMS Notification
10 July 20	The Campus Remains Closed	SMS Notification
10 July 20	Careways COVID-19 Symptom Checker App	Weekly Wrap
	Food for Thought	
	Knees on Our Necks: Let's Breathe, Please by Bongani Msimanga	
17 July 20	Mandela Day 2020 COVID-19 Initiatives	Weekly Wrap
	DBSA's COVID-19 Response Across Municipalities	
	Treat Everyone as Asymptomatic	
	24 July: DBSA Webinar on the Impact of 2018/29 FY Municipal Audit Outcomes	
17 July 20	Nelson Mandela Day 2020 COVID-19 Initiatives	DBSA Brief
20 July 20	ICT Tips for Working from Home	DBSA Brief
07 Aug 20	Left Out of the Conversation: The Effects of this Time on Optimal Human development	Weekly Wrap
16 Aug 20	Remain Working from Home	SMS Notification
19 Aug 20	Invitation: The Impact of COVID-19 on the Revenues, Intergovernmental Grants, Costs, Infrastructure Investments and Planned Borrowings of Metropolitan Municipalities	DBSA Brief
24 Aug 20	DBSA Donates Personal Protective Equipment (PPEs) to eSwatini and Zimbabwe	Weekly Wrap
	Chuene Ramphela on Newzroom Afrika to discuss the DBSA's COVID-19 Support	
	What COVID-19 can Teach us About Sustainability by State of the Planet	
31 Aug 20	DFI's Regenerating Resilient Finance Post COVID-19	Weekly Wrap
	Mandela Month CSI Initiatives	
01 Sep 20	Update on the Level 2 Procedures for Employees	SMS Notification

DATE	KEY MESSAGE	MEDIUM
01 Sep 20	Update on the Level 2 Procedures for Employees	Message from the CE – DBSA Brief
08 Sep 20	Delivering on Our Promise – COVID-19 110 Isolation Pods Handover in the Eastern Cape	Weekly Wrap
	DBSA Supports Sedibeng Municipality in the Fight Against COVID-19	
	Scam Alert – Working from Home	
09 Sep 20	From Pandemic to Recovery	DBSA Brief
11 Sep 20	Update on Level 1	Message from the CE – DBSA Brief
11 Sep 20	Update on Level 1	SMS Notification
11 Sep 20	7 Ways to Detach from Work Stress	Weekly Wrap
13 Sep 20	Update on Level 2 Procedures	Presentation to the Task Team
18 Sep 20	Prevent the Stigma: COVID-19 Does Not Discriminate	Weekly Wrap
21 Sep 20	How Dirty Are Common Surfaces?	Weekly Wrap
	21 August: DBSA Roundtable Discussion	
	The Impact of COVID-19 on the Revenues, Intergovernmental Grants, Costs, Infrastructure Investments and Planned Borrowings of Metropolitan Municipalities	
09 Oct 20	Keep Your Guard Up – Avoid Social Gatherings	Weekly Wrap
14 Oct 20	Update on Level 1 Procedures for Employees	Message from the CE – DBSA Brief
13 Nov 20	Observe COVID-19 Protocols and Avoid Infection	Weekly Wrap
27 Nov 20	Don't Get Complacent – Treat Everyone as Asymptomatic	Weekly Wrap
27 Nov 20	Festive Season's Greetings and Caution Regarding Complacency	Message from the CE – DBSA Brief
04 Dec 20	I Wear My Mask for Three Reasons	Weekly Wrap
10 Dec 20	Debrief on 2020 and COVID-19; Festive Season's Greetings and Caution regarding Complacency	CE's Address
18 Dec 20	Safety Tips for the Festive Season	DBSA Brief