SITUATIONAL ANALYSIS

As of March 24, 2020, the DRC recorded 45 positive cases, including one recovery and 3 fatalities.

To contain the progression of the COVID-19 virus, the President of the DRC has declared a state of emergency. Relations between the capital Kinshasa and the country's provinces are interrupted, and international flights from affected countries are banned. The Government has also developed and implemented a robust health response plan, building on its experience in managing Ebola crises. Although the health consequences of COVID-19 are still under control, its socio-economic impacts on the DRC are already perceptible. The DRC economy is dependent on the extractive sector (85 percent of export earnings and 30 percent of government revenues), and heavily dependent on industrial inputs and imported basic commodities. COVID-19 has hit hard at the country’s two main trading partners: China and Europe, which alone account for 85 percent and 82 percent of the country’s imports and exports respectively. The sharp fall in prices of extractive products (oil, copper, and cobalt) resulting from the drop in world demand (particularly from China) and the disruption of global supply chains is already having a severe impact on the DRC’s public finances, with major collateral effects on the conduct of the country’s economic recovery programme and the implementation of SDGs. Uncertainties related to the pandemic are also expected to drastically reduce the flow of inward foreign capital (IDF, ODA and migrant remittances).

Similarly, the decline in the level of foreign exchange reserves, by thwarting the country’s ability to import goods and services, will generate inflationary pressures on product markets. As a result, the purchasing power of households, especially the most vulnerable, will be significantly eroded, thus worsening the performance of the main social indicators. The country should also be prepared to face a slowdown in current consumption, rising prices, difficulties in the supply of goods, and a slowdown in general activity.

UNDP has been at the forefront of supporting the UNCT and DSRSG’s Office in strategic planning and recovery and transition programming for the ongoing Ebola response. UNDP will align its support for the COVID19 response with the government’s and UN’s overall response plans.

AREAS OF INTERVENTION

**Inclusive and Integrated Crisis Management and Multi-Sectoral Response**

Capacity of the Ministry of Planning strengthened through deployment of technical advisors to coordinate multi-sectoral emergency response programme design and implementation

Financial and technical contribution to the implementation of a pillar of the emergency response programme targeting vulnerable population

**Socio-Economic Impact and Recovery**

Multi-sectoral socio-economic impact assessment conducted to inform economic response measures that will mitigate the effects of the health shock on vulnerable populations and the poor. UNDP will build on the lessons learned from the socio-economic impact assessments of the Ebola response.

**BUDGET**

The DRC CO requires a total budget of US$2.1 million to respond to the COVID-19 crisis as additional funding. The CO has already invested TRAC resources to respond to the ongoing Ebola Crisis in support of the UN system and the Government and hence requires new resources to respond to COVID-19.

<table>
<thead>
<tr>
<th>OUTPUT</th>
<th>BUDGET</th>
<th>AVAILABLE</th>
<th>GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote inclusive and integrated crisis management and multi-sectoral responses</td>
<td>$1.59M</td>
<td>-</td>
<td>$1.59M</td>
</tr>
<tr>
<td>Support to address socio-economic impact and recovery</td>
<td>$510k</td>
<td>-</td>
<td>$510k</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2.1M</strong></td>
<td>-</td>
<td><strong>$2.1M</strong></td>
</tr>
</tbody>
</table>