

Solomon Islands National Initiatives, Experiences & Responses to COVID 19 Pandemic.

- 1. How does the public health system in LDCs respond to the pandemic? What adaptive measures including building capacity in testing and treatment and institutional arrangements have been adopted?**

Solomon Islands COVID-19 as a Pandemic

Introduction

The novel coronavirus 19 (COVID-19) outbreak was first reported to the World Health Organization (WHO) by China on 31 December 2019 and was declared a public health emergency of international concern (PHEIC) on 31 January 2020, and a pandemic on 11 March 2020. The Solomon Islands Government declared a state of emergency in March, which is still in place. At the time of writing this document (November 26, 2020), there have been 60,856,294 cases and 1,429,689 deaths worldwide. Cases have been reported in countries of particular interest to Solomon Islands with whom we have political and business ties and there is frequent travel and trade between them and Solomon Islands. These include but are not limited to Australia, New Zealand, China, Philippines, Malaysia, Singapore, Papua New Guinea and Pacific Countries including Fiji.

A risk assessment of COVID-19 in Solomon Islands showed a high risk of importation, and high impact, with large outbreaks likely in Honiara and smaller outbreaks likely in other provinces.

The Solomon Islands Government (SIG) is committed to protecting Solomon Islands against potential threats and, in response, has pledged contingency warrant funds to support COVID-19 preparedness, as identified in the COVID-19 Operational Plan. The National Disaster Committee (NDC), is coordinating a Whole-of-Government, whole-of-society response to COVID-19, with support from development partners, primarily the World Health Organisation (WHO), the Australian Department of Foreign Affairs and Trade (DFAT) and UNICEF, as well as the Governments of the People's Republic of China, Japan and New Zealand. The Ministry of Health and Medical Services (MHMS) Solomon Islands is the lead agency for the health sector response to COVID-19.

A plan to address COVID-19 (PRP CoVID-19 SI) was developed then by the Ministry of Health and Medical Services (MHMS), with technical assistance from WHO and DFAT, and is now being revised because of updated scientific information on the disease and the measures put in by the Solomon Islands Government (SIG) to respond to the threat of COVID-19.

This Plan documents high-level guidance and key areas for investment and is accompanied by documents operationalizing the plan with budget distribution. The plan will continue to be updated as more epidemiological information is made available and based on the global and Pacific situation of COVID-19.

Background

On 31 December 2019, a cluster of pneumonia cases of unknown cause in Wuhan City, Hubei Province in China was reported to the WHO. The cause of this viral pneumonia has now been identified as a new type of coronavirus SARS-nCoV-2 and the disease is called COVID-19, which is different from any other human coronaviruses discovered so far.

Coronaviruses are a large family of respiratory viruses that can cause diseases ranging from the common cold to the Middle-East Respiratory Syndrome and Severe Acute Respiratory Syndrome.

The clinical signs and symptoms of the patients reported in this new infection resembled flu-like symptoms. Initial symptoms, which usually appear within 14 days (2-14 days; median time 6 days) after infection, include fever, cough, sore throat, nasal congestion, malaise, headache, muscle pain and there could be breathing difficulty.

The transmission is through droplet infection and through fomites; airborne transmission has not been proven. There is an evidence of transmission through sub-clinical cases and pre-symptomatic or carriers. At present there is no specific treatment and vaccine to protect against this infection.

There is an urgent need for a COVID-19 Preparedness and Response Plan (COVID-19-PRP) aligned with existing key strategic documents, such as the National Health Emergency Plan (NHEP), National Health Security Plan (NHSP), National Disaster Management Plan (NDMP) and other emergency planning and response mechanisms.

The Solomon Islands COVID-19 PRP incorporates comprehensive emergency risk management in the health sector, enables and promotes multi-sectoral linkage and integration across the whole-of-government and the whole-of-society, and is built on a risk-based approach to the response.

The COVID-19 PRP is developed based on existing legal frameworks and organizational structures.

Goals of the Preparedness Response Plan

The goal of the Solomon Islands COVID-19 PRP is to contribute to the health security of Solomon Islands by:

1. Minimizing the risk of importation of COVID-19 to Solomon Islands;
2. Minimizing the spread, reducing morbidity and mortality; and
3. Minimizing societal disruption, psychosocial and economic impact of COVID-19.

The objectives of the COVID-19 PRP are:

- To guide and facilitate the health related preparedness and response capacity at all levels and across the Government to prepare for and respond to COVID-19;
- To build coordinated mechanisms between health and other departments to ensure robust preparedness and response capacity;
- To maximize resource generation, ensure appropriate allocation and guide effective use of resources to combat COVID-19; and
- To further strengthen and sustain the gains achieved in responding to COVID-19 in Solomon Islands.

The list of decisions and actions depicted in this plan is not exhaustive or prescriptive. It is intended to provide a high-level overview of the Government approach to the threat of the virus. This plan will be updated on a regular basis to reflect ongoing policy decisions, as well as improvements in domestic preparedness and risk assessments.

2. What social protection measures have been taken to protect the livelihoods of people, particularly the vulnerable population, informal workers, migrants and women? What measures have been taken to keep business afloat?

The Solomon Islands recorded its first positive Covid-19 case on 3rd October 2020. However, the Solomon Islands Government has already taken steps to protect the country and to deal with the crisis. A State of Public Emergency (SPE) has been declared and several Orders issued under the SPE including the banning of roadside markets to discourage gatherings, the closure of all schools, public sporting

and entertainment activities and venues, and encouraging the return of Honiara residents to the provinces. The Government has also set up mandatory quarantine and isolation facilities for incoming passengers.

The negative impact on the Solomon Islands economy is likely to be considerable, affecting individuals, households and businesses throughout the country. The country was heading towards recession in the second half of 2020 with a significant contraction in GDP growth projected to be around -4.9%, driven by disruptions to export markets, supply chains and travel restriction.

To protect the livelihoods of Solomon Islanders, the following measures were put in place:

(i). Soft Measures:

These are immediate actions aimed at ensuring the economy continues to function during the crisis. These actions include:

(a) Reduction in utility tariffs for households and businesses

Utility providers would temporarily reduce the cost of utilities to households and business consumers to improve their cash flow.

Under Solomon Power, the company will provide the following relief measures:

- Will reduce electricity tariffs by 16% in May in addition to the 40% reduction already being implemented. The 16% reduction in the electricity tariff would ease the immediate burden on households and businesses
- Provide Dividend of \$5 million
- Buy Covid-19 Domestic Development Bond up to \$40 million

Under the Solomon Islands Port Authority (SIPA) relief package, the following measures will be offered to businesses and Port customers, which will benefit public:

- Domestic port charges have been removed for one month and will be extended to 2 months began in April 2020 and subjective to monthly review.
- Storage period will be maintained and consideration will be given to local importers and exporters on case by case basis.
- Provide Dividend of \$5 million
- Buy Covid-19 Domestic Development Bond of \$20 million
- Consideration on costs to importers and exporters relating to international Port charges is being assessed.

(b) Solomon Islands Submarine Cable Company (SISCC) assistance to Retail Operators

SISCC is offering assistance to the retail telecommunications operators during this pandemic crisis in the form of additional free bandwidth. This is in anticipation of increased government and retail usage through this trying period. SISCC is currently working with each individual operator to tailor their assistance to their specific needs but based around one of two alternative options:

- A straight 50% increase in bandwidth over their current commercial contract bandwidth for the forth months of the period of emergency at no additional cost to the operator.

The **Oversight Committee** will work closely with the retailers to ensure that users benefit from these relief measure:

- **Support by banks and financial institutions for customers (Short-term stimulus):**

Some banks and financial institutions have already announced initiatives to provide relief for their customers on loan and interest repayments. The Oversight Committee will further negotiate with the Central Bank of Solomon Islands (CBSI) and commercial banks to ensure that this package will benefit businesses and customers.

- **Solomon Islands National Provident Fund (SINPF) Relief on surcharge (penalties) to employers and cash injection into the economy:**
SINPF's expected payout of up to \$200 million will help to stimulate the domestic economy.
- **Tax Relief for affected businesses (Short-term economic stimulus):**
The SI Government proposes to assist taxpayers most affected by the pandemic. The substantive assistance will be the tourism sector, where operators would be given tax breaks for five years. Other measures proposed are mainly administrative such as the extension of deadlines to lodge taxes and remission of penalties.
- **Payment to public servants (Short-term economic stimulus):**
Government payroll to public officers will continue to be paid to ensure cash regularly flows into the economy. The Government had announced a 50% reduction in some public servants' salaries, but this initiative would allow them to continue to draw their normal salaries upon favorable SIG cash flow.
- **Engagement of women, youths and students to monitor prices (Short-term economic stimulus):**
Women, youths and students will be engaged to monitor price control regulations in shops and other business activities. The expected cost of this initiative is SBD5 million.
- **Special Rental Relief of \$5 million is expected to be channeled to SMEs:**
This will ensure SMEs to continue their operations.
- **Pumping of additional Health Grants of \$10 million to Provincial Health Authorities:**
This measure will support the health needs around the Provincial Health Hospitals and Rural Health Centres.
- **Inject additional \$5 million to the Education sector:**
This measure will support the resumption of schools nationwide.

(ii) Immediate Recovery Measures 1:

These measures focus on the productive and resources sectors especially in investment in value-adding targeted products in the agriculture, forestry, fisheries and tourism sectors. The objective of this element of the package is to increase rural production and employment and diversification of the export and economic base. These measures include:

- (a) Investment in value added or production of agriculture products like noni, kava, cassava, taro coconuts and cocoa. This initiative is expected to cost SBD70 million. Special feature under this package will include proposal to provide price/freight subsidies on copra and cocoa. This is to ensure people migrating to the provinces due to Covid-19 treat to engage in copra and cocoa production.
- (b) Investment in value added or production of targeted products in forestry, fisheries and tourism sectors. This initiative expected to cost SBD44 million.
- (c) Covid-19 product by Development Bank of Solomon Islands (DBSI). This initiative is expected to cost SBD10 million.

(iii) Immediate recovery measures 2: This element of the package proposes equity injection into government owned or partly owned companies to enable them recover and maintain their operations. Other privately-owned large companies will also be assisted by way of export credit or other liquidity support through the banking system to maintain production and employment. These enterprises are

important players and taxpayers in the economy. The support to these key companies will be implemented through a concessional facility at the Development Bank of Solomon Islands.

3. What are the short and long-term socio-economic impacts of COVID-19 on achieving goals and targets of the IPoA and sustainable development? How has COVID-19 affected the graduation process of LDCs?

Covid-19 pandemic has adversely impacted all development sectors in the Solomon Islands. The country recently shifts its development focus, and invested more resources into measures and response to address the spread of Covid-19 and other related health issues in the country. Therefore, most of the socio-economic development activities has been closed or disrupted, and is likely exaggerated the country from achieving its national IPoA and Sustainable Development goals and targets.

Economic Growth

In terms of Covid-19 short-term impacts, the country has experienced disruption in economic activities. Some productive and service sectors have scaled down in their operations and others have gone to the extent to close down their businesses. The Tourism industry is the most affected. The introduction of international travel restrictions and border closures has led to zero visitors visiting the country. This has forced many hotels and resorts especially, the small and medium size operators to close down or scale down their operation. This has reduced the revenue earned in this sector, through employers and employees tax to the Government.

Employment is another area that is primarily affected by Covid-19. Most business that is directly impacted by covid-19 scaled down their operations, which resulted in laying-off of some of their employees. Soltuna is one of the companies that is scaling down and therefore, have taken the action of laying-off some of its employees. According to Solomon Islands Chamber of Commerce and Industry (SICCI) 38% of businesses surveyed showed 583 people left without jobs and added that the single highest instance of workers temporarily laid off was 153 workers for one company with the lowest number being one dismissal. People who are laid off currently find it challenging to meet their families' basic needs.

The country's international trade is also negatively impacted by Covid-19. The major exporting partners of Solomon Islands in terms of export destination and source of raw materials are the advance economies of North and South. As a result of the slow-down of the economy of our trading partners, our exports will plunge and the breakdown of the supply chain will disrupt our export capacity. China and Italy are our major trading partners in terms of exporting wood and fish. These countries are heavily affected by the pandemic as such, it is more likely that their demand for wood and fish will drop resulting to a drop in the amount of revenue the country earns from those commodities, and this will eventually impact our ability to pay for imports. CBSI states that in terms of the country's exports; logs, one of the country's key export commodities will be affected. As China is the key destination for our log exports, the epidemic might see a 11% fall in log output to 2.2 million cubic metres. Foreign exchange from logs might decline by 9% to \$2.3 billion. There will be delays in log shipments to China, as well the remittance of the proceeds.

The negative impact on logs has affected the fiscal operations of the country. Based on the CBSI report, Log duties could fall by 6% to \$467 million, leading to a further 1% fall in total domestic revenue to \$3.5 billion. On the expenditure side, health spending is increasing as more funds allocated for preparedness and response that includes the quarantining of returning residents living abroad. The fiscal balance is already deteriorating to negative 1%, and the government is taking the initiative to reallocation and rationing of funds to ensure resources are re-allocated into current programmes

under the economic and productive sector to ensure the stabilisation of the economic and productive sector to continue with their business activities.

Major infrastructure programs under the development budget are slowing down in implementation due to the Covid-19 implying roll over of activities into 2021 and beyond given the unpredicted situation. Already there is budget constraint against ongoing performance since funds are reallocated into Covid-19 related activities through Health and border to curb the spread of the pandemic. Government is prioritizing protective and travelling measures to ensure the situation is managed and controlled.

In terms of the country's overall economic growth with regards to the impact of Covid-19, the negative impact is likely to be considerable, affecting individuals, households and businesses throughout the country. The country was heading towards recession in the second half of 2020 with a significant contraction in GDP growth projected to be around -4.9%, driven by disruptions to export markets, supply chains and travel restriction.

Social

The pandemic also enabled the Development Partners to redirect their development focus and funding priorities to support the efforts to prepare and response to Covid-19 (Health sector). They were leaving other essential sectors such as educations, and governance programs on hold. On the other hand, the new donor funding focus is seen as a positive impact to improve the health sector, and to strengthen the effort to prepare and response to Covid-19. However, it will affect some of the planned areas of development that is also vitally important for the Country such as, social service and infrastructure development

The impact of Covid-19 has brought immediate pressure on the Country's health system which, is already at it low state. The pressure to commit health's limited resources to prepare and response to Covid-19 has diverted resources from some of the severe health issues in the Country such as, Non-communicable Disease (NDC), which is the current, number one killer in the Country.

The repatriation of people from Honiara to the provinces raised some social issues in the communities that includes, overcrowding in households. Most of those who were repatriated have been living in Honiara for many years and therefore, do not have houses in the provinces. Some were accommodated by their relatives that often resulted to overcrowding households, and sometimes arguments between families and relatives relating to space and resources. Also there was an increase in the number of reports of people stealing other peoples' gardens.

Covid-19 also impacted the public institutions in the Country. There was definite closure of public institutions including, schools and universities. Students were repatriated back to their home provinces. When they call them back, it was favourable for those who live close to Honiara but for those in remote provinces they were not able to join the classes because they were not able to return on time. This has resulted in the shortening of the study period and for those who were not able to resume classes were deprived from completing their classes for the year.

In terms of the long term impacts of the pandemic, productive and service industries that were directly affected by the pandemic were likely to take a long time to recovery. Tourism industry as one of the most affected industries, will take a long time to recover or star up again for those who have close down the business. It will also take time for the country's economy to recover from the impacts of the pandemic.

Covid-19 has impact Solomon Islands both socially and economically. The impacts mentioned above will prevent the Country from achieving the goals and targets of the IPoA and Sustainable Development.

4. What recovery plans have been designed? What are the inadequacies and constraints in achieving an inclusive, resilient and sustainable recovery?

The Solomon Islands has a Country Recovery and Rehabilitation arrangements in place for all disasters under the Solomon Islands Government National Disaster Management Plan 2018. The Recovery Plan often activated by the National Disaster Council (NDC) when it is necessary. The plan establishes the Recovery Coordination Committee under the National Disaster Council, who is responsible for establishing and overseeing policies, arrangements and procedures for coordinating recovery and rehabilitation from disaster events.

The onset of Covid-19 differs from the other natural disasters that are often experienced in the Solomon Islands. Other natural disasters their onset are time bound as well as their impact, and this can be measured and usually can last within 24 to 72 hours. However, in-terms of Covid-19, its onset has no time limit and unpredictable ending. Covid-19 since its outbreak towards the end of 2019 has continued to infect countries throughout the globe, with some countries currently experiencing a second and third way of infection. In such case, Solomon Islands Government efforts on response and recovery is focused on the management of Covid-19 through the cross sectoral approaches.

Currently, the recovery plan is not yet activated due to the ongoing nature of Covid-19. However, response and management of the Covid-19 was made through the Institutional and Cluster arrangements, which are currently in full operation and activated through the National Disaster Management Office and National Emergency Operation Centre ((NDMO and NEOC). The six sectoral clusters activated are: Livelihood, Education, Health, Protection, Shelter/ camp management and, Environment and Disaster risk. Each of these clusters through their sectors and other Line ministries has COVID 19 Response plan that is currently activated.

Furthermore, the government is carrying out the following responses to curb the impact of Covid-19 in the country. These response and management measures of Covid-19 includes; the State of Emergency, Social distancing in the public spaces to curb the spread of the virus and in order to limit the movement of people in Honiara the government repatriated some people back to their home provinces.

The country also imposed restriction on international travel, border closure and strict public screening processes for visitors and returning residents at the international port of entry into the country to prevent the virus from entering the country. The government also sets up mandatory quarantine and isolation facilities to accommodate returning residents as they go through the quarantine processes.

The government introduced the Economic Stimulus Package (EPS) to meet the adverse impacts of Covid-19 on the economy. This aims to ensure that Urban and Rural economic activities continue with the support and maintain outputs with the aggregate income to sustain the economy. It looks at immediate measures to ensure economic activities continue to function drops in aggregate demand are cushioned. This is through tariffs, telecommunication, Financial Institutions, NPF, tax, payroll, engagement of women, youth and children, SME's, support to education and health.

In terms of the effectiveness of the recovery plan, not most can be mentioned at this stage as the recovery plan is yet to be activated. However, in terms of recovery plans that were carried out in the past with previous disasters show a history of externally driven Recovery Plans in the Solomon Islands

which, have been expansive and lacked explicitness and Government commitment. Recovery programmes have rarely been implemented in any coordinated manner. Typically, ad hoc Government measures will appear in development plans some time later and donors may reallocate existing programmes sector level to address their priority. It is essential that Recovery Plans have credibility and SIG sector buy-in. Without it coordinated recovery does not happen.

Currently, the government is taking the leading role in the response and management measures to curb the impact of Covid-19. Hopefully the government will activate an effective recovery plan when the time comes.

5. What support from the international community has been received to help cope with the pandemic? What are the shortfalls?

In terms of funding the economic stimulus package, the SI Government requested the Development Partners to support its efforts and pledges of support have been received from several partners. The Development Partners were requested to bring forward their future funding for infrastructure projects or frontload their contribution.

Donors (both bilateral and multilateral) currently finance the vast majority of capital expenditure in the Solomon Islands. For this reason, the Government commenced discussions with development partners to look at how key planned expenditure could be brought forward. Additional financing for infrastructure would be highly beneficial by providing employment and maintaining economic activities. This measure will drastically support the economy during the recovery phase.