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COVID-19 Africa Public Finance Response Monitor

Ensuring business continuity within the ministry of finance during COVID-19

Contents

Acknowledgements

This report forms part of a series of publications informed by CABRI's COVID-19 Africa Public Finance Response Monitor. The reports support policymakers in responding to crises by providing insight into managing and mitigating crises, what elements of PFM systems need to be strengthened and how systems can prove more resilient and lower the cost associated with exogenous crises in the future. This report was written by Awa Touray and reviewed by Philipp Krause, Joana Bento and Danielle Serebro of the CABRI Secretariat. CABRI gratefully acknowledges the insights provided from interviews conducted with officials in finance ministries in Burkina Faso, Côte d'Ivoire, Liberia, Nigeria, Rwanda and South Africa.

Boxes

Acronyms and abbreviations

BCM	Business Continuity Management
BCP	Business Continuity Plan
CABRI	Collaborative Africa Budget Reform Initiative
COVID-19	Coronavirus Disease
DMS	Document Management System
DRR	Disaster Risk Reduction
IFMIS	Integrated Financial Management Information System
IT	Information Technology
MDAs	Ministries, Departments and Agencies
MFDP	Ministry of Finance and Development Planning
PFM	Public Financial Management
SARS	Severe Acute Respiratory Syndrome
UNDP	United Nations Development Programme

Introduction

The importance of business continuity management (BCM), often referred to as business continuity planning (BCP), has been highlighted by the disruptions to normal working practices created by the COVID-19 pandemic and physical distancing requirements. Due to containment measures, governments have been constrained and forced to change how they operate. The finance ministry in particular, as the nerve centre of government and at the heart of the economic and fiscal policy response to the pandemic, has had to leverage, adapt or establish business continuity strategies to ensure the adoption of adequate public health measures while maximising operational continuity. A wide range of measures have been introduced by countries to mitigate the far-reaching effects of the COVID-19 pandemic on finance ministry functions and objectives and ensure business continuity as far as possible. Beyond testing management processes, COVID-19 has also tested the management of employees under a remote work framework.

Select country experiences included in this report highlight that BCP is a nascent concept on the continent. As a consequence, COVID-19 has tested public financial management (PFM) processes and has emphasised the need for finance ministries and public administrations as a whole to be adaptive, agile and have risk management strategies at hand. This report looks at business continuity in finance and budget ministries in six African countries covering an array of PFM systems, capabilities, levels of development, as well as experience in both public sector innovation and management of crises. It is consequently crucial that countries learn from each other's experiences with business continuity during this crisis and institutionalise those practices that they have seen bring about efficiencies and improve the welfare of public finance officials.

This report begins to document some of these practices in Burkina Faso, Côte d'Ivoire, Liberia, Nigeria, Rwanda and South Africa.[1] The report draws on data collected for CABRI's COVID-19 PF Response Monitor and primary interviews with ministry of finance officials from the six countries.[2] To understand business continuity within finance ministries in sub-Saharan Africa, the report provides an overview of the state of business continuity on the continent; what business continuity in ministries of finance has come to mean during COVID-19; explores specific country challenges with continued finance operations during the pandemic, including work redesign and workforce management, connectivity and digitalisation; changes in decision making and internal processes; uninterrupted budget execution and procurement; and treasury management. The report concludes with recommendations on the way forward.

COVID-19 has tested public financial management (PFM) processes and has emphasised the need for finance ministries and public administrations as a whole to be adaptive, agile and have risk management strategies at hand.

1 The report was written in March 2021 and does not therefore capture the totality of business continuity measures introduced by the six countries during the pandemic. Additional research into how business continuity in ministries of finance unfolded during the remainder of the pandemic would be a valuable complement.

2 References to country-specific information without a citation are from primary interviews with officials from the ministry of finance of these countries.

Business continuity management: An overview

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BCM is an approach that includes the development, implementation and maintenance of policies, procedures, frameworks and programmes to manage business disruptions and build resilience.[3] BCMs are aimed at minimising disruptions to business operations, especially disruptions that have financial, legal and reputational consequences. BCP assists in preventing, preparing for, responding to, managing and recovering from the impacts of an incident or disruptive event such as earthquakes or the current COVID-19 pandemic. African countries have limited experience with business continuity.

The inadequacy of risk mitigation strategies extends beyond business continuity to policies and institutional frameworks aimed at disaster risk reduction (DRR). These exist in Africa but with limited effectiveness,[4] which can partially be explained by limited fiscal space and resources to invest in DRR strategies. This is further exacerbated by low capacities of national governments and local authorities in charge of disaster risk planning.[5] Furthermore, government departments in Africa are still heavily reliant on manual processes and BCPs are often misconstrued and regarded as an information technology (IT) problem. In most instances, BCP is seen as a 'tick the box' exercise which lacks buy-in from the highest level of government. This culture, coupled with the lack of a common policy framework, limits the ability of government departments to increase their resilience, recover from a disaster and ensure the continuity of business operations.[6] The absence of BCP in the public sector thus compromises a government's ability – especially the ministry of finance, which bears the responsibility to manage considerable government assets and liabilities – to provide services to its populations. Other potential risks include high reputational and political risks associated with operational errors or failures, which may be perceived as a lack of competence from the ministry of finance to manage treasury operations.[7]

The inadequacy of risk mitigation strategies extends beyond business continuity to policies and institutional frameworks aimed at disaster risk reduction (DRR).

3 Supriadi, Leni Sagita Riantini, and Low Sui Pheng. Business Continuity Management (BCM). *Business Continuity Management in Construction*, August 2017, pp. 41–73. PubMed Central, doi:10.1007/978-981-10-5487-7_3.

4 https://gar.undrr.org/sites/default/files/chapter/2019-05/Chapter_11.pdf (accessed 22 July 2021).

5 Report on the Status of Disaster Risk Reduction in Sub-Saharan Africa – Burkina Faso. ReliefWeb, https://reliefweb.int/report/burkina-faso/report-status-disaster-risk-reduction-sub-saharan-africa (accessed 5 March 2021).

6 Business Continuity Challenges in the Public Sector – and How to Overcome Them. ContinuitySA, 18 August 2020, https://www.continuitysa.com/business-continuity-challenges-in-the-public-sector-and-how-to-overcome-them/.

7 Storkey, Ian. Operational Risk Management and Business Continuity Planning for Modern State Treasuries. IMF, https://www.imf.org/external/pubs/ft/tnm/2011/tnm1105.pdf.

Business continuity during COVID-19

Business continuity during COVID-19 was necessitated by the implementation of containment measures, particularly through social distancing. The table in the Appendix shows the different containment measures implemented from the first day the virus was detected in select African countries. Across the different countries, government responses to the COVID-19 pandemic suggest different approaches. For example, when a case was first detected in Nigeria, the government's initial response was the prohibition of entry to travellers from countries with a high number of cases. Furthermore, due to the federal system, the response varied across states. In countries like Rwanda, the government responded quickly and instituted lockdown measures within one week of detection of the first COVID-19 case.

The initial duration of the lockdowns mostly varied from 14 to 21 days. However, after countries realised the rapidly spreading nature of the virus, the periods were extended and, in most cases, harsher and stricter measures were put in place. The strict lockdown measures paved the need to initiate BCPs, or at least business continuity measures, to mitigate the high economic losses and ensure government/business continuity. The pandemic has led to many 'firsts' for several African countries, including telecommuting, virtual meetings and alternative work arrangements.

As stated above, African ministries of finance have limited experience with BCM, particularly as to what this means in the context of a pandemic, such as COVID-19. Even in countries with detailed BCPs, such as South Africa, officials have noted that the provisions have been inadequate in the face of the COVID-19 crisis (see Box 1). However, the case of South Africa, despite being seen as inadequate by national treasury officials, shows that organisations[8] with some contingency for crisis management through BCPs, disaster management or contingency plans have demonstrated a greater capacity to transition into a different work mode despite not having planned for a crisis of the nature of the COVID-19 pandemic. This is because such plans may provide a framework where i) a structure for incident management and decision making is in place; ii) teams are established at various levels to respond as required; iii) critical functions and the level of staff required are identified to ensure an acceptable level of operational continuity; and iv) IT infrastructure is available to respond to the requirements of remote work.[9]

Box 1: South Africa's BCP in the context of COVID-19

South Africa's BCP is focused on addressing disruptions arising from major events such as a failure of the IT system, electricity disruption or a burnt-down building. The plan is limited to making provision for staff relocation, data integrity, database protection and so forth, but it has no provision for complete offsite business operation and the existing 'work from home' policy catered for merely a few hours of offsite work.

The pandemic has led to many 'firsts' for several African countries, including telecommuting, virtual meetings and alternative work arrangements.

8 https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever

9 BCI. *Moving to a Resilient Future: COVID-19 Prompts Us to Reconsider the Role of Business Continuity*. https://www.thebci.org/news/moving-to-a-resilient-future-covid-19-prompts-us-to-reconsider-the-role-of-business-continuity.html (accessed 23 February 2021).

Some countries have, however, leveraged lessons learned from previous epidemics in their response to COVID-19, allowing for the development of localised strategies. Country experiences in handling epidemics such as Ebola and SARS have influenced the approach and preparedness for the COVID-19 pandemic in countries such as Liberia (Box 2).

Box 2: BCP lessons from previous crises

There is an increasing incidence of contagious disease epidemics, such as Ebola, SARS and COVID-19, representing some of the biggest public health challenges in the 21st century. In 2003, SARS, similar to the COVID-19 crisis, caught the world by surprise after its emergence in China and its spread internationally. And in 2014, the biggest outbreak of the Ebola virus emanated from Guinea and spread to other West African countries, particularly Liberia and Sierra Leone. These crises have caused varying levels of disruption, emphasising the need for countries to build crisis management or business continuity capabilities in order to build institutional resilience. We consider the lessons and considerations that the Ebola and SARS experiences proffer for finance ministries working to ensure business continuity. These lessons are crucial for preparing response measures:

- When it comes to the use of digital tools, these are most productive when coupled with meaningful investments in human resources as well as institutional policies and procedures.
- An incremental approach is key. For instance, successful experiences with digital tools have been those that have built on available tools and processes as opposed to starting from scratch. Even technology needs to be couched in the local context.
- 'Plans alone are nothing; planning is everything.' Incorporating stakeholders in the planning of risk management strategies and defining their roles and responsibilities is key.
- The rotation of key personnel to diversify staff capacity. The rotation of staff to various departments or units within the finance ministry will ensure that staff develop expertise and experience outside of their designated role. Where the operation of a skeleton staff is required, this is useful to ensure that productivity is still maintained because capacity is not compromised.

Sources: [10,11,12,13]

Country experiences in handling epidemics such as Ebola and SARS have influenced the approach and preparedness for the COVID-19 pandemic in countries such as Liberia.

10 Heymann, David L., and Guenael Rodier. SARS: Lessons from a New Disease. National Academies Press (US), 2004. www.ncbi.nlm.nih.gov, https://www.ncbi.nlm.nih.gov/books/NBK92444/.

11 How Can Lessons from Ebola Inform the Response to COVID-19? *The University of Manchester*, https://www.manchester.ac.uk/coronavirus-response/humanities-coronavirus-projects/ebola/ (accessed 23 February 2021).

12 Kandel, Nirmal. Is There a Business Continuity Plan for Emergencies like an Ebola Outbreak or Other Pandemics? Journal of Business Continuity & Emergency Planning, vol. 8, no. 4, 2015, pp. 295–298.

13 Day, Brennan, et al. The New Normal: Lessons Learned from SARS for Corporations Operating in Emerging Markets. *Management Decision*, vol. 42, no. 6, July 2004, pp. 794–806. PubMed Central, doi:10.1108/00251740410542357.

Business continuity management in Burkina Faso, Côte d'Ivoire, Liberia, Nigeria, Rwanda and South Africa

This section delves into how the finance ministries in Burkina Faso, Côte d'Ivoire, Liberia, Nigeria, Rwanda and South Africa have sought to ensure continued public finance functions through i) work redesign and workforce management; ii) connectivity and digitalisation; iii) revised decision making and internal controls; iv) uninterrupted budget execution and procurement; and v) treasury operations. These allow a critical look into how finance ministries are working in new ways and the considerations and adaptations that are being made with regards to employee well-being and productivity, digital capabilities and efficiencies, organisational processes and functions critical to the COVID-19 response.

4.1 Work redesign and workforce management

Most countries already have legal frameworks, such as interim emergency instructions, which governments can invoke to increase efficiency in working arrangements during a crisis or which allow the government to either formulate or put in place revised procedures that give flexibility for a more efficient, timely response. In many countries, the declaration of an emergency provides the authorising environment.

The pandemic has required finance ministries to swiftly transition from often rigid working conditions to flexible and/or remote working. This may have been an easier transition in control agencies such as the treasury or finance ministry than in line ministries which implement public services directly. However, finance ministries have been challenged with ensuring the continuity of core functions (including macro-fiscal management, budget preparation, revenue administration, budget execution until payment, cash, debt and asset management operations, accounting operations and fiscal reporting).

In carrying out core and even specialist finance ministry functions, interviews with officials across the six selected countries have revealed the existence of notable changes in working arrangements during the COVID-19 pandemic. In Rwanda, the Ministry of Finance and Economic Planning has adapted its recovery strategies in line with instructions from the Ministry of Health. The cabinet meets every fortnight to review the status of the working arrangements and take appropriate decisions with regards to the state of the lockdown. Moreover, resources for internet connectivity are provided and virtual meetings via Webex Meetings are used to replace in-person meetings. And with the transition back to the office, only 30% to 50% of the finance ministry staff are permitted to physically report to work. On the other hand, countries like Liberia have taken a more drastic and aggressive approach by suspending work for up to four months. Seventy-five per cent of the workforce were at home, with great emphasis placed on saving lives and public health as opposed to business continuity. This affected productivity as only essential staff, those working within the Integrated Financial Management Information System (IFMIS) and particularly those involved in payment processing, were operational. At the onset of the crisis, the legacy of Ebola and the infectious nature of the virus instilled a great deal of fear with regards to the public health impact. Therefore, when it came to making considerations regarding the balance between public health concerns and organisational productivity, the Ministry of Finance and Development Planning (MFDP) took a cautious approach by suspending work in the short term. This contrasts with the approach undertaken during the Ebola crisis. At the peak of the crisis, the MFDP operated from the Ministry of Health to ensure an efficient response to changing needs.[14]

As countries have adopted remote working arrangements, there has been a need to consider how to make flexible work as inclusive as possible. For instance, Nigeria and South Africa have paid allowances and issued computers to officials of certain grades to facilitate remote work. Data packages have also been included as part of the benefits and claims made available to staff. Similarly, Rwanda has provided communication allowances and 4G devices to staff to ease internet connectivity costs for staff working remotely.

The new mode of working has, however, come with several challenges. In Nigeria, there has been a sense of uneven distribution of workload. The shifting of the work environment from regular office to home has caused changes in workload and productivity. The effects of the remote working

14 CABRI. *Extract 2017 CABRI Conference Report: Managing the Budgetary Impact of the Ebola Crisis in Liberia*. CABRI, 2017. https://www.cabri-sbo.org/en/publications/extract-2017-cabri-conference-report-managing-the-budgetary-impact-of-the-ebola-crisis-in-liberia

arrangement on productivity are outside the scope of this report; however, research evidence suggests that employees who work remotely at home tend to have a higher workload due to technical issues as opposed to those who are in the office.[15] With many sub-Saharan African countries facing challenges with internet access and erratic power supply, it becomes necessary to provide offsite finance and budget officials with the requisite tools to ensure business continuity remotely. Related to this is the issue of accountability, for example officials disappearing or becoming unresponsive during virtual meetings in Nigeria. And in South Africa, telecommuting has revealed that certain roles in the treasury may have become redundant. This includes administrative staff such as personal assistants who have largely been unengaged during this period.

On the other hand, in countries such as Côte d'Ivoire, selective physical meetings were held. Most of the management committees of the Budget Directorate were held in-person, with public health measures applied. These included wearing face masks and reducing the number of meeting participants by grouping them in different rooms, with Cisco support allowing for video conferencing. Regarding work attendance, in order to decrease the number of staff present in the office at any one time and enforce social distancing measures, a rotational system was put in place in offices with a large staff complement. Also, civil servants are entitled to collect protective masks from pharmacies upon presentation of their civil servant's insurance card.

The impact of the pandemic on business continuity raises important issues about capacity, roles and responsibilities and the recalibration of routine tasks and activities to ensure public health while maximising productivity. This has in turn provided a window of opportunity for countries to build different capabilities as they respond to new, short-term and urgent demands while building longer-term resilience. The experience of Burkina Faso showcases the use of donor support through the German Development Cooperation (GIZ) to close a capability gap in collaborative work. In addition to other relevant support, GIZ has facilitated training on the use of online tools for Burkinabe finance officials, such as the use of Zoom and Google Docs, and the moderation of meetings online. Box 3 highlights the experience of Uganda, which has employed a whole-of-government approach.

Box 3: Business continuity planning in Uganda

In Uganda, a whole-of-government and integrated crisis management approach has been employed and is supported by the United Nations Development Programme (UNDP) through its 'business continuity through digitalisation' approach. In April 2020, the Ugandan government implemented a 14-day lockdown including a mandatory work-from-home policy. The UNDP's support, worth US$600 000, aimed at ensuring virtual business continuity and included collaboration tool licences, computers, as well as HD video conferencing cameras. This support also extends to the development of a BCP for COVID-19. The BCP plan team is headed by the deputy secretary to the treasury and its provisions include: i) identification of essential activities and accompanying staff; ii) suspension of all gatherings such as meetings, conferences and workshops; iii) establishment of a staff rotation schedule; iv) highlighting of working norms; v) work from home provision; vi) an IT framework; and vii) a communication strategy.

Source: [16]

4.2 Connectivity and digitalisation

Digitals tools have been at the forefront of efforts to combat the impact of the virus. They have been key in the education sector and instrumental in ensuring business continuity as the demand for remote work, collaboration and video conferencing increases. Furthermore, social distancing norms and regulations have transformed digital payments from being a convenience to a necessity.[17]

The Nigerian Budget Office relied on virtual meetings held via Zoom and Microsoft Teams during its lockdown, most notably with multilateral partners during budget support negotiations. 'We didn't have to travel anywhere to fund the budget,' noted a Nigerian budget official. However, the transition to remote work has been accompanied by several challenges arising from poor IT infrastructure and capacity constraints. Liberia, for instance, was unable to take up remote working arrangements during the four-month work suspension due to lack of IT capabilities as well as the inability to provide the necessary resources required by MFDP officials

15 Wu, Hongyue, and Yunfeng Chen. The Impact of Work from Home (WFH) on Workload and Productivity in Terms of Different Tasks and Occupations. Springer International Publishing, 2020, https://www.springerprofessional.de/en/the-impact-of-work-from-home-wfh-on-workload-and-productivity-in/18421248.

16 *Ministry of Finance Business Continuity Plan for COVID-19*. Ministry of Finance, Planning and Economic Development. https://www.finance.go.ug/press/ministry-finance-business-continuity-plan-covid-19 (accessed 6 March 2021).

17 New Voices in Africa – Covid-19 as a Catalyst for Digital Transformation. Institut Montaigne, https://www.institutmontaigne.org/en/blog/new-voices-africa-covid-19-catalyst-digital-transformation (accessed 23 February 2021).

to effectively work from home. In fact, ministries, agencies and commissions were required to physically process allocation requests at the MFDP. Likewise, Burkina Faso has not been able to sufficiently leverage remote work because officials are unable to collaborate effectively online. South Africa echoed many African countries with its challenge of poor internet connectivity hampering the engagement of some officials.

On the other hand, Rwanda's and South Africa's investments in digitalisation have paid off in their transition. Rwanda's Document Management System (DMS) in the IFMIS has been revitalised and has removed the need for the physical management of incoming and outgoing letters. The DMS has been available for several years but was underutilised until the advent of the COVID-19 pandemic. Now, instead of travelling to transmit outgoing letters or the physical handling of incoming letters, the DMS ensures that letters are handled through the IFMIS. Similarly, the experience of Burkina Faso highlights the ability of crises to accelerate reforms – the digitalisation of revenue collection through online payments would have been slower and garnered limited acceptance by the citizenry without the necessity created by COVID-19.

Digital payments have been critical in facilitating social distancing and minimising the exchange of cash. Furthermore, they have the capacity to lead to an increase in tax revenues through improvements in the visibility of payments, which in turn help tackle tax evasion and corruption.[18] Digitalisation of cash transfers is another area that the PFM systems had to expand in light of COVID-19, to ensure that vulnerable and needy populations were able to receive COVID-19 grants. Given the need for social distancing during the pandemic, digital financial platforms allow governments to transfer cash quickly and effectively. Digital financial services are accessible via mobile phones because mobile payments are cheaper than other forms of disbursements. Mobile payments such as M-Pesa available in countries like Kenya and Uganda are used to transfer cash to help households, especially those in the informal sector.[19] In Burkina Faso, mobile banking payments were used to limit the use of cash and in-person contact.

In South Africa, the availability of a central database that stored treasury data and provided backups was critical. This enabled treasury officials to access budget data remotely and the budget process proceeded unimpeded. Overall, South Africa's BCP has been instrumental in guiding the IT framework in place. Certain clauses guided the set-up once operations were virtual. However, the process has not been without its challenges; access to the network was a significant challenge and, as noted, poor internet connectivity hampered necessary engagements for business continuity.

The pandemic has triggered the digitalisation of certain processes and the use of digital tools to ensure business continuity as far as possible. This has led to efficiency gains, cost savings and greater transparency in some instances. However, the bottlenecks countries have faced, particularly those related to IT infrastructure, impede their ability to sustain the short-term changes that they have adopted towards facilitating remote work and virtual engagements through digital tools. It is unclear whether the COVID-19 pandemic will serve as the critical juncture that significantly propels the pace of digitalisation in African finance ministries or the public sector at large but it has led to the optimisation of technology. It has, however, accentuated important shortcomings, such as limited IT infrastructure and capacity gaps, for consideration and has provided a case for greater investment in digitalisation. The case for digitalisation is showcased in how Rwanda has been able to realise efficiency gains and tackle certain public health risks by digitalising payment processes (Box 4).

Box 4: Digitisation of IFMIS approvals in Rwanda

Once the pandemic emerged in Rwanda, the treasury sought to eliminate the public health risk associated with the exchange of papers. Supported by its massive fibre optic network, Rwanda was able to streamline and digitise every step of its payment process. Previously, the process required the preparation of payments in the IFMIS, while supporting documents were printed and the signature of the chief budget manager and head of finance appended. The documents would subsequently be physically transmitted to the treasury. With the automation of the process, once entities prepare payments, the requisite documentation is uploaded onto the IFMIS. Approvals by the chief budget manager in the IFMIS are electronically transmitted to the treasury for approval and ultimate payment through the Bank of Rwanda.

Source: [20]

18 Agur, Itai, et al. Digital Financial Services and the Pandemic: Opportunities and Risks for Emerging and Developing Economies. International Monetary Fund, 1 July 2020, https://www.imf.org/~/media/Files/Publications/covid19-special-notes/en-special-series-on-covid-19-digital-financial-services-and-the-pandemic.ashx?la=en.

19 Ibid.

20 *Ensuring Treasury Continuity during Covid-19 Lockdowns: The Role of Rwanda's Integrated Financial Management Information System*. CABRI, 2020, https://www.cabri-sbo.org/en/blog/2020/ensuring-treasury-continuity-during-covid-19-lockdowns-the-role-of-rwandas-integrated-financial-management-information-system (accessed 6 March 2021).

4.3 Decision-making and internal approval processes

The decision-making and approval processes of African finance ministries are often paper based, consisting of minutes and signatures that flow through the hierarchy. One of the fundamental ways of creating a viable working from home option is the adaptation of internal approval processes and decision-making authority. In Nigeria, emails facilitated decision making and enabled electronic approvals related to the budget, but this practice has now been reversed with a return to the traditional ways of approval. Rwanda increased the use of e-signatures for approval of documents, which was already a part of their strategy for digitalisation developed in 2010. South Africa's e-approval system is elaborated upon in Box 5.

Box 5: E-approvals in South Africa

The initial approach South Africa undertook was the traditional method of printing, signing and emailing back of documents. Given this tedious process, the government contacted Law Trust* to institute an electronic signing system called 'Sign Hub'. A memo can now be signed by a treasury official, uploaded on Sign Hub with a workflow of approving individuals introduced via the electronic signature platform. This ensures that the documents are viewed as legally binding. Henceforth, all payment processes are approved through Sign Hub and eventually go into the filing system. Once the minister has signed and approved the document, the relevant parties in the workflow are notified.

Note: * Law Trust is a company that provides security solutions in the digital world.

A key process within the budget cycle is the budget preparation process, which requires the interaction of the finance ministry with ministries, departments and agencies (MDAs). In countries like South Africa, this consists of robust discussions as departmental budgets are scrutinised. This process typically consists of approximately 20 officials engaging on budget proposals. These engagements have become challenging because 'a big part of these types of meetings is about reading people's body language and being involved in that space, you lose that with electronic media', says a treasury official. Thus, the limitation posed by the use of electronic media for these discussions potentially impacts the quality of negotiations and discussions required in the budget preparation process.

The relegation of decision making to online interactions in Nigeria represents the modernisation of well-entrenched practices related to decision making. However, its reversal serves as an important lesson: that changes to well-established practices will likely take time and will require a more holistic reorientation than the mere introduction of digital tools. Furthermore, the South African experience with facilitating its budget preparation process online suggests that not all internal processes lend themselves easily to a digital transition.

4.4 Treasury operations

The impact of the pandemic has required governments to swiftly reprioritise public spending to address expenditure challenges. Liquidity management has become key for governments to service their extended expenditure obligations. Treasury operations need to consider the increased uncertainty arising from greater cash flow forecasting challenges as a result of unanticipated cash needs and falling revenues. Cash plans have therefore needed to take into account increased emergency spending, parallel drops in revenues and the financing of crisis-related expenditure measures.[21]

South Africa has modernised its cash management system over time, ensuring appropriate institutional arrangements and responsibilities are in place, fostering information sharing between the various actors, strengthening forecasting capability and ensuring the centralisation of cash balances.[22] The crisis has not altered functioning, structures or the decision-making process of South Africa's cash management framework. Departments have been able to table their budgets and provide projections on cash requirements. South Africa has relied on its cash reserves and effected changes to its short-term borrowing strategy to ensure the ability to meet its cash obligations. Similarly, Rwanda has been able to maintain its regular treasury operations with the Treasury Management Committee meeting quarterly to review quarterly cash plans. These meetings are, however, conducted online. And in Ghana, MDAs have not been required to resubmit their cash plans because COVID-19-related expenditure has largely been done on their behalf.

The COVID-19 pandemic has served as a litmus test for cash management systems in the region. Those countries with effective or advanced systems have the structures in place to respond to the liquidity needs posed by the pandemic. On the other hand, inefficiencies will be exacerbated in countries with less advanced cash management systems.

21 IMF Fiscal Affairs Department. *Preparing Public Financial Management Systems for Emergency Response Challenges*. International Monetary Fund.

22 Redelinghuys, Johan. *Cash Flow Forecasting Practices in South Africa*. https://www.cabri-sbo.org/uploads/files/Documents/Session-6_South-Africa.pdf.

4.5 Uninterrupted budget execution and procurement processes

Several measures have been adopted to facilitate uninterrupted budget execution. CABRI's COVID-19 PF Response Monitor indicates that many countries have eased or adapted certain PFM rules or processes. For instance, Angola, Burkina Faso, Cameroon, Malawi, Mozambique and South Africa have simplified or applied exceptional or emergency procurement procedures.[23] Allegations of corruption, fraud and collusion have been raised in Senegal where simplified procedures were used for procurement during the COVID-19 pandemic.[24] This suggests the need for strong advocacy to improve transparency, oversight and accountability of public procurement, where emergency procedures and procurement are implemented.[25] Effective and clear, open contracting methods can be implemented within crisis conditions such as the COVID-19 pandemic.

Conversely, in Nigeria, continuity of the procurement process has been gravely affected. This is due to the inability to conduct bids virtually and the cumbersome nature of the procurement process, arising from a procurement law aimed at stifling corruption. The new Finance Act nevertheless makes provision for the e-procurement reform under consideration. In the case of Nigeria, the significant availability of unused funds led to the extension of the 2020 budget calendar by three months (after a budget revision process) to March 2021. MDAs had not been able to fully utilise their budget releases. This may largely be attributed to the slowdown of procurement activity due to the inability to conduct bids virtually. Approximately three billion Naira would have been returned to the treasury because procurement processes would not have been completed as of 31 December 2020.

Additionally, Nigeria has a dedicated budget line to account for all COVID-19-related expenditure as part of the amendments to its PFM processes. Countries like Cote d'Ivoire already had two existing budget lines, created in 2015 and 2017 respectively, for epidemiological responses and the levels of appropriations depend on the emergencies identified at the time of the preparation of the budget. These budget lines were essential to the initial response to the pandemic.

Moreover, flexibility in payment approvals has manifested in the digitalisation and streamlining of payment processes in Rwanda, and the provision of cash advances to service delivery units is being utilised to speed up the disbursement of funds in Ghana. Furthermore, the establishment of additional structures through various committees in several countries has been instrumental in facilitating resource allocation decisions and more effective coordination between the finance ministry and relevant line ministries.[26]

Several measures have been adopted to facilitate uninterrupted budget execution. CABRI's COVID-19 PF Response Monitor indicates that many countries have eased or adapted certain PFM rules or processes.

23 CABRI's report 'Streamlining Procurement Processes: Balancing Efficiency and Accountability' explores the accountability issues that arise out of the adoption of accelerated and risky processes.

24 When Covid-19 Confirms the Need for Open Contracting in Senegal. Development Gateway, 6 May 2020, https://developmentgateway.org/blog/when-covid-19-confirms-the-need-for-open-contracting-in-senegal/.

25 *Global Survey Highlights Challenges and Opportunities for Public Procurement during the Covid-19 Pandemic*. https://blogs.worldbank.org/governance/global-survey-highlights-challenges-and-opportunities-public-procurement-during-covid-19 (accessed 30 March 2021).

26 Public Finance Response Monitor. CABRI, https://www.cabri-sbo.org/en/pages/covid-19-public-finance-monitor (accessed 23 February 2021).

Conclusion and recommendations

COVID-19 has tested PFM processes and has emphasised the need for finance ministries and public administrations as a whole to be adaptive, agile and have comprehensive risk management strategies at hand. For countries to be able to adequately respond to future crises, it is imperative that the learning from the pandemic is institutionalised. In Liberia, despite facing similar public health challenges and constraints during the Ebola epidemic, the MFDP was able to adapt its business processes in only very limited ways during the current pandemic. And in Nigeria, all automated processes were reversed once the lockdown ended, unable to harness the opportunity to sustain some of the productivity and cost-saving measures that had been in place. In Rwanda, there is the view that there is merit in sustaining certain measures, particularly those related to cost savings in travel.

Beyond testing management processes, COVID-19 has also tested the management of employees under a remote work framework. Finance ministries have had to improve the way they work to accommodate working remotely. Some elements countries have had to consider include: the need to redefine certain roles based on the new operating environment created and identify those considered essential and non-essential during a crisis; employee welfare relating to the blurring of professional and private life given that employees are always home; how to compensate for the human interaction that is missing for peer learning and exchange due to the absence of physical interactions; fairness and accountability in executing tasks; and ensuring employees are provided with the necessary resources to work effectively.

In addition, COVID-19 has also put finance ministries on survival mode and shifted the focus onto immediate and arising needs. It is, however, important that staff ensure that current efforts are linked to a long-term strategy and overall service delivery is not heavily impacted. Both South Africa and Nigeria have highlighted underspending challenges. Whereas underspending in areas like travel is to be expected, low absorption in areas like road maintenance is concerning.

Another crucial area is digitalisation and connectivity. Digital tools and internet connectivity have been paramount to business continuity efforts in all the selected countries. South Africa's central database, for instance, was key to facilitating its budget preparation process. However, issues with internet connectivity and the capacity to utilise digital tools have posed challenges. The pandemic provides an impetus for countries to further or initiate investments in digitalisation and IT infrastructure that support high-speed internet and data storage. The crisis can be harnessed to build capabilities and push for reforms that would otherwise have stalled or not taken place.

In assessing the lessons and opportunities posed by previous epidemics and the COVID-19 pandemic, it is evident that countries with strong policies and procedures for emergencies coupled with learning from the past would be better positioned to address the challenges of future epidemics or pandemics. Given the challenges and shortcomings that countries have experienced in maintaining business continuity during the pandemic, the following recommendations are made to guide country efforts:

- The development of a comprehensive work from home policy – this would focus on accountability as well as the protection of employees' rights. The focus of policy should ideally be aimed at deriving maximum output from staff as opposed to the number of hours worked.
- The establishment of Standard Operating Procedures (SOPs) for public health measures – this would make provision for public health protocols to guide finance ministry interventions, making contingency for different levels of public health risks.
- The broadening and enhancing of IT infrastructure and capability – this includes the consideration of what processes and functions could benefit from automation as well as making the necessary investment in IT infrastructure and digital tools to ensure that virtual activities are adequately supported. This would need to be coupled with prioritisation of digital literacy within the finance ministry.

Appendix

Summary of containment measures and duration of initial lockdowns implemented by selected countries

Country	Date of detection of first COVID-19 case	Containment measures	Period
Burkina Faso	**9 March 2020**	Public gatherings were banned. A curfew was imposed from 19:00 to 05:00 (local time) and all schools were closed. International travel was suspended from the main airports. Land and rail movements were all suspended.	12 March 2020 for 49 days. Nationwide curfew was lifted on 3 June 2020.
Côte d'Ivoire	**11 March 2020**	State of emergency declared and curfew imposed between 21:00 and 05:00 (local time). All non-essential travel was banned between Abidjan and the rest of the country. The air, land and sea borders were closed. All educational institutions and public places, with the exception of bars and restaurants, were closed. Public gatherings were suspended.	23 March 2020 for 46 days. The lockdown was extended several times and subsequently eased in May 2020. Churches and mosques were reopened from 15 May 2020.
Liberia	**16 March 2020**	State of emergency declared, including the restriction of international travel from countries with more than 200 reported cases and only one person per household was allowed to buy food. The public service granted leave with pay to non-essential employees; borders with neighbouring countries were shut down.	10 April 2020 to 8 May 2020. The state of emergency was extended until 22 May 2020.
Nigeria	**27 February 2020**	Travellers arriving from countries with more than 1 000 coronavirus (COVID-19) cases were denied entry. The countries included China, the UK, Italy, Iran, South Korea, Spain, Japan, France, Germany, Norway, the Netherlands and Switzerland. Nigerian citizens were advised to avoid travelling to countries affected by the entry ban. Citizens arriving from those countries were subjected to self-isolation for 14 days and monitoring by the National Centre for Disease Control (NCDC). Government officials were also restricted from travelling abroad. International flights at the two major airports in Lagos and Abuja were suspended except for essential flights. Internal movements were restricted in Abuja, Lago, Ogun State and the Federal Capital Territory. Non-essential businesses were closed except services dealing with medicinal products, food, petroleum, electricity and private security companies. Sea ports and vehicles carrying essential goods remained operational.	Pre-lockdown phase for 31 days from 28 February 2020 to 29 March 2020. 35 days for the total lockdown from 30 March 2020 to 3 May 2020. The initial total lockdown period was for 14 days and subsequently extended for another 14 days. Several states implemented stricter measures and crackdowns on those violating the measures, which led to several deaths.
Rwanda	**14 March 2020**	Internal movements were restricted unless for essential services such as food shopping, healthcare and banking. All public places, including places of worship and non-essential businesses, were closed. Both public and private sector employees worked from home, except for essential staff.	For 43 days from 22 March 2020 until 4 May 2020 when it was lifted in phases.
South Africa	**5 March 2020**	35 land ports were closed, and travel bans instituted on nationals from Italy, South Korea, Iran, Spain, Germany, United States, the UK and China. Emergency responders were excluded from the lockdown measures. Domestic flights were suspended. All businesses were closed except for supermarkets, pharmacies, laboratories, banks and fuel stations.	A total lockdown was instituted on 27 March 2020 for 21 days; it was expected to end on 16 April 2020 but was later extended until 30 April 2020. Measures were relaxed with a partial lockdown from May 1 2020, with a gradual return to economic activities.

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