Managing COVID-19 in Africa: public finance responses

30 April 2020
Location: Lockdown
“The immediate priority will be to ensure that LMIC governments have the hard currency they need for the scaled-up health response, essential imports, and cash transfers to those unable to work, supplemented by other mechanisms for families these cannot reach.”

Masood Ahmed, DEVEX

“Spend what you can to fight COVID-19, IMF tells Member States”
Fiscal space and more

- IMF
- BRICS
- AfDB
- WB

Loans and relief funds

Reprioritisation

Angola, Zambia, Mozambique, South Africa, Senegal, Zimbabwe, Nigeria,

Contingency and National Disaster Funds

Innovative Financing

- Trust Funds
- Solidarity Funds

Ghana, Seychelles, Zimbabwe, Nigeria
### Finding the fiscal space

<table>
<thead>
<tr>
<th>Country</th>
<th>Actions</th>
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</thead>
<tbody>
<tr>
<td>Angola</td>
<td>30% of goods and services cut, CAPEX suspended, USD40 million additional health spending</td>
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<tr>
<td>Mozambique</td>
<td>USD30 million additional health spending</td>
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<td>Gambia</td>
<td>Reallocated USD9.8 million to health spending</td>
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<tr>
<td>Senegal</td>
<td>Budget cuts on operating expenditure, Deferred investments, USD107 million allocated to cover COVID-19 expenditure</td>
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<tr>
<td>Zimbabwe</td>
<td>Most of capital budget redirected to COVID-19 expenditure</td>
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COVID-19 Public Finance Response Monitor


• Measures governments are taking to healthcare financing
• Extent of reprioritization
• Measures to accelerate procurement and release of funds
• Ensuring the most economic purchases
• Mobilising resources, and
• Stratgc healthcare purchases

| Ghana |
|---|---|
| Confirmed cases | 1550 |
| Confirmed deaths | 11 |

**Regulatory response and containment strategy**
On 30 March, a two-week partial lockdown in the two major metropolitan areas of Accra and Kumasi was imposed. On 20 April, the lockdown was lifted.

**COVID-19: expected financing requirement**
The initial cost of programmes and activities under the COVID-19 Preparedness and Response Plan is about GHS72 million (USD 100 million).

**Official COVID-19 links**
https://ghanahelthservice.org/covid19/

| Effiency measures: strategic healthcare purchasing and improved PFM processes and practices |
|---|---|
| As Covid-19 began to cause global disruptions in drug supply chains, subsequently threatening the supply of important medicine in Ghana, in mid-March mPharma launched a price control programme called ‘Mattt Keep My Price’. The initiative allows patients in need of chronic disease medication to continue paying the same price for their prescriptions for up to six months, regardless of market prices. |

The Ministry of Health paid GHS300 million to NHIA on Friday 27th March 2020 as part of measures to provide liquidity to Health Care providers and the pharmaceutical industry. In addition, the Government arranged Life and Sickness Insurance for healthcare professionals on the front line of the pandemic.

| Budget adjustments |
|---|---|
| The projected shortfall in Annual Budget Funding Amount (ABFA) is GHS3,016 million; while shortfalls in the Ghana Stabilisation Fund and the Ghana Heritage Fund are GHS4,058 million and GHS453 million, respectively. Projected shortfalls in transfers to GNPC is GHS64 million. |
Accelerating procurement and streamlining procedures

- Botswana, Mozambique, South Africa and Zimbabwe
- DRC and Mozambique
- Cameroon and Benin

- Utilising digital platforms
- Emergency clearance and simplified licensing

- Ensuring that normal Treasury functions continue
- Emergency procurement processes

- Botswana, Mozambique, South Africa and Zimbabwe
Mozambique  
Exemption from customs duties and misc. taxes on imports of medicines and reagents and COVID-19 materials

South Africa  
Under PFMA & MFMA finance minister issued a conditional Exemption Notice. Ensure efficient service delivery and eliminate delays.

Introduce measures to ensure that normal treasury functions, such as Single Treasury Account, Integrated Financial Management System, Payroll Management and Establishment Control continue uninterrupted

Many officials working remotely
Angola, Burkina Faso, Comoros, Côte d’Ivoire, DRC, Mozambique, Niger, Nigeria, Sudan, Zimbabwe

Reduction / exemption of duties on imports of medicines and medical equipment

Subsidizing medicines and PPE

Regulating prices

Angola, Ghana, Mozambique, South Africa

Limiting price scourges
What is strategic healthcare purchasing?

- Linking funds to providers to **performance or health needs** of their constituency.
- Governments actively considering and making transparent decisions about:
  - WHAT must be purchased?
  - WHO will provide the services to patients?
  - HOW will services and medicines be purchased and financed?
- Enhances **equity, quality and efficiency**, freeing up resources – critical during pandemic.
Strategic healthcare purchasing: regional initiatives

- SADC: National Emergency Operations Centres and Pooled Procurement Services
- The Africa Centre for Disease Control and Prevention (Africa CDC): COVID-19 test kits
Thank you

And please:
• Stay in doors
• Wash hands
• Keep your distance
• Keep safe