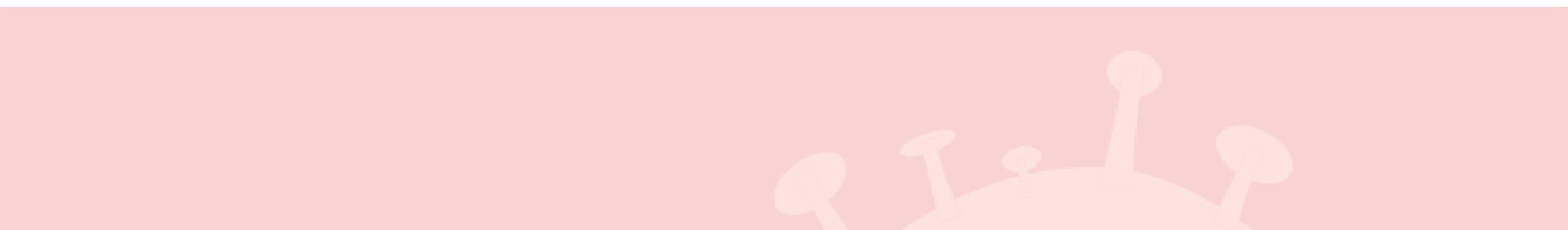





(Re)allocating domestic resources towards COVID-19 Vaccination Programmes

**- CABRI Peer-Learning and Exchange -
Taking stock: COVID-19 vaccine financing, procurement and distribution in Africa
Session 4: 15:50 – 16:55 - 30 September 2021**





Tools of budget reallocations

- Different emergency response mechanisms to deal with reallocation needs, with modalities and legal requirements that vary between countries:
 - **In-year adjustments** (transfers, virements, emergency advances, retroactive funding approval) - limited by predefined rules. Were often used for short-term response while a new budget was being prepared.
 - **Contingency funds and emergency funding** were sometimes available, and always insufficient.
 - Legal system always allows the adoption of **supplementary budget law** (SBL) in the case of “unexpected/unforeseen events” and sometimes of “underbudgeting”. It was the main tool in 2020.
- 



Supplementary Budget Law in 2020

13 countries did not adopt an SBL

Almost 2/3 of them have FY different from calendar year

36 countries adopted an SBL

Increased budget:
25 countries

Avg:
+10%

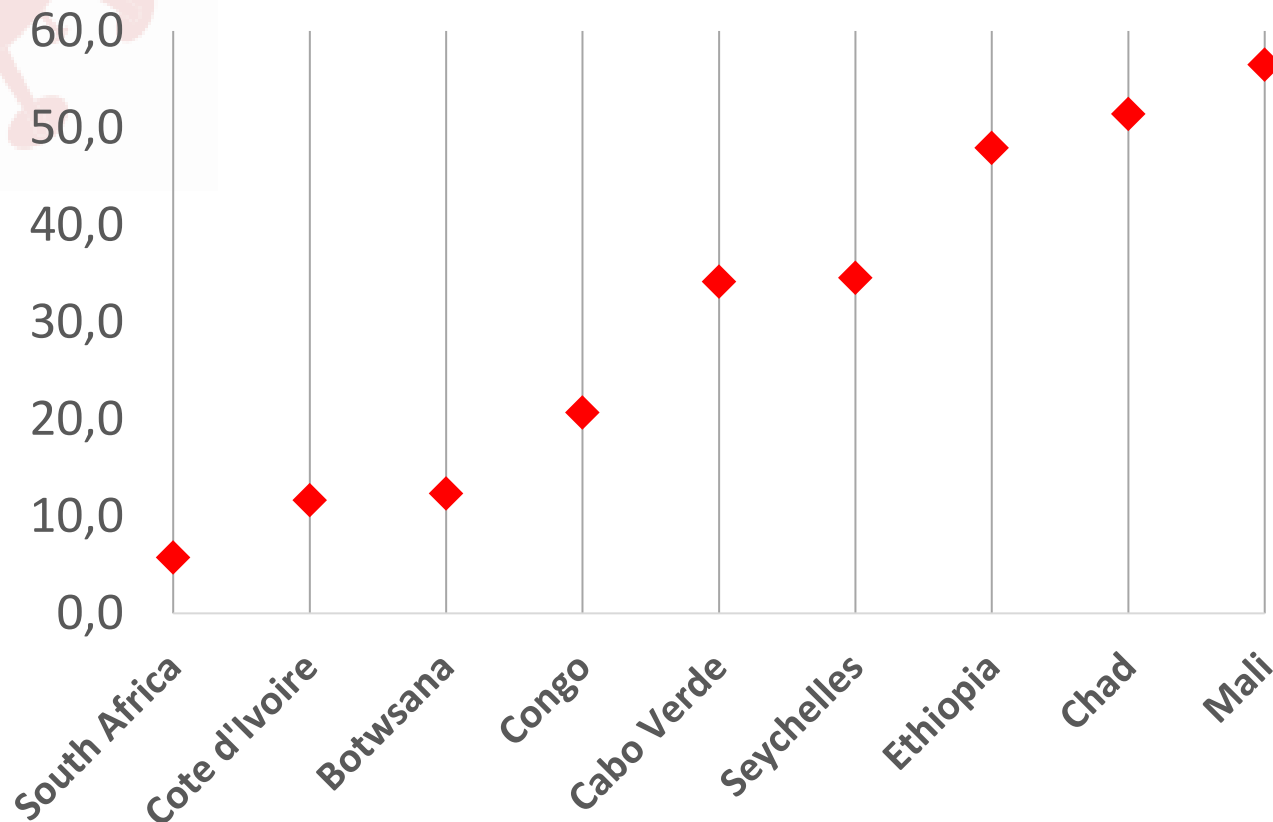
Decreased budget:
11 countries

Avg:
-13%



Trends of reprioritization: the “winners”

Increase to ministry of health in the 2020 supplementary budget

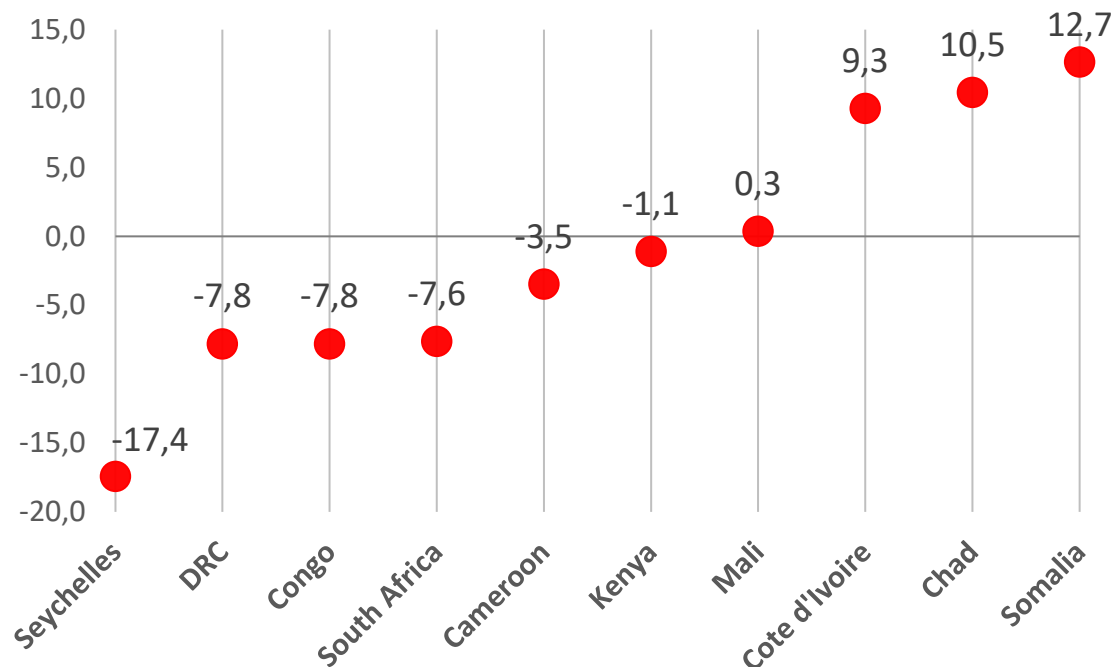


- Increase to Covid-19 related health activities was the most immediate decision
- Social protection and support to businesses received the largest share
- Investments in WASH were increased
- Some sub-national governments received increased transfers
- Change in budget estimates were also recorded on revenue side (e.g. VAT suspended on some items)

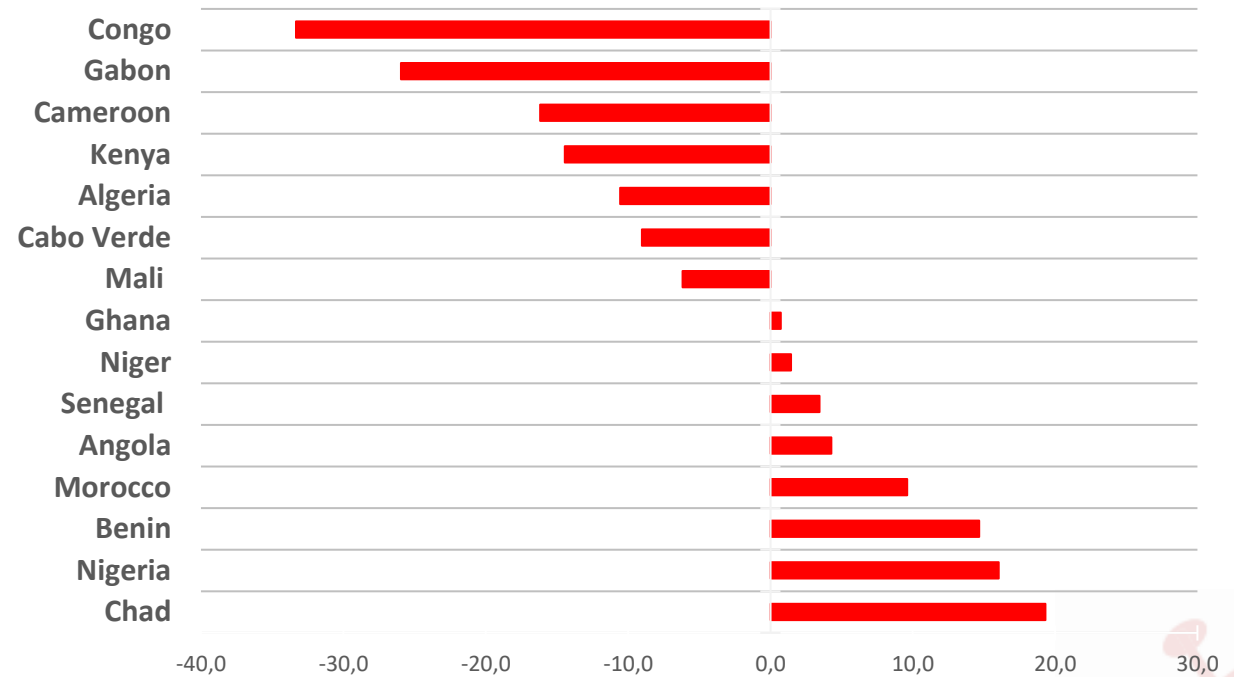
Rapid reallocation: the risk of impacting essential services

- “Non-essential services” first (travel, training, entertainment, salary increase, etc.)
- But also, social sectors were often impacted by severe cuts, starting with education, nutrition, and non-covid health sub-sectors.
- Decision on CAPEX was not unanimous

% change in education budget after SBL



% change in CAPEX budget after SBL



- In some cases, budget cuts were applied “across the board”, with a lack of targeting. This comes with the risk of hindering the delivery of essential services.
- The lack of details in many SBLs limits the information about the actual content of the cuts

2020/2021: trends of reprioritization to and away from health

In 2020, health budget increases were primarily reprioritized towards COVID-19.

For many, the pandemic health shock impacted non-pandemic health services, as health-system resources were redirected to the pandemic response. WHO/UNICEF reported large disruptions primary health care and nutrition programmes in 2020.

Looking forward

High risk that cash-strapped countries cut into other essential health investment could have a terrible impact on the achievement of health targets.

WB Study: the expected growth in health spending falls far behind the financing needs for the vaccine rollout and the investment needed to strengthen and maintain public-health preparedness.


Aside from an increase in COVID-19 funding, several African countries applied cuts to their health budgets in 2021 in non-COVID-19 related activities. Governments should be vigilant of this.



A few key lessons


- Traceability of budget reallocations was often insufficient, with limited data published regarding the budget movements
- Several countries applied large cuts across all sectors and items with risks of impacting essential services
- Fiscal constraint and uncertainty are going to remain a problem, making the re-prioritization of funds a recurrent issue.
- Parliamentary oversight and public consultation were minimal, below normal budget levels.

*The main takeaway: governments will benefit from preparing budgets that can be used as tools of response to **unexpected** events, with mechanisms in place to facilitate **strategic reprioritization**, that allow for **transparent** decision making and **good coordination** between agents, maintaining a form of **public and legislative scrutiny**. Eg.: strengthening emergency reserves and flexible contingency funds and predefined “essential spending”*





The case of vaccines financing

- Very **few countries have included an allocation** for the vaccine in their initial 2021 budget
 - Large number of **transfers/virements were done in late 2020/early 2021 to finance down payments**
 - Countries reported **difficulties in budgeting accurately** for the procurement of vaccines, given the lack of clarity on price and availability
 - We now observe movements of budget allocations towards the vaccine, either to allocate or to increase a previous allocation
 - **Reprioritization stem from different sources:**
 - Cuts to CAPEX allocations
 - Cash balance
 - Loans reprioritization
 - Contingency fund/contingent spending
 - Reallocation also goes to operations and production
 - **Transparency and traceability remains key**
 - **Vaccines' expense are likely to go beyond 2021 – this should be reflected in MTEF**
- 

Case of Botswana



**SUPPLEMENTARY ESTIMATES OF EXPENDITURE
FROM THE CONSOLIDATED AND DEVELOPMENT FUNDS**

Financial Paper No. 1 of 2021/2022

July, 2021



- **In 2021/22 Budget, Botswana increased allocation to Ministry of Health, including for the procurement of vaccines.**
- **Early SBL:** despite a budget adopted in June, the Government presented to the Parliament a request to revise its health estimates in July 2021, with 70% of the sum allocated to vaccines and equipment already depleted.
- **To finance this additional health spending, the country decided, like in 2020, to cut into capital expenditures allocation.**
- Botswana followed experts' recommended practices regarding the management of public investments in situations of crisis by postponing only projects which had not yet started, in order to avoid important sunk costs

Case of South Africa

	2020/21	2021/22	2022/23
Health department	1,100	4,350	2,100
Provincial health department		1,500	900
SA Medical Research Council	150	100	-
Communication and Information System		50	-
Additional potential funding		9,000	

Source: Budget Review 2021/22; CABRI

- **South Africa allocated funds for vaccine procurement and distribution in its March 2021 Budget:**
 - R6.5 billion (USD 432,7 million) allocated directly to the national department of health (procurement and distribution of vaccines)
 - R2.4 billion (USD 159.8 million) for subnational governments to facilitate the vaccine deployment locally
 - Additional funds for communication campaigns and vaccine research programmes.
- **The Government introduced some flexibility in the budget,** by adding an extra R9 billion (USD 599 million), to be used in the case where the vaccination costs go beyond the initial allocation.
- **The vaccination costs was integrated in medium-term budget forecasts for 2022/23.**

Case of Senegal

166^e ANNEE - N° 7437 NUMERO SPECIAL VENDREDI 09 JUILLET 2021

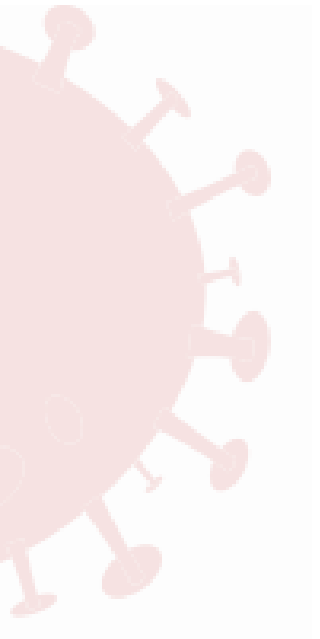
JOURNAL OFFICIEL DE LA REPUBLIQUE DU SENEGAL

PARAISSANT LE SAMEDI DE CHAQUE SEMAINE

ABONNEMENTS ET ANNONCES	TARIF DES ABONNEMENTS		ANNONCES ET AVIS DIVERS
	VOIE NORMALE	VOIE AERIEUNE	
Pour les abonnements et les annonces s'adresser au directeur de l'imprimerie nationale à Rufisque.	Six mois	Un an	La ligne 1.000 francs
	15.000F	31.000F	Chaque annonce répétée Moitié prix
Les annonces doivent être remises à l'imprimerie au plus tard le mardi. Elles sont payables d'avance.	Sénégal et autres Etats de la CEDEAO 15.000F 31.000F Etranger : France, RDC, R.C.A., Gabon, Maroc, Algérie, Tunisie 20.000F 40.000F Etranger : Autres Pays 23.000F 46.000F		(Il n'est jamais compté moins de 10.000 francs pour les annonces)
Toute demande de changement d'adresse ainsi que les lettres demandant réponse doivent être accompagnées de la somme de 175 francs.	Prix du numéro Année courante 600 F Année ant. 700F Par la poste Majoration de 130 F par numéro Journal légalisé 900 F Par la poste		Compte bancaire BICIS n° 1520 796 43081

<p>SOMMAIRE</p> <p>PARTIE OFFICIELLE</p> <p>LOI</p> <p>2021 05 juillet Loi n° 2021-29 portant loi de finances rectificative pour l'année 2021 851</p> <p>PARTIE OFFICIELLE</p> <p>LOI</p>	<p>Loi n° 2021-29 du 05 juillet 2021 portant loi de finances rectificative pour l'année 2021</p> <p>L'Assemblée nationale a adopté, en sa séance du jeudi 24 juin 2021 ;</p> <p>Le Président de la République promulgue la loi dont la teneur suit :</p> <p>PREMIERE PARTIE. - DONNEES GENERALES DU BUDGET DE L'ETAT</p> <p>TITRE PREMIER. - DISPOSITIONS RELATIVES AUX RESSOURCES ET CHARGES DE L'ETAT</p> <p>A - Dispositions relatives aux ressources</p> <p>Article premier. - <i>Prévision et autorisation des recettes du budget général</i></p> <p>« I - Les recettes internes du budget général sont prévues dans la loi de finances rectificative pour l'année 2021, à la somme de 2.742.526.030.000 FCFA conformément à l'annexe I de la présente loi.</p> <p>II - Les dons budgétaires et en capital sur recettes externes du budget général sont prévus dans la loi de finances rectificative pour l'année 2021, à 291.953.000.000 FCFA.</p> <p>III - Les recettes totales du budget général sont ainsi prévues, pour la loi de finances rectificative pour l'année 2021, à 3.034.479.030.000 FCFA ».</p> <p>Article 2 modifié. - <i>Prévision et autorisation des ressources de trésorerie de l'Etat</i></p> <p>« I - Pour l'année 2021, les ressources de trésorerie du budget de l'Etat sont évaluées à 1.912.620.970.000 FCFA et correspondent aux autorisations sollicitées du Parlement pour intervenir sur les marchés.</p>
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- The initial 2021 Budget contained no activity or budget line referring to COVID-19 vaccine procurement.
- A supplementary budget was adopted in June 2021, with revenue and expenditure estimates revised downwards. The government also revised priorities: the vaccination campaign and the emergency program for the economic integration and employment of young people.
- The Government introduced an allocation for the vaccine later in a mid-year supplementary budget, with an increase of FCFA 40 billion (USD 71.6 million) in 2021 to the MoH Basic Health programme, and FCFA 25 billion (USD 77.7 million) for 2022, on funding from the World Bank.
- The country has announced its intention to invest in vaccine production, through the existing Institut Pasteur of Dakar, mostly donor-funded.



THANK YOU FOR YOUR ATTENTION

