

CHAPTER 6.

CONCLUSION AND POLICY RECOMMENDATIONS



COVID-19 is a once-in-a-century public health crisis having a massive impact on economies and societies worldwide. Governments face the dual challenge of protecting public health and minimizing the pandemic's economic and social effects, particularly on household welfare. Since the World Health Organization's declaration of the COVID-19 outbreak as a global pandemic on 11 March 2020, African governments have risen to that challenge.

Now, as African countries exit their self-imposed lockdowns and chart their recoveries, they need to put in place additional measures to accelerate the economic recovery and to ensure that the people pushed into poverty by the COVID-19 pandemic can also exit that status at the soonest. In addition, they must extend strategies to protect the well-being of the poorest and most vulnerable people and focus on ensuring sustainable economic recovery and resilience against future exogenous shocks. These strategies entail a range of policy options, from immediate social assistance and income support to long-term employment creation.

UNDERTAKING SHORT-TERM RISK-MITIGATION MEASURES

Governments, depending on their administrative capacity, should help people now by adopting measures that will prevent the COVID-19 pandemic from pushing vulnerable people into permanent poverty, while helping those in chronic poverty to exit it.

- **Identify vulnerable people rapidly and properly.** Ensuring that those directly affected by the COVID-19 pandemic are in fact the potential beneficiaries of government assistance is difficult. Direct income support verification, proxy means testing and propensity score matching have been used widely across Southern Africa for targeting cash-transfer recipients. These must now be rapidly adapted to fit the characteristics of newly vulnerable groups.
- **Roll out cash and in-kind transfers, especially for vulnerable groups and the informally employed.** Those facing job losses could be given cash transfers and wage subsidies to meet their immediate needs. Unemployment insurance could be temporarily improved by extending its duration, increasing the benefit amount or relaxing eligibility requirements. In addition, providing one-off monetary compensation for a fixed period is an option that Egypt used. Substantial targeted policies are needed to support vulnerable people, particularly those working in the informal sector, during the COVID-19 pandemic and to help them recover once it recedes. The roll-out of cash transfers needs to be linked to the participation of vulnerable groups in productive income-earning activities in the economy. The conditionality of cash transfers towards asset building linked to labour market demand needs to be implemented.

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 - Roll out cash and in-kind transfers, especially for vulnerable groups and the informally employed.
 - Expand the use of digital platforms for identifying beneficiaries for social assistance
 - Other measures like tax relief for enterprises, short-term interest-free lending to businesses, rent controls and bans on evictions, and subsidies for drinking water and utilities.
- **Expand the use of digital platforms** for identifying beneficiaries for social assistance, especially those belonging to newly vulnerable groups; enhancing the transparency and accountability of cash transfers to vulnerable groups; and prioritizing accelerating payments to the beneficiaries.
 - **Other measures could include, for set periods:** tax relief for enterprises, short-term interest-free lending to businesses, rent controls and bans on evictions, and subsidies for drinking water and utilities.

MOVING TO LONG-TERM MEASURES TO REDUCE POVERTY AND BOOST RESILIENCE: GET THE DEVELOPMENT FUNDAMENTALS RIGHT

Economic growth is essential to reducing poverty. African countries must implement comprehensive macroeconomic, structural and social policies to stimulate economic recovery to achieve the Sustainable Development Goals. Targeted and coordinated monetary and exchange rate policies are needed to maintain the flow of liquidity and credit to the private sector. In addition, governments must strengthen their domestic resource mobilization to increase revenue and encourage the private sector to invest in the productive sectors. The countries that pursue sound economic policies, generate jobs and have lower youth and old-age dependency ratios than developed countries are likely to experience low poverty and less vulnerability, suggesting a strong ability to manage risks.

- **Introduce or expand gender-sensitive public**

policies. A multisectoral approach based on engagement with the private sector, especially small and medium enterprises, and seen through a gender lens is important in order to roll back vulnerable and informal employment, as are asset building, formal employment and healthcare coverage among women.

- **Leverage continental initiatives.** The African Continental Free Trade Area is a key business blueprint to “build forward better.” An internal African market of 1.3 billion people and \$3.4 trillion GDP presents huge economies of scale. In health alone, localized production, pooled procurement and quality assurance have demonstrated 43 per cent saving on a

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budget of \$1.3 billion for maternal and child health products in nine participating countries through the Global Fund for Pooled Procurement Mechanism: 5–15 per cent efficiency gains through health delivery systems and a 10 per cent increase in local production (ECA 2019). Scaling up intra-Africa trade in other sectors and using it to build economic resilience through continental domestication are imperative.

ADOPTING SOCIAL PROTECTION AS AN INTEGRAL PART OF DEVELOPMENT POLICY

The COVID-19 pandemic has highlighted gaps in social protection coverage across the world, particularly in Africa, where public spending on non-health social protection is less than 1.1 per cent of GDP and 83 per cent of the working-age population does not receive even one social protection benefit. There is broad recognition worldwide that social protection measures can serve as powerful economic and social stabilizers, while stimulating aggregate demand in a crisis and beyond.

- **Establish cost-effective social protection programmes.** Rapid recovery from the COVID-19 pandemic and resilience to future shocks will be greatly enhanced when countries transform their ad hoc and temporary fiscal measures into comprehensive and fiscally sustainable social protection systems that reduce the burden of non-contributory social assistance on the treasury, especially in highly indebted countries. Specifically, recalibrating social protection towards those ages 15–64 and links to active labour market programmes have the dual effect of employment as an exit strategy from vulnerability and a shift from social assistance to a more sustainable, contributory social protection system.
- **Use digital platforms extensively to improve targeting and reduce the cost of administering social protection programmes.** Priority must be given to accelerated payments and, in some instances, to in-kind food support (as in Ghana). Creating a digitized cash transfer system for vulnerable households would help mitigate increased poverty, identify beneficiaries faster and more accurately, and improve governance.

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STRENGTHENING HEALTH SYSTEMS AND HEALTH INFRASTRUCTURE

Over the long term, countries should aim to build resilience by investing in health protection for all. This will not only improve health outcomes but also generate millions of jobs in providing healthcare services and in supplying related global and regional supply chains.

- **Undertake comprehensive health system reforms.** This entails upgrading health infrastructure and systems to strengthen technical and financial resilience to future pandemics. Besides the need to invest heavily in building up health infrastructure and expanding health services, governments should also seek to expand partnerships with the private sector, nongovernment organizations and philanthropic bodies. Such partnerships are critical for catalysing financial commitments and support from global, African and local businesses.

Comprehensive health system reform must also prioritize equitable access to healthcare services through risk pooling based on fair financing mechanisms, such as funding through tax levies and through contribution-based national health insurance schemes.

- **Build a supply of skilled health personnel and strengthen health infrastructure.** Skilled health personnel include doctors, nurses, laboratory technicians, virologists, infectious disease specialists, and testing and treatment specialists; health infrastructure includes hospitals, community-level clinics and state-of-the-art laboratories. Government schemes that indirectly promote good health practices—for example, by subsidizing water bills for key government workers and health personnel—are vital. From an operational perspective, such support might include recruiting temporary health workers for quarantine shelters and improving triage training and the orientation of health workers.

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- **Create a new Africa Public Health Order.** Governments support the Africa Centres for Disease Control and Prevention's call for a new Public Health Order that calls for continental collaboration to bolster African manufacturing capacity for vaccines, diagnostics and therapeutics and to strengthen the capacity of health institutions to tackle future pandemics on the continent. One key aspect of the new order is fully implementing the Africa Medicine Agency, whose aims are enhancing regulatory oversight and facilitating access to safe and affordable medicines across the continent. The recent ratification of the agency should stimulate greater intra-Africa trade in health products, complementing localized production and pooled procurement that will lower costs and improve welfare.

STRENGTHENING HEALTH EMERGENCY PREPAREDNESS AND RESPONSE

Many African countries lack sound national health emergency preparedness and response systems. The capacity to prepare for and respond to emergencies is weak at the national and local levels. Besides poor human capacity, the infrastructure and basic tools required to respond to a COVID-19-type pandemic, such as laboratories for testing and treatment, ventilators, oxygen and a basic supply of masks and gloves, are not readily available.

- **Build national health emergency preparedness and response systems.** These efforts must draw on lessons from the current pandemic to control the spread of future pandemics. They require systemic ability to identify and assess risks; assess national capacity to respond to risks; build human capacity; procure essential equipment and tools; and develop detailed plans for protection, prevention, mitigation and recovery. Chapter 5's dashboard will be useful in this area.
- **Strengthen institutional and human capacity.** National health emergency preparedness and response frameworks must bring together all key actors—including community groups, religious institutions, non-government organizations, philanthropic bodies, health professionals, law enforcement agencies, fire and rescue departments and social-service providers—to coordinate activities. The frameworks should aim to craft a shared understanding of the roles and responsibilities of all actors, from the president or prime minister's office down to the local fire station, enabling all actors to coordinate activities and share information. Governments also need to invest more in critical occupations, including epidemiologists, laboratory technicians, healthcare workers, researchers and infectious disease specialists.

STRENGTHENING HEALTH EMERGENCY PREPAREDNESS AND RESPONSE

- Build national health emergency preparedness and response systems.
- Strengthen institutional and human capacity.
- Build national industrial capacity to produce essential medical supplies.
- Construct communication and outreach strategies.

- **Build national industrial capacity to produce essential medical supplies.** National responses must focus on building domestic industrial capacity to produce such supplies. A strategy to repurpose manufacturing capacity during an emergency to produce these supplies is an important first step in fighting a virus, for example, and saving lives. In the COVID-19 pandemic, with the closing of borders to international trade, Ethiopia reoriented and repurposed some of its industrial parks to produce essential medical supplies.
- **Construct communication and outreach strategies.** Nationwide public communication and outreach strategies are vital for spreading important and timely government instructions on how to respond to a health emergency. Media outlets must work closely to broadcast regularly updated public health information. These strategies will make it easy for law enforcement institutions to keep public order and enforce government directives on the health emergency.

STRENGTHENING AFRICAN COOPERATION FOR VACCINE RESEARCH AND PRODUCTION

- The COVID-19 pandemic has intensified competition among some advanced countries for access to supplies and vaccines, contrary to the principle of global problems requiring global solutions, as argued, for instance, by the World Health Organization at the 2020 World Health Assembly. Africa needs to find its own solutions.
- **Build domestic capacity for vaccine production.** The African Union Commission and the Africa Centres for Disease Control and Prevention launched the Partnerships for African Vaccine Manufacturing on 12–13 April 2021. The centres will lead the initiative to meet the African Union's aim to manufacture on the continent about 60 per cent of its vaccines by 2040. To achieve this ambitious goal, the centres will have to take bold decisions and ensure that member states take concrete actions. Already, Algeria, Egypt, Morocco, Senegal and South Africa have reached agreements with several European and North American companies to manufacture vaccines under public–private partnerships or subcontracting arrangements; some of these countries have started clinical trials. This initiative should draw financing from the International Monetary Fund's Special Drawing Rights allocation for Africa (an estimated \$33 billion) approved in January 2020, as a base to leverage additional resources from the private sector and financial institutions to strengthen vaccine research so that the continent can respond to future pandemics with greater independence.
- **Establish a consortium of African medical schools and research universities for vaccine research and production of medical supplies.** As part of the Partnerships for African Vaccine Manufacturing, greater efforts must be made to engage leading African medical schools and universities to expand their medical research, including development of vaccines and production of other essential medical supplies, by leveraging their human and physical resources. Collaborative research hubs should be organized and connected institutionally to share

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research results, with feedback to health ministries and private health providers.

- **Establish an African Pandemic Preparedness Fund.** African governments should consider establishing such a fund, financed with a share of the 0.02 per cent levy on imports from African countries collected by the African Union.

The COVID-19 pandemic has exposed the fragility of health and economic systems around the world and in Africa. Health systems Africa-wide had deteriorated badly before the pandemic's outbreak, owing to years of neglect and underinvestment. On the economic front, failure to build basic social protection systems increased poor people's vulnerability and exposure to risks. The costs of tackling the pandemic have been high in lives lost, livelihoods ruined and futures shattered. Trust between governments and populations has also been eroded and needs to be rebuilt.

Looking forward, governments must draw lessons from the pandemic and start to strengthen the capacity of key institutions to manage risks and build resilience in society.

REFERENCE

ECA (United Nations Economic Commission for Africa). 2019. *Healthcare and Economic Growth in Africa*. Addis Ababa: ECA.

The 2021 Economic Report on Africa assesses poverty and vulnerability in Africa during the COVID-19 pandemic. It provides perspective of the causes and consequences of increased poverty due to the pandemic, as well as from other shocks such as an oil price collapse, within a vulnerability–poverty–resilience framework. This framework provides useful insights into the micro-level factors associated with moving into and out of poverty and why some households remain poor for a prolonged period—insights that can guide evidence-based policies. A major contribution of the report is emphasising the centrality of risk and vulnerability to shocks in the design of poverty reduction strategies in Africa. The report’s principal messages are that poverty in Africa is highly dynamic, that poor people move into and out of poverty because of volatile consumption and that their inability to manage risks only increases their vulnerability.

