Responding to Covid-19 in Africa– The role of the African Development Bank

GROUPE DE LA BANQUE AFRICAINE
DE DÉVELOPPEMENT

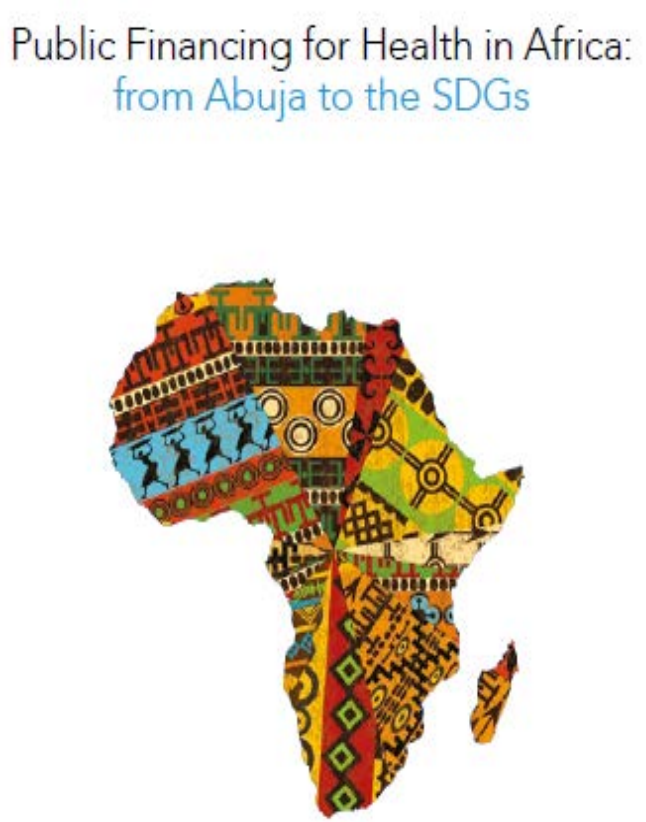
HUMAN CAPITAL

DISEASE BURDEN AND EPIDEMIOLOGICAL CHALLENGES FACING AFRICA PRE-COVID-19

Health Status and Disease Burden (PRE-COVID-19)

- Disease burden and mortality reduced over the past 20 years, but the Africa region still bears a disproportionate burden (26%) of disease in comparison to other regions of the world
- Africa has the lowest life expectancy in the world at 62 years, better than before, but still low
- Basic services coverage is only about 33% of the population
- Prevalence of stunting in under-fives is 30%, greater than the global average of 21.9%.
- Key drivers of ill health are still same as 20 years ago: infectious diseases and under nutrition
- Now Non Communicable Diseases (NCDs) (cancer, diabetes, cardiovascular diseases, chronic respiratory diseases, etc) are increasing rapidly
- Most NCDs require hi-tech health care which people who can afford only get abroad in hi-tech hospitals

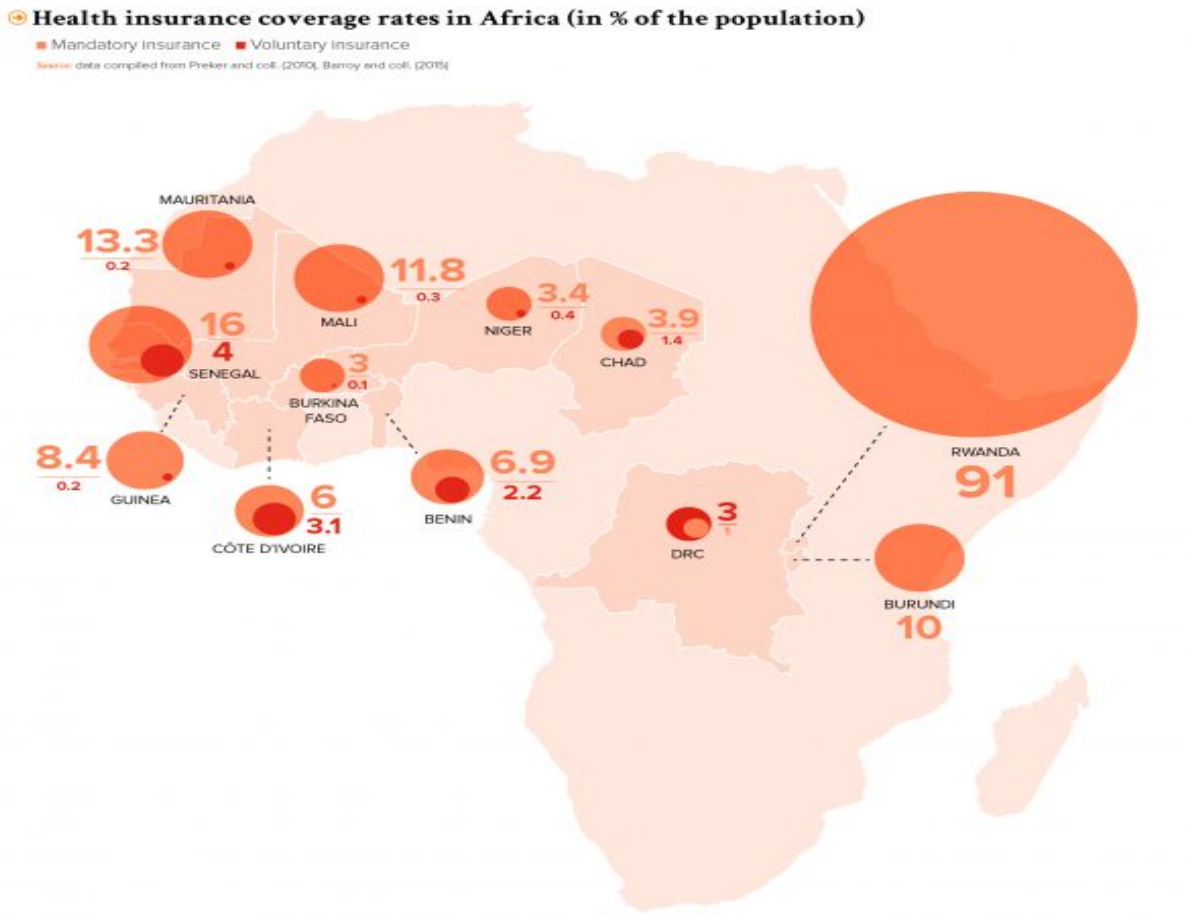
HEALTHCARE FINANCING IN AFRICA - status and critical policy responses



Source: WHO, 2016: Public Financing for Health in Africa
https://apps.who.int/iris/bitstream/handle/10665/249527/WHO-HIS-HGF-Tech.Report-16.2-eng.pdf?sequence=1

- **Health financing remains a core issue in most African countries**
- **Domestic government health expenditure in Africa as percentage of GDP currently stands at 1.87% compared to 4.46% in East Asia and Pacific**
- **Insufficient investment and high inefficiency in the health sector continue to be critical impediment to improving health outcomes in Africa**
- **The health-financing gap in Africa is estimated at $ 66 billion annually**
- **There is also massive -and inequitable, out-of-pocket expenditure. Burden of out of pocket (OOP) health spending is high for households at 35% compared to 26% in East Asia and Pacific, 11% in North America and 28% in Latin America & Caribbean**

HEALTH INSURANCE COVERAGE IN AFRICA



In Africa, health insurance coverage rates remain extremely low (map)

UHC service coverage index for sub-Saharan Africa was 43,89% in 2017 (lowest in the world). For the same year, this index was 52.88% in South Asia, 68.52% for North Africa, 81.59% for OECD member countries, and 84.51% in North America

Relatively successful health insurance schemes have been in few countries Rwanda, Ghana, Senegal, Kenya

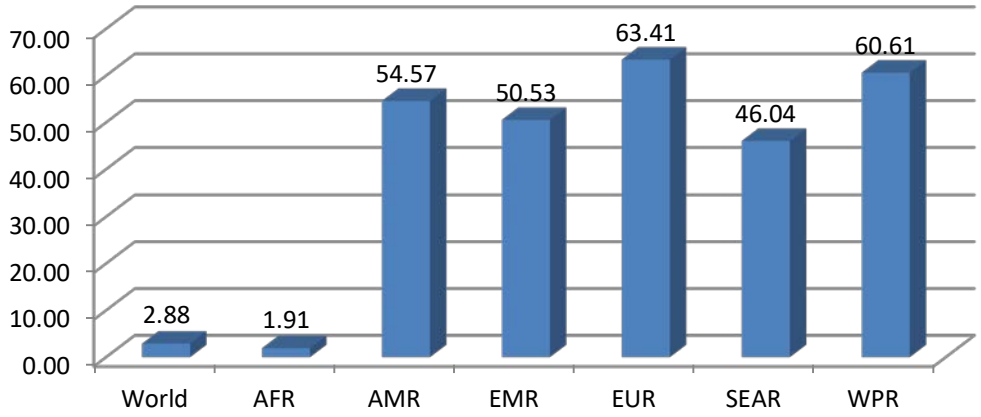
In Rwanda *about 96% of the population are covered and*

In Morocco about 62% of the population are covered

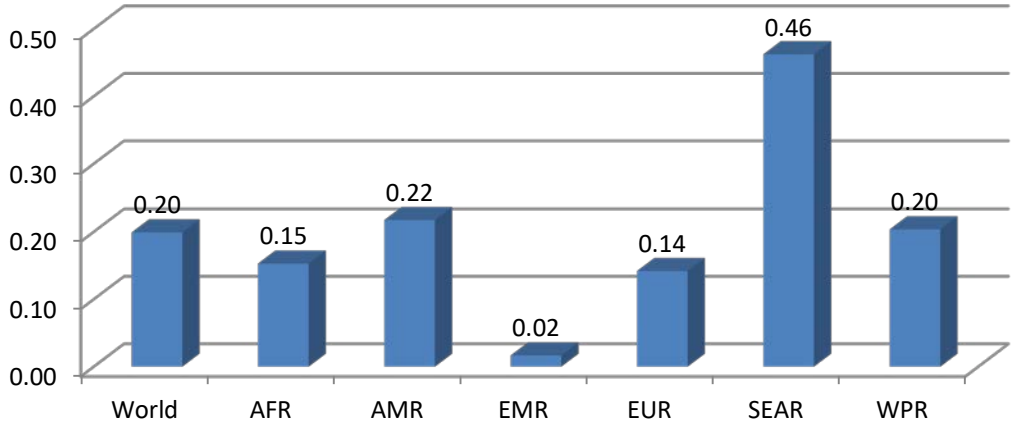
https://ideas4development.org/en/expanding-health-insurance/

HEALTH EXPENDITURE IN AFRICA

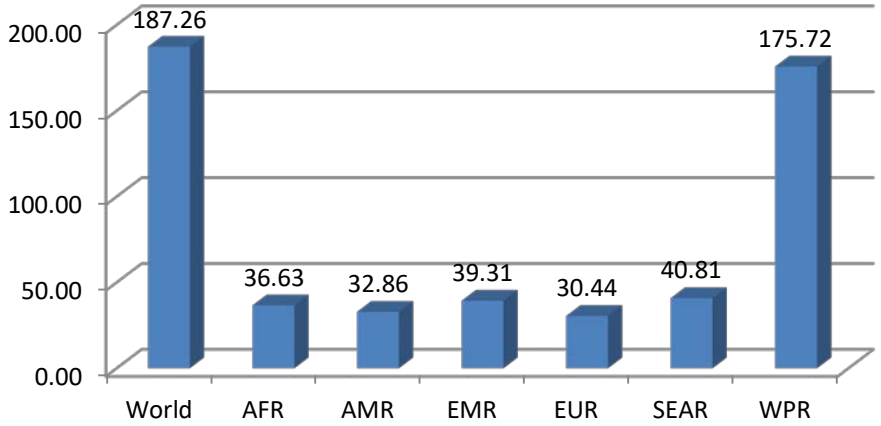
Domestic General Government Health Expenditure (GGHE-D) as % Gross Domestic Product (GDP)-2017



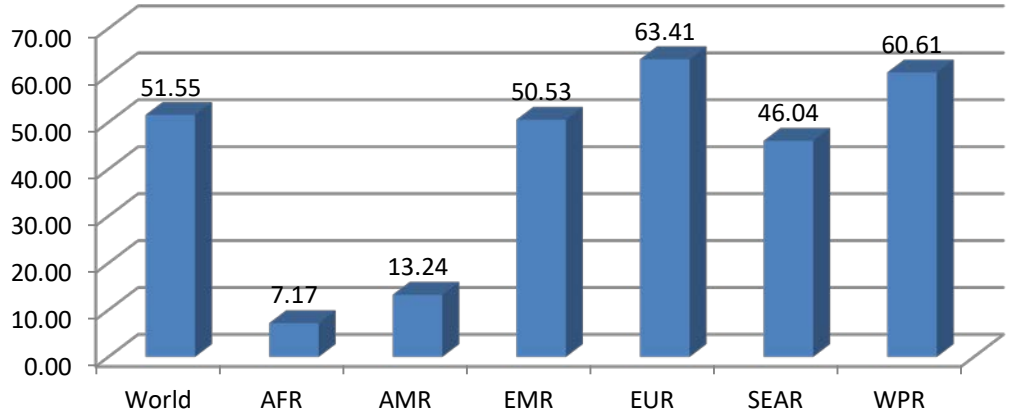
Health Capital Expenditure (HK) % Gross Domestic Product (GDP) - 2017



Out-of-Pocket Expenditure (OOPS) per Capita in US$ Millions - 2017



Domestic General Government Health Expenditure (GGHE-D) as % Current Health Expenditure (CHE) 2017



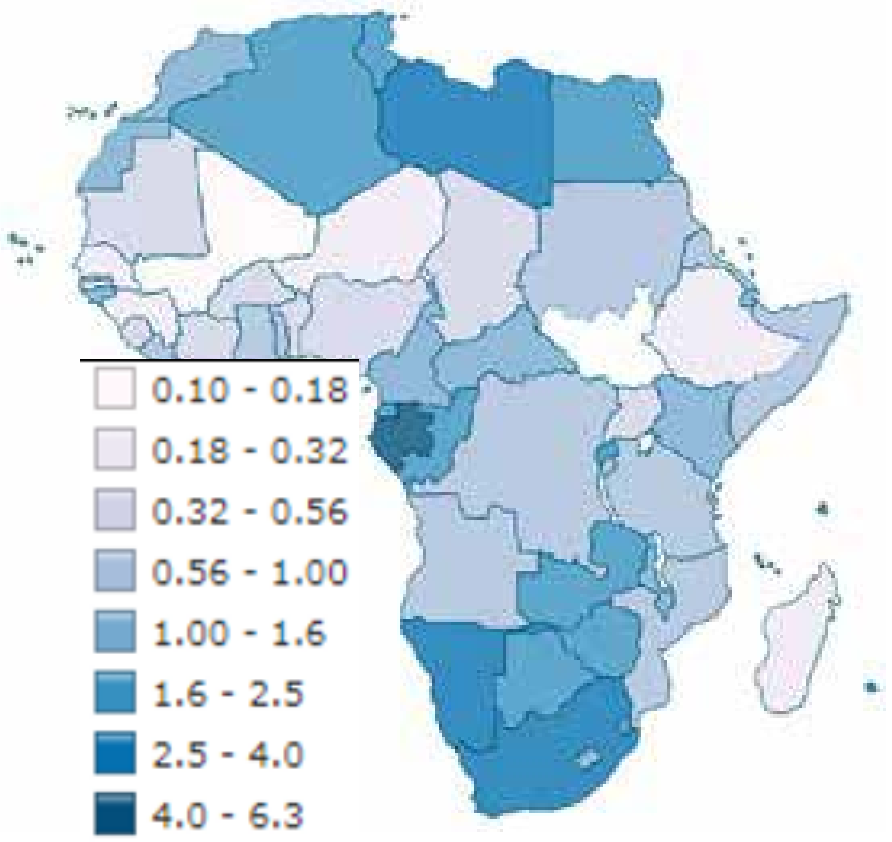
POLICY RESPONSE - Financing health in Africa

POLICY RESPONSES

- Increase fiscal space to enhance health coverage
- Leverage public private partnerships, and collaborations
- Prioritise value for money, planning and analytical capabilities
- Accelerate bold health financing reforms in Africa to increase budgets and drive efficiency

HEALTH INFRASTRUCTURE IN AFRICA - status and critical policy responses

Hospital beds per 1,000 people, hospital



Source: United Nations Economic Commission of Africa, 2020
https://www.uneca.org/sites/default/files/PublicationFiles/eca_covid_report_en_24apr_web1.pdf

- **Health infrastructure is generally inadequate and of poor quality overall, and inadequately equipped and maintained**
- **With an average of 9 hospital beds per 100,000 people, hospital beds capacity across Africa is weak**
- **Treatment centres across many parts of Africa lack critical modern health facilities. For example, number of ICU ranges from 2 in Liberia to 3,000 in Morocco, whilst number of ventilators ranges from 3 in the Central African Republic to 6,000 in South Africa**
- **An average of two-hour proximity to hospitals threshold is recommended by the WHO. However in Africa less than a third (29%) of the total population and 28% of the women of child bearing age, lived more than two hours from the nearest hospitals**
- **Reference laboratories for covid-19 testing increased from 2 in February to 44 in April 2020**

HEALTH INFRASTRUCTURE IN AFRICA - status and critical policy responses

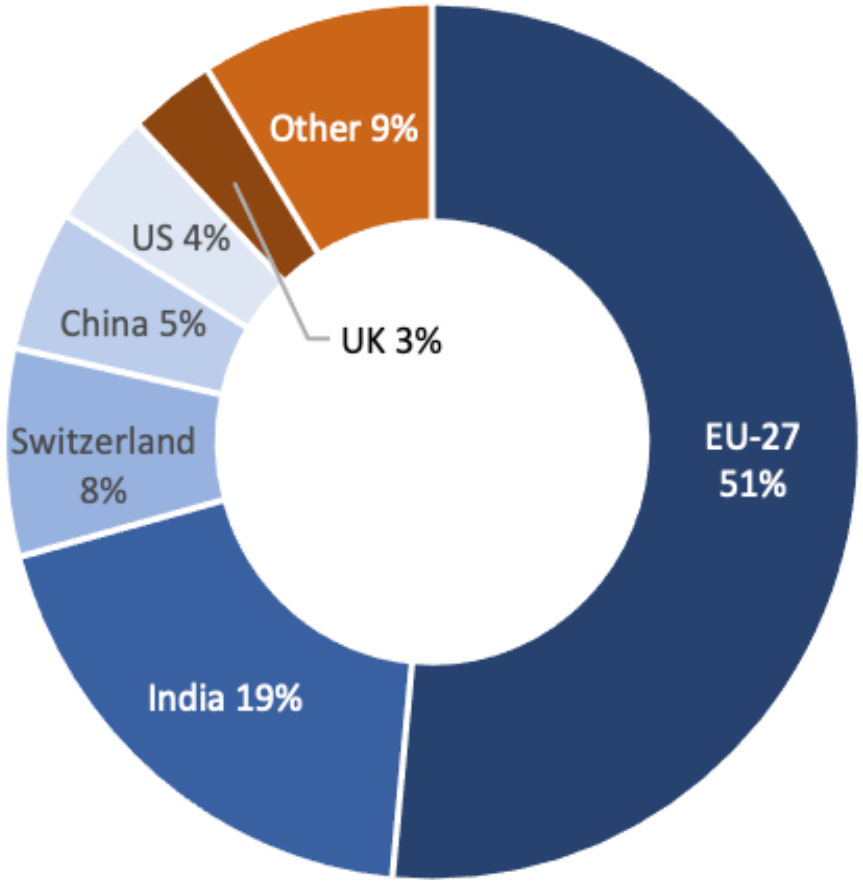
POLICY RESPONSES

Leverage the potentials of digital health technologies

Partnership with the private sector

PHARMACEUTICALS IN AFRICA - status and critical policy responses

Africa's import sources of medicinal and pharmaceutical products (2016–2018)



Source: United Nations Economic Commission of Africa, 2020
https://www.uneca.org/sites/default/files/PublicationFiles/eca_covid_report_en_24apr_web1.pdf

Africa is critically dependent on imported medicinal and pharmaceutical products

Local manufacturers produce only 25 to 30% of pharmaceuticals and less than 10% of medical supplies

There is also cumbersome regulatory process for new product registration

POLICY RESPONSES

- Invest in drug production through local manufacturing, research and innovation
- Relax regulatory frameworks on product registration and construction of manufacturing sites
- Establish new financial schemes to boost capital access by local manufacturers

HEALTH WORKFORCE IN AFRICA - status and critical policy responses

- The shortage of skilled health workers has been a consistent bottleneck to achieving better health outcomes on the continent
- Africa, despite having the highest level of disease burden compared to other regions, has below the WHO threshold of 23 health professions per 10,000.
- The WHO estimates that Africa has a shortage of 3.6 million health workers and 50% of the population has no access to modern health services
- Meanwhile, there is also high rate of African physicians who travel overseas to work

Skills needed to make African health systems modern and how to motivate health professionals

- Skills needed: medical doctors and nurses, as general professionals as well as specialists depending on need. We also need allied health professionals who provide supportive services in pharmacy, radiology and imaging, in medical laboratory diagnosis, and bio engineering, among others

- All health workers must now be equipped with IT and digital skills both from training schools and at work

- Motivation: Studies on why health workers go abroad comes down to two main reasons: a) adequate pay, b) conducive work environment/ availability of tools to work with, and c) professional satisfaction and progress

POLICY RESPONSES

Increase health workforce motivation

Invest in health workforce training

PARTNERSHIPS POST-COVID-19

Effective modern health systems require are joint efforts. In resource constrained countries these often include governments, development partners, private sector and civil society

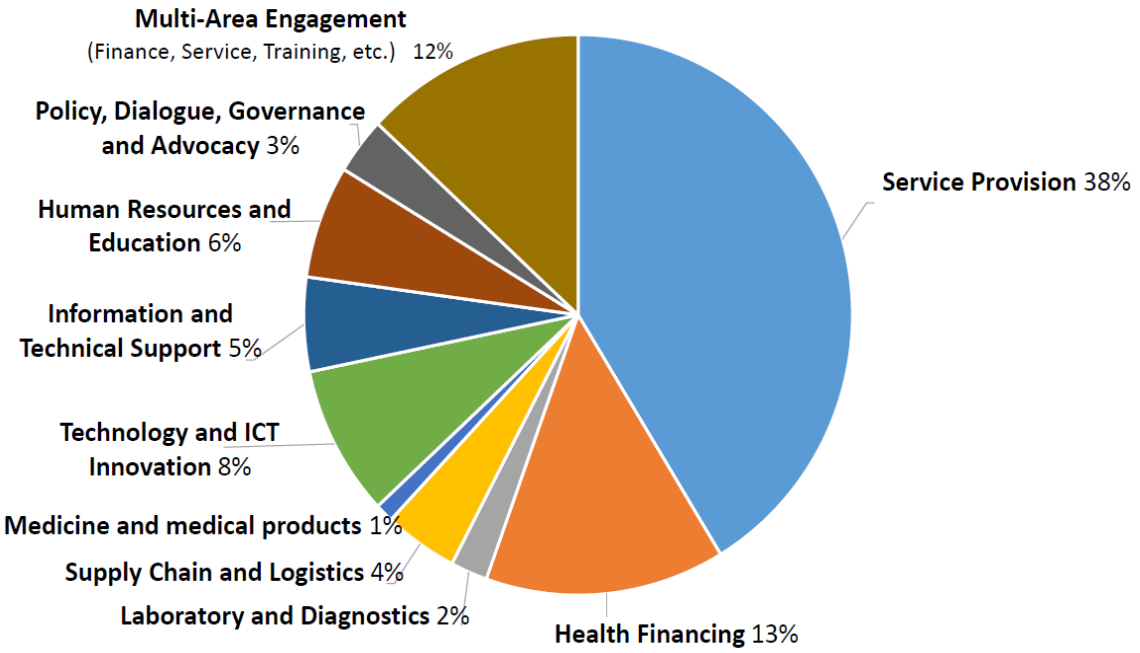
Governments: Federal/central, local governments
Development partners: Multi, Bi-lateral organizations
Private sector: Entrepreneurs, Non-profit organizations, faith-based organizations
Civil Society: International and local NGOs, community-based organizations

Advantages of partnerships: Raise/leverage funds, share knowledge, and share experiences

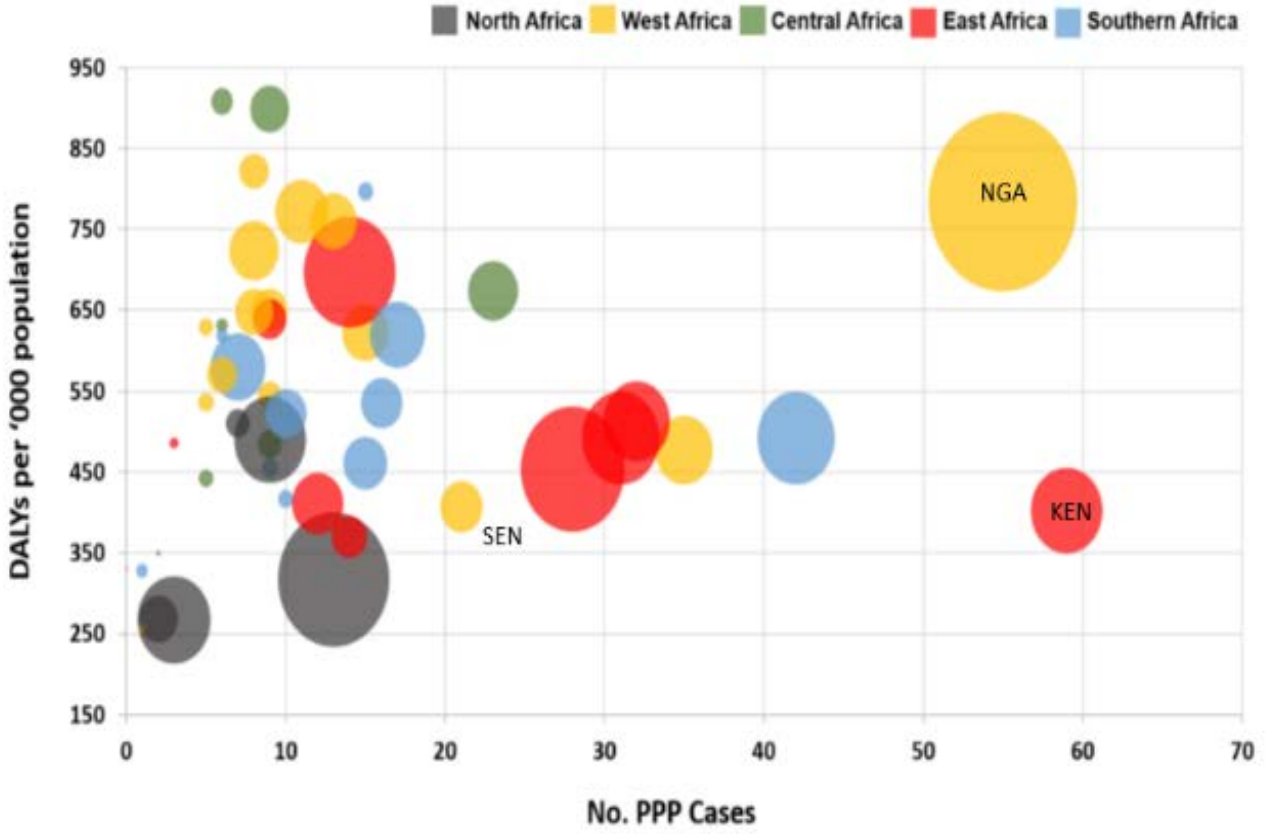
LEVERAGING OPPORTUNITY IN THE PRIVATE SECTOR

About 50%
of total health expenditure goes to private providers

Broaden the Scope



Align with health needs

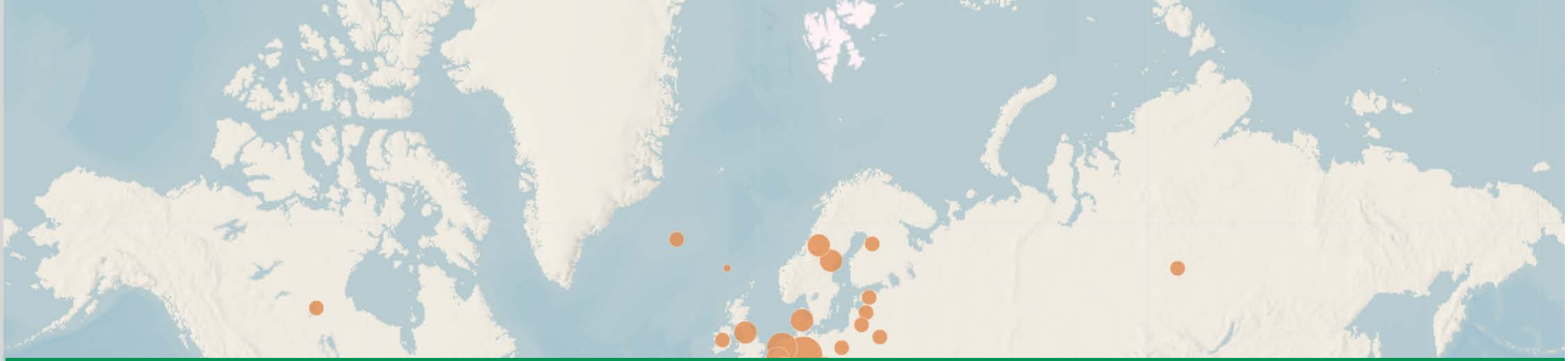


Note: The size of each bubble represents the relative size of the country's population.
Source: ECA calculations using WHO database for DALYs; population data from UNDESA Population Division. World Population Prospects. The 2017 Revision.

Source: UNECA, Dangote, GBCHealth, New York September 2018

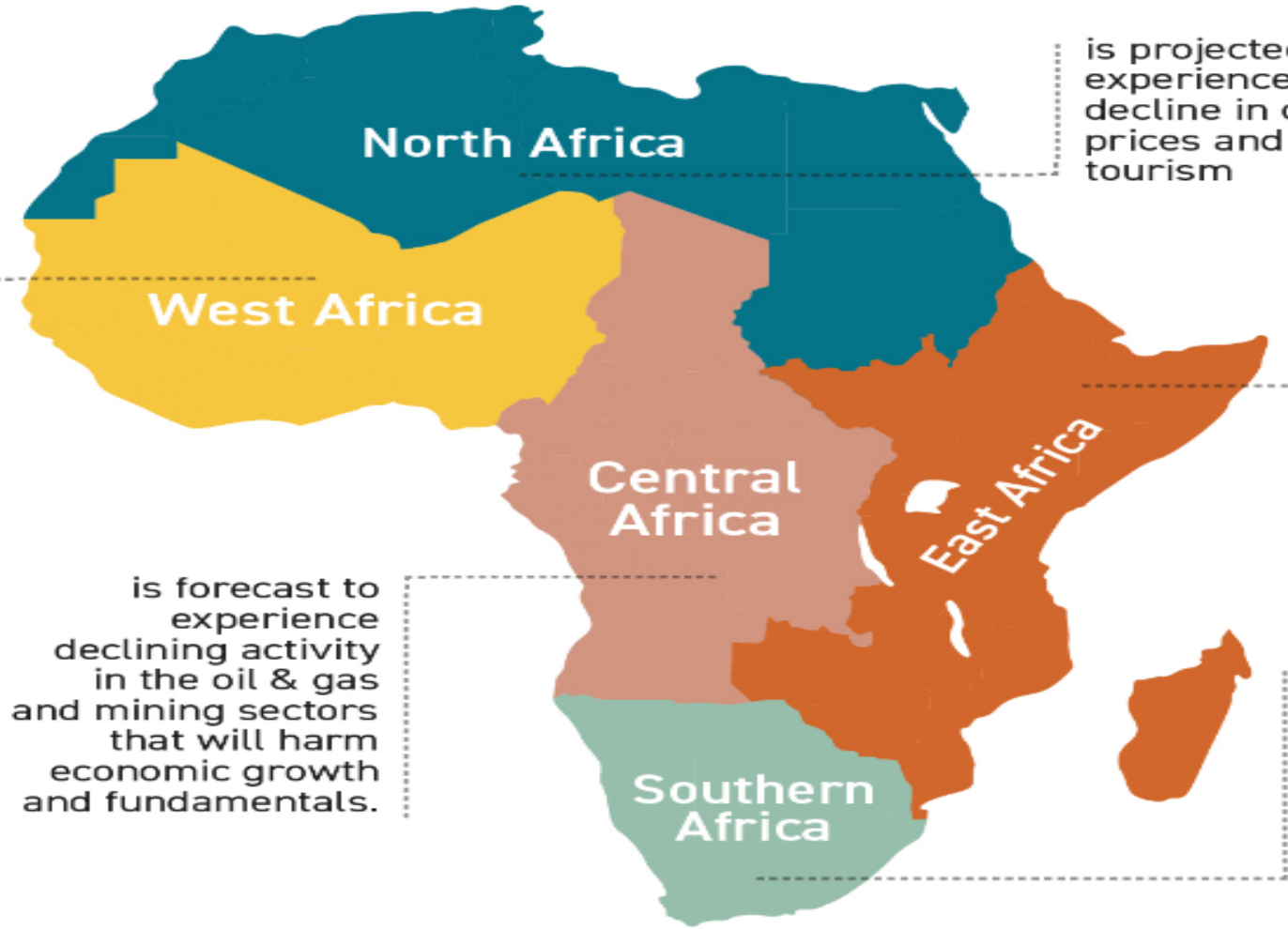
PUBLIC-PRIVATE PARTNERSHIPS DURING COVID-19: PERSPECTIVES FROM AFRICA

- PPPs arose spontaneously, out of necessity. No prior formal arrangements had been made
- Key areas of PPPs in Africa include: manufacturing and supply, pharmacy, isolation and quarantine centers, and support services
- Manufacturing and supplies: masks, sanitizers, PPEs, digital thermometers
- Pharmacy services: hospitals have had MoUs with nearby pharmacies to provide and even courier drugs to Covid-19 centers
- Quarantine centers: Hotels, schools, community centers have entered into agreement to provide quarantine and isolation for people who have tested positive for coronavirus
- Support services: private sector has been engaged to supply: food and water; to provide cleaning services to hospitals and centers handling Covid-19; and to provide courier services for taking samples, medicines, food, lab results



BANK'S COVID-19 RESPONSE

PANDEMIC IS PROJECTED TO HAVE SIGNIFICANT IMPACT ON AFRICAN COUNTRIES



North Africa is projected to experience a rapid decline in oil and gas prices and dwindling tourism

West Africa is expected to face declining commodity prices, reduced export revenues across coastal countries and high risk of debt distress.

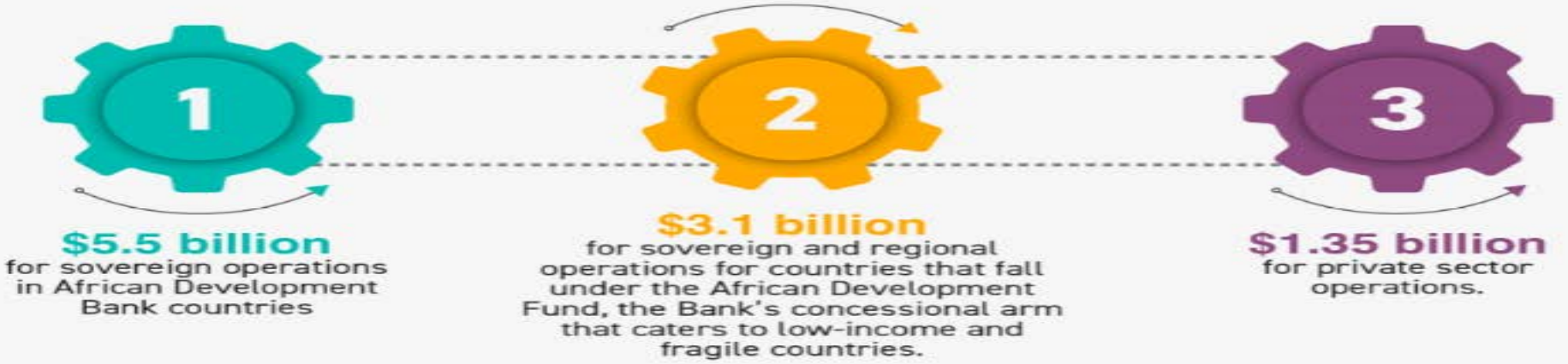
East Africa is projected to see weakness in tourism and other economic sectors, and reduced trade.

Central Africa is forecast to experience declining activity in the oil & gas and mining sectors that will harm economic growth and fundamentals.

Southern Africa is expected to experience price declines in the oil & gas and mining sectors and reduced flows of regional remittances.

THE BANK'S COVID-19 RESPONSE

The Board of Directors approved UA 7.4b (USD 10b) Covid-19 Rapid Response Facility to help RMCs fight the pandemic and mitigate the significant economic, social and health impact.



The Board also approved $2 million emergency assistance to WHO to contain the COVID-19 pandemic in Africa.

The Bank has also raised $3 billion COVID-19 social bond, the largest social bond ever launched in capital markets. The resources from the bond will go towards lessening the severe economic and social impact of COVID-19 in Africa.

The Bank is providing assistance to support emergency COVID-19 response operations totaling about $ 115 million benefiting countries supported by Africa CDC, CEMAC, EAC, ECOWAS, IGAD and SADC regions including the support to the G5 Sahel countries. To date, 21 COVID-19 Crisis Response Facility Operations have been approved; and 15 are yet to be approved.

Lastly, the Bank is preparing health infrastructure and pharmaceutical strategies to assist member countries.

PPP OPPORTUNITIES WITH OTHER DEVELOPMENT AGENCIES

Co-Financing opportunities within the CRF regular operations and beyond, particularly where AfDB's mandate allows it to finance investments.

Leveraging technical expertise and proximity to the client, particularly in Transition States and related to High 5 priorities. This is particularly relevant during this pandemic.

Developing joint AfDB and other MDI knowledge products to support our response to the pandemic, e.g. assessments and policy advice related to the African countries' health sectors, social safety nets, etc.

Post-Pandemic Staff exchange programme between AfDB and other Multilateral Development Agencies

THANK YOU FOR YOUR ATTENTION