

# RESILIENCE AND RECOVERY FROM COVID- 19 IN AFRICA THROUGH SOUND POLICY MAKING

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A CASE OF POLICY COHERENCE IN UGANDA



# OUTLINE

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1. Introduction (*Policy considerations - impact of COVID-19 in Uganda*)
2. Some policy responses to deal with COVID-19 pandemic
3. Governance and institutions for COVID-19 response
4. Policy coherence: some examples from Uganda
5. Challenges and lessons learnt

# POLICY CONSIDERATIONS - IMPACT OF THE COVID-19 PANDEMIC

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**COVID-19 HAD UNIQUE EFFECTS BECAUSE IT AFFECTED BOTH THE HEALTH SECTOR AND THE ECONOMY.**

## **SOME POLICY CONSIDERATIONS**

### **1. Health sector**

- A.** Inadequate capacity of the health system to deal with the pandemic
- B.** Need for strict lockdown measures to contain the spread and fatalities as capacity of the health sector was being improved.

### **2. Impact On The Economy**

#### **A. Effects arising from lockdown policies (domestic & international)**

- i.** Domestic lockdown measures needed to curtail the virus – keeping people from working and affecting livelihoods (esp. service sector categorized as non-essential e.g. Bars and Restaurants)
- ii.** Limitations on international transport (travel) – Disrupting supply chains, exports, tourism

#### **B. Effects originating from global economic downturn, e.g.**

- i.** Reduction of remittances from Ugandans living abroad
- ii.** Falling international demand (hence decline in exports earnings, etc.)
- iii.** Decline in tourism receipts

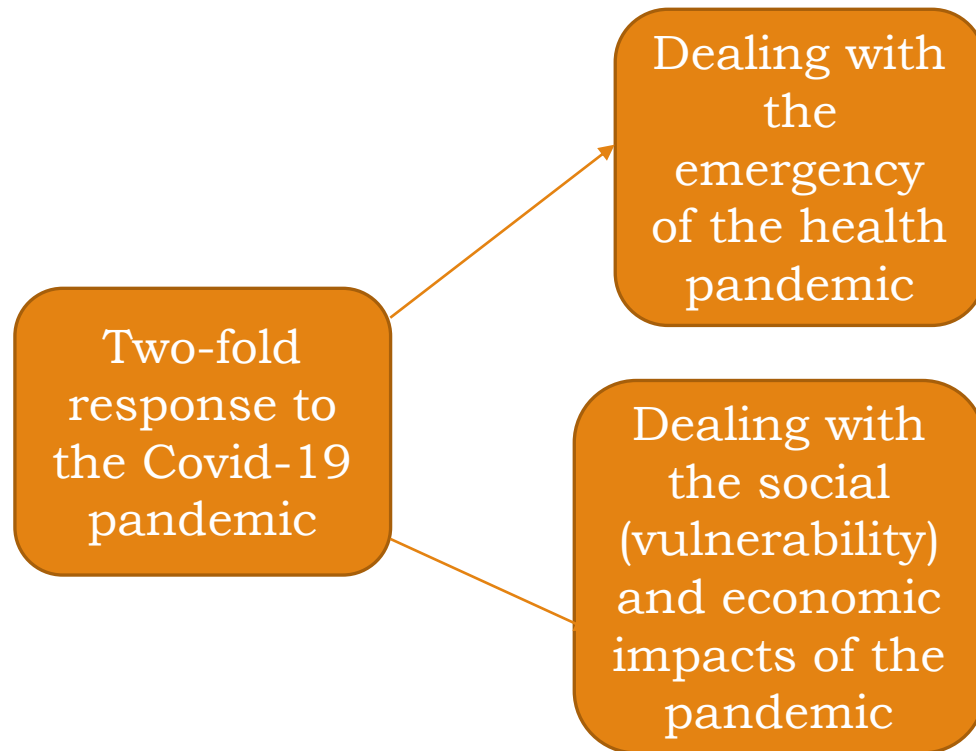
**Hence supply and demand side effects on domestic economy activity and consequently on household incomes/aggregate demand**

# POLICY CONSIDERATIONS - IMPACT OF THE COVID-19 PANDEMIC (CONTD..)

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- Hence there were contradictions/trade offs as regards policy responses to the health pandemic vis-à-vis policy responses to the economic impact of COVID-19.
- This made policy coordination and coherence critical.

# SOME POLICY RESPONSES TO DEAL WITH COVID-19 PANDEMIC



## SOME POLICY ACTIONS

Prioritize COVID-19 health related expenditures

Provide emergency social protection-food relief and cash transfers

Restore household incomes and safeguard jobs-provided affordable credit through SACCOs and micro enterprises

Re-ignite business activity-providing affordable credit to SMEs, tax relief to businesses

Monetary policy interventions-rescheduling of loans, reducing the central bank rate (CBR)

# SOME POLICY RESPONSES TO DEAL WITH COVID-19 PANDEMIC(cont'd...)

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Provision of support to manufacturers to produce relevant medical supplies like masks, gloves, and oxygen required to deal with the pandemic.

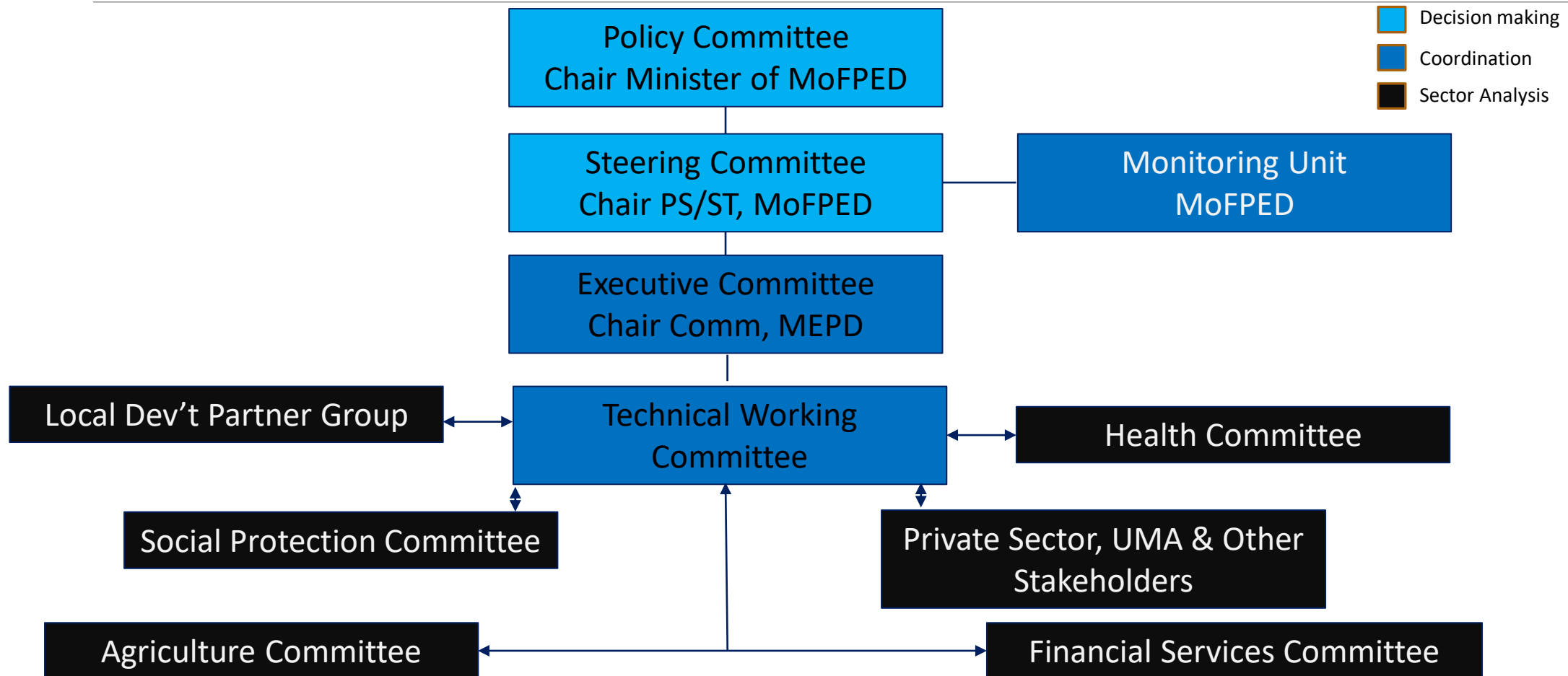
Sequencing of interventions was also crucial.

Given the policy actions that were required, it is clear that there were a number of different sectors, stakeholders, and institutions that had to work in harmony and collaboration to ensure success.

# STRUCTURE OF THE NATIONAL TASKFORCE



# MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT-STRUCTURE OF THE ECONOMIC RESPONSE UNIT





# POLICY COHERENCE: SOME EXAMPLES FROM UGANDA

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- **The governance structure and participation at the highest level (leadership) ensured coordination and policy coherence.**
- **Policy coherence across economic, health and social policies and interventions.**

## **Examples**

- i. The need to balance between saving lives (health) and economy (earnings/economy).
- ii. Monetary and Fiscal policy considerations and coherence
  - i. Income losses affected aggregate demand – expansionary monetary policy given limited fiscal policy space
  - ii. Pursuance of concessional financing from multilateral agencies like the World Bank, IMF
- iii. Ensuring provision of social protection to the vulnerable households during lockdowns (food relief, cash transfers) despite limited fiscal space.

# CHALLENGES FACED AND LESSONS LEARNT

No.	CHALLENGES	LESSONS
1.	Difficulties in the coordination of support from development partners and private sector	Need to institutionalize better partner coordination to ensure transparency, accountability and avoid duplication.
2.	<p>Identification and targeting the vulnerable was difficult.</p> <p>Lack of database on vulnerable people</p>	<p>Digitization is more effective, efficient and cheaper</p> <p>Develop a national database and update in a timely manner</p>
3.	Overlapping mandates by different institutions	Clear implementation strategy and mandate of each institution
4.	Limited fiscal space and difficulty in dealing with pandemics and economic impact	Need for adequate buffers to enable adequate policy response and coherence in implementation (e.g lockdown measures and support for the vulnerable)
5.	Difficulties in procurement during emergencies	Flexibility in the procurement policy and procedures during emergencies. Digitizing the system to make it more efficient.
6.	Some differences in policy response to the containment of the pandemic in some partner states of the East African Community (EAC)	Need for policy coherence at the EAC regional level.

THANK YOU

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