



**GBS**AFRICA

Promoting Africa's Trade & Investment Competitiveness

# Financing Pandemics

*“ A good health financing system raises adequate funds for health, so that every citizen’s health is covered and is protected from financial crisis associated with out of pocket payment for health. It provides incentives for providers and users to be efficient. (WHO) ”*



# Financing Pandemics

Governments have a mandate under the public health act to control and respond to pandemics (COVID 19).

- World bank estimates that Africa will need 1/5 to 3% of GDP to finance and respond to pandemic outbreak;
- \$23.54 Billion - Preparedness & Treatment
- \$53 Billion – Assuming 720 million people were affected.
- An estimated \$100 billion is required to respond to COVID 19

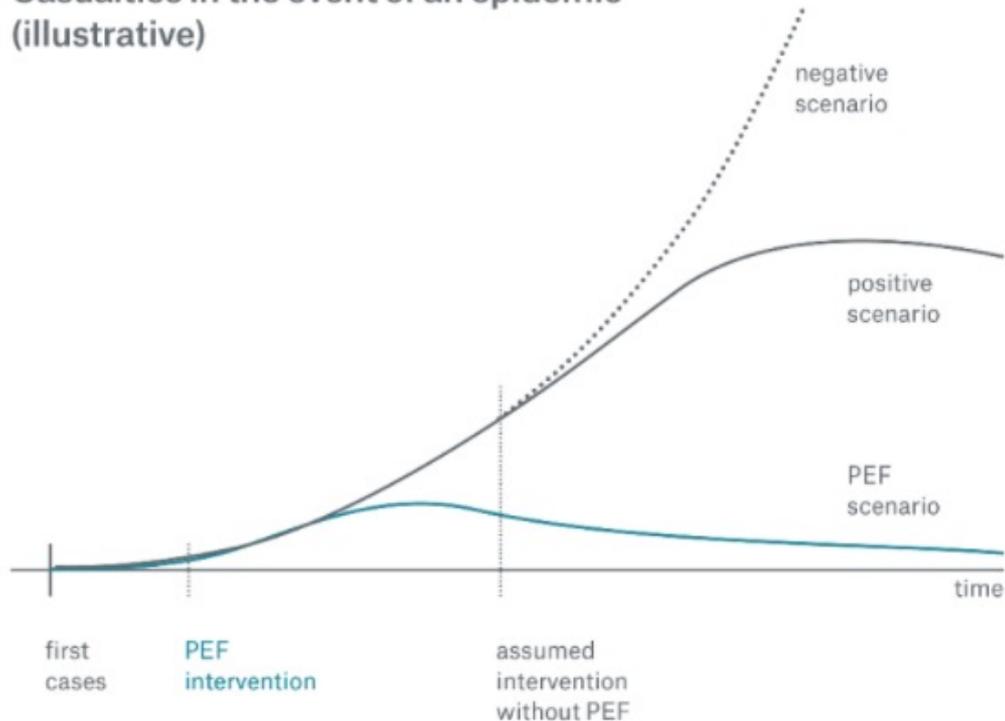
*Table: Additional health financing for COVID-19 in Sub Saharan Africa for 250 days, in US\$ billion*

Scenarios	Projected COVID-19 Infections	% of total Population	Preparedness	Treatment	Additional health financing needed	% of GDP
			(US\$ billions)	(US\$ billions)	(US\$ billion)	
Scenario 1: Suppression	110,218,785	10	25	0	26	2
Scenario 2: Social distancing whole population	719,462,377	63	50	3	53	3

Source: \* Per Imperial College London (Walker et al 2020) • Created with Datawrapper

# Pandemic Emergency Finance

Casualties in the event of an epidemic  
(illustrative)



Source -WB

\$500 mln pandemic emergency Finance by the World Bank for poorer countries (PEF). developed by the World Bank in collaboration with the World Health Organization and other public and private sector partners and promoted by G7 and G20 countries. ( complicated/flawed).

Flawed/complicated

# Health Insurance and Pandemics

- Insurance and reinsurance companies play a pivotal role during times of economic and health pressures.
- Most of Africa is however under insured with private health Insurance penetration being very low.



South Africa  
(12%)



Nigeria  
(0.5%)



Kenya  
(2.43%)

# Health Insurance in COVID 19 times



# Kenya's Health Insurance update

Guidelines issued by Insurance Regulatory Authority (Kenya) addressed expeditious handling of claims arising from corona virus.

- Provide extension of grace period and premium holidays by 3-months.
- Process and settle all claims and payments related to COVID-19.
- Pay last expense claims or death benefits.
- Should not reject claim due to delayed reporting.
- Pay and protect insurance agents.

# Health Insurance Post Covid-19

- This pandemic provides an opportunity for Insurers to demonstrate higher purpose and value to the society ( Be a force for good).
- Facilitate innovation associated with claim handling, remote interactions between clients and insurers, including electronic documentation handling and, more proactively, including more accessible telemedicine options.
- An opportunity for Insurers to demonstrate empathy by setting up funds for frontline workers.
- Provide Micro Insurance for the less affluent in the society.

# The future of Africa's healthcare.

To build resilience against COVID-19 and any future pandemics, Africa should;

- Enhance screening capacity of infectious diseases at all entry points into the country.
- Modify the National Hospital Insurance Fund (NHIF) policies to cover pandemics. (Kenya).
- Establish a national infectious diseases center to help research on epidemics and pandemics, to help avert future public health crises arising from infectious diseases such as COVID-19.

# Conclusion

- Invest in prevention and treatment - \$2.5 to \$3.5 per person (WHO).
- Adjust regulatory frameworks. Cut the red tape in response to a crisis like COVID 19.
- Procure efficiently and with transparency – Local capacity for Ventilators, Masks, PPEs.
- Coordinate with lower levels of government and with hospitals.
- Make Finance available to health facilities - Avoid mismanagement of resources.

# Recommendation

Africa should commit 15% of National Budgets to Health Care Provision to make it affordable, accessible to all.

# Thank you

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