OFFICIAL USE ONLY
SecM2021-0234/1
IDA/SecM2021-0260/1

September 9, 2021

FROM: Vice President and Corporate Secretary

Joint IMF-WBG Staff Note
DSSI Fiscal Monitoring Update

Supplementary Information

1. Attached for information is a document which provides supplemental information for the "Joint IMF-WBG Staff Note: DSSI Fiscal Monitoring Update" (SecM2021-0234[IDA/SecM2021-0260]). The document was prepared jointly by the World Bank Group and the International Monetary Fund.

2. Questions on this document should be referred to Ms. Chiara Bronchi (202-473-4324, cbronchi@worldbank.org) or Mr. Robert Utz (202-758-6705, rutz1@worldbank.org).

Distribution:
Executive Directors and Alternates
President
Bank Group Senior Management
Vice Presidents, Bank, IFC and MIGA
Directors and Department Heads, Bank, IFC, and MIGA
Secretary, IMF

September 7, 2021

JOINT IMF-WBG STAFF NOTE: DSSI FISCAL MONITORING UPDATE—SUPPLEMENTARY INFORMATION

EXECUTIVE SUMMARY

This Country Annex provides supplemental information for the joint IMF-WBG G20 Note on the "Debt Service Suspension Initiative (DSSI) Fiscal Monitoring Update." It presents fiscal policy responses of the DSSI beneficiary countries, based on the information provided by each beneficiary through the fiscal monitoring system that was endorsed by the G20 in June 2020.

The fiscal monitoring framework for the DSSI consists of two elements. First, a commentary which includes information on the economic impact of the COVID-19 pandemic, governments response to the crisis, and financial support received from International Financial Institutions and bilateral lenders. The commentary also presents the measures countries have undertaken to strengthen domestic accountability and transparency arrangements, including measures to track COVID-19 related spending. Second, a fiscal table includes data on revenue and spending aggregates, debt service, and COVID-19 related policy measures undertaken by the authorities (for prevention and containment of the crisis, and to provide support to households, businesses, SOEs and government entities). The table also reports priority spending aggregates, such as spending on health, education, and the social protection system or social assistance, and estimates of revenue losses due to policy measures.

Approved By
Paolo Mauro (IMF) and Marcello Estevão (WB)

Prepared by the IMF's Fiscal Affairs Department and the World Bank's MTI. The IMF team was led by Kenji Moriyama and included Keyra Primus, with administrative assistance from Julie Vaselopulos and research assistance from Isaura Alejandra Garcia Valdes. The World Bank team was led by Chiara Bronchi and included Robert Utz, Massimo Mastruzzi (MTI), Adenike Sherifat Oyeyiola, and Srinivas Gurazada (GOV). This paper has benefitted from extensive contributions from the country teams in the IMF as well as the World Bank.

CONTENTS

TABLES

Annex. Countries

Islamic Republic of Afghanistan

The epidemic. As of June 9, 2021, 84,050 cases (0.3 percent of the population) have been confirmed, with 3,305 deaths (fatality rate of 3.9 percent). After falling through the first quarter of 2021, the daily number of newly infected people surged in a new third wave, averaging 390 cases in May compared to 169 cases in December 2020, when the country experienced a second wave of infections.

Economic impact. The COVID-19 pandemic has inflicted a heavy economic and social toll on Afghanistan, causing an output contraction, forcing thousands into poverty, and setting back progress towards self-reliance. The GDP fell by 2 percent in 2020 as favorable weather boosted agriculture, which grew by 5 percent to partially offset the contraction in industry and services. With most containment measures removed and working hours, mobility, and cross-border traffic largely back to pre-crisis levels, growth is expected to recover to 2.7 percent this year, though it remains subject to considerable downside risks, including from an incipient drought and adverse security and political developments. Prices spiked at the onset of the pandemic, but inflation has moderated since, with the annual measure falling to -0.8 percent by April 2021 due to the base effect. Prices rose by 1.3 percent relative to March. Large revenue shortfalls and pandemic spending widened the overall fiscal deficit to about 2.3 percent of GDP in 2020 (compared to 0.8 percent of GDP projected pre-COVID). Domestic revenue fell by 16 percent compared to 2019—with tax revenue dropping by 7 percent—owing to the economic downturn and weaker tax collection.

Government response. The government's fiscal policy response focused on mitigating the social and economic fallout of the pandemic. Supported by substantial new and reallocated donor grants and concessional financing, the government spent Afs 32 billion (2.1 percent of GDP) on pandemic mitigation in 2020. This included: (i) health programs to prevent and contain the spread of the virus (0.7 percent of GDP); (ii) the government's bread distribution program and the REACH social distribution program financed by the World Bank (1 percent of GDP); and (iii) support for employment, agriculture, and food supply (0.4 percent of GDP). Revenue measures to contain the deterioration of fiscal accounts amounted to Afs 12.8 billion or 0.8 percent of GDP, mainly a transfer of central bank profits in April 2020. The authorities are targeting an overall fiscal deficit of 2.5 percent of GDP in 2021 to help sustain the recovery and protect priority spending, which includes most of 0.9 percent of GDP of COVID-19 related expenditure, two-thirds accounted for by the remainder of the REACH program.

Donor support. Total planned donor support for multi-year COVID-19 response is more than US$1 billion, including: (i) reallocations of more than US$600 million of World Bank and Afghanistan Reconstruction Trust Fund towards multi-year COVID-19 mitigation efforts; (ii) a new World Bank Development Policy Grant for budget support of US$200 million; (iii) ADB's grant of US$40 million and $100 million budget support grant; (iv) EU grant of $40 million; and (v) smaller grants from other bilateral donors, most channeled off-budget. In addition, Afghanistan received about US$337 million financing from the IMF in 2020 and US$150 million was disbursed in June 2021 under the ECF arrangement. It is also benefitting from the IMF's Catastrophe Containment and Relief Trust initiative. Afghanistan received debt suspension under the G20's Debt Service Suspension Initiative (DSSI) of US$4 million in 2020 and has requested suspension of US$4.4 million in 2021.

Domestic accountability and transparency. The authorities met their ECF commitment to start disclosing beneficial ownership in public spending. As a prior action for the ECF, the National Procurement Agency revised the procurement regulations to require the collection and online publication of beneficial ownership information of all entities contracting with the government within 30 days of contract signing. Failure to submit the beneficial ownership form or to knowingly supply inaccurate information is grounds for bid's rejection. The Ministry of Finance published the first quarterly report on pandemic spending in October 2020 and, with the World Bank's assistance, the second report in April 2021. The Supreme Audit Office has commenced the audit of selected COVID-19 spending in FY20, with the audit report expected to be published by end-July 2021.

Special factors. N/A.

Table A1. Islamic Republic of Afghanistan[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	26.9	25.3	26.2	25.7
Tax revenue	8.4	7.9	7.5	8.6
Social security contributions	0.4	0.4	0.0	0.0
Grants	12.9	12.8	14.8	13.4
Other revenue	5.4	4.2	3.9	3.7
Expenditure	28.0	26.0	28.4	28.2
Current expenditure	18.5	17.4	18.8	18.9
Capital expenditure	9.5	8.6	9.7	9.3
Overall balance	-1.1	-0.8	-2.3	-2.5
2) Debt service and suspension				
Total debt service	0.2	0.2	0.1	0.2
Domestic debt service	0.0	0.0	0.0	0.0
Domestic interest	0.0	0.0	0.0	0.0
Domestic amortization	0.0	0.0	0.0	0.0
External debt service	0.2	0.2	0.1	0.2
External interest	0.0	0.0	0.0	0.0
External amortization	0.2	0.2	0.1	0.1
Debt service suspension				
Total agreed (or requested) debt service suspended			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	6.0	5.1	7.1	6.3
Social spending	6.0	5.1	7.1	6.3
Health	1.4	0.9	1.8	1.3
Education	3.5	3.0	3.2	3.2
Social protection	1.2	1.2	2.1	1.8
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			2.1	0.9
COVID-19 prevention, containment, and management			0.8	0.3
COVID-19 support to households			1.0	0.5
COVID-19 support to businesses, SOEs, government entities			0.3	0.0

1/ Fiscal year runs from 21st December to 20th December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Angola

The epidemic. The first two confirmed cases of COVID-19 in Angola were announced on March 21, 2020. Until June 2020, the spread of the disease was slow and concentrated in the capital, Luanda. Starting in July 2020, however, case numbers started to increase exponentially, with over new 5,650 cases reported in October 2020 and contagion reaching all 18 provinces. This wave subsided in the subsequent months, with monthly new case numbers falling to about 1,000 cases by the end of February 2021. However, by April 2021, Angola experienced a new wave with over 4,200 new cases that month, including the so-called British (B.1.1.7) and South Africa (B.1.351) variants.

As of April 30, 2021, a total of 26,431 cases (80.6 per 100,000 inhabitants) and 594 deaths (2.2 percent mortality rate) have been recorded. Although testing capacity increased to over 10,000 per week by end-November 2020, it is still limited. The government will receive 12.8 million doses of vaccines under the COVAX initiative, an additional 0.2 million from the Government of China, and plans to purchase 6 million doses of Sputnik V. Over 440,000 vaccine doses had been administered by end-April 2021.

Economic impact. Angola's economy has been severely affected by the COVID-19 pandemic and the decline in oil prices in 2020. While expectations prior to the pandemic had been for a recovery of growth in 2020, Angola's GDP contracted by 5.2 percent, the fifth consecutive year of recession and the deepest yearly contraction in three decades. The construction and transport and storage sectors contracted strongly (29 and 39 percent respectively), largely due to the impact of COVID-19. The oil sector also contracted by 8 percent, affected by OPEC quota reductions and disruptions to production logistics. The terms-of-trade shock from the reduced oil price in 2020 led to sizeable real and nominal depreciations of the exchange rate and added pressure on Angola's already high debt burden. Reduced oil revenues also resulted in a budget deficit (following two years of surpluses) and need for additional fiscal tightening. Despite the continuation of fiscal retrenchment and a large negative output gap, end-year inflation increased to 25.1 percent, driven primarily by the pass-through from exchange rate depreciation. The current account surplus narrowed to 1.5 percent of GDP in 2020.

In 2021, an increase of oil prices has reduced pressure on the budget. Angola's non-oil economy is expected to grow in 2021, led by a rebound of the services sector from the COVID-19 related contraction in 2020. However, weak petroleum production due to lack of investment and maturation of oil fields will continue to be a drag on growth.

Government response. The government declared a state of emergency on March 27, 2020, implementing strong mitigation measures to limit the spread of the virus. This included restrictions on international and domestic travel and mandated social distancing. On May 26, 2020, a state of calamity replaced the state of emergency, gradually reducing restrictions while remaining one of the most restrictive countries in Africa. Stricter measures were again announced on April 28, 2021, amid the second wave of accelerating infections.

To cope with the decline in oil revenues, the National Assembly approved a revised 2020 budget in July 2020, which reprioritized expenditures towards the social sectors to combat the pandemic, while reducing expenditures overall. The fiscal deficit is estimated at 1.9 percent of GDP in 2020. The non-oil primary fiscal deficit is estimated to have further narrowed in 2020, evidence of the government's fiscal effort to contain expenditures and increase non-oil revenues.

The authorities also took relief measures to provide liquidity and credit for affected businesses, especially in the agricultural sector (also affected by droughts) and for SMEs. The Central Bank (BNA) approved a two-month credit moratorium (expired in June 2020) and the credit guarantee fund was recapitalized. Moreover, cash transfers were adopted as a key measure to alleviate poverty: the *Kwenda* program was initiated in May 2020 and is expected to reach 1.6 million families by 2023. The government also expanded the payment period for the corporate income tax and the urban property tax and added VAT and customs duties exemptions on goods imported for humanitarian aid and donations. VAT credits for imported capital goods and raw materials used in the production of 54 essential goods were introduced as well as an interest-free, deferred payment option for social security contributions.

Donor support. The authorities have been granted access augmentation under the IMF's three-year Extended Fund Facility (EFF) program. The World Bank disbursed US$15 million emergency COVID-19 support in 2020 to support the National Contingency and Emergency Plan. In addition, a loan in the amount of US$700 million for budget support under the Growth and Inclusion Development Policy Financing was approved on March 16, 2021, and is expected to be disbursed by June 2021. The EU and the US Government committed more than US$25.6 and US$3.5 million respectively to support the government's response to the pandemic. The African Development Bank committed US$1 million toward two COVID-19 research projects in Angola. Further, Angola has received in-kind donations, mostly of medical equipment, from governments and private sector entities.

Domestic accountability and transparency. The government set up a Multi-Sectorial Commission to oversee the use of COVID-19 related funds and expenses. The Ministry of Finance produces quarterly reports extracted from the national accounting system (SIGFE), reporting on COVID-19 related funds and expenses incurred at the national level, which are presented to the Multi-Sectorial Commission but not published. In addition, the Inspectorate General of Finances (IGF), the department under the Ministry of Finance in charge of internal audits, started conducting audits of COVID-19 related expenses in March 2021, including through regular visits to the 18 provinces of Angola.

Special factors. N/A.

Table A2. Angola[1/]
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	21.2	20.9	20.8	22.6
Tax revenue	19.6	19.8	19.5	21.4
Social security contributions	1.0	0.7	0.9	0.7
Grants	0.0	0.0	0.0	0.0
Other revenue	0.5	0.3	0.4	0.4
Expenditure	20.4	20.0	22.7	20.4
Current expenditure	16.7	17.0	17.5	16.8
Capital expenditure	3.7	3.1	5.2	3.5
Overall balance	0.8	0.8	-1.9	2.2
2) Debt service and suspension				
Total debt service	17.2	22.9	22.4	17.2
Domestic debt service	7.7	11.5	13.8	9.1
Domestic interest	2.6	3.0	3.0	2.5
Domestic amortization	5.1	8.5	10.8	6.6
External debt service	9.5	11.4	8.6	8.1
External interest	3.0	3.6	3.8	3.2
External amortization	6.5	7.8	4.7	4.9
Debt service suspension				
Total agreed (or requested) debt service suspended	0.0		2.6	4.2
Rescheduling with large commercial creditors	0.0		1.7	2.9
DSSI	0.0		0.9	1.4
3) Priority/protected spending				
Total priority spending (including COVID-related)	5.7	4.9	5.7	6.6
Social spending	5.6	4.7	5.5	6.4
Health	1.1	1.4	1.6	2.1
Education	2.1	1.7	2.0	2.3
Social protection	1.5	0.9	1.1	1.3
Housing and community services	0.8	0.8	0.9	0.8
Other priority spending	0.1	0.2	0.2	0.1
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.3	0.2
COVID-19 prevention, containment, and management			0.0	0.0
Goods and Services			0.1	0.2
Capex			0.1	0.0
Pessoal			0.0	0.0
COVID-19 support to households				
COVID-19 support to businesses, SOEs, government entities				
MEMORANDUM ITEMS				
Arrears (net)	-1.9	-1.2	1.0	-2.3

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Burkina Faso

The epidemic. Burkina Faso recorded its first COVID-19 case on March 9, 2020. The authorities maintained most public health containment and mitigation measures, following the first outbreak in March-April 2020 and a second wave in late 2020 and early 2021. The seven-day moving average of new daily COVID-19 cases has declined to around two cases as of June 8, 2021, from a peak close to 200 cases in late December 2020. The number of hospitalizations and deaths has remained low throughout the two waves of the outbreak. The authorities have adopted their COVID-19 vaccination plan and have requested support from COVAX platform, while exploring also other vaccine options. Vaccination against COVID-19 commenced on June 1, 2021.

Economic impact. With the severe disruptions caused by the pandemic, the economy is estimated to have grown by a modest 2 percent in 2020, down from 5.7 percent in 2019 and 6 percent projected for 2020 prior to the pandemic. The most impacted sectors include hotels, restaurants, commerce, construction, and government services. The average inflation rate accelerated to 1.9 percent in 2020, from a deflation of 2.3 percent in 2019, in part reflecting domestic supply disruptions caused by the pandemic. Real GDP growth is projected to gradually recover to 4.3 percent in 2021 in line with the global recovery and improved outlook on the pandemic.

Government response. The financial support to address the pandemic (i.e., health response plan) and the mitigation measures (i.e., social measures and the recovery plan) are estimated at around CFAF 394 billion (4.0 percent of GDP), including CFAF 177.18 billion for the health response plan. The implemented measures include the following (among others):

- Social measures: emergency food aid; cancelation of water and electricity bills; reduction by 50 percent of the cost of solar kits for vulnerable households; reinstating specialty food shops.
- Fiscal measures: tax payment deferrals; exemption from tax contribution for informal microenterprises; waiving VAT and duties on COVID-19-related products; reducing by 25 percent the direct tax on profits from the most affected sectors (transport, hotels and restaurants).
- Measures for restarting the economy: establishing an economic recovery fund for companies in difficulty (CFAF 100 billion); safeguarding agricultural inputs and feed for livestock (CFAF 30 billion); establishing a solidarity fund to support the informal sector (CFAF 5 billion); and funding research on infectious diseases and medicine (CFAF 15 billion).

Donor support. In 2020, the authorities have received CFAF 158 billion in grants and CFAF 183 billion in loans from different donors.

Domestic accountability and transparency. An oversight mechanism, chaired by the Prime Minister and with participation of civil society, is in place to coordinate the government's response to COVID-19 and ensure transparency and accountability of COVID-19 expenditures. All external COVID-19-related funds are channeled through the budget. The first internal audit report on COVID-19-related spending up to end-June 2020 has been completed. Going forward, the authorities aim to publish all pandemic-related procurement contracts and their beneficial owners by end-June 2021 along with an audited report on COVID-19-related spending in end-December 2020.

Special factors. N/A.

Table A3. Burkina Faso[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	20.4		21.7	20.7
Tax revenue	15.4		14.8	15.6
Social security contributions	0.0		0.0	0.0
Grants	1.5		4.3	2.9
Other revenue	3.5		2.5	2.2
Expenditure	23.9		26.9	26.3
Current expenditure	17.8		17.6	17.4
Capital expenditure	6.0		9.3	8.8
Overall balance	-3.5		-5.2	-5.6
2) Debt service and suspension				
Total debt service	3.7	9.1	8.4	9.1
Domestic debt service	2.9	7.9	7.6	7.6
Domestic interest	1.0	1.3	1.3	1.4
Domestic amortization	1.8	6.6	6.3	6.2
External debt service	0.9	1.3	0.9	1.5
External interest	0.2	0.3	0.2	1.2
External amortization	0.6	1.0	0.6	0.3
Debt service suspension				
Total agreed (or requested) debt service suspended		0.2	0.1	0.1
AFD		0.1	0.0	0.0
Espagne		0.0	0.0	0.0
Belgique		0.0	0.0	0.0
Abu Dhabi Fund		0.0	0.0	0.0
Kuwait Fund		0.0	0.0	0.0
Saudi Fund		0.0	0.0	0.0
India		0.0	0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	8.6	8.8	9.1	9.0
Social spending	8.6	8.8	9.1	9.0
Health	2.5	2.7	3.3	2.9
Education	6.0	5.9	5.6	5.8
Social protection	0.1	0.1	0.2	0.2
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			2.5	0.3
COVID-19 prevention, containment, and management			0.9	
COVID-19 support to households			0.7	
COVID-19 support to businesses, SOEs, government entities			0.8	0.3

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Burundi

The epidemic. The first case in the country was reported on March 31, 2020. Since then, 3,995 cases and six death have been reported as of April 30, 2021. New cases increased noticeably since January 2021, averaging 190 cases per week, compared with an average of 20 cases per week in 2020. Two large-scale testing campaigns were conducted during July 6–October 6, 2020, and January 11–February 11, 2021, with WHO support. Nonetheless, capacity remains weak with only about 2 percent of the population tested so far (in total).

Economic impact. The macroeconomic impact of the COVID-19 was relatively limited in 2020 as there was no lockdown. Economic growth is estimated at -0.9 percent, reflecting a sharp contraction in services (-6.1 percent). The pandemic is adversely affecting already-dire social conditions with most households incurring a loss of income, which could increase an already high poverty rate (85 percent in 2020). It has also exacerbated preexisting economic challenges and created external and fiscal financing needs (see below), mainly as a result of lower exports due to disruption of supply chains.

Government response. The authorities developed a pandemic response plan—focusing on strengthening the health care system, the social safety net, and parts of the road network to facilitate access to sick people—at an estimated cost of US$150 million (4.9 percent of GDP). The authorities have promoted soft preventative measures and limited the use of social distancing in order to limit the adverse economic and social impact. They subsidized the price of soap during June–September 2020 at a cost of BIF 4.7 billion (about US$2.4 million) and are subsidizing water for standpipes, up to 50 percent. They granted tax holidays to businesses that could not afford payments. On January 11, 2021, the authorities closed land and sea borders to passengers, and imposed new restrictions to passengers arriving at the Bujumbura airport. Cumulative spending on the response to the pandemic amounted to at least US$12.7 million (0.4 percent of GDP) at end-February 2021. The overall fiscal deficit including grants is estimated at 6.7 percent of GDP in 2020 (compared to a pre-pandemic projected deficit of 6.1 percent of GDP). Monetary policy is aimed at containing inflation, and regulators are working with banks to enable targeted and time-bound extensions of loan maturities to hard-hit borrowers.

Donor support. So far, the only financial support for the government's response plan comes from a US$5 million grant from the World Bank and the fiscal space created by IMF CCRT grants.

Domestic accountability and transparency. The Court of Auditors, in consultation with the development partners concerned, will undertake and publish an ex-post audit of expenses related to COVID-19 on the government's website within nine months after the fiscal year's end (July–June).

Special factors. Data provided is from the budget laws and IMF and World Bank staff estimates and projections. Data on COVID-19 related spending are preliminary estimates at end-February 2021 provided by the authorities.

Table A4. Burundi[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	20.4	21.9	22.3	23.7
Tax revenue	15.0	14.0	16.2	15.8
Social security contributions	0.0	0.0	0.0	0.0
Grants	4.0	6.3	4.3	6.1
Other revenue	1.3	1.6	1.8	1.8
Expenditure	26.5	25.1	28.3	29.1
Current expenditure	18.0	15.3	20.4	20.3
Capital expenditure	8.5	9.8	7.9	8.8
Overall balance	-6.2	-3.2	-6.0	-5.4
2) Debt service and suspension				
Total debt service	11.9		14.4	7.2
Domestic debt service	11.0		13.4	6.1
Domestic interest	2.2		2.9	1.8
Domestic amortization	8.8		10.5	4.3
External debt service	0.9		1.0	1.1
External interest	0.1		0.2	0.2
External amortization	0.8		0.8	0.9
Debt service suspension				
Total agreed (or requested) debt service suspended			0.0	0.0
Exim Bank of China			0.0	0.0
Kuwait Fund			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	9.8	11.0	10.8	12.3
Social spending	9.8	11.0	10.8	12.3
Health	1.6	2.9	1.9	3.7
Education	5.6	5.2	5.8	5.3
Social protection	2.5	2.9	3.0	3.3
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			5.2	7.5
COVID-19 prevention, containment, and management			0.2	1.7
COVID-19 support to households			0.9	0.9
COVID-19 support to businesses, SOEs, government entities			4.2	4.9
MEMORANDUM ITEMS				
Revenue losses due to policy measures (CY)			0.6	

1/ Fiscal year runs from July to June. Main data sources: country authorities/IMF.
2/ Latest staff estimates and projections. Calendar year for debt service and debt service suspension (e.g., CY19 instead of FY19).
3/ Based on initial 2020 budget data or January 2020 WEO data.

Cabo Verde

The epidemic. The COVID-19 virus continues to spread, though the recovery rate remains high. The number of cases has risen from 2,451 cases at end-July 2020 to 23,882 cases at end-April 2021, with a concentration in the most populated island (Santiago). In response to the recent surge in cases the authorities on April 30, 2021, declared a state of emergency for 30 days in all the islands except Brava along with the reinforcement of existing measures and protocols. However, the healthcare system is not overwhelmed because hospitalizations are limited. The authorities initiated a vaccination program in February 2021 under the COVAX initiative and with external financing, notably from the World Bank.

Economic impact. The pandemic is having a significant economic impact on Cabo Verde. In 2020, output contracted by 14.8 reflecting the sharp decline in tourism and activity across sectors caused by the global economic downturn, travel restrictions, and domestic containment measures. These factors have also affected the fiscal position through lower revenue, higher expenditures to contain the impact of the health crisis on the economy and vulnerable groups. As a result, the overall deficit increased to 8.9 percent of GDP in 2020 (1.8 percent of GDP in 2019). Financing needs rose to 10 percent of GDP which, combined with the decline in nominal GDP, contributed to bringing the ratio of public debt-to-GDP to 140.9 percent (125 percent in 2019). Similarly, the external position weakened, consistent with the collapse in tourism receipts, as a result, the current account deficit increased to 16.4 percent of GDP (3.9 percent of GDP in 2019). At end-2020, international reserves declined by about €80 million (an increase of €45 million in 2019).

Government response. The authorities' COVID-19 response plan helped companies, households, and vulnerable groups address the impact of the pandemic, and enhanced safety requirements in the hospitality sector.

- Key measures under the plan were: a moratorium on tax payments; loan guarantees; a temporary reduction of the VAT rate for the tourism sector; suspension of employment contract; a temporary suspension of contributions to the pension fund; a social protection program for vulnerable groups; and measures aimed at maintaining a liquid and stable banking system.
- The plan had an important impact. The credit lines and guarantees set up by the government have supported more than 500 businesses, helping protect about 12,300 jobs. About CVE 3.9 billion of loans have been disbursed to the corporate sector, including micro, small, and medium-sized enterprises through the special financing facility for banks set up in April 2020. The suspension of employment contracts (with a cost of CVE 1.4 billion), implemented by the pension fund with government's support helped safeguard jobs for some 32,000 workers by preventing layoffs. Measures aimed at protecting family incomes helped guarantee the livelihood of extremely poor families and informal sector workers during the lockdown.
- The authorities also took actions to prepare the return of tourism activities, including training for personnel in the hospitality sector in safety areas, the requirement to obtain a safety seal for hotels and restaurants, and the opening of two health centers in the two tourism-dominated islands (i.e., Sal and Boa Vista).

Donor support. The IMF provided US$32.3 million under the RCF (on-lent to the treasury); the World Bank disbursed US$25 million emergency COVID-19 support, an additional US$6 million for health sector support and US$10 million under the CAT-DDO; and the EU and the AfDB provided additional budget support totaling €6.1 million and €15 million respectively. Support was also provided by Luxemburg, UN Agencies, China, USA, and other bilateral development partners.

Domestic accountability and transparency. The execution of COVID-19 related expenditures is being done in line with the authorities' transparency and accountability practices, through the tracking of these expenses, and their publication on the government official website. In addition, these outlays are identified in the Treasury's accounts to facilitate their auditing by the tribunal of accounts at the time of the 2020 budget audit.

Special factors. N/A.

Table A5. Cabo Verde

(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	29.4	32.5	26.4	30.4
Tax revenue	21.5	22.9	19.5	21.2
Social security contributions	0.0	0.0	0.0	0.0
Grants	3.2	2.8	3.2	2.3
Other revenue	4.6	6.8	3.8	6.9
Expenditure	31.2	34.2	35.5	38.5
Current expenditure	27.3	29.7	32.8	33.0
Capital expenditure	3.9	4.6	2.7	5.5
Overall balance	-1.8	-1.7	-9.1	-8.1
2) Debt service and suspension				
Total debt service	7.5	7.9	9.9	9.0
Domestic debt service	4.4	4.4	6.3	5.5
Domestic interest	1.6	1.2	1.8	1.4
Domestic amortization	2.8	3.2	4.5	4.1
External debt service	3.1	3.4	3.6	3.5
External interest	1.0	0.9	1.0	0.7
External amortization	2.1	2.6	2.6	2.8
Debt service suspension				
Total agreed (or requested) debt service suspended			0.9	1.3
France			0.1	0.1
Spain			0.1	0.1
China			0.1	0.1
Japan			0.0	0.0
Portugal			0.4	0.4
Belgium			0.0	0.0
CGD			0.1	0.5
Kuwait			0.1	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)				
Social spending	7.7	7.2	9.2	9.2
Health	1.3	1.8	2.2	
Education	2.6	1.9	2.1	
Social protection	3.8	3.5	4.9	
Other priority spending				

Table A5. Cabo Verde (concluded)[1/]
(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			1.7	
COVID-19 prevention, containment, and management			0.7	
COVID-19 support to households			0.4	
COVID-19 support to businesses, SOEs, government entities			0.0	
MEMORANDUM ITEMS				
Revenue losses due to policy measures			1.1	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Cameroon

The epidemic. The first cases of COVID-19 infection were reported on March 6, 2020. Weekly confirmed infection cases reached a peak in June 2020 and then decline gradually until December 2020. There was a resurgence in COVID-19 infection cases since the beginning of this year, with an increase in fatality rate. Presence in Cameroon of the South African and UK variant strains has been detected by the Cameroonian Center for Research on Emerging Diseases. As of end-April 2021, the epidemiological situation presented an accumulated total of 72,250 infection cases, of which 67,625 recovered (93.4 percent), 1,107 died, and 304 were hospitalized.

Economic impact. The COVID-19 pandemic has affected Cameroon's economy through four main channels.

- Drop in external demand and commodity prices channel. The impact of the pandemic on partners' economies has affected Cameroon's exports in terms of volume and value and consequently its public finances and external account. Sectors oriented toward exports and services suffered a slowdown, which had repercussions on growth and employment.
- Drop in external supply channel. This has manifested itself mostly through the breakdown of supply chains for imported intermediate and final consumption goods. Blockages in logistic chains and disruption of supplies essential to production have negatively impacted the production capacity in many sectors.
- External financing channel. The pandemic is negatively affecting external funding that could benefit Cameroon in terms of remittances and foreign direct investment.
- Anti-COVID measures channel. The series of measures taken by the authorities also affected domestic supply and demand notably by restricting the movement of people and goods, the holding of several cultural and sport events, and the reduction of permitted working hours for a few sectors.

In quantitative terms, real GDP is estimated to have declined by 1.5 percent in 2020, down from a pre-pandemic projection of 3.8 percent. While non-oil activities in trade, transport and tourism were adversely impacted by confinement, social distancing and the breakdown of supply chains, oil production and agriculture remained resilient. Inflation remained below 3 percent. The current account deficit reached 3.9 percent of GDP in 2020, down from 4.4 percent in 2019.

Government response. A package of containment measures was announced on March 17, 2020, including closure of borders, quarantine for travelers, prohibition of gatherings of more than 50 people, and the closure of entertainment places at 6:00 pm. Additional measures were taken on April 10, 2020, including the obligation to wear a mask in all public areas. A set of measures to provide tax relief to businesses was also adopted, including expedited VAT reimbursement and postponement of tax payment deadlines. Revenue losses from these measures could reach 0.5 percent of GDP.

The government announced a set of deconfinement measures on April 30, 2021. The restriction prohibiting bars, restaurants, and leisure facilities from operating after 6:00 pm was lifted, provided customers and users respect social distancing and wear protective masks. The limit on the number of passengers in public transportation vehicles (i.e., buses and taxis) was also relaxed but masks remain compulsory, and overloading is prohibited.

Since June 2020, the authorities have been following a decentralized approach that relies on health districts and regions, and aimed at monitoring infection cases, increasing local testing, reinforcement of screening for all travels to Cameroon, and strengthening the capacity of the health services. They opted to not re-impose confinement but rather enforce the application of barriers measures, increase testing, and strengthen treatment capacities. Some schools were reopened in June 2021 and COVID-19 screenings for all travelers landing in Cameroon was enforced. However, mobility across borders remained restrained as a few land border crossing points continued to be shut off to traffic or were only partially operational to enable trade. Vaccination started on April 12, 2021, and the government aims to vaccinate five million citizens (about 20 percent of the population) by end-2021.

Measures were taken to alleviate the impact of the pandemic on households, including an increase in family allowances, pensions, and some increases on the payment of social security contributions. Alongside these short-term measures, the authorities adopted a three-year Preparedness and Response Plan and established a special COVID-19 account, dedicated to financing the national response plan to the pandemic, to which they allocated close to US$310 million in 2020 and US$185 million in 2021.

Donor support. Since the first cases of COVID-19 infection, Cameroon received budget support from the Fund (US$382 million, through RCF-1 and RCF-2), the African Development Bank (€85 million), the World bank (US$100 million) and the European Union (€16.6 million). Official and private donors also provided cash financing (close to US$70 million) earmarked for specific sectors, activities, or categories of population affected by the COVID-19 pandemic.

Domestic accountability and transparency. In their two letters of intent for accessing the RCF, the authorities committed to: (i) issue semi-annual reports on COVID-19 related spending; (ii) commission an independent audit of this spending and publish the results; and (iii) publish the award of any COVID-19 related contract within 30 days. The results of all COVID-19 related contracts awarded since May 4, 2020, including the beneficial ownership, were published in October 2020.

Special factors. Valuation of in-kind donations of equipment and consumables received by Cameroon from multiple donors is not available and therefore not captured in COVID-19 related spending.

Table A6. Cameroon

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	15.7	15.4	13.2	14.9
Tax revenue	12.4	12.2	10.7	11.4
Social security contributions	0.2	0.2	0.3	
Grants	0.6	0.4	0.4	0.4
Other revenue	2.6	2.5	1.7	3.0
Expenditure	19.1	17.5	17.3	17.9
Current expenditure	12.2	11.2	11.8	12.2
Capital expenditure	6.8	6.3	5.5	5.6
Overall balance	-3.3	2.2	-4.1	3.0
2) Debt service and suspension				
Total debt service	4.0	3.7	3.6	4.1
Domestic debt service	1.8	1.7	1.5	1.7
Domestic interest	0.2	0.2	0.3	0.3
Domestic amortization	1.5	1.5	1.3	1.4
External debt service	2.2	2.0	2.1	2.4
External interest	0.8	0.7	0.7	0.8
External amortization	1.4	1.3	1.4	1.6
Debt service suspension				
Total agreed (or requested) debt service suspended			0.6	0.7
France			0.4	0.4
Belgium			0.0	0.0
China			0.1	0.2
Korea			0.0	0.0
India			0.0	0.0
Kuweit			0.0	0.0
Saudi Arabia			0.0	0.0
Japan			0.0	0.0
Germany			0.0	0.0
Switzeland			0.0	0.0
Spain			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	3.3	3.4	4.1	
Social spending	3.2	3.4	3.3	
Health	0.4	0.5	0.4	
Education	2.7	2.8	2.7	
Social protection	0.1	0.2	0.1	
Other priority spending	0.0	0.0	0.8	
COVID-related spending	0.0	0.0	0.7	
Social safety net	0.0	0.0	0.1	

Table A6. Cameroon (concluded) 1/

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.7	
COVID-19 prevention, containment, and management			0.4	
COVID-19 support to households			0.1	
COVID-19 support to businesses, SOEs, government entities			0.2	
MEMORANDUM ITEMS				
Arrears (gross)	3.0			

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Central African Republic

The epidemic. COVID-19 reached CAR on March 14, 2020, and as of April 30, 2021, a total of 6,411 confirmed cases and 88 deaths were recorded, representing 0.13 percent and 0.002 percent of the population, respectively. The number of new cases has been particularly high for the last 30 days, with 1,250 new cases in April 2021 compared to 18 cases in January 2021. With the international community's support, the government put in place a response strategy based on proactive testing, compulsory masks, and social distancing measures at the beginning of the pandemic to save lives. Government measures to contain the pandemic have been partially lifted and weak, easing a new wave of contamination. The health system is weak and poorly equipped to deal with the pandemic.

Economic impact. CAR's economic growth was revised downward to around 1 percent in 2020; 4 points lower than projections prior to COVID-19. The pandemic has affected the economy through both external and internal transmission routes. In terms of external transmission channels, CAR's exports (i.e., diamonds, coffee, cotton, and timber) dropped by 23 percent due to the collapse in global growth, turmoil in the financial markets, and dependence on exports to Asia, particularly China—which accounts for 44 percent of total exports. Non-oil imports were boosted by donor-funded investments focused on mitigating the effects of the pandemic. The sharp drop in oil prices reduced the oil bill by about 35 percent. Foreign direct investment declined sharply in 2020 due to uncertainty and the global slowdown. Internally, the measures taken by the government to contain the spread of COVID-19 (e.g., the restriction of movement within the country, the travel ban, the closure of schools, the ban on mass gatherings, the closure of the airport, etc.) disrupted economic activities and local businesses, reduced tax revenue collection, and increased unemployment. Limited access to territory and entry portals by neighboring countries in the midst of the pandemic disrupted the supply chain and generated inflationary pressure in the second quarter of 2020.

Government response. From the start of the COVID-19 pandemic, the government adopted several measures to curb the spread of the virus, including travel restrictions, physical distancing measures, the installation of handwashing devices in all public places, the compulsory use of face masks, and communication in French and Sango to raise public awareness. The government has prepared a COVID-19 health response plan in collaboration with the WHO to contain the pandemic and strengthen the country's capacity to cope with its impacts. On the budgetary level, a revised budget law was adopted in early July 2020 to finance expenditures—such as strengthening the health sector and transfers to households and businesses—aimed at mitigating the health, social and economic impacts of the pandemic. Overall, prevention, containment, and management measures represented 0.9 percent of GDP, while direct support to firms and households amounted to 0.23 percent of GDP. On the monetary level, the regional central bank, the Bank of Central African States (BEAC), has taken measures to give monetary impetus to the CEMAC zone and reduce the risk factors weighing on monetary and financial stability.

Donor support. Donors have provided support to close the unanticipated financing gap amounting to about CFAF 46 billion in 2020 to help authorities cope with the pandemic, broken down as follows: additional funding from the World Bank and COVID-19 health preparedness project CFAF 19.1 billion, CFAF 22.6 billion from the IMF's Rapid Credit Facility, CFAF 2 billion from the European Union and CFAF 4.7 billion cancellation, under the Catastrophe Containment and Relief Trust (CCRT), of the debt service due to the IMF in 2020. Added to this is CFAF 2.1 billion in suspension of debt service under the G-20 DSSI. The extension of the DSSI through December 2021 will generate an additional saving of about CFAF 2.2 billion.

Domestic accountability and transparency. Through its budget support program, the World Bank –PRCIS 2 (approved on September 1, 2020) has set up a mechanism for monitoring funds related to COVID-19. The aim is to strengthen transparency and accountability in the use of funds for the response to the COVID-19 pandemic. A July 2020 ministerial decree established a committee tasked with the supervision of COVID-19 related expenditures executed by the government and the donors. This committee, made up of key ministries, civil society, and donors, will review these expenditures monthly and, when relevant, make recommendations to improve their efficiency and transparency. An audit of these expenditures is being finalized and will be published in the coming months. The authorities will also publish the results of all related public tenders and their selection criteria, and the names of the selected companies.

Special factors. N/A.

Table A7. Central African Republic

(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	18.3	13.4	22.0	16.8
Tax revenue	7.8	9.7	7.6	6.6
Social security contributions	0.0	0.0	0.0	0.0
Grants	9.6	3.7	12.7	8.5
Other revenue	0.9	0.0	1.6	1.7
Expenditure	16.9	12.7	25.3	19.5
Current expenditure	11.3	11.1	13.9	11.9
Capital expenditure	5.6	1.6	11.4	7.6
Overall balance	1.4	0.7	-3.4	-2.7

Table A7. Central African Republic (concluded)[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
2) Debt service and suspension				
Total debt service	3.0	2.0	1.7	1.6
Domestic debt service	1.8	1.0	1.1	0.8
Domestic interest	0.2	0.1	0.2	0.1
Domestic amortization	1.7	0.9	0.9	0.7
External debt service	1.2	0.9	0.6	0.8
External interest	0.2	0.2	0.1	0.1
External amortization	1.0	0.8	0.5	0.7
Debt service suspension				
Total agreed (or requested) debt service suspended	0.1	0.0	0.2	0.2
Saudi Arabia	0.0	0.0	0.0	0.0
India	0.0	0.0	0.0	0.0
China	0.0	0.0	0.1	0.1
Kuwait	0.0	0.0	0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	1.7	2.0	2.9	2.4
Social spending	1.7	2.0	2.9	2.4
Health	0.5	0.7	1.4	1.2
Education	0.7	0.8	0.8	0.6
Social protection	0.1	0.1	0.2	0.1
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			1.1	0.6
COVID-19 prevention, containment, and management			0.9	0.6
COVID-19 support to households			0.0	0.0
COVID-19 support to businesses, SOEs, government entities			0.2	0.0

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Chad

The epidemic. The first confirmed COVID-19 case was reported on March 19, 2020. The total number of cases as of April 28, 2021, is 4,789 (a very small percent of total population), with 170 deaths, 4,408 recoveries, and 211 patients under treatment. After a surge of cases since end-2020, the situation has somewhat returned to normal, with fewer cases recorded in April 2021.

Economic impact. Amid the pandemic and a sharp fall in international oil prices, the Chadian economy has contracted by 0.9 percent in 2020 and is expected to grow by only 1.4 percent in 2021 despite the recovery in oil prices witnessed in the first few months of the year. The non-oil economy has contracted by 1.6 percent in 2020 and is expected to grow by only 0.7 percent in 2021.

Government response.

Containment measures since April 2020 included: passenger flight suspension, closure of borders with CAR and Sudan, quarantine for nationals returning from high risk countries, closure of shops and stores (excluding basic goods), shortened banking working hours, introduction of a curfew, cancellation of events and gatherings of more than 50 people, closure of worship places as well as schools and universities, an inter-ministerial management committee to meet daily to monitor developments, as well as the establishment of hygiene regulations in all public places. A state of medical emergency has also been announced, giving more execution power to anti COVID-19 measures. For some time, the authorities also limited travel from and into N'Djamena. Additionally, wearing a face mask became mandatory in public places starting May 7, 2020.

Reopening of the economy: Since end-May 2020, some preventive measures have been relaxed, including the reopening of international flights, retail shops, grills, and restaurants (for catering), public transportation, worship places, and schools. However, a surge in the number of COVID cases in December 2020 prompted the authorities to temporarily reinstate some of the preventive measures. After the stabilization of the situation in mid-January, the authorities decided to relax these measures on January 20, 2021. Also, the curfew (9:00 pm to 5:00 am), which was imposed and renewed (every two weeks) since April 2020, has been discontinued on March 9, 2021, however, preventive and social distancing measures remain mandatory.

Vaccination against COVID-19: The authorities adopted a national plan which aims to vaccinate over 30 percent of the population in four phases. The first three phases, covered by the COVAX facility, are expected to be completed in 2021.

Fiscal measures to support the economy: A national contingency plan was put in place by the authorities (with the collaboration of WHO) to contain the impact of the pandemic with an executed amount of CFAF 32.4 billion, with which the authorities contributed by CFAF 5.2 billion and the rest by the donor community. The authorities have also implemented measures to support businesses and households: reduction in business license fees and the presumptive tax by 50 percent; tax breaks, such as carryforward losses and delays in tax payments, to be considered on a case-by case basis; clear arrears to suppliers; temporary suspension of electricity and water bill payment; clearance of arrears on death benefits due to deceased civil and military agents; indemnities and ancillary wages owed to retiree; medical expenses for civilian agents and defense and security forces; introduction of a food distribution program with the help of UN agencies; tax exemptions and simplification of the import process for food and necessity items; a plan for creating a solidarity fund for the vulnerable population; the adoption by the National Assembly of a law that establishes a Youth Entrepreneurship Fund.

Donor support. Chad is expected to secure budget support from several donors (including AFDB, EU, and France) in the amount of CFAF 23 billion in 2021. It also reached a staff level agreement with the IMF for an amount of CFAF 305 billion to be disbursed during 2021–2024. The spending through the WHO channel (e.g., health, malnutrition, technical assistance, seasonal assistance, COVID related spending, etc.) amounted to CFAF 120 billion in 2020 and reached CFAF 36 billion until end-March 2021. Chad's debt is unsustainable. The country requested debt treatment under the G20 Common Framework in December last year, to achieve a moderate risk of debt distress by the end of the IMF-supported program. On June 16, the G20 Creditor Committee for Chad conveyed its commitment to restructuring Chad's external debt. For the private creditors' side, assurances for debt treatments (on comparable terms as required by the G20 Common Framework) are crucial for the Executive Board to consider approval of the new program. The expected relief will also help support spending for the social safety net programs and humanitarian needs in the country and fill a part of the financing gap during the IMF-supported program.

Domestic accountability and transparency. A trust fund, set up as a dedicated treasury account, was established to mobilize financial contributions to fight the pandemic. A committee has been established, headed by the Ministry of Finance, to oversee the account. COVID-19 expenditures are earmarked in the budget. To ensure transparency (at the time of RCF-2), the authorities committed to publish COVID-19 procurement contracts in full and to include the names of the beneficial owners of the legal persons awarded contracts within 30 days of the award. In addition, delivery reports for goods and services, including the list of suppliers and contractors, are to be published on the Ministry of Finance and Budget website within three months of the end of the execution period for each contract. The authorities have published procurement contracts on the website of the Ministry of Finance and Budget. The authorities have reported all COVID-19 related spending in the supplementary budget, in line with CEMAC PFM directives and are subject to an ex-post compliance audit by a reputable international auditing firm, which will be completed with the support of the Inspectorate of Public Finances within six months of the end of the fiscal year. The audit will also cover all COVID-19 related expenditures. Auditing reports, also including analysis of compliance with procedures, especially for regulated agreements, will be published within a month upon completion on the Ministry of Finance and Budget website. Completion of the audit is expected by end-June 2021 and publication by end-July 2021.

Special factors. N/A.

Table A8. Chad
(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	14.2	19.0	21.3	16.8
Tax revenue	9.3	11.5	13.3	9.8
Social security contributions	0.0	0.0	0.0	0.0
Grants	1.7	3.1	4.9	3.5
Other revenue	3.3	4.4	3.1	3.5
Expenditure	14.4	15.7	19.8	17.7
Current expenditure	10.0	10.6	13.4	11.9
Capital expenditure	4.4	5.1	6.4	5.8
Overall balance	-0.2	3.3	1.6	-0.8
2) Debt service and suspension				
Total debt service	2.9	4.7	3.1	2.7
Domestic debt service	1.5	2.5	1.5	0.8
Domestic interest	0.3	0.4	0.4	0.4
Domestic amortization	1.1	2.1	1.1	0.5
External debt service	1.4	2.3	1.6	1.8
External interest	0.7	0.7	0.5	0.5
External amortization	0.8	1.6	1.2	1.4
Debt service suspension				
Total agreed (or requested) debt service suspended			0.2	0.1

Table A8. Chad (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
3) Priority/protected spending				
Total priority spending (including COVID-related)	3.8	3.6	4.4	2.6
Social spending		2.8	4.4	
Health		1.0	1.2	
Education		1.7	2.1	
Social protection		0.1	1.1	
Other priority spending		0.9	0.0	
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			3.8	2.5
COVID-19 prevention, containment, and management			0.7	
COVID-19 support to households			0.9	
COVID-19 support to businesses, SOEs, government entities			2.2	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Union of the Comoros

The epidemic. In 2020, the number of officially reported COVID-19 casualties remained low, but a temporary second wave in January and February 2021 hit the country hard, prompting the authorities to re-introduce containment measures. The number of infections since the beginning of the pandemic stands at 3,882 cases and the number of deaths at 146.

Economic impact. COVID-19 continues to have a severe economic impact on Comoros. In 2020, GDP contracted by 0.5 percent, reflecting mainly lower demand for services due to social distancing and fewer visitor arrivals. Fiscal tensions persisted through much of the year as revenue shrank by 0.6 percent of GDP relative to pre-COVID-19 projections, and grants, while higher than expected, came late in the year. Government expenditure shrank by 1.2 percent of GDP in 2020 relative to pre-COVID-19 projections, reflecting weak capital expenditure. Accordingly, the fiscal deficit came in lower than anticipated. The debt burden rose, nevertheless. External stability benefited from lower oil import prices and higher grants and remittances inflows. Against a background of vulnerability to new waves of infections, near zero growth is projected in 2021 (pre-COVID-19 projections anticipated growth of 3.5 percent). Fiscal and external financing needs will depend on the path of the pandemic in Comoros and abroad; the economy is highly vulnerable to shocks and faces protracted development needs. Data on the evolution of poverty or human development since the outbreak of the pandemic is not yet available.

Government response. The authorities used about half of the support provided by the IMF through the RCF and Rapid Financing Instrument (RFI) in 2020 for health care and hygiene measures, such as building centers for COVID-19 patients, and to support public and private enterprises affected by the crisis. They used the remainder of the support for building buffers and for general government purposes. Data constraints prevent a full understanding of trends in social spending (e.g., health, education, and social assistance/insurance). In 2020, social spending not specifically related to COVID-19 and financed from domestic resources and donor budget support fell slightly, while data is not available on the evolution of such spending financed from donor project support. The authorities' plan to raise cash transfers to those experiencing poverty suffered delays and were executed only to a limited extent in 2020. The authorities intend to increase these transfers in 2021, making up for delays incurred in 2020.

Donor support. Several donors have supported the authorities in tackling the pandemic, including by providing in-kind medical equipment and budgetary support.

Domestic accountability and transparency. The authorities enhanced reporting and controls for the disbursement of funds provided by the IMF through the RCF and RFI by preparing an advance decree for the spending of these funds and regularizing it ex-post through a supplementary budget law. The authorities started reporting to IMF staff on the spending of these funds in February 2021. They intend to commission an audit of the spending of IMF-provided funds in mid-2021 and to publish its results. They also plan to start publishing documentation on large public procurement projects in the coming weeks. The authorities report that in view of the need for speed, starting in April 2020, they eased requirements for COVID-19 related public procurement projects by allowing restricted calls for expressions of interest.

Special factors. IMF staff has been working with the authorities to enable more complete fiscal reporting and will continue to do so.

Table A9. Union of the Comoros

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	17.0	17.5	18.4	17.8
Tax revenue	6.8	7.8	7.1	7.1
Social security contributions	0.0	0.0	0.0	0.0
Grants	7.5	8.5	9.8	9.6
Other revenue	2.8	1.3	1.5	1.0
Expenditure	20.1	19.7	18.6	20.8
Current expenditure	11.7	11.1	11.5	13.0
Capital expenditure	8.4	8.7	7.1	7.8
Overall balance	-3.1	-2.2	-0.1	-3.0
2) Debt service and suspension				
Total debt service	0.5	0.9	0.6	1.1
Domestic debt service	0.1	0.2	0.2	0.3
Domestic interest	0.0	0.0	0.0	0.1
Domestic amortization	0.1	0.2	0.2	0.3
External debt service	0.4	0.7	0.4	0.7
External interest	0.0	0.2	0.1	0.2
External amortization	0.4	0.5	0.3	0.6
Debt service suspension				
Total agreed (or requested) debt service suspended			0.3	0.3
Saudi Fund for Development			0.0	0.0
Kuwait Fund			0.0	0.0
CO.FA.CE			0.2	0.2
EXIM China			0.1	0.1
EXIM India			0.0	0.0

Table A9. Union of the Comoros (concluded)[1]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
3) Priority/protected spending				
Total priority spending (including COVID-related)				
Social spending				
Health				
Education				
Social protection				
Other priority spending				
4) COVID-19 related additional spending 4/				
Total COVID-19 related additional spending			0.2	
COVID-19 prevention, containment, and management 5/			0.0	
COVID-19 support to households 6/			0.0	
COVID-19 support to businesses, SOEs, government entities 5/			0.1	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.
4/ Spending made with the help of IMF RCF/RFI support and WB support for cash transfers.
5/ Spending from RCF/RFI budget support.
6/ Spending from World Bank Safety Net project.

Republic of Congo

The epidemic. The first case was identified in mid-March and, as of June 11, 2021, about 11,920 people have been infected, with 155 deaths (1.3 percent of cases). Cases have been declining since January 2021. Also, 57,613 people have been vaccinated. The country has limited capacity for an adequate response.

Economic impact. The effects of COVID-19—particularly the health impact, domestic social distancing measures, and oil prices declines in 2020—have permeated throughout the economy, with non-oil GDP growth estimated at about -8 percent in 2020 and projected between -1.5 to -2 percent in 2021. Overall GDP growth is estimated at around -8 percent in 2020 and is projected to be around zero in 2021.

Government response. COVID-19 is being contained through a lockdown between 11:00 pm and 5:00 am in the two main cities of Brazzaville and Pointe Noire (8:00 pm to 5:00 am on weekends). Financial support has been offered to the most vulnerable through the help of the World Food Program and the World Bank. In addition, the government has lowered the corporate tax rate from 30 to 28 percent and lowered the turnover tax on small businesses from 7 to 5 percent. Monetary policy measures are taken at the regional CEMAC level.

Donor support received. The World Bank has offered financial support to the tune of US$62.6 million, toward medical supplies and social transfers. The EU is offering support through the Red Cross, while the UN has offered emergency food provisions and hospital supplies. China and the

US have offered in-kind medical supplies (e.g., test kits, masks, and ventilators). The government's 2021 budget has mobilized additional resources, including for COVID-19 medical spending.

Domestic accountability and transparency. No clear change in the transparency of expenditure management.

Special factors. No specifics provided as of yet, except that the World Bank support will be explicitly traced to medical spending and social support.

Table A10. Republic of Congo
(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	27.3	32.2	22.5	27.6
Tax revenue	26.2	31.2	20.6	26.7
Social security contributions	0.0	0.0	0.0	0.0
Grants	0.8	0.4	1.7	0.5
Other revenue	0.3	0.6	0.2	0.4
Expenditure	22.5	23.4	23.8	22.9
Current expenditure	18.7	18.6	20.1	18.9
Capital expenditure	3.8	4.8	3.7	4.0
Overall balance	4.8	8.8	-1.2	4.7
2) Debt service and suspension				
Total debt service	7.4	14.7	14.7	12.7
Domestic debt service	0.7	4.5	7.6	5.4
Domestic interest	0.3	0.3	0.6	0.5
Domestic amortization	0.4	4.2	7.0	4.9
External debt service	6.8	10.2	7.2	7.3
External interest	3.0	1.2	0.8	1.1
External amortization	3.8	9.0	6.4	6.2
			8.2	
Debt service suspension				
Total agreed (or requested) debt service suspended				
DSSI			1.9	0.4
Belgium Belfius			0.0	0.1
Belgium ING			0.2	0.1
France BDF			0.6	0.0
France AFD 1			0.0	0.0
France budget support			0.0	0.0
Russia			0.0	0.0
Switzerland			0.1	0.0
China Prets Gouv.			0.0	0.0
China Pret Pref			0.1	0.0
China Part. Strateg.			0.0	0.0
Brazil			0.5	0.0
India			0.2	0.1
Turkey			0.2	0.1
Saudi Arabia			0.0	0.0
Kuwait			0.0	0.0

Table A10. Republic of Congo (concluded)[1/]
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
3) Priority/protected spending				
Total priority spending (including COVID-related)	3.8	7.2		
Social spending	3.8	7.2		
Health	1.2	2.6		
Education	2.1	4.1		
Social protection	0.5	0.5		
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending		2.2	1.8	
COVID-19 prevention, containment, and management			1.7	
COVID-19 support to households		0.1	0.1	
COVID-19 support to businesses, SOEs, government entities		1.9		

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Côte d'Ivoire

The epidemic. The first case was recorded on March 11, 2020. By April 26, 2021, the country had 45,863 confirmed cases, 45,413 recovered and 283 deaths. The daily average of confirmed cases is currently stable. As of April 25, 2021, 119,663 people have been vaccinated.

Economic impact. According to the authorities, growth dropped to 1.8 percent in 2020, 5.4 percentage points below their 7.2 percent pre-pandemic projection. The slowdown is mostly the result of slower growth in the secondary and tertiary sectors. The secondary sector is expected to have grown by 1.6 percent compared to 11.5 percent initially projected, mostly because of disruptions in construction and a sharp contraction in oil refining provoked by a drop in both domestic and international demand. Growth in the tertiary sector was estimated at 0.7 percent compared to 8.4 percent initially projected, because of the impact of containment measures on transportation, retail, and other services. The primary sector faced headwinds for exports of pineapple, cashew nuts, and other food products.

Government response. Besides the National Health Response Plan (CFAF 96 billion), the government adopted an Economic, Social, and Humanitarian Support Plan estimated at CFAF 1,700 billion (about 5 percent of GDP) after extensive consultations with the private sector and professional organizations. This plan aims to soften the impact of the pandemic on the population and the formal and informal sectors. The plan includes measures to support firms, households, as well as general economic support measures. These actions have been complemented by regional-level measures, as the Central Bank of West African States (BCEAO) lowered policy rates by 50 bps and increased its weekly provision of liquidity to banks, widened the collateral framework for bank refinancing, allocated CFAF 25 billion to the West African Development Bank (BOAD) for concessional loans to member states, established a framework for repayment of loans by firms experiencing cash-flow challenges, and introduced measures to promote the use of electronic payments. The WAEMU heads of state also temporarily suspended the application of the convergence criteria. All containment measures implemented at the beginning of the pandemic have now been lifted except some social distancing measures.

Donor support received

- IMF: CFAF 536 billion
- World Bank: CFAF 40.2 billion and CFAF 116 billion
- European Union: EUR 100 million
- KfW: EUR 50 million
- Western African Development Bank (BOAD): CFAF 15 billion
- French Development Agency (AFD): CFAF 23.5 billion
- African Development Bank Group (AfDB): CFAF 52 billion

All resources provided by partners will be tracked in the state budget.

Domestic accountability and transparency. A supplementary budget for 2020 was prepared to include all resources and outlays related to COVID-19.

The authorities communicate on a daily basis on the evolution of the pandemic, by providing the number of new cases, deaths and cumulated statistics at the national level.

The authorities also put in place a policy framework to fight COVID-19, implemented and overseen by the Prime Minister, which includes two committees: a Health Watch and an Economic Watch.

Special factors. All of the substantial public expenditures for responding to COVID-19 are listed in the government’s fiscal operations table (TOFE).

Table A11. Côte d'Ivoire
(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	15.0	20.2	15.0	15.3
Tax revenue	12.3	15.9	12.3	12.7
Social security contributions	1.5	1.9	1.6	1.4
Grants	0.8	1.2	0.5	0.8
Other revenue	0.5	1.3	0.5	0.4
Expenditure	17.3	23.2	20.5	19.9
Current expenditure	13.0	16.8	15.1	14.6
Capital expenditure	4.4	6.4	5.4	5.3
Overall balance	-2.3	-3.0	-5.6	-4.6
2) Debt service and suspension				
Total debt service	5.2	7.5	5.5	
Domestic debt service	3.1	4.5	3.3	
Domestic interest	0.7	0.9	0.9	
Domestic amortization	2.3	3.6	2.4	
External debt service	2.1	3.1	2.2	
External interest	0.9	1.4	1.2	
External amortization	1.2	1.7	1.0	
Debt service suspension			0.2	
PARIS CLUB			0.2	
France			0.2	
Spain			0.0	
Germany			0.0	
United States			0.0	
OTHER			0.0	
CHINA				
Eximbank India			0.0	
Kuwait Fund			0.0	
Saudi Fund				
Eximbank Korea				
3) Priority/protected spending				
Total priority spending (including COVID-related)	4.8	6.3		
Health	1.1	1.6		
Education	3.6	4.7		
Social protection	0.1	0.1		

Table A11. Côte d'Ivoire (concluded)[1/]

(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			1.7	
Health response plan			0.4	
Support Plan - Economic, Social, and Humanitarian			0.6	
COVID-19 prevention, containment, and management				
Fund the implementation of the health response plan in the event of a switchover to the extreme phase				
COVID-19 support to households			0.1	
Support the costs related to electric reliability in drinking water production sites and hospitals/medical laboratories with the Ministry of Health				
Strengthen the monitoring of prices of consumer goods				
Strengthen consumer awareness and information on the availability of consumer goods and a safety stock				
Support vulnerable peoples with emergency humanitarian aid			0.1	
COVID-19 support to businesses, SOEs, government entities			0.3	
Set up a business support fund, including strengthening the already existing PME fund up to 100 billion			0.2	
Grant exceptional budget support to SODEXAM (Cote d'Ivoire organization involved with airports, aeronautics, and meteorology) and ANAC (i.e. civil aviation authority of Cote d'Ivoire)			0.0	
Support Air Côte d'Ivoire to maintain the cash flow chain in the air transportation sector			0.0	
Provide exceptional budget support to the Autonomous Port of San-Pedro			0.0	
Provide exceptional budget support to the Autonomous Port of Abidjan (PAA) to meet the maturity of its Exim Bank debt			0.0	
Provide state support to public banks to enable them to continue their role in financing the economy, in particular SMEs/SMIs				
Support the FER (Cote d'Ivoire road maintenance organization) in regard to the decrease in traffic and its impact on the financing models of PPP				
Provide exceptional financial support to SOTRA (Abidjan Transport Company)			0.0	
Support measures for agricultural sector			0.1	
Subsidize organized (i.e. business-related) producers of cocoa, cotton, cashew, rubber, palm oil, etc.			0.1	
Support agricultural production by ensuring the availability of agricultural inputs (i.e., products for farming such as seeds, fertilizers, machinery, etc.)			0.1	
Support producers in the food-producing sectors, such as the vegetable and fruit sectors				
Other support measures			0.1	
Create a specific support fund for the informal sector			0.1	
Support those at market shops with acquiring COVID-19 protection kits				
Disinfect the Côte d'Ivoire (shopping) markets				

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF/World Bank.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Democratic Republic of Congo

The epidemic. The first case appeared on March 10, 2020. The virus continues to spread across the country as it is currently facing the third wave of the pandemic. Some key areas in the country, such as the Gombe business district in Kinshasa and the mining sites, were confined at the beginning of the pandemic and Kinshasa and some provinces in the country are still under curfew. As of June 10, 2021, confirmed cases and deaths reached, respectively, 34,265 and 825.

Economic impact. The negative impact in GDP growth for 2020 due to COVID-19 is estimated to have been 1.5 percentage points. Non-extractive GDP decelerated sharply due to containment measures that have affected the tertiary sector, and public investment. In contrast, the extractive sector performed better than originally projected as no major mine has shut down and in the context of a sizable increase in international prices.

Government response. The initial response of the government was swift. The government took the following measures: prohibition of all travel from and to Kinshasa; suspension of passenger flights from high-risk countries; limitation of public service to only essential civil servants; prohibition of public gatherings involving more than 20 people; closure of schools, churches, bars, and restaurants for a four-week period; and lockdown of the Gombe business district. The government also prepared a COVID-19 national response plan aimed at strengthening the medical response that includes the creation of a COVID-19 response team, setting up specialized wards in public hospitals to cater for COVID-19 patients, procurement of essential medical supplies, and training of medical personnel. The national plan and its associated measures are estimated to cost US$138 million (0.3 percent of GDP). Additionally, the following fiscal measures were approved: (i) a three-month VAT exemption on pharmaceutical products and basic goods; (ii) suspension of tax audits for companies; (iii) a grace period for businesses on tax arrears; (iv) full tax deductibility of any donations made to the COVID-19 relief fund; and (v) free provision of water and electricity for two months to households and hospitals. On the monetary side, the BCC initially set up measures to provide liquidity support and reduce the regulatory burden in the banking sector but later increased the policy rate to 18.5 percent to help re-anchor inflation expectations. In April 2021, the BCC reverted the policy rate to 10.5 percent in line with subdued inflation expectations and moderate exchange rate depreciation.

Donor support. The IMF provided US$363 million under the RCF, the World Bank approved a US$47.2 million in extra budgetary support, and the AfDB a US$1.22 million grant. Some bilateral donors such as the European Union and the United States have also contributed. Additional support from the WB and other multilateral donors is expected in 2021.

Domestic accountability and transparency. As per the RCF, the authorities committed to produce a revised 2020 treasury plan reflecting the expected impact of the pandemic and the additional resources from development partners and to publish budget execution figures contained in the treasury plan on a monthly basis to enhance financial transparency, including in the use of RCF funds. The authorities have committed to publish online all COVID-19 related procurement contracts that exceed a certain value (and disclose beneficial ownership information for the contracts exceeding US$1 million) and will undertake and publish a specific audit of COVID-19 related expenditures as part of the annual control of the Audit Court.

Special factors. The budget reported in the table excludes special accounts and budgets.

Table A12. Democratic Republic of Congo[1/]
(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	9.9		8.9	10.3
Tax revenue	6.8		6.2	7.4
Social security contributions	0.0		0.0	0.0
Grants	0.8		1.0	1.0
Other revenue	2.3		1.6	1.9
Expenditure	11.7		10.5	11.6
Current expenditure	9.3		8.7	8.6
Capital expenditure	2.2		1.7	3.0
Overall balance	-1.9		-1.7	-1.3
2) Debt service and suspension				
Total debt service	0.4		1.1	1.1
Domestic debt service	0.0		0.7	0.5
Domestic interest	0.0		0.0	0.0
Domestic amortization	0.0		0.6	0.5
External debt service	0.4		0.4	0.5
External interest	0.0		0.1	0.1
External amortization	0.4		0.4	0.5
Debt service suspension				
Total agreed (or requested) debt service suspended			0.1	0.0
Exim Bank of China			0.1	0.0
Exim Bank of Korea			0.0	0.0
AFD			0.0	0.0
Banque de France			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	2.0	3.0	2.1	2.8
Social spending	2.0	3.0	2.1	2.8
Health	0.1	0.1	0.2	0.2
Education	1.8	2.8	1.8	2.5
Social protection	0.1	0.1	0.1	0.1
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.1	0.7
COVID-19 prevention, containment, and management				0.6
COVID-19 support to households			0.1	0.1
COVID-19 support to businesses, SOEs, government entities				0.1

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Djibouti

The epidemic. The first case was detected on March 23, 2020. As of May 3, 2021, there were 11,201 cases and 146 deaths. While the authorities succeeded in containing the virus after an initial outbreak in May 2020, there was a rapid proliferation in new cases in March 2021 that has since stabilized following new preventative measures.

Economic impact. The authorities estimate GDP growth in 2020 at 1.6 percent, down from 7.5 percent in 2019. Affected economic sectors include hospitality, construction, air and urban transport, small business, and informal activities. Tax revenue fell by DJF 11 billion in 2020 compared with pre-crisis projections, but increased budget support and exceptional dividends from the country's state-owned enterprises supported spending, including through a supplementary budget with DJF 14.7 billion in COVID-19 related expenditures.

Government response. A national committee was established to respond to COVID-19, overseen by the Prime Minister. The authorities responded swiftly by putting in place strict containment and mitigation measures and allocated 2.6 percent of GDP towards COVID-19 related expenditures through a supplementary budget. The authorities also put in place swift measures, such as banning cross-border travel, suspending visa issuance, closing schools and restaurants, cancelling public events, and confinement for non-essential employees, and a two-month long quarantine as well as a prevention campaign against COVID-19, which was intensified after the quarantine. A national solidarity pact (PNS) was adopted to create and operationalize a COVID-19 emergency and solidarity fund, support jobs and the economy, revise the national budget for the COVID-19 crisis, and mobilize resources from development partners. Regarding health measures, specialized doctors and nurses were mobilized to treat COVID-19. Mass screening of the population was carried out through increased testing sites and home visits for the elderly. Economic measures include job protection, deferral of social and corporate tax contributions, deferral of loan deadlines, cash transfers and ensuring supplies of goods and continued traffic on the road and by rail. After the containment measures were lifted in late July, the authorities have been vigilant and mandated the use of masks and social distancing, including throughout Ramadan. Initial vaccination has focused on health care workers, people over 50 years of age and people with comorbidities. As of May 3, 2021, 13,015 people have been at least partially vaccinated.

Donor support. Djibouti received about US$150 million in budget and program support in 2020. Part of this amount is from restructured programs because of the emergency response to COVID-19. With its limited financial capacity, the government has contributed US$6 million. Budget support includes: IMF US$43.4 million; AfDB US$41.3 million; Japan US$4.5 million. Program support includes: UN US$20 million; BID US$7.3 million; EU €4.5 million; and FADES US$1.7 million.

Domestic accountability and transparency. The authorities adopted a supplementary budget to transparently account for COVID-19 related spending and they intend to continue implementing best practices in managing the budget and to ensure better rationing and use of resources mobilized by development partners. To that end, the authorities will publish public procurement contracts related to COVID-19 expenditures of more than US$100,000 as well as the organizations that benefit from the funds on the website of the Ministry of the Budget. For the ex-post audit of expenditures related to COVID-19, as part of their commitments under the May 2020 RCF, the authorities are preparing to hire an external auditor to examine COVID-19 related spending and will publish the results later this year.

Special factors. Revenue was virtually unchanged in 2020 compared with pre-crisis projections as increased budget support grants and state-owned enterprise dividends offset a fall in tax revenue. Meanwhile, capital expenditure was reduced by about 5 billion DJF and debt service by 6.2 billion, which allowed the authorities to allocate 2.6 percent of GDP in COVID-19 related spending.

Table A13. Djibouti

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	21.7	19.6	21.2	18.6
Tax revenue	12.0	11.7	10.6	10.8
Social security contributions	0.0	0.0	0.0	0.0
Grants	3.3	1.7	3.1	1.8
Other revenue	6.4	6.2	7.5	6.1
Expenditure	22.5	21.8	22.5	20.6
Current expenditure	15.5	14.7	16.9	14.9
Capital expenditure	7.1	7.1	5.7	5.7
Overall balance	-0.8	-2.3	-1.3	-2.0
2) Debt service and suspension				
Total debt service	2.5	2.3	1.7	1.5
Domestic debt service	0.5	0.6	0.6	0.5
Domestic interest	0.0	0.0	0.0	0.0
Domestic amortization	0.5	0.5	0.6	0.4
External debt service	2.0	1.8	1.1	1.0
External interest	1.2	1.0	0.6	0.5
External amortization	0.8	0.7	0.5	0.5
Debt service suspension				
Total agreed (or requested) debt service suspended			0.7	0.5
FADES			0.0	0.0
FSD			0.0	0.0
France			0.0	0.0
Espagne			0.0	0.0
Italie			0.1	0.1
Belgique			0.0	0.0
CHINE			0.4	0.3
INDE			0.1	0.1
TURQUIE			0.1	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)				
Social spending				
Health				
Education				
Social protection				
Other priority spending				

Table A13. Djibouti (concluded)[1/]
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			2.1	
COVID-19 prevention, containment, and management			0.1	
COVID-19 support to households			0.4	
COVID-19 support to businesses, SOEs, government entities			0.4	
Other			1.3	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Dominica

The epidemic. The first case was identified in March 24, 2020. So far, there have been 178 confirmed cases and zero deaths.

Economic impact. Output contraction in 2020 is estimated at 12 percent. The economy was affected in various ways by the current pandemic and the associated contention measures such as lockdowns, closing of national borders, quarantines, and closing of shops and factories. Due to the lockdown and curfew measures implemented in March 2020, productive activities as well as services were basically halted. As firms began to lay-off workers and stopped wage payment (or partially reducing them), this created an income squeeze for individuals and families. This in turn created a complex situation for households to meet their financial obligations. Relaxation of the lockdown and travel restrictions in June 2020 allowed some recovery of economic activity, but still significantly below 2019 levels. Pick up in public investment supported the construction sector and helped contain the impact on output and employment.

The closing of national borders and the stopping of air traveling had severe impact on the tourism industry. The costs of lack of business in the tourism industry affected all activities related directly and indirectly to tourism such as transport, hotels, commerce, and services. In the first nine months of 2020 tourist spending reached EC$ 70 million, about EC$ 152 million less compared to the same period of 2019.

Other activities affected by the COVID-19 include the agri-business, the latter being affected by the contraction of the tourism sector that demand food for hotels and restaurants along with the cut in consumption goods. Construction projects, financed by Citizenship by Investment revenues, partially mitigated the impact of the pandemic. As contagion from the pandemic remains limited and about 23 percent of total population has been fully vaccinated, the government is planning to re-open the economy to tourism by the end of 2021.

Government response. The fiscal and monetary measures to help cushion the effects of pandemic include:

- Significant increase in budgetary funding to the Ministry of Health (the lead ministry in the country's response to the pandemic) and the Ministry of Agriculture because of the importance of enhancing food security; and improving export earnings from this sector.
- Tax measures include rebate on income tax, extended filing and paying taxation period, and waiver of import duties on items necessary for containing and combatting COVID-19.
- Financial support for unemployed people and adults 70 years and older.
- Loan service moratoria was extended to bank and credit union loans, which helped limit the negative impact of the pandemic on the performance of financial institutions' loan portfolios.

Donor support. The government received grants for a total amount of EC$ 22.8 million. The World Bank gave a total of EC$ 19.7 million to support the agriculture sector and to provide livelihoods and income support to employees, small business owners and individuals over 70 years old. The World Food Program provided EC$ 3 million to fund cash transfers. The UNDP granted EC$ 32.076 in support to the Bureau of Gender Affairs, to help women in farming during the pandemic.

Domestic accountability and transparency. The government is preparing enhanced procurement and fiscal transparency legislation with support from the Caribbean Development Bank as part of a loan the contributed to fill the external financing gap identified in the Fund RCF disbursement in 2020.

Special factors. Funding under the Contingency Emergency Response Component (CERC), was instrumental in the realization of the provision of the necessities for prevention and containment efforts of COVID-19 to the Ministry of Health; as well as the other fiscal measure implemented by the Ministry of Agriculture geared towards the overall objectives of ensuring food security and increase in export earnings.

Table A14. Dominica
(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	38.7		35.9	34.4
Tax revenue	23.7		21.6	21.8
Social security contributions	0.0		0.0	0.0
Grants	1.9		2.9	3.6
Other revenue	13.1		11.4	9.0
Expenditure	46.5		38.1	35.1
Current expenditure	37.2		32.0	29.4
Capital expenditure	9.4		6.0	5.7
Overall balance	-7.9		-2.2	-0.8

Table A14. Dominica (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
2) Debt service and suspension				
Total debt service	8.5		5.1	5.7
Domestic debt service	3.5		1.7	1.3
Domestic interest	1.4		1.1	0.7
Domestic amortization	2.0		0.6	0.6
External debt service	5.0		3.4	4.4
External interest	0.8		0.8	1.0
External amortization	4.2		2.6	3.4
Debt service suspension				
Total agreed (or requested) debt service suspended				
3) Priority/protected spending				
Total priority spending (including COVID-related)	0.3		0.5	0.6
Social spending	0.3		0.5	0.6
Health	0.3		0.5	0.6
Education				
Social protection				
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			1.2	0.4
COVID-19 prevention, containment, and management				
COVID-19 support to households			0.5	
COVID-19 support to businesses, SOEs, government entities			0.7	0.4

1/ Fiscal Year runs from July to June. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

The Federal Democratic Republic of Ethiopia

The epidemic. The first case of COVID-19 in Ethiopia was identified on March 13, 2020, and a 5-month state of emergency was declared on April 8. Even so, the pace of infections accelerated from May to August 2020, and slowed thereafter resulting in lifting of most restrictions. However, since late January 2021 another surge in infections led to daily new cases eclipsing the previous peak of August 2020. Encouragingly, new cases have declined steadily after peaking in early-April 2021, with the seven-day average of new cases dropping to its lowest levels since July 2020. Ethiopia received 2.2 million vaccine doses in March 2021 and aims to vaccinate 20 percent of the population (which is about one-third of the population aged 15 years or older) by the end of 2021.

Economic impact. The FY2019/20 growth outturn of 6.1 percent surprised on the upside as the two largest sectors—agriculture and construction—all but shrugged off any impact from the pandemic, while services bore the brunt of the impact. Growth for FY2020/21, though revised up from zero, is likely to slow to 2 percent, reflecting the expectation that non-agricultural activity will remain weak due to the lagged and ongoing effects of the pandemic, while agricultural output will be lower due to the impacts from the locust infestation and the Tigray conflict. Inflation, which rose to

20.6 percent (y/y) in March 2021 from 18.2 percent in December 2020 (previous peak was 22.9 percent in April 2020), stood at 19.7 percent in May 2021. Though food inflation was the main driver of inflation in 2020, non-food prices have risen at a faster pace in 2021 (owing to an increase in fuel prices). Inflation is expected to decline as activity weakens, the effects of excise tax hikes unwind, and monetary conditions tighten. Nonetheless, exchange rate depreciation and supply chain disruptions (due to the pandemic, FX shortages, and spillovers from the Tigray conflict) will keep inflation well above the authorities' single-digit objective.

Government response. At the onset of the pandemic, the authorities closed land borders, schools, entertainment outlets and announced social distancing measures. In addition, all people entering Ethiopia from abroad were subject to a mandatory 14-day quarantine and a negative COVID-19 test, while most states banned inter-regional public transport and public gatherings. Restrictions were relaxed after the August 2020 peak, as new cases steadily declined. Remaining measures include requirements for mask wearing in public places and a negative COVID-19 test 120 hours prior to entering the country along with a mandatory seven-day quarantine. However, in response to the recent surge in cases, restrictions on public gatherings and schools and colleges were reintroduced. In addition, several measures were introduced to attenuate the economic impact of the crisis. Layoffs by private employers were forbidden during the five-month emergency. The government announced a multi-sectoral response plan (1.6 percent of GDP for FY2019/20) on healthcare, emergency food distribution, emergency shelter, and social assistance measures and another 0.8 percent of GDP worth of pandemic-related measures are projected for FY2020/21. Fiscal support included tax relief for all tax debt before FY2014/15 and tax amnesty on interest and penalties for tax debt pertaining to FYs 2015/16–18/19, along with preferential access to currency for importers of materials and equipment to be used in the prevention and containment of COVID-19. Federal healthcare spending has increased by 130 percent y/y during the first eight months of FY2020/21. The central bank provided Br 15 billion (amounting to 0.45 percent of GDP) of additional liquidity to private banks to facilitate debt rescheduling and prevent bankruptcies, in addition to a three-year liquidity line of Br 16 billion to the Commercial Bank of Ethiopia and liquidity injections into hotel and tourism sectors through the commercial banks.

Donor support. In the last quarter of FY2019/20, in addition to the emergency support from the Fund (RFI of 100 percent of quota or around US$415 million), other development partners provided support, including World Bank support of US$313 million with a 50:50 mix of grants and loans through emergency financing and a supplemental DPO and African Development Bank grant support of US$167 million. All donor support to the government to aid the COVID-19 response was included in the FY2019/20 supplementary budgets in April and May 2020. In addition, Ethiopia has benefitted from the G20 Debt Service Suspension Initiative (estimated at US$219 million between May 2020 and June 2021) and relief from the IMF's Catastrophic Containment Relief Trust fund (about US$18 million as of April 2021). In February 2021, Ethiopia requested debt treatment under the G20 Common Framework to achieve a moderate risk of debt distress by the end of the IMF-supported program. The expected relief will also help support spending for the social safety net programs and humanitarian needs in the country and fill a part of the financing gap during the IMF-supported program.

Domestic accountability and transparency. Tenders for major public contracts (primarily for healthcare supplies, personal protective equipment, and humanitarian support goods) have been carried out through a competitive bidding process, in accordance with national procurement law, and bidding documents are published online.[1] The limited tax relief provided to businesses during the crisis was enacted through a published regulation by the Council of Ministers and a directive by the Ministry of Finance, with the impact of the measures fully reflected in the budget. All funds secured from donors in 2019/20 were included in the approved supplementary budget, and a directive was issued to ensure that all mobilized resources (including the government's own sources) are accounted for and managed transparently. Monitoring of COVID-19 spending is led by a steering committee chaired by the deputy Prime Minister, while a technical committee chaired by Ministry of Finance has been established to monitor all budgetary processes from allocation to audit. An ex post audit by the Auditor General over COVID-19 related measures during FY2019/20 is underway and is expected to be completed by September 2021.

Special factors. The fiscal tables for FY2020/21 and 2021/22 are preliminary estimates. In addition, detailed quantitative information on the revenue losses is also not available from the authorities.

Table A15. The Federal Democratic Republic of Ethiopia

(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	12.8	12.5	11.7	11.5
Tax revenue	10.0	10.1	9.2	9.0
Social security contributions				
Grants	1.2	0.9	1.2	1.1
Other revenue	1.6	1.5	1.3	1.5
Expenditure	15.4	15.0	14.5	14.8
Current expenditure	8.9	8.6	8.3	9.4
Capital expenditure	6.5	6.5	6.2	5.4
Overall balance	-2.5	-2.5	-2.8	-3.3
2) Debt service and suspension				
Total debt service				
Domestic debt service	0.3	0.3	0.2	0.3
Domestic interest	0.3	0.3	0.2	0.3
Domestic amortization	0.0	0.0	0.0	0.0
External debt service	0.4	0.4	0.4	0.5
External interest	0.2	0.2	0.2	0.2
External amortization	0.2	0.2	0.2	0.3
Debt service suspension				
Total agreed (or requested) debt service suspended			0.0	0.2
Paris Club			0.0	0.0
Other official			0.0	0.2

[1] See the website for the Ethiopian Public Procurement and Property Administration Agency, www.ppa.gov.et.

Table A15. The Federal Democratic Republic of Ethiopia (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
3) Priority/protected spending				
Total priority recurrent spending (including COVID-related)	4.5	4.5	4.4	5.2
Priority social spending	4.5	4.5	4.4	5.2
Health	0.9	1.0	1.0	1.4
Education	2.7	2.7	2.6	2.8
Other priority spending	0.8	0.8	0.7	1.0
Labor and social welfare and rehabilitation	0.3	0.2	0.2	0.2
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			1.2	0.7
COVID-19 prevention, containment, and management (health sector)			0.1	0.2
COVID-related social and other spending			0.8	0.5
Additional COVID-related capital expenditure			0.3	0.1
MEMORANDUM ITEMS				
COVID-19 below the line measures			0.6	

1/ Fiscal year runs from July 8 to July 7. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on pre-pandemic data (program approved in December 2019).

Fiji

The epidemic. The Fijian authorities reported their first case of COVID-19 on March 19, 2020. Fiji was successful in limiting the number of infections in 2020 due to early imposition of international travel restrictions, a domestic lockdown, and adherence to social distancing practices in the early phase of the pandemic. A new local outbreak emerged in late April 2021, however, and as of June 10, 2021, lockdowns and social restrictions had been reintroduced, with 888 confirmed cases and four deaths. The government's vaccination strategy envisions acquisition of 1.2 million doses of COVID-19 vaccine for its estimated population of 896,445 people. Under the COVAX initiative, Fiji is expected to acquire COVID-19 vaccines for an eligible 20 percent of the population and received 36,000 doses by the end of May 2021. Fiji is expected to receive 100,800 vaccines under COVAX. Donor countries such as Australia, New Zealand, and India are expected to provide 1.6 million vaccines in 2021.

Economic impact. The pandemic triggered a severe economic downturn in Fiji. While suffering the severe consequences of COVID-19, Fiji was hit by Category 4 Tropical Cyclone (TC) Harold in April 2020, Category 5 TC Yasa in December 2020, and Category 3 TC Ana in January 2021. As a result, real GDP is estimated to have contracted by 19 percent in 2020, a 20.8 percentage point downward revision relative to the pre-pandemic projection. While the authorities successfully contained local COVID-19 infections until the recent outbreak, the almost total halt to visitor arrivals since closure of the borders in March 2020 is the primary reason for the sharp economic downturn. Before the pandemic, tourism directly contributed about 18 percent to GDP. Moreover, the tourism sector is closely interlinked with related industries such as retail trade, construction, transport, real estate, and finance.

Government response. The authorities announced two major fiscal stimulus efforts in response to the COVID-19 pandemic in March 2020 and July 2020. The packages were intended to provide broad-based relief for the affected economic sectors and households. In the first package, the authorities allocated supplemental expenditures on public health, financial assistance through the national pension fund, and loan repayment holidays. The second fiscal package—embodied in the FY2020/21 official budget—focused on reducing taxes and tariffs to revive economic activity. A reduction in excise duties on over 1,600 items, removal of the services turnover tax, reduction in the Environment and Climate Adaptation Levy, and halving of the departure tax were intended to provide a boost to economic recovery—particularly in the tourism sector. In March 2020, the Reserve Bank of Fiji (RBF) reduced the policy interest rate to 0.25 percent from 0.5 percent and in May 2021 lowered the rate to 0.25 percent from 1 percent on its facilities of Import Substitution and Export Finance Facility (ISEFF), Disaster Rehabilitation and Containment Facility (DRCF) and the Housing Facility (HF). The RBF also expanded its SME Credit Guarantee Scheme and its Import Substitution and Export Finance Facility. In addition, the RBF raised its Natural Disaster and Rehabilitation Facility to FJ$60 million (renaming it the Disaster Rehabilitation and Containment Facility) to provide concessional loans to commercial banks for them to on-lend to businesses affected by COVID-19, and purchased FJ$280 million of government bonds in the first half of 2020 to help finance the government deficit.

Donor support. Since the beginning of the COVID-19 crisis, Fiji received mostly concessional budget support financing from multilateral and bilateral creditors, including FJ$575 million from the Asian Development Bank, FJ$433 million from the World Bank, and FJ$313 million from Japan. Most of the ADB's credits were provided to pay Fiji's global bond of F$429 million, which matured in October 2020.

Domestic accountability and transparency. The government's response to COVID-19 is addressed in periodic reports published by the Ministry of Economy. The relevant publications include regular fiscal performance reports as well as budget-related documents released before the beginning of the new fiscal year.

Special factors. A significant portion of government-supported financial relief to households is being provided via disbursements from Fiji's national pension fund. For example, around 80 percent of the unemployment support is estimated to have come from the pension fund.

Table A16. Fiji[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	27.3	26.9	26.6	9.7
Tax revenue	24.2	23.7	21.5	7.7
Social security contributions	0.0	0.0	0.0	0.0
Grants	0.4	0.1	0.7	0.8
Other revenue	2.7	3.1	4.5	1.3
Expenditure	30.9	29.6	32.8	15.3
Current expenditure	21.2	19.9	23.2	11.2
Capital expenditure	9.7	9.6	9.7	4.1
Overall balance	-3.6	-2.7	-6.2	-5.5
2) Debt service and suspension				
Total debt service	5.3	4.8	6.0	7.0
Domestic debt service	4.4	3.8	4.8	2.4
Domestic interest	2.3	2.3	2.9	1.7
Domestic amortization	2.0	1.5	1.9	0.7
External debt service	0.9	0.9	1.1	4.7
External interest	0.5	0.5	0.5	0.2
External amortization	0.5	0.5	0.6	4.4
Debt service suspension				
Total agreed (or requested) debt service suspended	0.0	0.0	0.0	0.2
Exim Bank of China	0.0	0.0		0.2
3) Priority/protected spending				
Total priority spending (including COVID-related)	30.9	27.2	8.9	4.4
Social spending	7.8	7.2	8.9	4.4
Health	2.3	2.6	3.2	1.6
Education	4.5	3.6	4.5	2.2
Social protection	1.0	1.0	1.2	0.6
Other priority spending	23.2	20.0		
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			1.0	0.7
COVID-19 prevention, containment, and management			0.4	0.1
COVID-19 support to households			0.3	0.6
COVID-19 support to businesses, SOEs, government entities			0.3	

1/ Fiscal year runs from August to July. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

The Gambia

The epidemic. The Gambia registered its first COVID-19 case on March 17, 2020. Swift implementation of containment measures helped limit local spread of the pandemic during March–June 2020. However, as containment measures were gradually relaxed, the number of confirmed cases surged in late July 2020, prompting the reimposition of the public health emergency until the infections subsided significantly in early October 2020. This surge affected many frontline health workers, overstretched the already fragile health system, and created a backlog of testing requests. The number of new cases increased sharply again in early 2021, albeit at a lower rate than during the previous peak in August 2020. As of June 7, 2021, the number of confirmed COVID-19 cases was 6,008 (0.26 percent of the population), with 180 deaths. In March 2021, The Gambia received its first batch of 36,000 doses of the AstraZeneca vaccine through the COVAX facility, followed by donations of 15,000 doses of AstraZeneca vaccines from the MTN/AFRICA CDC and 10,000 doses of the Sinopharm vaccine by Senegal. The Gambian government immediately started vaccinating its population against COVID-19. It plans to provide free of cost vaccination to at least 60 percent of its population by end-2022. As of June 4, 2021, 38,429 people had received at least their first dose (2.2 percent of the target population), and 7,914 people were fully vaccinated (0.7 percent of the target population).

Economic impact. GDP growth for 2020 is estimated at -0.2 percent, significantly lower than the pre-COVID projection of 6.3 percent. The tourism sector has been the most hit by the pandemic; preliminary data indicate a 62-percent decline (y/y) in airport arrivals in 2020. The upsurge of new variants of COVID-19, with attendant reintroduction of travel restrictions, is delaying the resumption of tourism activity despite the launch of mass vaccination campaigns domestically and abroad. The declaration of a state of public health emergency in 2020 affected non-essential businesses, but government social interventions (including the food distribution and cash transfers) helped support trade and moderate the impact on the vulnerable. In parallel, remittances through formal channels showed record-high inflows (80-percent increase in 2020), which supported activity in construction and wholesale trade, while large official inflows helped gross international reserves accumulation.

Government response. The borders were closed starting March 23, 2020, followed on March 27, 2020, by a declaration of a state of public health emergency. The lockdown measures included closure of schools, worship places, non-essential businesses, and limiting social gatherings and commercial vehicle occupancy rates. The government provided resources to the health ministry and funded a nation-wide food distribution program and relief programs to several public entities and the tourism sector. The government also took a number of revenue measures to support businesses, including deferrals on tax and select import duty payments, the suspension of penalty and interest charges for late filing and payments, the suspension of enforcement and tax field audit activities, and a 20-percent reduction on the customs valuation of some basic food and hygiene items. This last measure was extended in 2021, to help alleviate the impact of the pandemic on the population, while the remaining revenue measures were phased out. At the onset of the pandemic, the central bank (CBG) lowered the policy rate by 250 basis points in two successive monetary committee meetings; it also reduced the reserve requirement by 200 basis points.

Donor support. Many donors supported the country at various levels. The Gambia benefited from SDR 15.55 million in emergency support under the RCF (which was on-lent to the Treasury) and is receiving debt service relief under the CCRT expected to total SDR 7.9 million (SDR 6.1 million of which has already been approved). The World Bank disbursed US$10 million to the health sector and an additional US$11.6 million for social and education support; it is also supporting the authorities' vaccination campaign and has approved a US$8 million project aiming to cover at least 40 percent of the population, with the remaining 20 percent of the population covered by the COVAX initiative. The EU provided EUR 17.1 million additional budget support, and the AfDB SDR 5 million. The UN and bilateral partners and several NGOs including the Jack Ma Foundation provided a combination of in-kind and self-managed financial support to the authorities.

Domestic accountability and transparency. To ensure traceability and transparency, the authorities opened a dedicated account for COVID-19 spending and created a committee composed of all the entities involved in the spending process (from procurement to payment) to control the implementation of COVID-19 spending. The number of internal auditors was increased at the Ministry of Health, where the bulk of COVID-19-related spending originate. On July 22, 2020, the National Assembly approved a supplementary appropriation for the use of the additional budget support received, which also included COVID-19-related spending that were not executed earlier through expenditure reallocations. The Gambia Public Procurement Authority has published on its website a list of all COVID-19-related procurement contracts and their beneficiary owners, covering 2020 and Q1 2021, and the National Audit Office has completed the first phase of the audit covering March–October 2020 and launched the second phase covering the remainder of the year. The authorities are committed to consolidate these audit results with the audit of the 2020 fiscal accounts and publish them by end-September 2021. COVID-19-related spending included in the 2021 budget is subject to standard budget execution and reporting requirements.

Special factors. Most of the COVID-19-related spending are implemented through the central government. However, the reporting on project grants, which include grants directly implemented by donors, may not be exhaustive due to delays in reporting. Also, the COVID-19 pandemic created a big wave of solidarity among Gambians, with direct supports and donations from several businesses and Gambians living abroad to the most vulnerable families (these are not captured by the central government fiscal reports). About GMD 1.3 billion, including GMD 500 million for the health emergency spending and GMD 800 million for the food distribution program, were implemented through reallocations within the initial 2020 budget.

Table A17. The Gambia

(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	21.0	24.2	22.7	21.9
Tax revenue	10.9	11.5	11.0	11.1
Social security contributions	0.0	0.0	0.0	0.0
Grants	7.1	10.6	8.4	7.9
Other revenue	3.0	2.0	3.4	2.9
Expenditure	23.6	28.0	24.9	25.9
Current expenditure	14.5	14.9	17.9	15.6
Capital expenditure	9.0	13.2	7.0	10.3
Overall balance	-2.5	-3.8	-2.2	-4.0

Table A17. The Gambia (concluded)[1/]
(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
2) Debt service and suspension				
Total debt service	5.4		7.4	5.3
Domestic debt service	3.3		5.4	3.4
Domestic interest	2.7		2.5	2.0
Domestic amortization	0.6		2.8	1.4
External debt service	2.1		2.0	1.9
External interest	0.4		0.6	0.6
External amortization	1.6		1.4	1.3
Debt service suspension				
Total agreed (or requested) debt service suspended			0.2	0.1
ECOWAS Bank for International Development (EBID)			0.1	
Kuwait Fund for Arab Economic Development (KFAED)			0.1	
Saudi Fund for Development (SFD)			0.0	
Peoples Republic of China (PRC)			0.0	
3) Priority/protected spending				
Total priority spending (including COVID-related)	3.7	4.2	6.8	4.3
Social spending	3.7	4.2	6.8	4.3
Health	1.2	1.5	2.7	3.2
Education	2.5	2.6	2.8	1.1
Social protection	0.0	0.1	1.4	0.1
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			3.6	0.3
COVID-19 prevention, containment, and management			1.5	0.3
COVID-19 support to households			1.2	
COVID-19 support to businesses, SOEs, government entities			0.9	
MEMORANDUM ITEMS				
Revenue losses due to policy measures			0.4	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Grenada

The epidemic. On March 23, 2020, Grenada recorded its first positive testing of the COVID-19 virus. By June 7, 2021, 161 people (0.1 percent of population) had tested positive, and one person died. By the same date, 33,110 RT-PCR tests had been conducted, and 18,166 and 9,254 had received their first and second doses of vaccines, respectively. The infection rate remained extremely low after a short-lived peak in late December 2020. The capacity for medical response is adequate for the current low infection rate.

Economic impact. The economy is estimated to have declined by 13.5 percent in 2020 because of the near cessation of the tourism activity from April as well as the adverse impact of the domestic lockdown facilitated by a State of Emergency in the second quarter. The closure of the off-shore university, which shifted to online courses, (which accounts for about one-fifth of economic activity) adversely affected economic activity particularly in the private education sector with spill-over effects in other sectors including, agriculture, real estate, and wholesale and retail trade. Public finances have deteriorated in 2020, with an overall deficit of 4.5 percent of GDP recorded compared with a surplus of 4.6 percent in 2019.

Government response. The government implemented a fiscal package estimated at 2 percent of GDP to mitigate the impact of the pandemic through: (i) increased health care spending; (ii) government payroll support to the affected sectors and individuals; (iii) expansion of government employment programs and unemployment benefits; and (iv) deferred payment of some taxes. Financial institutions extended a six-month moratorium, starting in March 2020, on debt service on client loans with extensions granted to eligible customers up to 12 months from October 2020.

Donor support. Many donors have provided support, both financial and in-kind such as medical supplies and staffing. The IMF provided US$22.4 million (about 2 percent of GDP) of emergency assistance followed by the Caribbean Development Bank (0.5 percent of GDP) for debt relief and the World Bank, with financing to support health expenditure (0.2 percent of GDP) and a budget support operation of over 2 percent of GDP.

Domestic accountability and transparency. The authorities have moved to update their fiscal Chart of Accounts to reflect COVID-19-related financing and expenses. An updated statement of these transactions was submitted to the Audit Department in March 2021 that will be presented in the annual report and subsequently submitted to Parliament for review and publication. The Audit Department is currently carrying out a performance audit of the government's COVID-19 stimulus program; the objective of which is to review the system of internal controls, management functions, adherence to established procedures and the overall results of the program. A report will be published before year-end.

Special factors. All government spending on the COVID-19 response is reported in central government data. Spending for the COVID-19 response has been facilitated from a Supplementary Appropriation Act and, reallocations within the budget, particularly in health and education. Additionally, in some cases, spending has been reprioritized and or reduced relative to budget allocations because of the change in operations—such as working from home or online learning.

Table A18. Grenada
(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	26.6	28.7	28.1	24.6
Tax revenue	22.5	21.4	22.7	19.7
Social security contributions	0.0	0.0	0.0	0.0
Grants	2.9	6.3	3.6	3.0
Other revenue	1.2	1.0	1.7	1.9
Expenditure	21.7	24.6	32.6	25.5
Current expenditure	19.1	18.1	23.0	21.7
Capital expenditure	2.6	6.4	9.6	3.8
Overall balance	5.0	4.1	-4.5	-0.9
2) Debt service and suspension				
Total debt service	8.7	10.1	9.7	11.7
Domestic debt service	4.6	5.9	5.3	7.1
Domestic interest	0.5	0.5	0.5	0.7
Domestic amortization	4.1	5.4	4.8	6.5
External debt service	4.1	4.2	4.3	4.6
External interest	1.4	1.4	1.4	1.4
External amortization	2.7	2.8	2.9	3.1
Debt service suspension				
Total agreed (or requested) debt service suspended 4/		0.1	0.1	
A.F.D/Government of the French Republic			0.0	
United Kingdom		0.0	0.0	
Banque de France/Government of the French Republic		0.0	0.0	
Banque de France /Government of the French Republic		0.1	0.1	
EXIM Bank USA/ U.S.A		0.0	0.0	
3) Priority/protected spending				
Total priority spending (including COVID-related)	7.1	7.4	8.4	
Social spending	7.1	7.4	8.4	
Health	2.3	2.6	2.7	
Education	3.3	3.5	4.1	
Social protection	1.5	1.3	1.5	
Other priority spending	0.0	0.0	0.0	
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			2.1	
COVID-19 prevention, containment, and management			0.3	
Direct COVID-19 related spending 5/			0.3	
COVID-19 support to households			1.3	
Electricity subsidy payment to Grenlec 6/			0.3	
Income & Payroll Support 7/			0.3	
Compensation and social benefits 8/			0.7	
COVID-19 support to businesses, SOEs, government entities			0.6	
Payment to GDB 9/			0.4	
Grants & Loans to Cooperatives 10/			0.1	

Table A18. Grenada (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
MEMORANDUM ITEMS				
Estimated Revenue losses due to policy measures			2.2	
Taxes on Domestic goods & services (IRD)			1.3	
Taxes on Int'l Transactions (Customs Dept)			0.9	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.
4/ This amount was estimated by MoF Authorities and subsequently requested of participating creditors.
5/ Includes; procurement of PPEs, payments to quarantine facilities staff, rental of apartments for government approved quarantine facilities, outfitting medical facilities with upgraded equipment, purchase of new equipment for the hospital (including oxygen), transportation and maintenance costs, PR campaigns, meals, etc.
6/ For the period April to June, government in collaboration with GRENLEC, subsidized electricity bills (30 percent reduction) of all private and business customers with the exception of SGU, government, Grenlec and fuel importers.
7/ Income and payroll support granted to hotels, tour operators, tourist vendors, water- taxi operators, taxi drivers, hairdressers, barbers, minibus owners, market vendors, restaurants and LIAT staff.
8/ Includes budgetary support toward SEED payments and social spending as a result of revenue shortfalls. Also, during the period of April to June (lockdown), the government continued meet all its commitments to employees, business sector and local and external creditors.
9/ Grant of US$7 million to Grenada Development Bank (GDB) for the Small Hotel Facility. Also, a grant of US$5 million for the Small Business Development Fund.
10/ Grant and loan to GCNA of US$1 million each for nutmeg price support. Grant and loan to GCA of US$1 million each for price support to farmers.

Guinea

The epidemic. On March 13, 2020, the first case of COVID-19 was identified in Guinea. As of end-May 2021, more than 22,000 people have been reported infected (172 per 100,000 people) and there were 160 reported deaths (0.7 percent of infected population). After a peak of around 100 cases in mid-August 2020, the lagging seven-day average count of daily new cases steadily declined to below 15 by mid-December 2020. Cases began to rise again in early 2021 but have since declined once again, partly as a result of the reinstatement of some health directives and restrictions on gatherings, with a seven-day average of around 27 cases at end-May. Building on the experience of the Ebola virus epidemic, which severely affected Guinea during 2014–15, the authorities swiftly prepared a National Emergency Preparedness and Response Plan, with the support of the WHO and development partners. As part of the plan, surveillance has been strengthened, laboratories have been equipped for diagnosis, and quarantine centers have been set up. The authorities are currently working on the procurement of vaccines and have started vaccination, targeting 20 percent of the population in 2021. In the meantime, a new Ebola outbreak was declared in February 2021, which remains localized and so far under control.

Economic impact. Despite the COVID-19 pandemic, growth in Guinea is projected to have exceeded 7 percent in 2020, driven by record production in the mining sector. However, the pandemic took a toll on the non-mining sector—which accounts for over ¾ of GDP and employs the vast majority of the population—estimated to have grown by just 1.3 percent in 2020, with commerce, services, and transport particularly affected by border closures, social distancing, and reduction in labor supply. The COVID-19 shock also triggered a spike in inflation, with prices rising by more than 10 percent in 2020. The current account deteriorated in 2020 as COVID-19 and infrastructure-related import services spiked, dampening the impact of strong mineral exports. However, reserves rose gradually, reaching $US1.3 billion at end-2020. In 2021, the non-mining sector is still expected to be impacted by the pandemic, rebounding only in 2022.

Government response. The authorities began implementing the National Emergency Preparedness and Response Plan in April 2020. Containment measures included closing land and air borders, restricting movements within the country, suspending public events, and establishing a curfew in Conakry. While most restrictions were lifted in late-summer 2020, new curfews were put in place in early 2021 as the caseload began rising again. Fiscal policy was oriented towards scaling-up health spending, supporting the private sector, and protecting the most vulnerable. Electricity and water charges were temporarily waived for the most vulnerable, and a reserve stock was being built-up to mitigate food security risks. Various measures were employed to support firms in the most affected sectors and SMEs, including temporary tax relief, a support fund for the informal sector, and the establishment of a SME loan guarantee fund which is expected to begin operations shortly. Finally, cash transfers to poor households were initiated in urban and rural areas, with the support of the World Bank, although with some delays. External buffers and donor support were used to finance the response plan. On the monetary side, the central bank lowered the policy rate by 100 basis points and the reserve requirement rate to support banks' liquidity and credit to the economy in 2020; the reserve requirement reduction was subsequently reversed in March 2021. Measures to loosen prudential requirements included: lowering the liquidity coverage ratio from 100 to 80 percent; suspending the NPL classification for loans to businesses and individuals impacted by the pandemic and the provisioning of such loans; and relaxing the limits on foreign exchange positions (from 20 to 25 percent of capital for the net position, and 10 to 12.5 percent for the position in each currency). The authorities began their vaccine procurement plan in January 2021 and have thus far secured about 800,000 doses, with close to 220,000 Guineans having received at least one dose as of end-May 2021 (close to 2 percent of the population). The authorities anticipate procuring another 1.7 million doses by August with support from donors, including through the COVAX initiative, and are aiming to have at least 20 percent of the population vaccinated by the end of 2021.

Donor support. The IMF's CCRT is expected to provide about US$98 million in debt service relief over 2020–22, while an RCF disbursement in June 2020 provided US$148 million in budget support. The last combined review of the IMF ECF-supported program also allowed for the release of about US$49.47 million in December 2020. Emergency budget support was provided by World Bank of US$82m million. The African Development Bank (US$13 million) also provided budget support loan financing in 2020. The DSSI postponed about US$36 million in debt service due in 2020, and its extension is expected to reschedule another US$52 million in debt service falling due in 2021. In February 2021, China cancelled an official bilateral loan for RMB 150 million (US$23 million). In-kind donations were provided by China and the Jack Ma Foundation/Alibaba.

Domestic accountability and transparency. The authorities created a budgetary fund to account for all earmarked external and domestic resources to address the pandemic. A dedicated account was established, as part of the Treasury Single Account, at the central bank, to receive and disburse COVID-19 funds. The authorities have published monthly reports through April 2021 on the execution of COVID-19 related spending. The authorities have also published procurement contracts awarded for COVID-19 related projects in full, including the names of the entities and the legal ownership of awarded entities. An ex-post audit of COVID-19 related procurements is expected by end-June 2021.

Special factors. N/A.

Table A19. Guinea
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue and grants	14.4	15.2	12.8	15.0
Tax revenue	12.8	13.5	11.3	12.4
Social security contributions	0.0	0.0	0.0	0.0
Grants	0.5	1.1	1.0	1.7
Other revenue	1.2	0.7	0.5	0.9
Expenditure	14.9	18.2	15.7	17.2
Current expenditure	11.1	11.3	12.4	11.9
Capital expenditure	3.7	6.8	3.2	5.2
Overall balance	-0.5	-3.0	-2.9	-2.2
2) Debt service and suspension				
Total debt service	5.7	5.4	6.5	8.0
Domestic debt service	5.1	4.3	5.4	7.0
Domestic interest	0.3	0.6	0.5	0.7
Domestic amortization	4.8	3.7	4.9	6.3
External debt service	0.6	1.0	1.1	1.0
External interest	0.2	0.2	0.2	0.2
External amortization	0.4	0.8	0.9	0.8
Debt service suspension				
Total agreed (or requested) debt service suspended			0.2	0.3
AFD/Banque de France (C2D) /4			0.2	0.1
Angola			0.0	0.1
China (incl. Eximbank China) /5			0.0	0.0
Kuwait Fund for Arab Economic Dev.			0.0	0.0
Saudi Development Fund			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	2.6	3.3	2.0	3.1
Social spending	2.6	3.3	2.0	3.1
Health	0.7	1.1	0.6	1.1
Education	1.8	2.1	1.4	1.9
Social protection	0.1	0.1	0.1	0.1
Other priority spending				

Table A19. Guinea (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			1.5	0.5
COVID-19 prevention, containment, and management			0.9	0.5
Vaccine procurement and associated costs			0.0	0.5
Health infrastructure, supplies, and support systems			0.9	
COVID-19 support to households			0.3	
ANIES emergency plan implementation			0.1	
Other social support			0.2	
COVID-19 support to businesses, SOEs, government entities			0.3	
Tax deferrals			0.2	
Other private sector support			0.2	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.
4/ C2D claims are excluded from PPG debt. Upon request, creditor agreed to reschedule payments falling due in April 2020.
5/ Includes loans serviced by entities outside central government. In conjunction with the DSSI, in February 2021 China announced the cancellation of a bilateral loan for 150m RMB (US$23 million).

Guinea-Bissau

The epidemic. The first COVID-19 cases were reported on March 24, 2020, and rapidly increased in the following weeks. By June 7, 2021, there were 3,787 cases, corresponding to 0.2 percent of the population, and 68 deaths. Signs of a second wave have been mounting since late January, however the daily number of newly infected cases has been declining in April. The country has a weak health system with limited capacity for an adequate medical response in terms of testing and treatment.

Economic impact. The pandemic is having a significant economic impact on Guinea-Bissau. In addition to the effects of the containment and lockdown measures on domestic activity, border closures and limited circulation delayed the launch of the 2020 cashew campaign, severely impacting the agriculture sector and reducing exports. After an estimated GDP contraction of 1.4 percent in 2020 (pre-COVID forecast of 4.9 percent growth), a modest recovery by about 3.3 percent is projected for 2021 (pre-COVID forecast of 5 percent growth) with the gradual lifting of COVID-19 containment measures and higher cashew export prices and volumes driven by a modest recovery in global trade. The overall economy also benefits from a stabilized political scenario.

Government response. The authorities of Guinea-Bissau have taken several health measures to contain the pandemic including: school closures; all travelers crossing the border are obliged to present a negative PCR test; social gatherings and public meetings are prohibited, restaurants can only serve take-away, and Carnival was cancelled. Fiscal measures include increased compensation of hospital staff and upgrading existing hospital capacity, assistance to vulnerable families; and a program to support financing of the critical cashew nut campaign by short-term on-lending resources through the banking sector. Liquidity of the banking system has been supported by the accommodative stance of the BCEAO. The authorities are working in coordination with donors on vaccine rollout. The country has received the first 12,000 doses in March 2021, from a private donor, and expects to receive 120,000 doses from COVAX by end-June 2021 (28,800 already delivered).

Donor support. In 2020, additional financing amounted to around CFAF 45.7 billion (about US$79.6 million, 5.6 percent of GDP) where the largest source of financing included additional loans provided by BOAD, the regional development bank, (CFAF 22 billion), by the Islamic Development Bank (CFAF 6.1 billion) and by the World Bank (CFAF 7.6 billion). In 2021 the estimated additional financing needs amount to around CFAF 36 billion (about US$67.6 million, 4.2 percent of GDP). The IMF provided CFAF 11.0 billion under the RCF, and the World Bank is expected to provide additional grants of CFAF 6.2 billion. Moreover, the African Development Bank is expected to provide CFAF 8.2 billion in budget support and projects financing.

Domestic accountability and transparency. The authorities have made progress on several measures in this area for additional budgetary allocations related to COVID-19. They reestablished the Treasury Committee which approves all expenditure, including those related to COVID-19. In addition, all COVID-19 related spending is managed using a dedicated account at the BCEAO to facilitate traceability and accountability. In line with the RCF commitments, these will be subject to an ex-post independent audit by a reputable third-party auditor who will work jointly with the audit court. The government also committed to publishing bimonthly reports on COVID-19 expenditure, and all COVID-19 related procurement contracts will be published on the government's website. The country published, through the High Commissioner for COVID-19, key information on all crisis-related contracts committed to be published in the year 2020, but has partially fulfilled its RCF commitments regarding the transparency of public contracts as the full text of contracts and ex-post validation of delivery reports remain to be published. The authorities also have yet to implement commitments to disclose the beneficial ownership information of companies awarded COVID-19 related contracts.

Special factors. N/A.

Table A20. Guinea-Bissau

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	15.4	17.4	16.4	18.5
Tax revenue	9.4	9.7	8.2	10.1
Social security contributions	0.0	0.0	0.0	0.0
Grants	2.9	5.2	4.2	5.4
Other revenue	3.1	2.6	3.9	3.1
Expenditure	19.3	22.6	25.8	23.6
Current expenditure	14.8	13.9	16.7	15.4
Capital expenditure	4.6	8.7	9.2	8.2
Overall balance	-3.9	-5.1	-9.5	-5.0

Table A20. Guinea-Bissau (concluded)[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
2) Debt service and suspension				
Total debt service	8.4	9.6	9.1	12.9
Domestic debt service	8.0	8.7	8.5	12.1
Domestic interest	0.8	1.8	1.4	1.5
Domestic amortization	7.2	6.9	7.1	10.6
External debt service	0.4	0.9	0.6	0.8
External interest	0.1	0.2	0.1	0.2
External amortization	0.3	0.7	0.5	0.5
Debt service suspension				
Total agreed (or requested) debt service suspended			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	3.7	4.2	7.9	7.2
Social spending	3.7	4.2	7.9	7.2
Health	1.5	1.4	4.5	4.0
Education	2.3	2.6	3.1	3.0
Social protection		0.2	0.2	0.2
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			3.4	3.1
COVID-19 prevention, containment, and management			3.3	3.0
Current expenditures - health sector			0.6	0.3
Other current expenditures for prevention, containment and management (subsidies, training and living expenses for health personnel, and citizen security to enforce COVID-19 measures)			0.2	0.1
Investment to strengthen health sector (equipment and infrastructure), and the agricultural sector			2.6	2.6
COVID-19 support to households			0.1	0.1
Transfers to vulnerable families			0.1	0.1
COVID-19 support to businesses, SOEs, government entities				
MEMORANDUM ITEMS				
COVID-19 below the line measures			1.8	
Loans			1.8	
Guarantees				
Arrears (gross)	1.4	0.0	0.6	0.0
Arrears (net)	-0.1	-0.3	0.1	-1.6

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Kenya

The epidemic. The first case was reported in mid-March 2020, and the infection spread in three successively larger waves, with the most recent peaking in early April 2021. While the overall disease burden has remained relatively low (as of mid-April 2021, about 2.7 confirmed cases per 1,000 population with less than 2 percent fatality rate), the latest surge has put the health system under significant pressure. Vaccine rollout started in early March 2021 following the delivery of 1.02 million doses of the AstraZeneca vaccine via COVAX.

Economic impact. Kenya's economy was hard hit at the onset of the COVID-19 crisis but subsequently staged a rapid recovery. Real GDP contracted by 5.5 percent y/y in the second quarter of 2020, driven by declines in manufacturing, hospitality-related services, and education. The decline in GDP growth moderated to -1.1 percent y/y in the third quarter, as retail and wholesale trade and transportation services rebounded, complementing activity in construction and agriculture. Overall, the economy likely posted a slight contraction of -0.1 percent in 2020. Solid export and remittance performance and lower imports, including due to lower oil prices, translated into a narrowing current account deficit in 2020. Inflation has remained close to the mid-point of the central bank's target range. Growth is expected to rebound to 6 percent in 2021 supported by a recovery in services, including school reopening. However, the outlook remains highly uncertain, depending to a large extent on the evolution of the pandemic and duration of containment measures.

Government response. The authorities responded promptly to the COVID-19 shock. Starting in March 2020, measures included establishment of isolation facilities, quarantine of at-risk persons, travel restrictions, bans on large gatherings, closure of schools and universities, imposition of social distancing requirements, and a country-wide nighttime curfew. Restrictions were gradually eased from July 2020 as the pandemic subsided. In response to the recent third wave, however, containment measures were tightened again in late March 2021 through end-April 2021. The latest measures included a ban movement in and out of an area comprising Nairobi and four neighboring counties and re-closing schools and universities countrywide. Economic measures have included: i) policy rate reductions (for a cumulative 125 basis points) and banks' extension of repayment terms on previously performing loans; ii) additional spending in key areas (0.4 percent of GDP in FY19/20), including health, cash transfers to vulnerable groups, and liquidity support via accelerated payment of VAT refunds and pending bills; iii) immediate temporary tax cuts for about 1.8 percent of GDP from April 2020 on a full-year basis—including full income tax relief for lower-income taxpayers and cuts to the top PAYE and to the standard CIT and VAT rates—accompanied by measures to safeguard revenue collection by streamlining tax exemptions and introducing an alternative minimum CIT and new digital tax (1 percent of GDP); and iv) a credit guarantee scheme for small businesses launched in December 2020.

Donor support. Assisting the COVID-19 response, Kenya in 2020 received budget support from IMF (US$739 million RCF), World Bank (US$1 billion DPO), and African Development Bank (€188m). Further, a US$2.34 billion EFF/ECF was approved on April 2, 2021, and the World Bank is expected to provide a US$750 million DPO in early June 2021. This is in addition to project support in the health sector received from a range of development partners.

Domestic accountability and transparency. All government spending has been approved via the established budget process. This includes the initial COVID-19 response that was part of a supplementary budget presented passed by Parliament in April 2020. A forensic audit of spending going through the Kenya Medical Supplies Authority and covering the March 13–July 31, 2020 period was presented to Parliament in September 2020. A comprehensive audit of all COVID-19 related spending in FY2019/20 is underway and is expected to be published by end-May 2021.

Special factors. Kenya's COVID-19 response has had to balance support to the economy and vulnerable groups with the need to ensure debt sustainability. The COVID-19 shock exacerbated pre-existing fiscal vulnerabilities, pushing Kenya into high risk of debt distress. With the fiscal deficit projected to widen to 8.7 percent of GDP in FY2020/21 and then narrow to 4.4 percent of GDP by FY2023/24 as a result of fiscal consolidation under the IMF-supported program, public debt is expected to peak at 73 percent of GDP in FY2022/23 before starting to decline.

Table A21. Kenya
(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	18.4	20.5	17.3	17.1
Tax revenue	15.0	16.0	13.6	12.7
Social security contributions	0.0	0.0	0.0	0.0
Grants	0.2	0.4	0.2	0.7
Other revenue	3.2	4.1	3.5	3.7
Expenditure	26.0	27.8	25.2	25.8
Current expenditure	20.2	20.6	19.4	19.9
Capital expenditure	5.8	7.1	5.8	6.0
Overall balance (cash basis) 4/	-7.7	-6.3	-7.8	-8.7
2) Debt service and suspension				
Total debt service	9.4	6.6	7.1	8.7
Domestic debt service	5.4	3.9	4.9	4.6
Domestic interest	2.9	2.8	3.1	3.2
Domestic amortization	2.5	1.1	1.8	1.4
External debt service	3.9	2.7	2.2	4.1
External interest	1.1	1.5	1.2	1.0
External amortization	2.8	1.3	1.0	3.2
Debt service suspension				
Total agreed (or requested) debt service suspended				0.3
Official lenders				
Paris Club				0.1
Of which : Export credit				0.0
Non Paris Club				0.3
3) Priority/protected spending				
Total priority spending (including COVID-related)	3.7	3.8	3.7	3.7
Social spending				
Health	0.3	0.5	0.4	0.4
Education	3.2	3.1	3.1	3.0
Social protection	0.3	0.2	0.3	0.2
Other priority spending				

Table A21. Kenya (concluded)[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.3	0.4
COVID-19 prevention, containment, and management			0.2	0.1
COVID-19 support to households			0.1	0.0
COVID-19 support to businesses, SOEs, government entities			0.0	0.3
MEMORANDUM ITEMS				
Revenue losses due to policy measures			0.5	0.8
COVID-19 below the line measures				0.0
Loans				
Guarantees				0.0

1/ Fiscal year runs from July to June. Main data sources: country authorities/IMF.
2/ Authorities statistics and latest projection for FY2020/21.
3/ Based on BPS 2020 published in February 2020 just before COVID.
4/ The overall balance reported is the revenue minus expenditure plus cash adjustment.

Lesotho

The epidemic. The first COVID-19 case was identified in the country on the May 14, 2020. The country has tested cumulatively 98,109 people as of June 13, 2021, with 10,921 positive cases and 326 deaths. A second wave hit the country at the beginning of 2021 but has subsequently stabilized with few new positive cases of infections recently.

The country aims to vaccinate 1.6 million of its population. Two batches of AstraZeneca COVID-19 vaccines have arrived in Lesotho, as part of the 430,000 vaccines the country is expected to receive under the COVAX facility. The first batch of 36,000 doses arrived on March 3, 2021, and were administered to 20,267 people in Basotho. The second batch of 36,000 doses arrived on June 3, 2021, and rollout began on June 10, 2021. On June 2, 2021, Gem Diamonds donated 20,000 Johnson & Johnson vaccines to Lesotho. The country is also looking to purchase vaccines via the African Union to cover the remainder of the population and has paid a deposit of LSL25 million for 1.1. million Johnson & Johnson vaccines. A private sector-led solidarity fund (Sesiu) has also raised around LSL 25.5 million for the vaccine effort.

Economic impact. The economy was already in recession even before the advent of COVID-19 with negative real GDP of 1.2 and 0.4 percent in 2018 and 2019, respectively. Following the nationwide lockdown in late March, the economy contracted even further by 21.5 percent year-on-year (y/y) in Q2:2020 and continued to shrink by 9.8 and 15.3 percent (y/y) in the third and fourth quarters. On an annual basis, GDP growth was –11.1 percent in 2020 compared with –0.4 percent in 2019. Disruptions to global value chains, border closures, and weak external demand hit Lesotho's main export sectors hardest, notably the textiles sector, which employs 40,000 people (80 percent of which are women) and makes up 9.2 percent of real GDP. Hospitality, transport, and tourism-related sectors were also badly affected, while foreign financial flows including remittances dried up. GDP growth is currently projected to recover to 1.2 percent and 2.5 percent in 2021 and 2022, respectively.

Government response. Lesotho implemented nonpharmaceutical containment measures early on, including social distancing, travel restrictions, border closures, school closures, and suspension of business activity. The first lockdown was lifted on May 19, 2021, albeit with the compulsory use of masks in public spaces and ongoing restrictions in high risk sectors such as entertainment and tourism. By end-December 2020, the country experienced a significant surge in the cases and a second lockdown went into effect for two weeks from January 15 to February 3, 2021. Even though the lockdown was lifted, curfews remain in place.

The government earmarked around LSL 1.2 billion for social and economic mitigation fiscal measures to cushion the impact of the pandemic on households and business. These included: (i) tax deferrals; (ii) the extension and supplementing of existing social transfers to the most vulnerable parts of the population (e.g., under the child grants and public assistance programs); (iii) food parcels and stamps; (iv) salary subsidies for textile industry workers; and (v) sector-specific grants to SMEs. The government also switched to the use of cash warrants to contain public spending and preserve room for COVID-19 related expenditures. In the financial sector, banks were directed to suspend loan repayments for three months, and insurance companies to suspend premium payments.

Donor support. Lesotho received US$49.1 million in emergency financing assistance under the IMF's Rapid Credit Facility and Rapid Financing Instrument in July 2020. The government obtained US$0.4 million from regional TB & Health Systems Support Project in 2020. From the WB, the government has received US$7.5 million in rapid financing; US$5 million from the Contingency Emergency Response Component, and US$3 million from the Emergency Preparedness Response Project, all in 2020. The World Bank has approved (as of June 1, 2021) vaccine financing of US$25.5 million and discussions are underway for a potential Development Policy Operation. The US provided medical devices and PPE worth US$45,000 to Lesotho. The EU has made available approximately LSL 235 million to Lesotho. WFP, UNICEF, and EU are also providing financing to top-up of the Public Assistance and the Child Grant Programs.

Domestic accountability and transparency. Under the July 2020 RCF/RFI emergency arrangement, the authorities committed to reporting on budget implementation through a quarterly budget outturn document, including a full accounting of all COVID-19 related expenditures. Quarterly internal audits on COVID-19 related spending will also be conducted, with an ex-post audit by the Auditor General. To ensure enhanced transparency and accountability of COVID-19 related spending, the government will also publish COVID-19 related procurement documentation (including tenders, bids, and names of awarded companies and their beneficial ownership) on their website. Progress on these commitments has been limited thus far but is still underway.

Special factors. N/A.

Table A22. Lesotho[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	49.8	55.0	55.3	44.7
Tax revenue	41.6	46.3	46.6	35.7
Social security contributions	0.0	0.0	0.0	0.0
Grants	3.8	2.8	3.1	3.8
Other revenue	4.4	5.9	5.6	5.1
Expenditure	57.4	55.1	54.9	51.3
Current expenditure	41.3	42.2	43.3	39.0
Capital expenditure	16.1	12.9	11.6	12.2
Overall balance	-7.6	-0.1	0.4	-6.6
2) Debt service and suspension				
Total debt service	3.4	7.7	8.6	5.4
Domestic debt service	0.8	4.8	5.3	2.7
Domestic interest	0.8	0.6	0.7	0.6
Domestic amortization	0.0	4.2	4.7	2.1
External debt service	2.6	2.9	3.3	2.6
External interest	0.7	0.7	0.8	0.6
External amortization	1.9	2.2	2.5	2.0
Debt service suspension				
Total agreed (or requested) debt service suspended		0.0	0.0	0.3
Creditor 1		0.0	0.0	0.1
Creditor 2		0.0	0.0	0.0
Creditor 3		0.0	0.0	0.0
Creditor 4		0.0	0.0	0.0
Creditor 5		0.0	0.0	0.1
Creditor 6		0.0	0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)				
Social spending		4.8	5.5	5.4
Health				
Education				
Social protection				
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			3.6	
COVID-19 prevention, containment, and management			0.3	1.4
COVID-19 support to households			0.3	
Horizontal expansion of public assistance				
COVID-19 support to businesses, SOEs, government entities			3.0	

1/ Fiscal year runs from April to March. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Liberia

The epidemic. Liberia reported its first confirmed case of COVID-19 on March 16, 2020. As of June 6, 2021, Liberia recorded 2,290 confirmed cases, of which 2,055 have recovered, 147 remain active and, unfortunately, 88 deaths. The COVID-19 spread faster than the Ebola in the first months of the pandemic but was quickly contained. Building on the lessons from the Ebola epidemic, the government declared a state of emergency between April 10 and July 22, 2020, and imposed lockdown measures to contain the spread of the virus. The number of cases peaked at 300 in early July 2020 before falling to about 20 cases in October 2020. Presently, there are no signs of a second wave and daily life has largely returned to normal. The authorities will go ahead with vaccinations under the COVAX initiative and under the African Union's regional initiative, sufficient to inoculate 20 percent of the adult population and health workers. The medium-term goal is to increase coverage to 60 percent, but vaccine hesitancy will need to be overcome.

Economic impact. The COVID-19 pandemic continues to adversely affect the Liberian economy. Activity in 2020 is estimated to have contracted by 3.0 percent, reflecting protracted COVID-19 restrictions that severely harmed the service sector and the initial slump in iron ore prices weighing on the mining industry. The recovery in 2021 will likely be lackluster, leaving the level of real GDP 4.7 percent below pre-COVID-19 projections. Coming on the heels of economic stagnation during 2018–19, the COVID-19-related economic and social disruptions further aggravate the human development situation. According to the World Bank, the share of the population living below the national poverty line has likely risen from 56 percent in 2019 to at least 65 percent in 2020. School closures impaired the education of the majority of Liberian students. Public finances came under pressure from COVID-19-related spending needs and a weakening of the revenue base. However, the reallocation of spending, efforts to improve tax compliance, and the introduction of a fuel excise tax kept the deterioration of the overall fiscal balance (excluding project aid) to 0.7 percent of GDP in FY20 and 1.7 percent of GDP in FY2021. The economic shock from the pandemic opened an external financing gap of 5.6 percent of GDP. The effect on public debt dynamics has been limited. Liberia's debt distress rating remains assessed at high for total public debt and at moderate for external public debt.

Government response. The authorities sought to alleviate the economic fallout from the containment measures. They simplified importation procedures and the Central Bank of Liberia reduced the monetary policy rate by 500 bps, allowed some regulatory forbearance for three months on asset classification, provisioning, and lending policies for hard-hit sectors, and suspended charges for most electronic and point-of-sale payments. Public spending is being ramped up by 5.6 percent of GDP with a focus on healthcare, including support to health care workers, necessary equipment, and laboratory supplies, food aid to vulnerable populations, and cash transfers to households. The authorities gathered all available resources, reallocated expenditure, and increased expenditure in priority areas. For FY2020 and FY2021, COVID-19-related spending is estimated at 2.5 percent of GDP and 3.1 percent of GDP, respectively.[2] It comprises: (i) increases in health and education spending (0.4 percent of GDP); (ii) an expansion of social programs, including the distribution of

[2] The fiscal year for Liberia runs from July to June.

food aid (2.8 percent of GDP); and (iii) other COVID-19-related spending (2.3 percent of GDP), including cash transfers.

Donor support. The international community helped finance the crisis response. Support under the IMF's RCF in June 2020 allowed allocating US$25 million to food distribution carried out by the World Food Program. Implementation suffered delays though, reflecting challenges with enumerating vulnerable households. In March 2020 and April 2020, the World Bank provided US$17 million in project aid to the health sector to combat COVID-19 and to enhance regional disease surveillance. US$14 million in budget support came from the African Development Bank as part of its multi-country COVID-19 response. USAID provided US$1 million in grants to strengthen infection prevention and testing capacities. The EU also provided US$6.9 million budget support in May 2020. Under the COVAX initiative, the authorities have secured vaccines for up to 20 percent of the population. Of this, COVAX covers the vaccine costs for 16 percent, with the government seeking World Bank support for the remaining 4 percent. The US has pledged US$4 million for local distribution and administration of the vaccination. Liberia has also received 97,000 syringes and 600 safety boxes for the administration and disposal of immunization waste from the UN. Under the African Union's regional initiative, vaccines for health workers are to be provided.

Domestic accountability and transparency. The authorities have made progress with improving accountability and fiscal transparency. This includes: (i) publishing information on procurement contract awards on the Public Procurement and Concessions Commission's website, including information on beneficial ownership, from March 2020; (ii) increasing the scope of public expenditure being processed through the Integrated Financial Management Information System; (iii) moving from annual to quarterly expenditure reconciliation; and (iv) posting summary fiscal reports on the Ministry of Finance and Development Planning's website from June 2020. The audit of FY20 crisis spending by the General Audit Commission is near completion. The FY21 audit is scheduled to follow early next year.

Special factors. Amidst fiscal pressures, the authorities reprioritized expenditure on goods and services from other sectors to enable US$25 million for food distribution to affected families.

Table A23. Liberia

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	24.8	29.9	24.2	23.0
Tax revenue	12.2	12.5	11.5	12.2
Social security contributions	0.0	0.0	0.0	0.0
Grants	10.3	15.1	10.0	8.2
Other revenue	2.3	2.4	2.7	2.6
Expenditure	31.1	34.6	29.6	25.1
Current expenditure	22.2	22.7	20.6	18.6
Capital expenditure	8.9	11.9	9.0	6.5
Overall balance	-6.3	-4.7	-5.4	-2.2

Table A23. Liberia (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
2) Debt service and suspension				
Total debt service	0.9	2.7	2.7	1.9
Domestic debt service	0.0	1.2	1.3	1.2
Domestic interest	0.0	0.6	0.6	0.7
Domestic amortization	0.0	0.6	0.6	0.5
External debt service	0.9	1.5	1.5	0.8
External interest	0.3	0.5	0.5	0.2
External amortization	0.6	1.0	1.0	0.5
Debt service suspension				
Total agreed (or requested) debt service suspended				0.0
Government of China				0.0
Government of Kuwait				0.0
Saudi Fund for Development				0.0
Abu Dhabi Fund for Development				0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	8.1	8.0	10.2	10.6
Social spending	8.1	8.0	10.2	10.6
Health	4.4	4.4	5.0	4.9
Education	2.0	2.0	2.0	2.5
Social protection	1.6	1.6	3.2	3.2
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.6	1.9
COVID-19 prevention, containment, and management			0.3	0.7
COVID-19 support to households			0.1	1.1
COVID-19 support to businesses, SOEs, government entities			0.2	0.2
MEMORANDUM ITEMS				
Large one-off expenditure and revenue items that help to explain variations in aggregates			1.0	0.0
COVID-19 below the line measures			0.0	0.4
Loans			0.0	0.4
Guarantees			0.0	0.0

1/ Fiscal year runs from July to June. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Republic of Madagascar

The epidemic. The first COVID-19 cases were reported on March 20, 2020, and as of June 7, 2021, there were 41,758 confirmed cases and 871 official deaths. The second wave of COVID-19, during which around 600 infections were reported each day, 1½ times the highest daily average reported during the first wave, partly attributable to the Delta variant, appears to have subsided recently. The healthcare system has been under high pressure with capacity shortages at health facilities and public hospitals and limited supply of oxygen and medical staff. The government has started rolling out a vaccine strategy, with the launch of a vaccination campaign using 250,000 doses received under the COVAX initiative.

Economic impact. Global trade and travel disruptions as well as domestic containment measures are resulting in a sharp economic slowdown, with growth estimated to have contracted by 4.2 percent in 2020. Tourism activity has collapsed as international flights have mostly been canceled since March 2020, while lower demand from trading partners like the Euro Area and the United States contributed to a sharp contraction in manufacturing activity, particularly in the textile and apparel sector. Growth is expected to recover to 3.2 percent in 2021 considering delayed pandemic effects and the evolution of the global context. With an expected decline of 1.5 percentage points of GDP in tax revenue compared to 2019, the domestic primary deficit (excluding budget grants) is estimated at 2.6 percent of GDP in 2020. The current account deficit significantly widened to an estimated 6.5 percent of GDP in 2020, with resulting external financing gaps covered by donor and IMF support.

Government response. The state of emergency, declared rapidly after the first confirmed cases in March 2020, has been supported with regulatory measures such as the closure of borders except for cargo, quarantine and systematic testing of all travelers from countries affected by COVID-19, a lockdown of the cities where cases have been detected, the treatment of patients at the government's charge, and a limitation to business operation. The government also introduced social protection, and fiscal and monetary measures to support livelihoods and businesses during the lockdown. The government has set up the Centre de Commandement Opérationnel, a multi-task command center led by the Minister of Interior and Decentralization/BNGRC to coordinate its response.

In an effort to consolidate different sectoral interventions and to prepare the medium-term response, a multisectoral emergency plan has been developed. The multisectoral emergency plan was formulated based on an analysis of priority needs for a period of five months starting on July 1st. Its objectives are to: (i) control the spread of the virus and stem the pandemic; (ii) help vulnerable populations and respond effectively to their needs; and (iii) protect the economy, maintain human capital and facilitate the recovery. The plan is steered by the Prime Minister's office and will implement a range of measures and actions funded by the state budget and the donor community, building on the ongoing emergency responses in health and social protection. The revised budget law for 2020 included US$82 million allocation for the government's response to the crisis, but the procedures for its mobilization haven't been implemented in time. However, US$71.3 million of this allocation was transferred to a provision account in the public treasury to be mobilized in 2021. The initial budget law for 2021 includes US$16 million which was added to the 2020 allocation.

Donor support. Several donors have provided support to the Malagasy government to address COVID-19 related needs, either through budget support, direct financing of the government's multisectoral plan, or equipment supplies. Overall budget support from donors in 2020 amounted to more than US$475 million (about 3.4 percent of GDP), including two IMF RCF disbursements totaling about US$340 million, and US$115 million in World Bank support committed before the pandemic. In 2021, planned budget support amounts to US$415 million (about 2.8 percent of GDP), including two IMF ECF disbursements totaling US$142 million, the World Bank COVID-19 Response DPF amounting to US$75 million and US$100 million under a budget support operation for human capital development policy, US$40 million from the African Development Bank, 15 million Euro from the Agence Française de Développement, and 20 million Euro from the European Union.

Domestic accountability and transparency. The authorities made progress towards improving the transparency of COVID-19 related spending. Efforts included the publication of the list of financial transfers, procurement contracts related to the response to the pandemic, and post-crisis audits. The Ministry of Economy and Finance website (http://www.mef.gov.mg/reportingcovid) provides the list of all the external grants and loans received in 2020 to mitigate the impact of pandemic. The website provides information on the purpose, amount, and names of awardees, whether natural persons (individuals) or legal persons (companies) for spending related to procurement contracts. The website of the Ministry of Health also publishes detailed monthly information on the stocks of medication and medical and personal protective equipment provided in the fight against the pandemic. The government adopted a decree on July 1, 2020, establishing a dedicated COVID-19 Pandemic Response Fund and defined its associated control and accountability framework. However, delays in setting up the governance structure of the fund and a lack of awareness of line ministries prevented the effective use of the Fund until April 2021, while a recent governmental decision to allow direct purchases of COVID-19 related equipment and services and their exemptions from normal procurement rules has raised concern among development partners. Eventually, MGA 200 billion allocated to the fund were transferred to a deposit account to be used in 2021. Development partners are working closely with the authorities to further improve the monitoring of COVID-19-related spending, additional technical assistance was provided to the authorities, and support is continuing as part of the broader PFM CD agenda. The government's Multisectoral Emergency Plan, adopted in July 2020, also helped clarify needs and defined reporting obligations, but its implementation was slowed down by the lack of a operational steering committee, which is responsible for monitoring results, approving modifications, and validating evaluation reports. The committee was eventually established in November 2020. The PMDU should continue to play a key role in coordinating and, if needed, reprioritizing the government's emergency response in 2021.

Special factors. N/A.

Table A24. Republic of Madagascar[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	13.5	13.8	10.9	12.5
Tax revenue	10.3	10.9	8.9	10.0
Social security contributions	0.0	0.0	0.0	0.0
Grants	3.0	2.5	1.8	2.3
Other revenue	0.3	0.3	0.3	0.3
Expenditure	14.9	16.4	15.1	18.3
Current expenditure	9.3	8.9	9.5	10.7
Capital expenditure	5.6	7.6	5.6	7.6
Overall balance	-1.4	-2.7	-4.2	-5.8
2) Debt service and suspension				
Total debt service				
Domestic debt service	5.7	6.0	5.3	5.6
Domestic interest	0.5	0.6	0.5	0.5
Domestic amortization	5.3	5.5	4.8	5.1
External debt service	0.8	0.9	0.8	0.9
External interest	0.3	0.3	0.2	0.2
External amortization	0.5	0.6	0.5	0.6
Debt service suspension				
Total agreed (or requested) debt service suspended			0.0	0.1
China			0.0	0.0
India			0.0	0.0
Saudi Arabia			0.0	0.0
Korea			0.0	0.0
Spain			0.0	0.0
France			0.0	0.0
Japan			0.0	0.0
Russia			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	2.8	3.6	3.6	4.1
Social spending	2.8	3.6	3.6	4.1
Health	0.8	1.2	0.7	1.3
Education	1.9	2.3	2.4	2.5
Social protection	0.1	0.1	0.5	0.3
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.6	0.4
COVID-19 prevention, containment, and management			0.1	0.2
COVID-19 support to households			0.1	0.1
COVID-19 support to businesses, SOEs, government entities			0.4	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on data for sixth ECF review.

Malawi

The epidemic. The first three COVID-19 cases in Malawi were identified on April 2, 2020. As of June 14, 2021, 34,564 people have been infected cumulatively and 1,159 have died, representing 0.2 percent and 0.006 percent of the total population, respectively. The daily number of newly infected has been stable at around nine new cases per day but began picking up in mid-June, though still low. To help contain the pandemic, Malawi has been approved for participation in the COVID-19 Vaccines Global Access (COVAX) Facility. Malawi started receiving the vaccines in the second quarter of 2021 to cover 20 percent of the population. Additional doses covering 0.5 percent of the population have been secured through the African Union. The country's capacity for an adequate medical response has improved since the onset of COVID-19 in terms of testing and treatment but it would be insufficient to handle a rapidly increasing rate of new infections.

Economic impact. Real GDP growth declined from 5.4 percent in 2019 to 0.9 percent in 2020 (as opposed to a pre-COVID projection of 5.1 percent in 2020). This reflects the slowdown in domestic activity due to the partial lockdowns, spillovers from the global slowdown, border closures, raised trade transit costs, and the slowdown in remittances, tourism, and foreign direct investment.

Government response. The main measures that the government has adopted to deal with the health, social, and economic impacts of COVID-19 include: (i) partial lockdowns and social distancing measures which included the mandatory use of face masks in public areas (introduced in August 2020) and restrictions on the size of public gatherings; (ii) a ban on international travel, introduced on April 1, 2020, but has since been relaxed serve for travel restrictions on a few selected high-risk countries; (iii) entry restrictions for non-residents; (iv) some monetary policy measures introduced in April 2020 included commercial banks' moratorium on interest and principal repayments for loans, the activation of the Emergency Liquidity Assistance Facility, and reduction in liquidity reserve requirements for domestic deposits; and (v) the authorities prepared a National Vaccine Deployment Plan and Community Engagement Strategy to inform plans and costs related to rolling out the vaccine.

Donor support. Several donors have provided support both financially and in kind towards boosting COVID-19 testing capabilities, medical supplies for treatment centers, COVID-19 vaccination program, and public dissemination of COVID-19 information.

Domestic accountability and transparency. There were several accountability and transparency measures built into the two disbursements under the Rapid Credit Facility (RCF) approved by the IMF Board in May 2020 and October 2020. These included monthly publication of and quarterly audit of public COVID-19 spending and the publication of COVID-19 public procurement details, including the beneficiary owners of companies awarded the contracts. Implementation of these measures has been slow, partly due to capacity constraints.

Special factors. N/A.

Table A25. Malawi
(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Actual 2/ FY2021
Monitored item 4/				
1) Fiscal context				
Revenue	14.7	22.0	14.9	14.4
Tax revenue	12.8	18.0	12.6	12.1
Social security contributions				
Grants	1.4	2.2	1.5	1.8
Other revenue	0.5	1.8	0.8	0.5
Expenditure	19.6	26.8	21.5	23.5
Current expenditure	15.7	21.1	17.7	19.6
Capital expenditure	4.0	5.8	3.8	4.0
Overall balance	-4.9	-4.9	-6.6	-9.1
2) Debt service and suspension				
Total debt service				
Domestic debt service				
Domestic interest				
Domestic amortization				
External debt service				
Abu Dhabi Fund for Development				
External interest				0.0
External amortization				0.0
Export Import Bank of India				
External interest				0.0
External amortization				0.0
Export Import Bank of China				
External interest				0.0
External amortization				0.0
Saudi Fund for Development				
External interest				0.0
External amortization				0.0
Kuwait Fund for Arab Economic Development				
External interest				0.0
External amortization				0.0
Debt service suspension				
Total agreed (or requested) debt service suspended				
Saudi Fund				0.0
Abu Dhabi Fund				0.0
Export Import Bank of India				
Export Import Bank of China				
Kuwait Fund for Arab Economic Development				
3) Priority/protected spending				
Total priority spending (including COVID-related)	1.5	2.1	1.7	2.9
Social spending	1.5	2.1	1.7	2.9
Health	0.6	0.9	0.8	0.9
Education	0.3	0.5	0.3	0.4
Social protection	0.6	0.7	0.6	1.6
Other priority spending				

Table A25. Malawi (concluded)[1/]
(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Actual 2/ FY2021
Monitored item 4/				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending				0.4
COVID-19 prevention, containment, and management			0.1	0.3
COVID-19 support to households				0.1
COVID-19 support to businesses, SOEs, government entities				

1/ Fiscal year runs from July to June. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.
4/ Malawi rebased its GDP series in October 2020, the new GDP series has 2017 as the base year. Projections pre-COVID-19 use a GDP series that has 2010 as the base year.

Maldives

The epidemic. The first confirmed case was on March 7, 2020. Community transmission was identified on April 15, 2020. As of June 10, 2021, the number of identified cases was 69,536 (13 percent of the population), and 191 deaths (0.04 percent of the population). The country is recovering from its worst surge in infections. The seven-day average daily cases have been declining, recording 431 in June 10, 2021, from a peak of 1,628 on May 23, 2021. Testing capacity in the Maldives (Male' and five other regions) is between 4,500 tests per day. Hospital bed capacity for treating patients with COVID-19 is 471 beds (Male' and five other regions) with a target to increase capacity by 21 beds.

Economic impact. The 2020 GDP contracted by 32 percent because of the COVID-19 shock. Tourism, which accounts directly for ¼ of value-added GDP and 80 percent of exports, is the primary source for the fall in GDP. The Maldives halted all arrivals on March 27, 2020, and re-opened to tourists on July 15, 2020. While the recovery in the tourism sector after re-opening was initially slow, with tourist arrivals less than 10 percent of their 2019 levels, it increased up to 60 percent of the pre-pandemic arrivals levels during 2020Q4 and 2021Q1. Given the surge in cases in South Asia, a temporary halt in visas for travelers originating in South Asia was implemented starting on May 13, 2021.

Government response. A lockdown of greater Male' was imposed on April 15, 2020, after community transmission emerged with restrictions on internal travel between atolls. Several containment measures were adopted during the outbreak, but many of them have been gradually lifted overtime. Nonetheless, as a result of a third wave of COVID-19 cases, some restrictions were reinstated for the period in May 2021, including night curfew hours, online classes for schools, and restricted inter island travel within the atolls. Reprioritization and cuts in non-essential recurrent expenditure (such as travel, maintenance, and training) have partially funded increases in spending to fund the health sector, subsidies to household electricity and water bills for lockdown months, a special allowance for workers who lost their jobs, and a frontline allowance for workers performing high-risk tasks in the COVID-19 response. Additional measures include the provision of concessional working capital loans to businesses on the condition of retaining employees, provision of short-term credit to financial institutions, a 6 month moratorium on loan repayments for banks that was phased out in December 2020, a cut in bank minimum reserve requirements, increased foreign exchange interventions to maintain the exchange rate peg, and an activation of a US$400 million swap with the Reserve Bank of India by end-2020.

Donor support. The Maldives received concessional financing from the IMF (RCF disbursement of US$28.9 million) the ADB (US$52.3 million) and the World Bank (US$31.1 million), as well as non-concessional budget support from the OPEC Fund for International Development (US$20 million) and the Government of India (US$250 million). More details are available on the Ministry of Finance website.

Domestic accountability and transparency. The Ministry of Finance has initiated the publication of weekly COVID-19 related expenditure reports. The report presents details of COVID-19 related health expenditures. It has also created a dedicated COVID-19 webpage with details of the economic programs including the number of recipients and the amount disbursed. The People's Majlis assigned the Auditor General to conduct special quarterly compliance audits of the main institutions responsible for implementing the COVID-19 response. The audits for the first two quarters of 2020 have been published and are available online. The regular mechanisms of the state including the Auditor General, Anti-Corruption Commission and the People's Majlis have been active in assessing COVID-19 spending.

Special factors. All of the COVID-19 fiscal response is covered in the central government data. The Ministry of Finance submitted a revised budget 2020 to Parliament in October 2020.

Table A26. Maldives
(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	26.8	30.7	25.4	31.8
Tax revenue	19.0	18.3	17.5	16.4
Social security contributions	0.0	0.0	0.0	0.0
Grants	1.3	5.3	3.7	3.3
Other revenue	6.4	7.0	4.2	12.1
Expenditure	33.4	36.9	52.9	50.4
Current expenditure	24.6	22.9	36.0	32.6
Capital expenditure	8.8	14.0	16.8	17.8
Overall balance	-6.6	-6.2	-27.5	-18.5

Table A26. Maldives (concluded)[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
2) Debt service and suspension				
Total debt service	2.9		4.9	
Domestic debt service	1.2		2.5	
Domestic interest	1.1		1.9	
Domestic amortization	0.1		0.7	
External debt service	1.8		2.4	
External interest	0.7		0.9	
External amortization	1.1		1.4	
Debt service suspension				
Total agreed (or requested) debt service suspended		0.3	0.5	
Creditor 1		0.0	0.0	
Creditor 2		0.2	0.4	
Creditor 3		0.0	0.0	
Creditor 4		0.0	0.1	
Creditor 5		0.0	0.0	
Creditor 6		0.0	0.0	
Creditor 7		0.0	0.0	
Creditor 8		0.0	0.0	
3) Priority/protected spending				
Total priority spending (including COVID-related)	13.2	12.9	22.2	17.7
Social spending	13.2	12.9	22.2	17.7
Health	3.9	4.2	9.0	6.1
Education	4.2	4.6	5.8	6.0
Social protection	5.1	4.1	7.4	5.6
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			5.0	0.7
COVID-19 prevention, containment, and management			2.4	0.4
COVID-19 support to households			0.6	0.3
Discounts on utilities			0.2	0.0
Income Support Allowance			0.4	0.3
COVID-19 support to businesses, SOEs, government entities			2.0	0.0
COVID-19 Recovery loan scheme			2.0	0.0

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Mali

The epidemic. The pandemic hit Mali amid a difficult security and social environment, with the first cases confirmed on March 24, 2020. Since then, the country has registered three waves of the pandemic, with a cumulative number of confirmed cases of 14,265, and 517 deaths (3.6 percent of all registered cases) at end-May 2021. The latest wave peaked at a record high of 413 new daily cases on April 9, 2021, and the spread of the virus has slowed since then to around three cases per day as of end-May 2021 (based on a seven-day moving average). Given the low testing capacity, the number of cases may be underestimated. The vaccination campaign started on March 31, 2021.

Economic impact. The pandemic has disrupted more than half a decade of strong economic performance in Mali, during which growth averaged 5 percent. Economic activity is estimated to have contracted by 2 percent in 2020 (compared to a pre-pandemic projection of growth of 5 percent) due to the effects of the pandemic and the socio-political crisis, reflecting a slowdown in external demand, travel, FDI, remittances, as well as the impact of uncertainty and reduced mobility on domestic demand. Lower than expected donor and budget support in the aftermath of the coup d'état in August 2020 has dampened somewhat the magnitude of fiscal policy accommodation. There have been signs of a recovery in early 2021, but downside risks remain significant and are related to the uncertainty around the evolution of the pandemic, socio-political dynamics and prospects of global recovery. Inflation has remained subdued throughout most of the pandemic, although a significant increase in food prices has affected the most vulnerable, and the recent recovery in demand led to a pick-up in inflation in early 2021. Mali's external current account strengthened in 2020 to an estimated 2 percent of GDP mainly due to higher gold prices (main export) and lower oil prices (main import), but is expected to widen in 2021 and beyond due to a projected recovery in world energy prices and strengthening domestic demand.

Government response. Containment measures implemented during the initial wave in mid-March 2020 included the suspension of commercial flights (except cargo), closure of land borders, school closures, a curfew, suspension of public gatherings, and reduced hours in public administration and retail markets. Most containment measures were lifted by August 2020. After the start of the second wave, the authorities reinforced, as of December 1, 2020, preventive measures (e.g., mandatory wearing of masks, physical distancing, promotion of teleworking, etc.). The authorities also re-introduced a ban on cultural and touristic activities and public events, closed education institutions and extended teleworking and a rotation system for the private sector companies. On January 25, 2021, the measures prohibiting public gathering were lifted and educational institutions re-opened.

Fiscal policy measures included income support to poorest households, a mass distribution of grains and food for livestock, utility bill assistance, temporary tax exemptions for rice and milk imports, as well as VAT exemptions on electricity and water bills, tax deferrals and suspension of the simplified income tax and property tax, public guarantees for bank lending to affected SMEs, subsidies to state electricity and water companies.

Monetary measures by the regional central bank (BCEAO) included reductions in policy rate cutting by 50 basis points the ceiling and the floor of the monetary policy corridor to 4 and 2 percent respectively, changes in the liquidity auctioning mechanisms to allow banks to meet all their liquidity needs, and widening the pool of acceptable collateral for central bank refinancing.

Financial sector support measures included the suspension of bank loans servicing for firms for 3 months, and temporary regulatory forbearance on loan classification.

Donor support. International community support included loans, grants and debt service suspension with financing provided by: (i) the IMF through Rapid Credit Facility (about 1.2 percent of GDP) and three rounds of debt service relief under the Catastrophe Containment and Relief Trust of about CFAF 18 billion (0.17 percent of GDP); (ii) the World Bank in the amount of US$25.7 million (0.1 percent of GDP) to strengthen public health preparedness; (iii) the African Development Bank with US$49.2 million (0.3 percent of GDP); (iv) the European Union through accelerated grant disbursement (EUR 33 million, CFAF 21.6 billion, 0.2 percent of GDP); (v) West African Development Bank (CFAF 28 billion, 0.3 percent of GDP); and (vi) the G20 Debt Service Suspension Initiative deferring debt service to Paris Club and other bilateral creditors during May–December 2020 (around 0.25 percent of GDP requested, of which 0.07 percent of GDP effectively suspended as of December), and the newly launched January–June 2021 extension.

Domestic accountability and transparency. The authorities set up a committee dedicated to monitoring COVID-19 related expenses, chaired by the Secretary General of the Ministry of Economy and Finance and comprising representatives from the private sector and civil society. Under the IMF's RCF, the authorities have committed to: (i) publish quarterly COVID-19 related expenditure reports; (ii) publish documentation on large public procurement contracts, together with ex-post validation of delivery along with the name of awarded companies and their beneficial owners; and (iii) commission an independent third party audit of this spending and publish its results. The authorities have published six monthly COVID-19 related expenditure reports for the period of October 2020 to March 2021 on the website of the Ministry of Economy and Finance.

Special factors. The fiscal deficit is estimated at around 5.5 percent of GDP in 2020 (compared to 3.5 percent projected pre-COVID-19). To offset the revenue losses and the higher spending needs related to the pandemic, as well as wage increases for teachers following protracted strikes in the education sector, the government reprioritized non-essential spending (around 1.2 percent of GDP) and cut capital expenditure (around 3.2 percent of GDP). The fiscal deficit is programmed at around 5.5 percent in 2021 as the government maintains the accommodative policy stance.

Table A27. Mali
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Total revenue and grants	21.4	22.9	20.0	21.8
Tax revenue	14.8	15.5	14.1	14.8
Social security contribtions				
Grants	1.9	2.4	1.4	1.9
Non-tax revenue	0.7	1.3	0.6	1.2
Special funds and annexed budgets	4.1	3.6	3.9	3.9
Expenditure	23.1	26.4	25.5	27.3
Current expenditure	12.6	13.5	15.5	15.7
Capital expenditure	6.5	9.3	6.1	7.7
Special funds and annexed budgets	4.1	3.6	3.9	3.9
Net lending	-0.1	-0.1	-0.1	0.0
Overall balance	-1.7	-3.5	-5.5	-5.5

Table A27. Mali (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
2) Debt Service and suspension 4/				
Total debt service	3.5	4.6	4.7	6.4
Debt service, internal debt	2.1	3.1	3.4	4.7
Interest	0.7	0.8	0.9	1.0
Amortization	1.4	2.3	2.5	3.7
Debt service, external debt	1.4	1.5	1.3	1.7
Interest	0.3	0.4	0.3	0.3
Amortization	1.0	1.2	1.0	1.4
Total agreed debt service suspended			0.1	0.1
Creditor 1			0.0	
Creditor 2			0.0	0.0
Creditor 3			0.0	
Creditor 4				0.1
Creditor 5			0.0	0.0
Creditor 6			0.0	
Creditor 7			0.0	
3) Priority/protected spending	5.0	6.0	7.7	5.7
Total priority spending (incl. COVID-related)				
Education	3.6	3.5	4.0	3.4
Health	1.0	1.2	1.2	1.1
Social development	0.4	0.5	1.7	0.3
Decentralization/FNACT		0.2	0.2	0.2
Roads		0.6	0.7	0.7
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			2.0	0.9
COVID-19 prevention containment and management			0.3	0.3
COVID-19 Support to households			1.2	0.1
Special fund for vulnerable households			1.0	0.0
Filet social			0.0	0.1
Food distribution			0.1	0.1
Utility bill support (social tranche)			0.1	0.0
COVID-19 Support to businesses, SOEs, government entities			0.5	0.4
Guarantee fund			0.2	0.0
Support to state electricity company (EDM)			0.2	0.0
Suppor to state water company (SOMAGEP)			0.1	0.1
Support to cotton sector				0.4

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.
4/ Data on debt service and suspension as reported by the authorities as of May 2021.

Islamic Republic of Mauritania

The epidemic. The first COVID-19 case in Mauritania was registered on March 14, 2020. Since then the outbreak spread quickly, with 18,072 cases and 452 deaths registered as of April 15, 2021. A second wave of the COVID-19 pandemic struck in November–December 2020 but subsided following renewed confinement measures. While health capacities were extremely limited ex-ante, the authorities coordinated closely with the international community to respond to the outbreak. The Ministry of Health with the support of WHO developed and implemented the National COVID-19 Preparedness and Response Plan to limit the mortality linked to the virus to less than 10 percent. The government has sought vaccines from COVAX and China to cover 20 percent of the population; 119,000 vaccine doses were already received, and the vaccination campaign started on March 26, 2021.

Economic impact. The crisis is affecting the country through domestic and external transmission channels. On the domestic front, stringent social distancing measures caused a sharp deceleration in economic activity, particularly in the hospitality, fishing, construction, transportation, and retail sectors, which account for almost half of GDP and employment. On the external front, however, extractive industries held up well on the back of strong global demand for iron ore and gold, and continued investment in extractive capacity. Overall, the economy is estimated to have contracted by 2.2 percent in 2020, against a 5.6 percent expansion in 2019.

Government response. The authorities adopted a Multisectoral Response Plan in May 2020 to contain the health and socio-economic effects of the pandemic. The plan focused on four objectives: (i) break the transmission of the virus, detect and provide adequate treatment of cases, and enable the health system to become more resilient in the future; (ii) mitigate the economic and social consequences of the crisis, particularly on the most vulnerable households and SMEs; (iii) build resilience for the long-term recovery and reduce the exposure of the economy to external shocks; and (iv) support planning and monitoring activities. In September 2020, the authorities presented a broader Priority Program to support the recovery and boost long-term inclusive growth. The program focuses on social sectors (health, education, and social protection), infrastructure, support to agriculture and fishing, aid to businesses, and environmental interventions, totaling close to 7 percent of GDP over 2020–22.

Donor support. Concessional donor financing and debt relief as part of the G20-DSSI initiative helped ease external and fiscal pressures. In 2020, the major donors were the IMF with a total of about US$175 million ($130 million from the RCF and $45 million from the ECF), the World Bank with US$75.2 million (from the DPO and the health operation), the EU with US$13.2 million and the AfDB with US$5 million. In addition, Mauritania benefitted from about US$95 million of debt service suspension from May to December 2020 and around US$86 million between January and June 2021 as part of the DSSI initiative. Donor financing provided fiscal space for budget spending to support the response to the pandemic and the recovery, and pushed gross international reserves to $1.5 billion at end-2020 (5.9 months of non-extractive imports).

Domestic accountability and transparency. The authorities set up a governance mechanism to prevent misappropriation of funds and ensure the efficiency of COVID-19 spending, including by creating two committees to oversee the implementation of the COVID-19 National Solidarity Fund. All COVID-19 related spending is on-budget and executed through the government budget's central management information systems (RACHAD and Beit El Mal). The mechanism also introduces a special code to the existing budgetary classification, thereby facilitating the traceability of COVID-19 revenues and expenditures. The authorities have published detailed bi-monthly reports on the revenue and expenditure of the fund, including the names of the legal owners of companies awarded public procurement contracts. Finally, to mitigate risks of fraud, the authorities will undertake an external audit by September 2021.

Special factors. N/A.

Table A28. Islamic Republic of Mauritania[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	20.4	25.8	21.5	17.5
Tax revenue	13.4	18.1	12.9	11.9
Social security contributions	0.6	0.5	0.2	0.3
Grants	1.5	0.8	2.1	0.4
Other revenue	4.8	6.4	6.4	4.8
Expenditure	17.7	25.0	18.5	19.5
Current expenditure	11.1	15.9	12.0	12.6
Capital expenditure	6.6	9.1	6.5	6.9
Overall balance	2.6	0.7	3.0	-2.0
2) Debt service and suspension				
Total debt service				
Domestic debt service	2.5	3.6	2.7	2.6
Domestic interest	0.2	0.1	0.3	0.5
Domestic amortization	2.4	3.5	2.3	2.1
External debt service	3.2	2.6	1.9	3.0
External interest	0.8	0.6	0.4	0.6
External amortization	2.4	2.0	1.5	2.3
Debt service suspension				
Total agreed (or requested) debt service suspended	0.0	0.0	1.2	1.6
3) Priority/protected spending				
Total priority spending (including COVID-related)				
Social spending	3.3	7.5	4.7	4.3
Health	1.1	1.2	1.3	1.0
Education	1.6	3.4	1.9	2.0
Social protection	0.6	2.9	1.6	1.2
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.8	1.5
COVID-19 prevention, containment, and management			0.2	0.1
COVID-19 support to households			0.2	0.9
Cash transfers			0.2	0.9
COVID-19 support to businesses, SOEs, government entities			0.4	0.5
Subsidies to businesses				
Subsidies to farmers and fishermen				
MEMORANDUM ITEMS				
Revenue losses due to policy measures			0.2	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Republic of Mozambique

The epidemic. The first case of COVID-19 was announced on March 22, 2020. By June 10, 2021, the country had about 71,239 cases and 838 deaths, corresponding to a mortality rate of 26.9 per million inhabitants. By international standards morbidity has been low due in part to timely introduction of measures and the systematic implementation of monitoring by the government under a State of Emergency declared early on, on March 30, 2020. The 30-day State of Emergency was subsequently extended three times until July 30, 2020, followed by the declaration of the State of Public Calamity for an indefinite period, from September 7, 2020. Restrictions were maintained but the declaration gave room to a phased resumption of economic activities that was partially reversed on January 13, 2021, and then somewhat relaxed on May 27, 2021. Diagnosing and testing capacity has been expanded since the start of the crisis with the support of the international community.

Economic impact. Economic activity declined by 1.2 percentage points in 2020, the first contraction in thirty years, compared to a pre-pandemic growth projection of 4 percent. The main transmission channels have been the impact of lockdown measures on services and informal and formal business sectors, and the impact of the global slowdown on export volumes and prices.

Government response. In 2020, the government received support from Mozambique's development partners for US$668 million to help deal with the health and economic impact of the pandemic. The government has increased the budget allocation for health, from about MT 2 billion (or about 0.2 percent of GDP) to about MT 31.4 billion (3.2 percent of GDP) in 2020. In addition, this fiscal package aimed to finance: (i) temporary and well-targeted tax exemptions to support families and the health sector (VAT and import tariff exemptions on food, medicine and medical equipment); and (ii) higher spending to respond to the health crisis and humanitarian needs, including higher health related spending on goods and services, and higher cash transfers and subsidies to the poorest households as well as micro-businesses and SMEs. In November 2020, the government extended the VAT exemption on sugar, cooking oil, and soap until end-2023. Regarding COVID-19 related outlays, some of the planned spending, primarily social transfers to vulnerable households through INAS, has been carried over into 2021 and US$200 million will be needed to cover the cost of the COVID-19 vaccines in 2021. Monetary policy was eased in 2020 but reverted to a tighter stance in early 2021. In late March 2020, to ease liquidity conditions, the central bank reduced reserve requirements by 150 basis points for both foreign currency and domestic currency deposits (to 11.5 percent and 34.5 percent respectively) and announced measures to support financial markets and encourage prudent loan restructuring by: (i) introducing a foreign currency credit line for institutions participating in the Interbank Foreign Exchange Market, in the amount of US$500 million, for a period of nine months; (ii) introducing the requirement to convert 30 percent of export revenue into domestic currency; and (iii) waiving the constitution of additional provisions by credit institutions and financial companies in cases of renegotiations of the terms and conditions of the loans, before their maturity, for clients affected by the pandemic, until December 31. The monetary policy loosening of 250 bps to 10.25 percent through 2020 was followed by an increase in the policy rate by 300 bps in January 2021. This turned around depreciation expectations that were beginning to feed through into core inflation at that time.

Donor support. The government has received support from various sources including budget support from the IMF RCF (US$309 million), the World Bank (US$215 million) and the European Union (US$60.7 million). Project financing from the African Development Bank was US$41.1 million. Debt relief from the Catastrophe Containment Relief Trust of the IMF was US$28.1 million, allocated to the Ministry of Health). In addition, the World Bank has approved a total of about US$396 million in project grants, primarily in urbanization and education. Finally, Mozambique confirmed deferment of 2020 debt service, amounting to US$22.6 million, through the DSSI.

Domestic accountability and transparency. The Ministry of Finance and the Ministry of Health regularly publish reports on the funds received in the context of the pandemic and their use, including information on the goods and services procured and the names of the companies awarded contracts. A consolidated report was recently examined by the government's fiscal control bodies and Parliament. The procurement directorate (supported by UFSA) compiles information on the goods and services procured and delivery confirmations. The financial inspectorate is completing an internal audit on the funds received and the goods and services procured. The supreme audit institution plans to complete and publish a special audit of COVID-19 resources and spending in addition to the general audit on the annual financial accounts by end-2021.

Special factors. As part of the response to COVID-19, the health sector has signed financing agreements with several partners for actions to prevent, mitigate and treat the pandemic. According to the data made available on the Sector's website, a financing commitment in the amount of US$149.3 million is foreseen, of which US$113.2 million have been received by the Ministry of Health as of February 2021.

Table A29. Republic of Mozambique

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	29.9	26.1	27.9	27.4
Tax revenue	25.1	19.0	20.2	20.1
Social security contributions	0.1	0.0	0.0	0.0
Grants	1.1	3.0	3.6	3.3
Other revenue	3.8	4.1	4.0	4.1
Expenditure	30.0	29.4	30.3	32.2
Current expenditure	22.2	22.4	23.3	24.9
Capital expenditure	7.9	7.0	7.0	7.3
Overall balance	-0.1	-3.2	-2.4	-4.8

Table A29. Republic of Mozambique (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
2) Debt service and suspension				
Total debt service	7.3	7.7	7.1	7.5
Domestic debt service	3.6	4.0	3.6	4.7
Domestic interest	1.8	2.4	1.6	2.4
Domestic amortization	1.8	1.6	2.0	2.4
External debt service	3.7	3.8	3.5	2.7
External interest	1.5	1.3	1.4	0.8
External amortization	2.3	2.5	2.1	2.0
Debt service suspension 4/				
Total agreed (or requested) debt service suspended		1.0	0.2	0.4
Brazil		0.0	0.0	
Korea		0.0	0.0	
China		0.6	0.2	0.3
India		0.1	0.0	
Belgica		0.0	0.0	
Russia		0.1	0.0	
France		0.1	0.0	0.1
Japan		0.0	0.0	0.0
Denmark		0.0	0.0	
Saudi Arabia		0.0	0.0	
Spain		0.0	0.0	0.0
Portugal		0.1	0.0	
3) Priority/protected spending				
Total priority spending (including COVID-related)	9.0	9.5	10.3	
Social spending	9.0	9.5	10.3	
Health	2.4	2.6	3.2	
Education	6.0	6.5	6.3	
Social protection	0.7	0.4	0.8	
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			1.0	
COVID-19 prevention, containment, and management			0.5	
COVID-19 support to households			0.3	
COVID-19 support to businesses, SOEs, government entities			0.2	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.
4/ The debt service suspension in 2020 is from the authorities. Pre-COVID projections for 2020 refers to May-December data.

Myanmar

The epidemic. Myanmar's first COVID-19 case was identified in March 27, 2020. While the first COVID-19 wave was benign, local transmissions rapidly increased in Rakhine State and Yangon Region during September 2020–January 2021 as the country was hit by an intense second wave. As of June 3, 2021, there were 143,823 confirmed cases (0.3 percent of the population) with 3,218 deaths. The testing capacity, which was significantly ramped up, has come to a collapse after the military coup on February 1, 2021, casting doubts on the reported numbers. The capacity of the healthcare system for an adequate medical response is weak, particularly in prevention and treatment and is further impaired by the coup and ongoing conflict.

Economic impact. GDP growth in FY2019/20 was 3.2 percent (significantly lower than the 6.4 percent projected prior to COVID-19). The main channels for the decline are, on the external side, export declines from supply chain disruptions and weak external demand and lower tourism revenues, remittances, and FDI. On the domestic side, social distancing measures have weighed on domestic demand.

Government response. The authorities quickly announced strict containment measures, travel restrictions, closure of land borders, and bans on mass public gatherings. In April 2020, they announced the COVID-19 Economic Relief Plan (CERP), which aims at mitigating the pandemic's impact while establishing the foundations to facilitate Myanmar's economic recovery. Measures include provision of low-cost funds to affected SMEs and sectors, tax deferrals and waivers, electricity tariff exemptions, and cash and in-kind transfers to vulnerable populations and at-risk groups, including IDPs in the most vulnerable areas. The Central Bank of Myanmar has cut the policy interest rate by a cumulative 300 bps since mid-March and temporarily reduced the reserve and liquidity requirements for banks. Banks have further forbearance from prudential requirements to encourage credit provision.

Donor support. China. Provided medical supplies and experts. EU. Announced mobilization of Euro 5 million and disbursed Euro 37.6 million for education. India. Provided COVID-19 related medical supplies. IMF. Provided US$356 million (first disbursement) and US$372 million (second disbursement) as budget support. Japan. Provided emergency loan (US$46.5 million) to aid low-cost financing to SMEs and investment promotion and financial sector development loan (US$289). Grant aid totaling US$18 million for COVID-19related healthcare has been signed. Livelihoods and Food Security Fund. Announced funding (US$15.8 million). Singapore**.** Sent 3000 diagnostic tests and 2 PCR machines. Taiwan, China. Provided 170,000 masks along with infrared thermal imaging cameras. UN. Delivered 20,000 test kits. Myanmar Humanitarian Fund allocated US$3.8 million. UNICEF. Supported critical supplies. United States. Pledged US$13.5 million. WFP. Provided food and nutrition assistance. World Bank. Provided US$50 million emergency loan for public health emergency preparedness. A credit of US$200 million was approved to boost agricultural productivity and support farmers in wake of COVID-19. ADB. Provided US$250 million to support Myanmar's COVID-19 response.

Domestic accountability and transparency. The authorities committed to ensuring that crisis resources are used transparently and effectively to alleviate the effect of COVID-19. They have committed to several governance, transparency, and accountability measures, including publishing online: (i) all quarterly reports on all COVID-19 related expenditures; (ii) the results of a targeted audit of COVID-19 related expenditures by the Office of the Auditor General for Myanmar; and (iii) information on procurement contracts on COVID-19 related expenditures. While the authorities were on track with most accountability and transparency arrangements prior to the coup, it is uncertain whether the current military government will honor them.

Special factors. Fiscal data is for the consolidated nonfinancial public sector (which covers social spending by local governments, among other things) with the fiscal year running from October to September. The COVID-19 shock hit in the middle of fiscal year and a directive of reallocations has been given to accommodate COVID-19 related spending. CERP spending will be prioritized in the FY2020/21 budget based on availability of external financing, including DSSI relief. Projections for FY20/21 are preliminary and will be revised as the impact of coup becomes clearer.

Table A30. Myanmar[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	16.3	15.2	16.0	15.0
Tax revenue	6.6	5.6	6.1	5.6
Social security contributions	0.1	0.1	0.1	0.1
Grants	0.4	0.7	0.4	0.3
Other revenue	9.3	8.8	9.4	9.0
Expenditure	20.3	21.9	21.6	21.8
Current expenditure	13.5	13.8	14.4	15.4
Capital expenditure	6.8	8.1	7.3	6.4
Overall balance	-3.9	-6.7	-5.6	-6.8
2) Debt service and suspension				
Total debt service	5.4	5.5	5.8	6.3
Domestic debt service	4.5	4.4	4.8	5.4
Domestic interest	1.3	1.3	1.5	1.8
Domestic amortization	3.2	3.1	3.3	3.6
External debt service	0.9	1.1	1.0	1.0
External interest	0.3	0.2	0.2	0.1
External amortization	0.6	0.9	0.8	0.9
Debt service suspension				
Total agreed (or requested) debt service suspended			0.2	
Creditor 1			0.1	
Creditor 2			0.1	
3) Priority/protected spending				
Total priority spending (including COVID-related)	3.6	4.0	4.4	5.3
Social spending	3.6	4.0	4.4	5.3
Health	0.8	0.9	1.0	1.3
Education	2.0	2.2	2.1	2.3
Social protection	0.9	0.8	1.3	1.6
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.7	1.5
COVID-19 prevention, containment, and management			0.2	
COVID-19 support to households			0.4	
COVID-19 support to businesses, SOEs, government entities			0.1	
MEMORANDUM ITEMS				
COVID-19 below the line measures			0.9	
Loans			0.9	
Guarantees				

1/ Fiscal year runs from October to September. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Nepal

The epidemic. Nepal's first confirmed COVID-19 case was on January 23, 2020. The first COVID-19 wave peaked in October 2020, and since April 2021 Nepal has been facing a second wave more severe than the first. The government of Nepal launched the COVID-19 vaccination drive in January 2021 and as of June 3, 2021, 7 percent of the population (2.1 million people) had received at least one dose, of which only about 1/3 have received a second dose. Nepal has been struggling to secure sufficient vaccines to expand coverage and ensure a second dose to those that received a first dose.

Economic impact. Nepal has been hit hard by the COVID-19 pandemic, including through the drop in tourist arrivals, delays in construction, weak domestic demand, and volatile remittances. Real GDP contracted by 2.1 percent in FY2019/20 (mid-July 2019 to mid-July 2020). While the economy was seeing glimpses of recovery in early 2021, since April 2021, Nepal has been gripped by a second COVID-19 wave that necessitated reintroduction of lockdowns and containment measures. As a result, growth is expected at 0.4 percent in FY2020/21.

Government response. Widespread COVID-19 testing and treatment was rolled out during the early stages of the pandemic and was free for the poor. The rollout of vaccines started in January 2021, but has been constrained because of limited availability of vaccines. Fiscal measures have included: (i) increased health spending which has enabled a rapid scale-up of COVID-19 testing and treatment facilities; (ii) tax relief to households and businesses; (iii) the expansion of social assistance, including in-kind food transfers, subsidies for utility bills, and wage support for informal sector workers—including through expansion of the Prime Minister's Employment Program (PMEP); (iv) a concessional loan facility to support affected businesses and micro, small, and medium-sized enterprises; and (v) a business continuity fund for the payment of workers' wages in cottage, small, and medium enterprises, and tourism sector. To support the continued supply of credit, the NRB increased the size of Refinance Facility fund, ensured adequate liquidity in the financial system (lowering cash reserve ratio and the policy rates), eased macroprudential measures (no longer requiring banks to build up counter cyclical capital buffer and increasing the limit on loan to value ratios), and provided temporary relief to affected borrowers (introducing loan moratoria).

Donor support. The IMF disbursed SDR 156.9 million (US$214million) through the Rapid Credit Facility in May 2020 and provided debt service relief of SDR 9.982 million (about US$14.2 million) under the Catastrophe Containment and Relief Trust. The World Bank approved a fast-track US$29 million COVID-19 Emergency Response and Health Systems Preparedness Project, US$300 million for two Development Policy Credits (Finance for Growth and Energy Sector) and a US$450 million project on Road Support in Nepal to Spur COVID-19 Recovery. The World Bank approved US$75 million in vaccine support in March 2021. The Asian Development Bank provided Nepal a US$300,000 grant to procure medical supplies, in close collaboration with UNICEF, and approved a US$250 million concessional loan. The ADB is expected to provide US$165 million in vaccine support in July 2021. Nepal has also received COVID-19 support from other bilateral development partners.

Domestic accountability and transparency. The expenditures of the Coronavirus Contamination, Prevention, Control, and Treatment Fund (COVID-19 Fund) are being published on the Financial Comptroller General Office (FCGO) website. Budget expenditures related to COVID-19 are to be published at least on a quarterly basis. The Office of the Auditor General is to provide a comprehensive annual audit report covering COVID-19 by nine months from the end of the fiscal year. In addition, for new, large, COVID-19 related procurement contracts, the authorities are to publish—on the implementing agency website—the name of awarded companies, the name of their beneficial owner(s), value, purpose, and ex-post validation of delivery.

Special factors. The fiscal data covers central government. Priority spending (including on health, education, and social assistance) by the central government increased from 3 percent of GDP in FY2018/19 to 3.7 percent of GDP in FY2019/20 and is expected to reach 5.2 percent of GDP in FY2020/21. Total priority spending surpasses what is reported in Table A31 for the central government due to additional spending in these areas by local and provincial governments. It is not possible to track COVID-19 related additional spending separately from priority spending because the authorities' reporting systems are not able to clearly demarcate COVID-19 related spending from other spending. In FY2019/20 and FY2020/21, the authorities reprioritized their overall public spending to allocate more resources to public health and social programs.

Table A31. Nepal
(In percent of GDP)

	Actual	Pre-COVID-19 Projections 2/	Actual	Latest 3/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	22.4	25.7	22.1	22.4
Tax revenue	18.9	21.6	17.7	19.4
Social security contributions	0.2	0.2	0.2	0.2
Grants	0.6	1.2	0.6	0.6
Other revenue	2.7	2.8	3.6	2.4
Expenditure	27.3	30.2	27.2	28.5
Current expenditure	21.1	22.9	22.3	23.6
Capital expenditure	6.3	7.3	4.9	4.9
Overall balance	-5.0	-4.5	-5.1	-6.1
2) Debt service and suspension				
Total debt service	1.9	2.1	2.1	2.4
Domestic debt service	1.3	1.3	1.4	1.7
Domestic interest	0.4	0.5	0.5	0.7
Domestic amortization	0.9	0.8	0.9	1.0
External debt service	0.6	0.8	0.7	0.8
External interest	0.1	0.1	0.1	0.1
External amortization	0.5	0.7	0.6	0.6
Debt service suspension				
Total requested debt service suspended			0.0	0.2
India			0.0	0.0
France			0.0	0.0
Korea			0.0	0.0
Japan			0.0	0.0
Saudi			0.0	0.0
China			0.0	0.1
Belgium			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	3.0		3.7	5.2
Social spending	3.0		3.7	5.2
Health	0.9		1.0	1.9
Education	0.9		1.0	1.3
Social protection	1.1		1.7	2.1

Table A31. Nepal (concluded)[1/]
(In percent of GDP)

Monitored item	Actual FY2019	Pre-COVID-19 Projections 2/ FY2020	Actual FY2020	Latest 3/ FY2021
4) COVID-19 related additional spending				
Total COVID-19 related additional spending				
COVID-19 prevention, containment, and management				0.2
COVID-19 support to households				
COVID-19 support to businesses, SOEs, government entities				
MEMORANDUM ITEMS				
Revenue losses due to policy measures				0.1

1/ Fiscal year runs from July 16 to July 15. Main data sources: country authorities/IMF.
2/ Based on IMF 2020 Article IV.
3/ Based on available information as of end-May 2021.

Niger

The epidemic. The first case of COVID-19 was detected in Niger on March 19, 2020. A state of emergency was declared on March 27, 2020. Helped by swift and determined action by the authorities, the outbreak remained contained. As of May 3, 2021, 5,251 infections and 191 deaths have been recorded, corresponding to 21.3 and 0.8 per 100,000 of population, respectively.

Economic impact. Despite the limited size of the outbreak, the economic toll of the pandemic is bound to be important. The IMF currently estimates real GDP growth of 1.2 percent in 2020 and projects an expansion of 5.3 percent in 2021, compared to pre-pandemic forecasts of 6 and 5.6 percent, respectively. While Niger benefits from a degree of insolation from global economic developments, due to limited involvement in international value chains, a large informal agricultural sector, and a negligible tourism sector, economic activity is nonetheless likely to be strongly hit by lock-down measures, delays in large foreign projects, sharply reduced export opportunities, and depressed prices for key uranium exports. Capital outflows have so far not emerged as a major factor, thanks to Niger's membership in the West African Monetary Union. Public finances are coming under pressure, mainly on account of sharply lower revenues, but also because of higher spending to fight the pandemic and its economic fallout.

Government response. With the declaration of the state of emergency on March 27, 2020, the authorities put in place comprehensive containment measures: (i) the closure of all borders to travel; (ii) a nightly curfew; (iii) a ban of large gatherings; (iv) a shortened work week; and (v) the isolation of the capital Niamey from the rest of the country. They were gradually lifted from mid-May 2020 and in August 2020 only the closure of land borders to travel and the obligation to wear masks in public remain. The government had decided on January 5, 2021, to extend the state of emergency for a longer period of three months, starting from January 8, 2021. Under the leadership of the government, a COVID-19 response plan was quickly adopted and subsequently further expanded. This comprehensive plan is awaiting more financing from the international community. In the meantime, a narrower set of actions has been sanctioned in a supplementary budget. On the health front, it funds public awareness campaigns, health checks, testing, isolation centers, and some upgrading of Niger's health care system. On the social front, it covers a temporary suspension of utility payments for the vulnerable and the distribution of food from the newly restocked food reserve. Businesses receive relief through tax deferrals and loans from banks at favorable conditions backstopped by government guarantees. These measures are budgeted at US$175 million (1.2 percent of GDP). The expected revenue shortfall is larger at US$360 million (2.6 percent of GDP). It reflects the weaker economy, difficulties to collect taxes during the pandemic, and other adverse developments rather than any tax policy measures. Monetary easing by the regional Central Bank (BCEAO) also helped cushion the pandemic's economic impact.

Donor support. Niger has received in 2020 additional financial support from the international community. The IMF approved emergency financing, debt service relief, and ECF disbursement in the amount of US$145 million (1.2 percent of GDP) in April 2020 and October 2020 while the World Bank's disbursements for budget and project financing reached US$273 million (2.0 percent of GDP). Other donors, mainly the EU, the African Development Bank, and the West African Development Bank, have frontloading disbursements (some combined US$274 million, 2.0 percent of GDP). The DSSI added another US$15 million (0.1 percent of GDP). Support in kind has also been received, but its financial value pales in comparison to budget and project support.

Domestic accountability and transparency. In the case of Niger, the bulk of the extra external support goes toward replacing fiscal revenue lost due to the pandemic-induced economic downturn, thereby avoiding a harmful contractionary fiscal response. COVID-19 related spending is channeled through the budget and as such subject to the usual safeguards. There are no extra-budgetary funds, except a very small one that collects private donations. Niger has made progress in recent years with strengthening its governance framework more generally. The authorities have committed to take further steps to ensure that COVID-19 funds are spent efficiently on their intended purpose by undertaking an independent audit of their use. The audit will be conducted by the Supreme Audit Institution and published online by September 2021. The government also committed to publish the procurement documents and contracts of large projects related to the pandemic, together with the names of companies awarded and their beneficial owners.

Special factors. N/A.

Table A32. Niger
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	18.0		17.4	18.0
Tax revenue	10.4		9.5	11.0
Social security contributions	0.0		0.0	0.0
Grants	6.8		6.7	6.3
Other revenue	0.9		1.2	0.7
Expenditure	21.6		22.7	22.5
Current expenditure	9.6		10.2	10.4
Capital expenditure	12.0		12.5	12.1
Overall balance	-3.6		-5.3	-4.5

Table A32. Niger (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
2) Debt service and suspension				
Total debt service		10.7	11.8	
Domestic debt service		8.9	11.0	
Domestic interest		0.6	0.7	
Domestic amortization		8.2	10.3	
External debt service		1.8	0.9	
External interest		0.5	0.4	
External amortization		1.3	0.5	
Debt service suspension				
Total agreed (or requested) debt service suspended		0.3	0.1	0.3
AFD		0.1	0.0	0.1
INDE		0.0	0.0	0.0
FKDEA		0.0	0.0	0.0
FSD		0.0	0.0	0.0
CHINE		0.1	0.0	0.1
3) Priority/protected spending				
Total priority spending (including COVID-related)	8.2	11.5	7.8	7.8
Social spending	8.2	11.5	7.8	7.8
Health	1.3	2.4	1.3	1.3
Education	3.3	3.9	2.8	2.8
Social protection	3.5	5.1	3.7	3.7
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.5	
COVID-19 prevention, containment, and management			0.2	
COVID-19 support to households			0.2	
COVID-19 support to businesses, SOEs, government entities				

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Pakistan

The epidemic. As of April 26, 2021, COVID-19 cases stand at 804,939 (3,644 per million) with 16,842 reported deaths. Cases first appeared in February 2020 and escalated very quickly, yet they started to slow down significantly by the summer. In early December 2020, the positivity and death rates picked up but still remained around 3 percent until mid-March 2021, when positivity rate started to increase again to above 6 percent. The fatality rate (2.4 percent) remains low. Enforcing hygiene and social distance measures remains challenging.

Economic impact. The COVID-19 shock has hit Pakistan's economy significantly. Official estimations are that the GDP for FY20 contracted by 0.4 percent. The government's timely policy response (a 2.9 percent of GDP package introduced in March 2020) has been critical to save lives and livelihoods and support the economy through an expansion of social safety nets, targeted fiscal measures to business activities, monetary policy support and financial sector regulatory measures. As a result of these measures, as well as of sizeable emergency financing from the international community, economic activity and business sentiment are recovering. As a result, GDP growth is expected to recover to 1.5-2.5 percent in FY21, the external position is strengthening and inflation is expected to decelerate to 8.7 percent in FY21 (down from 10.7 percent in FY2020). However, the fiscal measures led to a significant increase in the fiscal deficit and public debt. With the third wave of COVID-19 already underway, uncertainty and downside risks loom large.

Government response. *Containment and mitigation measures*. After the initial country-wide severe lockdown of April 2020, the government continues relaying on selective and smart lockdown approach, which is perceived as less negative on economic activity. *Vaccination strategy*. As of April 23, 2021, Pakistan has only vaccinated 1.65 million doses (0.6 percent of population having received at least a single dose). This reflects mostly the delay in the delivery of vaccines through COVAX. Vaccination is taking place only because of donations from China and the commercial sale of Sputnik V. Pakistan is working on securing extra donor funding to procure more Chinese vaccines. *Fiscal measure:* The original fiscal stimulus of 2020 has been followed by a continued expansion of the social safety net to cover 14.8 million families, an extension to December 2021 of the tax incentives to the construction sector, and the completion of the under-executed budget allocations of last year's fiscal package. Provincial governments have also continued implementing supportive measures (e.g., cash-grants and additional spending on medical equipment). *Monetary and Macro-financial:* Monetary policy continues to be accommodative. The cumulative 625 basis point rate cut (to 7.0 percent) is still in place, supported by forward guidance since January 2021. Some of the refinancing facilities and regulatory measures that were introduced as a response to the COVID-19 shock were extended, through September 2021 to December 2021 and complemented with actions to promote digital payments and relaxing credit requirements for exporters and importers.

Donor support. The most relevant recent new developments is Pakistan's ongoing work to apply for DSSI III, with an additional impact of US$1.0 billion and the completion of the second to fifth reviews under the EFF-supported program (US$500 million) in March 2021. This will add to the support that Pakistan received in 2020, including US$1.4 billion under the Fund's Rapid Financing Instrument, US$250 million by the World Bank's Pandemic Response Effectiveness Project, US$250 million by the doubling of the World Bank's SHIFT program to US$500 million, US$800 million by the Asian Development Bank's Emergency Assistance Loan (US$300 million) and the Comprehensive Pandemic Response Option (US$500 million), and US$250 million by the AIIB. Pakistan has successfully participated in the DSSI I and II, with estimated impact of US$2.0 billion and US$800 million respectively.

Domestic accountability and transparency. The Auditor General of Pakistan (AGP) has put together an audit plan for COVID-19 related spending, including medical procurement and social safety payments. The audit for FY20 has been completed and is now at approval stage for publication. All procurement contracts and information regarding bidding process is also being placed on the website of Public Procurement Regulatory Authority.

Special factors. There is considerable public spending on health and safety nets at the provincial level. The fiscal year runs from July to June.

Table A33. Pakistan

(In percent of GDP)

Monitored item	Actual 4/ FY2019	Budget 3/ FY2020	Actual 2/ FY2020	Revised budget 4/ FY2021
1) Fiscal context				
Total revenue and grants	12.8	17.0	15.2	15.3
Total revenue	12.7	16.9	15.1	15.2
of which provinces	1.3	1.7	1.2	1.5
Grants	0.1	0.1	0.1	0.0
Expenditure	21.6	24.4	23.4	21.9
Recurrent expenditure	18.9	20.7	20.7	19.1
of which interest payments	5.4	6.6	6.3	6.2
of which provinces	6.1	6.7	6.1	6.0
Development expenditure	2.7	3.7	2.7	2.8
of which provinces	1.3	2.5	1.5	1.4
Current balance	-6.2	-3.7	-5.6	-3.9
Primary balance including grants	-3.4	-0.8	-1.9	-0.5
Overall balance	-8.8	-7.4	-8.3	-6.7
2) Debt Service and suspension				
Total debt service	117.7	98.4	46.5	31.9
Interest	5.4	6.6	6.3	6.2
Bilateral	0.2	0.3	0.1	0.1
Multilateral	0.2	0.2	0.4	0.2
Other External	0.3	0.4	0.2	0.4
Domestic	4.7	5.8	5.6	5.5
Amortization	112.3	91.8	40.2	25.8
Bilateral	0.4	0.4	0.3	0.3
Multilateral	0.8	0.8	1.9	1.0
Other External	1.3	1.6	1.1	1.7
Domestic	109.7	89.0	37.0	22.8
Total requested/agreed debt service suspended by creditor				
Austria				0.0
Belgium				0.0
Canada				0.0
China				0.1
Finland				0.0
France				0.0
Germany				0.0
Italy				0.0
Japan				0.1
Korea				0.0
Kuwait				0.0
Libya				0.0
Netherlands				0.0
Norway				0.0
Russia				0.0
Saudi Arabia				0.2
Spain				0.0
Sweden				0.0
Switzerland				0.0
UAE				0.0
UK				0.0
USA				0.0
Total				0.4

Table A33. Pakistan (continued)

(In percent of GDP)

Monitored item	Actual 4/ FY2019	Budget 3/ FY2020	Actual 2/ FY2020	Revised budget 4/ FY2021
3) Priority/protected spending				
Total priority spending (including COVID-related)				
Defence Spending	3.0	2.6	2.9	2.7
Energy Subsidies	0.4	0.6	0.8	0.3
Food Subsidies	0.1	0.1	0.1	0.0
of which Federal Total Subsidies for food, including wheat and sugar, and any export of wheat and sugar provided by the government (Federal)	0.1	0.0	0.1	0.4
of provincial subsidies to wheat	0.0	0.1	0.0	
Health	1.2	1.3	1.2	
Federal	0.1	0.1	0.1	0.1
Provincial	1.1	1.3	1.1	
Education	2.2	2.3	2.1	
Federal	0.3	0.3	0.3	0.2
Provincial	1.9	2.1	1.8	1.5
Social protection/assistance	0.5	0.8	0.9	
Federal	0.3	0.4	0.7	0.5
of which BISP/Ehsaas	0.3	0.4	0.6	0.4
of COVID-19 related			0.3	
Provincial	0.2	0.3	0.2	0.1
4) Covid-19 related additional spending				
Total COVID-19 related additional spending				
COVID-19 prevention containment and management				
Federal				
NDMA			0.1	
Medical equipment/incentive for workers			0.0	50
Emergency provisioning fund				60
Other COVID-19 related logistics				
Provincial				
COVID-19 related relief efforts			0.0	0.0
COVID-19 related medical efforts			0.0	0.1
Other COVID-19 related logistics			0.0	0.0
COVID-19 Support to households				
Federal				
Additional BISP/Ehsaas spending for COVID-19			0.3	0.1
Social protection funding for daily wage labour			0.0	0.4
Utility Store subsidy as part of Fiscal Package and FY21 budget			0.0	0.1
Electricity subsidy to households announced as part of Fiscal Package, and FY21 budget			0.0	0.2
Petrol/diesel price reduction as part of Fiscal Package, and FY21 budget				
Power/gas deferrment measures			0.0	
Other				
Provincial				
COVID-19 related social protection spending				
Other				
COVID-19 Support to businesses, SOEs, government entities				
Federal				
Electricity subsidy to businesses/deferred payments			0.0	
Support to SMEs			0.1	0.0
Reduction in Petrol and diesel prices			0.2	
Injections to SOEs as part of COVID-19 support				
Expedited Tax Refunds to Exporters and Industries			0.2	0.1
Other				
Non Cash Assistance (Tax Exemption & Sovereign Guarantee)			0.7	
Provincial				
COVID-related support to business/economy			0.0	0.0
Other			0.0	

Table A33. Pakistan (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 4/ FY2019	Budget 3/ FY2020	Actual 2/ FY2020	Revised budget 4/ FY2021
MEMORANDUM ITEMS				
COVID-related Tax measures				
Federal			0.0	0.0
Provincial			0.0	0.1
COVID-19 funds announced				
Federal				
Provincial			0.0	0.1
SBP Covid Related Facilities			0.3	
Refinance Scheme for Wages to Prevent Layoffs			0.3	0.6
Refinance Scheme for Hospitals to Combat COVID-19			0.0	0.0
Refinance Scheme for Setting-up New Projects or Expansion/BMR (scheme has matured by end March 2021)			0.0	0.9
Regulatory Measures Via Banking System			1.4	
Total energy subsidies (quasifiscal) 5/	0.8		1.0	0.6
Total wheat subsidies				
Federal				0.0
Provincial	0.0	0.1	0.0	

1/ Fiscal year runs from July to June. Main data sources: country authorities/IMF.
2/ Provisional data still under revision.
3/ Based on initial 2020 budget data or January 2020 WEO data.
4/ Based on April 2021 WEO data or latest available data.
5/ These are the total subsidies provided by SOE in the energy sector, by charging a below-cost tariff.

Papua New Guinea

The epidemic. The first case in Papua New Guinea (PNG) was recorded on March 20, 2020. As of June 7, 2021, PNG had a total of 16,327 reported cases, with 164 deaths. However, the actual numbers are likely to be much higher due to very limited testing capacity. Most cases are in the capital, but hotspots are appearing in the regions, which has impacted mining activity; the Ok-Tedi copper mine had to be shut down for two weeks in March 2021 due to the discovery of positive cases among workers. While the country's health care capacity is limited, significant multilateral and bilateral support during the first half of 2020 helped finance additional health measures. Additional support is urgently needed as the current surge threatens to overwhelm the system. A program of vaccination has begun, but is still at a very early stage, and the supply of vaccine for a comprehensive program is dependent on the availability of vaccine through the COVAX program.

Economic impact. The impact of COVID-19 on 2020 nominal output is estimated at around 10 percent (see quantitative monitoring table) and 6 percent in real terms. Most of the downward revisions can attributed to the economic effects of COVID-19. The impact of the crisis is generating balance of payments and fiscal gaps of around 5 and 3 percent of GDP, respectively. Main transmission channels include international spillovers though the decline in commodity prices and global demand for PNG's main export goods, depressing goods exports; capital outflows paired with a large drop in foreign investment. At the same time, lockdowns and restrictions on foreign and domestic travel have reduced domestic consumption and put additional pressure on revenue generation.

Government response. The authorities took strong measures to contain the risk of a COVID-19 outbreak in early 2020. They declared a state of emergency involving strict border controls and travel restrictions (including a temporary border closure), and a partial lock-down. A state of emergency was declared on March 24, 2020, closing all schools, non-essential businesses, and organizations, and restricting inter-provincial movement. A specific isolation center was established in Port Moresby for COVID-19 patients, and their close contacts. The emergency was lifted in June, but numerous restrictions were maintained. Enforcement of social distancing and hygiene measures, however, has proven difficult. In response to the 2021 wave, the authorities have again closed borders and instituted domestic travel restrictions, and closed schools and universities. Vaccinations have taken place, with support from the Australian government. Healthcare workers have been prioritized, but limited supply and a significant level of vaccine hesitancy are hindering the process.

Table A34. Papua New Guinea: COVID-19 Related Spending in 2021
(Kina millions)

Program/Facility	Amount appropriated
COVID-19 Funds	600
Primary Health and Hospital Services	600
TOTAL Health and Emergency COVID-19 Response	**1,200**

Source: 2021 Budget, PNG Treasury

In 2020, PNG took a number of fiscal measures (temporary tax relief in the first half of the year, with full payment of obligations in the second half; deferral of the imposition of tax penalties, and Goods Services Tax refunds). The government has amended the Superannuation Act to allow accelerated access to members who have lost their jobs. On the monetary front, the central bank cut its policy rate from 5 percent to 3 percent and instructing banks to pass this on to their key lending rates; reduced cash reserve requirement from 10 percent to 7 percent; suspended provisioning requirements on bank loans covered by a three-month loan debt service moratorium for borrowers significantly affected by COVID-19; and initiated purchases of government securities held by the private sector during April–June 2020.

In 2021, the government has appropriated K600 million (0.7 percent of GDP) to meet the ongoing impact of the pandemic, and increased funding for Primary Health and Hospitals to K600 million (2020: K30.8 million), in part to address the pressing need to invest in healthcare facilities due to COVID-19.

Donor support received.

Table A35. Papua New Guinea:
2020-2021 External Financing - Overview

Total expected support	**1,368**	**615**
Multilateral financing	***968***	***330***
Asian Development Bank	531	330
International Monetary Fund	364	0
ADB Asia Pacific Disaster Response Fund	3	0
World Bank	70	0
Bilateral financing	***400***	***285***
Australia	400	0
Japan	0	285
Commercial financing	***0***	***0***
External financing gap	**0**	**0**

Source: ADB, WB, IMF staff.

The RCF has been used entirely for budget support. Separately, the World Bank Group provided emergency health support in 2020, including through the COVID-19 Emergency Response program, to be used for budget support. Last year, the ADB provided support of US$531 million (of which US$250 million as part of the COVID-19 Emergency Response Program and US$50 million under the existing Health Services Sector Development Program, Subprogram 3). Budget support was further provided by the Asia Pacific Disaster Response Fund (US$3 million). Bilateral support has been an important catalyst for other external financing. The Australian government has refinanced an existing bilateral loan of US$300 million, provided in 2019 by Export Finance Australia (EFA), and added another US$100 million (totaling US$400 million). In early 2021, the Japan International Cooperation Agency provided around US$280 million for budget support amid the health crisis. Australia is considering a new programmatic budget support package, starting in 2021. Further, a World Bank IDA credit worth US$100 million is underway. The ADB continues to be heavily engaged in PNG, with around US$330 million in budget support expected for 2021. Separately, the representatives of the Paris Club Creditor Countries have accepted debt service suspension under the Debt Service Suspension Initiative (DSSI), which in 2020 resulted in reduced debt service by US$6.4 million (from official bilateral debt with Japan and Germany). PNG did not apply for debt service relief from China, in 2020 and has no plans to do so in 2021. More recently, the Paris Club has accepted an extension of PNG's debt service suspension until end-June 2021.

Domestic accountability and transparency. The government of PNG has committed to ensuring high standards of transparency and accountability for spending in relation to COVID-19. The authorities have acted to implement specific arrangements to strengthen transparency and accountability before drawing on the RCF: details of COVID-19 related government spending are to be posted on the National Procurement Commission website, and weekly reports are to be provided to the Budget Management Committee. Moreover, a consolidated report is supposed to be provided to the National Executive Council within three months of the end of the State of Emergency and an independent audit completed within a year. However, after a good start in April–May 2020, implementation of transparency and accountability measures appears to have faltered.

Special factors. The fiscal strategy for 2020 was to keep the initially approved spending envelope unchanged, making reallocations within the envelope and cutting administration costs where possible. The authorities emphasized that they aim to ensure that they can address additional COVID-19 spending needs if necessary, including by tapping a temporary advance facility of the central bank for additional financing. Additional external borrowing from bilateral and IFI lenders is being sought to cover further potential revenue shortfalls. There is no substantial government spending on the COVID-19 response that would not be covered in the reported central government data such as spending at the subnational level. For 2021, the authorities are making space for COVID-19 and healthcare-related expenditure (1.4 percent of GDP) by cutting spending in other areas, including capital spending, transfers to regions and employee remuneration, which will lead to an overall reduction of the spending envelope by about 0.4 pp of GDP relative to 2020.

Table A36. Papua New Guinea
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	16.3	15.1	13.9	14.4
Tax revenue	13.0	12.2	11.8	12.3
Social security contributions	0.0	0.0	0.0	0.0
Grants	2.1	1.0	1.1	1.1
Other revenue	1.2	1.9	1.0	1.0
Expenditure	20.7	18.4	20.1	19.7
Current expenditure	17.5	15.5	16.5	16.7
Capital expenditure	3.2	2.9	3.7	3.0
Overall balance	-4.4	-3.3	-6.2	-5.3
2) Debt service and suspension				
Total debt service				
Domestic debt service				
Domestic interest				
Domestic amortization	14.7		15.1	15.5
External debt service				
External interest				
External amortization	0.5		5.2	3.0
Debt service suspension				
Total agreed (or requested) debt service suspended			0.0	0.0
Germany			0.0	0.0
Japan			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)			0.8	1.3
Social spending				0.7
Health				0.7
Education				
Social protection				
Other priority spending				

Table A36. Papua New Guinea (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.8	0.7
COVID-19 prevention, containment, and management				0.7
COVID-19 support to households				
COVID-19 support to businesses, SOEs, government entities				

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Samoa

The epidemic. No confirmed cases of COVID-19 have been reported within Samoa. Samoa remains in a state of emergency, first declared in 2020, to control the potential for transmission of COVID-19 within the country, including imposition of social distancing measures and local travel restrictions. The international borders were locked down until measures effective May 2021, to allow some limited arrivals subject to vaccination, testing, and quarantine requirements. Samoa launched its vaccination program in mid-April and around 34,000 doses of vaccine have been administered as of end-May 2021.

Economic impact. Samoa was hit by two health shocks in FY20—the measles outbreak and the COVID-19 pandemic—resulting in an economic contraction of 9.2 percent in calendar year 2020. While the border closure and domestic restrictions on movement under the State of Emergency kept the pandemic at bay, the former dealt a severe blow to the tourism sector, with spillovers on other sectors, contributing to the economic contraction. In addition, infrastructure projects were delayed by heavy, frequent rains and the border closure. Nonetheless, resumption of projects in the second half of FY21, lifting of social restrictions since December 2020, robust remittance inflows, and fiscal stimulus implementation are expected to provide some impetus to growth. However, the economic recovery faces headwinds from the gradual pace of vaccination and the slow resumption of tourist activity.

Government response. In general, the government has made substantial efforts to build its macro resilience in recent years, including by raising domestic revenues, containing spending, and bringing down the level of public debt. In response to the pandemic, the government approved a SAT 66.3 million (Phase-I) fiscal and economic response package (about US$24 million or around 3.1 percent of GDP). The package included: (i) expenditure to cover the immediate medical response; (ii) assistance to the private sector; and (iii) assistance to individuals and households. It includes, inter alia: temporary concessions or exemptions on import duties on food, agricultural and fishing materials; grace periods to be applied to all loan repayments (with subsidies to be provided by government to affected lenders); a temporary reduction in rent and utility bills; a six-month moratorium on pension contributions for the hospitality sector, and a one-off top up of SAT 300 (about US$110) payable to all beneficiaries of the existing elderly pension scheme. The Phase-II stimulus of SAT 83.1 million (4.2 percent of GDP) in the FY21 budget extended some of the Phase-I measures and introduced new ones for vulnerable households and businesses outside the reach of the Phase-I stimulus, including through the provision of community-based primary health care services and unemployment subsidies. Phase-III stimulus is still under discussions and awaiting the inauguration of a new Parliament and Cabinet. Samoa also participated in the G20 Debt Service Suspension Initiative Phase-I and extension that freed up resources for its COVID-19 response packages.

Donor support. The government has received support from various sources. A DPO/CAT-DDO (US$25 million IDA grant) was approved in December 2020. It was the first in a programmatic series of two DPOs, providing US$15 million as a development policy grant, which was disbursed in December 2020 and US$10 million as a Cat-DDO on grant terms, available for full or partial disbursement in the event of a natural catastrophe. The IMF also provided US$22 million through its Rapid Credit Facility (RCF) in April 2020 to help cover balance of payment needs stemming from the pandemic. Other budget support assistance includes US$21.5 million from the Asian Development Bank using its CPRO and APDRF resources, US$5.3 million from Australia, and US$0.2 million from the People's Republic of China. Some assistance on specific projects includes the World Bank's COVID-19 Emergency Response Project of US$2.9 million for three years, Pacific Islands Forum Fisheries Agency specific stimulus, a UN spotlight initiative project targeting government ministries in the social sector, and UNICEF assistance for community engagement and awareness.

Domestic accountability and transparency. The office of the Controller and Auditor-General takes responsibility for the pre-audit and post-audit function of payments, including crisis-related procurement and spending. All COVID-19 stimulus initiatives are approved by Cabinet and included in the budget estimates approved by Parliament. The procurement activities and expenditures funded are governed under the Public Finance Management Act, Treasury Instructions and the Procurement Operating Manual 2020. During the State of Emergency period, the National Emergency Operation Centre (NEOC) is responsible for the oversight of the operations and coordinates the implementation of the Phase-I and Phase-II stimulus packages, and a Disaster Finance Team headed by the Ministry of Finance verifies and clears all payments.

Special factors. The Phase-II stimulus included a dividend payout of SAT 35 million (1.5 percent of GDP) by the Samoa National Provident Fund. Several state-owned enterprises have helped the government execute the stimulus.

Table A37. Samoa

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	35.7	33.8	38.5	37.0
Tax revenue	25.7	24.5	25.7	22.0
Social security contributions	0.0	0.0	0.0	0.0
Grants	6.0	6.6	9.4	11.2
Other revenue	4.0	2.7	3.5	3.8
Expenditure	32.9	35.7	32.3	40.4
Current expenditure	25.8	23.8	28.8	36.4
Capital expenditure	7.1	11.9	3.5	4.0
Overall balance	2.7	-1.8	6.2	-3.4

Table A37. Samoa (concluded)[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
2) Debt service and suspension				
Total debt service	3.7	3.3	4.0	2.0
Domestic debt service	0.5	0.5	0.4	0.2
Domestic interest	0.1	0.1	0.0	0.0
Domestic amortization	0.4	0.3	0.3	0.2
External debt service	3.2	2.8	3.6	1.8
External interest	0.7	0.6	0.7	0.3
External amortization	2.5	2.2	2.9	1.5
Debt service suspension				
Total agreed (or requested) debt service suspended				2.3
EXIM Bank of China				2.1
JICA, Japan				0.3
IDA/EEC				0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)				
Social spending				
Health				
Education				
Social protection				
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			1.7	1.8
COVID-19 prevention, containment, and management			1.1	0.2
COVID-19 support to households			0.4	1.1
COVID-19 support to businesses, SOEs, government entities			0.3	0.6
MEMORANDUM ITEMS				
COVID-19 below the line measures			0.0	0.0
Loans			0.0	0.0
Guarantees			7.4	0.0

1/ Fiscal year runs from July to June. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Democratic Republic of Sao Tome and Principe

The epidemic. In March 2020, the country moved quickly to close borders and implement emergency measures. The first confirmed cases were reported on April 6, 2020. With the help of the WHO, a field hospital was established in mid-April 2020, and a lab started to function in mid-June 2020. The state of emergency first declared on March 17, 2020, was downgraded to situation of calamity on June 16, 2020, when the first of three phases of reopening started. The third and last phase of the transition began on July 16, 2020. However, there was a resurgence of the virus in the first two months of 2021. The authorities announced further containment measures at end-February and since then, the number of cases has declined sharply. Vaccinations, supported by the WHO COVAX program, began on March 15, 2021, with about 10,000 people (5 percent of population) already vaccinated. The number of daily new infections has now dropped to about two cases. As of

April 29, 2021, the total accumulated number of infections was 2,301 (about 0.4 percent of population), of which 26 currently active. The total number of deaths is 35.

Economic impact. Contrary to an expected decline in economic activity (-6.5 percent GDP growth), reflecting the impact of the COVID-19 crisis, the authorities recently estimated 2020 GDP growth at 3.1 percent. Pandemic-related expenses and wage overspending widened the 2020 fiscal deficit and increased the public debt. As externally financed projects pick up, growth is expected to accelerate gradually in the medium-term. Tourist arrivals, palm oil, and non-cocoa exports should help promote post-pandemic growth. Ongoing oil exploration could result in further oil-related FDI that could boost reserves.

Government response. Key measures include: (i) Implementing the health contingency plan prepared in coordination with the WHO and increased health spending (medicine, equipment, staffing, and treatment centers); (ii) expanding social assistance to the most vulnerable, including through the WB-supported cash-transfer program, and increased support to the disadvantaged (elderly, disabled and abandoned children); (iii) protecting small businesses and employment, in particular through salary contributions; (iv) assisting financially workers in both the formal and informal sectors; (v) procuring seeds, feedstock, and other essential inputs to be sold to farmers at market price where supply chains are disrupted; and (vi) introducing a solidarity tax on workers, including public servants, whose salaries are relatively unaffected by the shock. The Central Bank of Sao Tome (BCSTP): (i) encouraged commercial banks to reduce some banking fees and grant a temporary moratorium on debt repayments for fundamentally sound businesses affected by the crisis; and (ii) lowered the minimum reserve requirement by four percentage points and liquidity ratios by 2.5 percentage points. They are also working on other options to increase liquidity to banks so that they will be able to grant credit to the economy and have established, in coordination with AfDB, a new credit line for banks to provide lending to small and medium enterprises affected by the pandemic.

Donor support. In addition to support from the WHO, STP also received various medical supplies from partners and the local medical team was reinforced, including with doctors from China, Cuba, and Portugal. Additional funding includes support from the IMF (US$14.4 million under RCF and augmentation of ECF), World Bank (US$13 million, including US$10 budget support disbursed by end-2020), and the African Development Bank (US$10 million budget support, disbursed in September 2020).

Domestic accountability and transparency. The government committed to implement measures to ensure transparency of public spending, including pandemic-related expenses. It is committed to publishing on the Ministry of Finance website: (i) adjudication notices of public procurement contracts; (ii) all signed public procurement contracts above the threshold requiring prior authorization from the Court of Accounts; (iii) beneficial ownership information of companies receiving procurement contracts; (iv) ex-post validation on the delivery of contracts; and (v) monthly COVID-19 related expenditure reports. The authorities have begun publishing public procurement contracts and monthly COVID-19-related expenditure reports.

Special factors. None.

Table A38. Democratic Republic of Sao Tome and Principe[1/]

(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	22.0	23.6	26.2	25.7
Tax revenue	12.3	13.0	13.1	13.3
Social security contributions	0.0	0.0	0.0	0.0
Grants	6.4	8.9	10.6	9.9
Other revenue	3.3	1.8	2.4	2.5
Expenditure	22.1	23.9	24.7	25.8
Current expenditure	17.1	15.7	19.8	19.3
Capital expenditure	4.9	8.2	4.9	6.4
Overall balance	-0.1	-0.3	1.5	0.0
2) Debt service and suspension				
Total debt service		2.2	1.2	6.1
Domestic debt service		0.8	0.7	4.8
Domestic interest		0.2	0.2	0.2
Domestic amortization		0.6	0.5	4.6
External debt service		1.4	0.5	1.3
External interest		0.4	0.2	0.4
External amortization		1.0	0.3	0.9
Debt service suspension			0.7	
Total agreed (or requested) debt service suspended				
3) Priority/protected spending				
Total priority spending (including COVID-related)	5.2	11.7	8.4	12.2
Social spending	5.2	11.7	7.5	9.9
Health	1.9	3.5	2.7	3.7
Education	2.9	5.0	4.0	5.2
Social protection	0.4	3.1	0.9	1.0
Other priority spending			0.9	2.3
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			2.9	1.5
COVID-19 prevention, containment, and management				
Implementation of the health contingency plan			1.6	1.3
COVID-19 support to households				
Expanded social programs			0.6	0.3
Unemployment benefits in the formal sector			0.1	0.0
Support for the unemployed in the informal sector			0.2	0.0
COVID-19 support to businesses, SOEs, government entities				
Contribution to workers' wages			0.3	0.0

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Senegal

The epidemic. In Senegal, the first case of COVID-19 was recorded on March 2, 2020, and the country underwent a first wave through the spring and summer of 2020. Domestic social distancing and other health support measures helped to largely contain the spread of the virus by fall 2020. However, as part of a second wave, new cases, hospitalizations, and deaths related to COVID-19 saw a sharp increase in December 2020–March 2021. In response, the government implemented selected mitigation measures (which were since lifted on March 19, 2021). The second wave is gradually abating. The weekly number of new COVID-19 cases is hovering around 200. As of June 3, 2021, there have been a total of 41,581 reported cases and 1,144 deaths. .

Senegal launched its vaccination campaign in February 2021. The national strategy envisages to vaccinate 60 percent of the population by the first quarter of 2022. Senegal will receive vaccines via COVAX, the African Union-led procurement scheme, and through bilateral purchase agreements. 460,755 people have been vaccinated to date, about 2.7 percent of the population.

Economic impact. Growth declined from 5.3 percent in 2019 to 1.5 percent in 2020 (compared to a pre-COVID-19 forecast of 6.8 percent) due to a combination of domestic containment measures, a collapse in external demand and supply chain disruptions. The tertiary sector (transport, hospitality), particularly exposed to the containment measures, was hard hit. In surveys conducted in mid-2020, 85 percent of households reported a decline in income and a similar share of formal firms reported a reduction in turnover. External imbalances widened, with the current account reaching about 10.5 percent of GDP in 2020 (from 8.1 percent of GDP in 2019), mainly due to a sharply higher deficit of the services balance amid a collapse of tourism. Terms of trade developments were favorable in 2020 as Senegal is a net importer of oil, but this is expected to reverse in 2021 due to rising commodity prices. Remittances were resilient throughout 2020 are expected to remain so in 2021.

The pandemic is expected to leave significant socioeconomic scars. The World Bank estimates that poverty has increased (from 38 to 40 percent). The shock could have a long-lasting effect on productivity through its impact on households' income and children's education.

Government response. The Senegalese authorities reacted swiftly to address the pandemic and its aftermath. After focusing on the emergency response, the government of Senegal in 2020 put in place the Economic and Social Resiliency Program (PRES)—around 7 percent of GDP—to improve the health system and contain the economic consequences, particularly by creating a national solidarity fund and by providing targeted support to households and to vulnerable businesses. A revised budget for 2020 was adopted in June 2020, comprehensively incorporating all elements of the government's COVID-19 response. Amidst a second wave of COVID-19 in November–May 2021 the authorities prepared a revised 2021 budget law that incorporates a somewhat worse macroeconomic outlook than envisaged at the time the initial 2021 budget was approved as well as the cost of the COVID-19 vaccination campaign. The revised 2021 budget law was submitted to Parliament on June 7, 2021. Accommodative monetary policy from the BCEAO has helped avoid a cutback in bank lending.

Donor support. Budget support in 2020 amounted to CFAF 400 billion (2.8 percent of GDP), of which FCFA 195 billion (1.4 percent of GDP) in the form of grants. The main budget support donors were the EU (Euro 124 million), Germany (Euro 100 million) and the World Bank (US$100 million).

The IMF provided balance of payment support that was used for direct budget financing of CFAF 264 billion (1.9 percent of GDP). Project financing reached CFAF 560 billion in 2020 (3.9 percent of GDP) of which 130 billion in the form of grants. Senegal has also received in-kind support (including tests, sampling kits, masks, respirators, etc.).

Domestic accountability and transparency. The government of Senegal put in place a comprehensive management committee for FORCE COVID-19 funds to promote transparency. The trust provisions are being assessed against compliance with PFM standards and the national public procurement code, and spending is being carried out in accordance with standard budgetary, accounting, monitoring and auditing procedures. The authorities have provided quarterly budget execution reports through 2020Q4. The Fonds Force COVID-19 monitoring committee has finalized its report of all spending and procurement activities of the Fund's resources. Publication of the report is expected in June 2021 and all the bills, contracts and other supporting documents will be made available for public consultation. The annual audit of the government's procurement procedures, including procurement related to COVID-19 expenditures, is due to be finalized by end-June 2021. The Audit Court is set to finalize and publish its report on the 2020 budget law implementation, including a detailed audit of the use of COVID-19 funds, in 2021Q4.

Special factors. The execution of some investment projects (about 0.6 percent of GPD) was deferred to contain the increase of the fiscal deficit.

Table A39. Senegal

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	20.4	20.7	20.0	20.2
Tax revenue	17.6	17.7	16.7	17.1
Social security contributions	0.0	0.0	0.0	0.0
Grants	1.6	1.9	2.3	1.9
Other revenue	1.1	1.0	1.1	1.2
Expenditure	24.4	23.7	26.4	25.7
Current expenditure	15.9	14.2	17.1	15.4
Capital expenditure	8.5	9.5	9.3	10.2
Overall balance	-3.9	-3.0	-6.4	-5.4
2) Debt service and suspension				
Total debt service 4/	6.5	7.8	7.3	5.9
Domestic debt service	3.2	2.5	2.6	2.5
Domestic interest	0.6	0.7	0.7	0.8
Domestic amortization	2.6	1.8	1.9	1.6
External debt service	3.3	5.3	4.7	3.5
External interest	1.8	2.0	1.9	1.6
External amortization	1.6	3.3	2.8	1.9
Debt service suspension				
Total requested & agreed debt service suspended 5/			0.2	0.6
Belgium			0.0	0.0
South Korea			0.0	0.0
Spain			0.0	0.0
France (AFD & NATIXIS)			0.1	0.3
Japan			0.0	0.0
Austria			0.0	0.0
Saudi Arabia			0.0	0.0
Kuwait (2020)			0.0	
India			0.0	0.2
Total requested debt service			0.3	0.6
Kuwait (2021)				0.1
Turkey			0.1	0.1
China			0.2	0.4

Table A39. Senegal (concluded)[1/]
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
3) Priority/protected spending				
Total priority spending (including COVID-related)				
Social spending				
Health				
Education				
Social protection				
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			4.3	
COVID-19 prevention, containment, and management			1.5	
of which: securing key supplies			0.8	
COVID-19 support to households			0.7	
of which: utility bills			0.1	
of which: food aid			0.5	
COVID-19 support to businesses, SOEs, government entities			2.2	
of which: direct support to firms			0.7	
of which: accelerated payment of pre-2020 unmet obligations			1.4	
MEMORANDUM ITEMS				
Revenue losses due to policy measures			0.2	
COVID-19 below the line measures			0.5	
Loans				
Guarantees			0.5	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Draft SR for 3rd Review SBA/SCF request.
3/ Based on EBS/20/11 (PCI Request).
4/ Total public debt service, including SOEs.
5/ Includes amounts agreed for 2020 plus agreed and anticipated for 2021.

Sierra Leone

The epidemic. The first case was identified on March 31, 2020. As of early June 2021, the number of people infected had reached 4,219 (0.05 percent of the population) and 82 people had died. The Western Area (urban and rural), including the capital, Freetown, has been the epicenter of the outbreak. A second wave in January 2021 subsided within several weeks. However, the relatively low vaccination rate so far (0.15 percent of the population fully vaccinated as of early June) leave the country vulnerable to a third wave. Testing capacity remains limited but has been boosted since the early days of the pandemic. Treatment capacity in clinics and hospitals is very low, although systems put in place during and after the Ebola epidemic have helped the country's response to COVID-19.

Economic impact. The economy contracted by an estimated -2.2 percent in 2020, as against a pre-COVID-19 forecast of 5.1 percent, because of both international spillovers and containment measures such as travel restrictions and border closures. Trade, tourism, and other services were particularly negatively affected. On the external side, disruptions to production and restrictions on movement weakened some key mineral exports. Growth is expected to recover somewhat in 2021, to 3 percent, but the economic environment remains weak. Real GDP per capita should recover some of its losses but will remain below 2019 levels for the next two to three years.

Government response. The government acted decisively at the onset of the pandemic to implement prevention and containment measures. The president declared a 12-month national state of emergency in March 2020, along with measures such as border closures, mandatory quarantine on entering the country, suspension of passenger flights, closure of education institutions, social distancing measures and partial lockdowns, including restrictions of inter-district travel. Although the government progressively eased restrictions starting in June 2020, some restrictions on restaurants, religious services and sporting events remain in place. The government's policy response has focused on containing the virus, addressing critical health needs, and cushioning the socio-economic impact of the crisis. In March 2020, the Bank of Sierra Leone reduced the monetary policy rate; created a special credit facility (Le 500 billion) to support production, procurement and distribution of essential goods, allowing for the provision of the foreign exchange; and extended the reserve requirement maintenance period from 14 to 28 days. To facilitate implementation of its *Quick Action Economic Response Programme*, the government passed a supplementary budget in July 2020 that included increased expenditures on health, social protection and infrastructure amounting to about 3.2 percent of GDP, and tax deferments (customs, income tax, PAYE) and arrears clearance to cushion the impact on the private sector.

Donor support. The World Bank approved a US$7.5 million health support operation in early April 2020, followed by a budget support grant (US$101.6 million) in July 2020 and a US$8.5 million grant to support affordable and equitable access to COVID-19 vaccines in June 2021. The IMF provided two rounds of emergency assistance in June 2020 (US$143 million) and March 2021 (US$50.8 million) to support the health and economic response, as well as debt relief from the Catastrophe Containment and Relief Trust through October 2021 (US$57.5 million). The African Development Bank also approved UA18 million in 2020 (about US$25 million) in support of COVID-19 response, and the European Union provided budget support equivalent to US$29 million. Other development partners (FCDO, Irish Aid, USAID, GIZ, and UN agencies) have supported the response through in-kind and project grants, mainly by reorienting previously committed resources.

Domestic accountability and transparency. The authorities have published the unaudited financial reports of their COVID-19 account through end-December 2020 and have committed to regular monitoring and reporting on the use of the funds in this account going forward. Details of all large procurement contracts through end-December 2020 have also been published. The Audit Service Sierra Leone has undertaken a real-time audit of emergency COVID-19 spending for March–June 2020 and submitted its report to Parliament. It will audit the COVID-19 response and publish its report online by end-2021. The Ministry of Finance is enhancing its current budget monitoring framework to better track the implementation of COVID-19-related measures in the context of their regular budget reporting, starting with the 2020 budget outturn.

Special factors. N/A.

Table A40. Sierra Leone
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	18.0	18.9	19.3	20.3
Tax revenue	12.3	11.6	11.1	11.5
Social security contributions	0.0	0.0	0.0	0.0
Grants	3.4	4.1	5.1	6.1
Other revenue	2.3	3.3	3.0	2.7
Expenditure	21.0	21.5	24.8	23.7
Current expenditure	15.4	14.9	17.5	15.5
Capital expenditure	5.6	6.6	7.3	8.1
Overall balance	-3.1	-2.6	-5.5	-3.4
2) Debt service and suspension				
Total debt service	3.8	4.2	5.8	5.3
Domestic debt service	2.2	2.6	3.4	2.9
Domestic interest	2.2	2.6	2.6	2.2
Domestic amortization		0.0	0.9	0.7
External debt service	1.6	1.6	2.4	2.3
External interest	0.3	0.3	0.3	0.3
External amortization	1.4	1.3	2.1	2.0
Total agreed (or requested) debt service suspended	0.0	0.2	0.1	0.2
Exim Bank of China	0.0	0.0	0.0	0.0
Exim Bank of India	0.0	0.1	0.0	0.1
EXIM BANK OF KOREA	0.0	0.0	0.0	0.0
Govt. of the People's Rep. of China	0.0	0.0	0.0	0.0
Saudi Fund For Economic Development	0.0	0.0	0.0	0.0
Kuwait Fund	0.0	0.1	0.1	0.1
Abu Dhabi	0.0	0.0	0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	4.2	4.9	5.7	4.8
Social spending	4.2	4.9	5.7	4.8
Health	1.1	1.5	2.6	1.5
Education	3.0	3.2	3.0	3.3
Social protection	0.1	0.1	0.1	0.1
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			3.1	1.9
COVID-19 prevention, containment, and management			1.0	0.8
GoSL contribution to NaCOVERC			0.9	0.8
Health Systems Strengthening				
COVID-19 support to households			2.1	1.1
Cash Transfers and Food Assist			0.0	0.0
Bailout of SOE's & Hotels			0.1	0.0
Food Production			0.5	0.2
Labour Intensive Public Works			0.4	0.0
Completion of Township Roads			0.8	0.3
Re-afforestation			0.1	0.0
District Electrification Project			0.1	0.1
District Water Supply Project			0.2	0.1
Other COVID-19 Related Expenditure			0.0	0.3
COVID-19 Support to businesses, SOEs, government entities				
SME's Support			0.0	0.1

Table A40. Sierra Leone (concluded)[1/]

(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
MEMORANDUM ITEMS				
Revenue losses due to policy measures			0.2	0.1
Arrears (gross)	9.7		6.1	
Arrears (net)	9.7		6.1	

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

St. Lucia

The epidemic. Since the first case on March 13, 2020, St. Lucia successfully contained the first wave of the pandemic in 2020 with limited community spread or disruption to domestic economic activity. However, following reopening of the borders for tourism, the infection rate started to edge up toward the year-end, leading to a sharp spike in daily cases in first two months of 2021 (peaking at above 720 cases per million of population on February 12, 2021). This led to temporary retightening of local safety protocols, including curfews, and the CDC issuing a level 4 travel health notice for St. Lucia. The case load has since seen a sustained decline. As of May 4, 2021, St. Lucia has reported a total of 4,534 confirmed infections and 74 deaths since the start of the pandemic. St. Lucia is a member of the COVAX Facility and based on the interim distribution forecast is expected to receive enough vaccines to cover the about 20 percent of the population, while also having acquired additional vaccines through bilateral agreements. Through end-April, 24,240 vaccines had been administered, covering about 13 percent of the population with the first dose.

Economic impact. As tourism dependent economy, St. Lucia has been heavily impacted by the international travel restrictions and decline in demand. The slow recovery from the initial complete halt in 2020Q2 has been hampered by subsequent new waves of infections. Over the first pandemic year through end-February 2021, stayover arrivals declined by 84 percent year-on-year and there have been no resumption in cruise arrivals to date. The sharp tourism sector decline had negative spillover through the rest of the economy, resulting in estimated 20 percent decline in 2020 real GDP.

Government response. The government's immediate response focused on the public health, including strong safety protocols, followed by the Social Stabilization Plan focused on providing financial relief to affected households and businesses. The Economic Recovery and Resilience Plan, launched in July 2020 comprised of measures to support business continuity and stimulate the economy, including fast-tracking public capital expenditure projects, protecting the poor and vulnerable and accelerating reforms to build private sector and health system resilience. The Eastern Caribbean Central Bank has undertaken parallel regional measures, including support for loan deferrals by financial institutions through September 2021.

Donor support. The FY 2020/21 grants, inclusive of COVID-19 response, totaled about EC$ 38.5 million, mostly from Taiwan, China. The government has also received significant concessional IFI loans from the Caribbean Development Bank, World Bank and the IMF.

Domestic accountability and transparency. Documentation covering the government COVID-19 response, including breakdowns of cost estimates for each response phase, have been made publicly available. These include a list of specific policy interventions in the Economic Recovery and Resilience Plan (covering their objective, target audience and beneficiary, guidelines and criteria, implementing agency and estimated cost) and fiscal outcome estimates in the government's 2020 Economic and Social Review.

Special factors. The included costs of the government's COVID-19 response are estimates included in the fiscal year 2021–22 budget and cover the central government only. The estimates include budgeted expenditure associated with fast-tracking public sector capital projects that forms part of St. Lucia's recovery strategy. They do not include subsistence allowance provided by the St. Lucia National Insurance Corporation to persons having lost their jobs as a result of COVID-19 (estimated cost of about EC$67 million).

Table A41. St. Lucia

(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	20.7	22.8	20.2	23.2
Tax revenue	18.4	20.5	18.1	19.2
Social security contributions	0.0	0.0	0.0	0.0
Grants	0.7	0.8	0.7	2.5
Other revenue	1.7	1.6	1.4	1.5
Expenditure	24.1	25.7	30.7	31.1
Current expenditure	20.6	21.2	25.4	25.4
Capital expenditure	3.5	4.5	5.3	5.8
Overall balance	-3.3	-2.9	-10.5	-8.0
2) Debt service and suspension				
Total debt service	5.3	5.3	5.9	6.3
Domestic debt service	2.7	2.7	2.9	3.1
Domestic interest	1.7	1.8	2.1	2.2
Domestic amortization	1.0	0.9	0.7	0.8
External debt service	2.6	2.6	3.0	3.2
External interest	1.3	1.2	1.5	1.4
External amortization	1.4	1.4	1.5	1.8
Debt service suspension				
Total agreed (or requested) debt service suspended			0.0	0.0
Group Agence Francaise de Development			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)				
Social spending	6.4	7.4	9.8	9.3
Health	2.2	2.7	4.0	3.6
Education	3.3	3.5	4.2	4.3
Social protection	0.9	1.2	1.6	1.3
Other priority spending				

Table A41. St. Lucia (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.2	0.6
COVID-19 prevention, containment, and management				0.6
Salaries			0.1	0.0
Travelling				0.0
Supplies and materials				0.2
Electricity and water				0.0
Rental and hire				0.2
Operations and maintenance				0.0
Consulting services and commissions				0.2
Plant, machinery and equipment				0.0
COVID-19 support to households			0.0	0.0
National Feeding Programme			0.0	0.0
Income Support Programme				0.0
COVID-19 support to businesses, SOEs, government entities			0.1	0.0
Agricultural assistance programme			0.1	0.0
MEMORANDUM ITEMS				
Revenue losses due to policy measures			0.0	

1/ Fiscal year runs from April to March. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Republic of Tajikistan

The epidemic. The first 15 cases of COVID-19 were reported on April 30, 2020. As of January 16, 2021, 13,714 cases were reported, 13,218 have recovered, and there were 91 deaths. No new cases were registered after January 16, 2021. The morbidity rate stands at 0.09 percent of the country's population of 9.3 million. However, the absence of new cases could be related to the weak testing capacity of health system.

Economic impact. The pandemic has significantly worsened the macroeconomic situation. Trade and transportation challenges with trading partners (China, Iran, Kazakhstan, Russia, Turkey, and Uzbekistan) and the sharp decline in oil prices have severely affected economic activity and remittances. According to official estimates, remittances fell by about 15 percent. However, due to better than expected activity in agriculture and industry, GDP growth reached 4.5 percent in 2020 compared to an average 7 percent for the past decade.

Government response. The authorities adopted measures to contain the spread of pandemic including border closures, travel restrictions, closing schools for the 2019–20 academic year in May 2020, and suspending prayers at mosques. After closing businesses in late April 2020, they have started reopening in mid-June, albeit with strict cautionary measures, including mandatory wearing of masks in public, regular disinfection of premises and observance of social distancing. Restrictions on international travel remain in place.

Temporary tax holidays and relief measures were implemented to support consumer services, tourism, banks, and transport. VAT exemptions on medical supplies and essential food import, disinfectants and protective equipment were adopted. Prices of key consumer goods and medical supplies were controlled administratively. A one-time transfer to vulnerable households was conducted while the targeted social assistance system was extended to cover the entire country. Planned tariff increase on communal services (electricity and municipal water) was postponed from 2020 to 2021. The measures also included provision of grain, seed, and fuel to farms to boost food security and financial support to SMEs.

The National Bank of Tajikistan (NBT) aligned the official exchange rate with the parallel market rate which led to depreciation of national currency by 16.7 percent relative to end of 2019. The policy rate was reduced while reserve requirements were lowered for both deposits in national and foreign currency. The NBT instructed banks to restructure loans to support borrowers facing temporary difficulties including waiving penalties for late payments.

Donor support. International partners have stepped up to provide considerable support. The IMF approved an RCF disbursement of 80 percent of quota (US$189.5 million) for budget support in May 2020 supplemented with debt relief to the NBT. In terms of grants, the ADB subsequently disbursed US$91 million in COVID-19 related budget support and the World Bank has provided US$11 million for Tajikistan Emergency COVID-19 (TEC) spending. The Eurasian Fund for Stabilization and Development provided US$50 million in concessional loans. Tajikistan also applied to receive debt service suspension of around US$40 million under G20 DSSI initiative, which was mainly allocated to the COVID-19 related health and the social spending envelope under the revised budget approved by the Parliament in June 2020.

Domestic accountability and transparency. In response to the COVID-19 pandemic, Tajikistan created a high-level interagency task force chaired by the Deputy Prime Minister. The task force guided spending decisions. The authorities are committed to prepare quarterly reports on the spending of emergency funds and publish the results on the external website of the Ministry of Finance. The data for the first three quarter is already published. Health spending, including procurement of urgently needed medical supplies, and social spending will be subject to ex-post audits by the Chamber of Accounts and ex-post validation of deliveries in a year's time, which will also be published on the external website of the Ministry of Finance.

Special factors. In addition to support provided by donors, Tajikistan reallocated funds from lower priority capital spending to social spending. The fiscal outturn shows that revenues have declined by 2.1 percent relative to 2019. In response, in 2020H1 the authorities have implemented cuts to non-priority spending while preserving social spending. In the revised budget, annual allocations for COVID-19 related spending have been increased by about 3 percent of GDP while actual implementation was around 1.5 of GDP.

Table A42. Republic of Tajikistan[1/]
(In percent of GDP)

	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
Monitored item				
1) Fiscal context				
Revenue	27.4	24.9	25.2	26.3
Tax revenue	18.2	16.4	16.6	17.1
Social security contributions	2.2	2.2	2.0	2.2
Grants	2.2	2.0	2.2	2.1
Other revenue	4.8	4.3	4.4	4.9
Expenditure	29.5	28.5	29.7	30.8
Current expenditure	17.1	16.4	17.4	17.2
Capital expenditure	12.4	12.1	12.3	13.6
Overall balance	-2.1	-3.6	-4.4	-4.5
2) Debt service and suspension				
Total debt service	4.5	2.7	2.0	2.8
Domestic debt service	1.8	0.2	0.1	0.2
Domestic interest	0.1	0.1	0.0	0.1
Domestic amortization	1.7	0.1	0.1	0.1
External debt service	2.7	2.5	1.8	2.6
External interest	0.8	0.8	0.6	0.9
External amortization	1.9	1.7	1.2	1.7
Debt service suspension				
Total agreed (or requested) debt service suspended			0.4	
Eximbank (China)			0.4	
3) Priority/protected spending				
Total priority spending (including COVID-related)	12.6	12.4	13.2	13.4
Social spending	12.6	12.4	13.2	13.4
Health	2.3	2.1	3.1	2.6
Education	5.7	5.8	5.4	6.2
Social protection	4.5	4.5	4.7	4.6
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.7	0.4
COVID-19 prevention, containment, and management				
COVID-19 support to households			0.5	0.4
COVID-19 support to businesses, SOEs, government entities			0.2	0.0

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

United Republic of Tanzania

The epidemic. The first case in the country was reported on March 16, 2020. Since then, 509 cases and 21 fatalities have been reported. The government has not reported new cases and deaths since May 2020.

Economic impact. The government's economic analysis indicates that the impact of COVID-19 is modest compared to most countries. A possible contributing factor was the adoption of a non-lockdown policy. Growth is projected to slip in 2020 to 4.8 percent, down from the initial projection of 6.9 percent, mainly because of lower global demand, such as a decline in tourism. In turn, tax revenues are expected to decline and the deficit to widen. Credit growth is also expected to be sluggish.

Government response. At the beginning of the COVID-19 pandemic, the government closed schools, colleges, and universities, and banned large gatherings (except for worship), and canceled international flights. All restrictions were lifted in mid-June 2020. The government believed that a lockdown was not suitable for the country given the large share of informal sector and people living hand to mouth. To contain the pandemic the government increased the number of medical personnel (1,000 health staff members were hired), provided medical equipment such as thermometers, ambulances, masks, and Personal Protective Equipment, and built and rehabilitated isolation centers for COVID-19 patients. Furthermore, the government increased testing capacity with a new laboratory equipped with five diagnostic machines. In April 2021, the government set up a Special Committee on COVID-19 to advise on the fight of the pandemic. The committee recommended to follow scientific advice regarding health precautions and to approve vaccines.

In FY2019/20 the government released Tsh 19.5 billion (0.01 percent of GDP) to support COVID-19 interventions, and in FY 2020/21 the government has allocated TSh 82.7 billion (0.05 percent of GDP) for COVID-19 related spending. The interventions include tax exemptions (VAT and custom duties) for medical equipment and medicines, providing hygiene supplies to households, and enhancing social protections through the Tanzania Social Action Fund (TASAF) by expanding coverage to 300,000 additional households and doubling the value of transfers in FY2020/21.

On monetary policy, the Central Bank of Tanzania (BoT) loosened the monetary policy to support the economy: the discount rate was reduced from 7 to 5 percent; the Statutory Minimum Reserve (SMR) requirement was reduced from 7 to 6 percent; the daily transaction limits of mobile money was increased from Tsh 3 to 5 million; and the limit of daily balances was increased from Tsh 5 to 10 million. The BoT also provided regulatory flexibility to banks and other financial institutions that will carry out loan restructuring operations on a case-by-case basis.

Donor support. The government has received support from various sources including budget support from the EU (€37.33 million), grant from the World Bank (US$3.79 million), the EU (€15 million), and Sweden (US$15.2 million), loan from AfDB (US$52 million), South Korea (US$40.5 million), and BADEA (US$1.7 million), and debt relief from the IMF under the Catastrophe Containment Relief Trust (US$14.3 million in June and US$11.4 million in October). Various stakeholders have also provided in-kind support for the COVID-19 pandemic.

Domestic accountability and transparency. To ensure accountability and transparency, the Ministry of Finance and Planning announced all fiscal measures to address COVID-19 in the budget speech for FY2020/21. To ensure the appropriate use of funds spent on fighting COVID-19, the office of the Auditor General in consultation with the relevant partners providing funding will undertake and publish an ex-post audit of COVID-19 related spending.

Special factors. N/A.

Table A43. United Republic of Tanzania[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	15.4		14.3	14.4
Tax revenue	12.2		11.6	11.7
Social security contributions				
Grants	0.7		0.5	0.4
Other revenue	2.5		2.2	2.2
Expenditure	16.4		15.3	16.0
Current expenditure	9.9		9.8	9.8
Capital expenditure	6.5		5.5	6.2
Overall balance	-1.0		-1.0	-1.6
2) Debt service and suspension				
Total debt service	5.8		5.6	5.1
Domestic debt service	3.8		3.1	2.7
Domestic interest	1.0		1.3	0.9
Domestic amortization	2.8		1.8	1.8
External debt service	2.0		2.5	2.4
External interest	0.6		0.8	0.8
External amortization	1.4		1.6	1.6
Debt service suspension				
Total agreed (or requested) debt service suspended				
3) Priority/protected spending				
Total priority spending (including COVID-related)	3.4	3.2	3.2	3.3
Social spending	2.7	2.5	2.5	2.6
Health	1.1	1.0	1.0	1.0
Education	1.3	1.2	1.2	1.2
Social protection	0.4	0.3	0.4	0.4
Other priority spending	0.7	0.7	0.7	0.7
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.3	
COVID-19 prevention, containment, and management			0.0	
CCRT (IMF Debt relief)			0.0	
Donations through Government Emergency Fund			0.0	
COVID-19 support to households			0.1	
Support to 300,000 additional househouseholds			0.0	
Increase Transfer in one cycle (double transfers)			0.0	
COVID-19 support to businesses, SOEs, government entities			0.2	
Ngorongoro Conservation Area Authority (NCAA)			0.1	
Tanzania National Parks (TANAPA)			0.1	
Tanzania Wildlife Authority (TAWA)				

1/ Fiscal year runs from July to June. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Togo

The epidemic. The first case was identified on March 7, 2020. While the number of confirmed COVID-19 cases stayed relatively low in 2020, it rose markedly during a second wave in early 2021. The second wave is now receding and the number of active cases decreasing. As of June 4, 2021, Togo had 13,542 confirmed cases, 167 active cases, and 125 deaths. A total of 341,201 laboratory tests have been carried out. The country's capacity for an adequate medical response is weak.

Economic impact. Economic growth is assessed to have dropped to 1.8 percent (from originally projected 5.5 percent) in 2020 and is forecast at 4.8 percent in 2021. Containment measures have been stringent in Togo. Their prompt introduction in the second quarter of 2020 caused production and employment to drop, especially in construction and services.

Government response. Containment measures: (i) all travelers entering Lomé airport are required to present a negative result from a COVID-19 PCR test taken no more than five days before boarding their flights and either install a contact tracing mobile application or remain in quarantine in a state-provided containment facility for at least 14 days; and (ii) gatherings of more than 15 people are banned because infections have increased during the second wave of the pandemic. Furthermore, all sport or cultural events remain adjourned. The state of health emergency declared by the National Assembly in April 2020 has been extended through September 2021.

In 2020, COVID-19 related spending on: (i) containment and mitigation measures including purchases of medical equipment are estimated at 1.0 percent of GDP; (ii) construction and renovation of health centers at 0.5 percent of GDP; and (iii) social protection to help vulnerable households that are likely most impacted at 0.7 percent of GDP. In addition, support to the private sector is estimated at about 1 percent of GDP primarily due to additional tax exemptions. In 2021, COVID-19 related spending is expected to amount to at least 0.9 percent of GDP.

While the government estimates that the cost of the multi-year COVID-19 response program could be as high as CFAF 400 billion (US$680 million or about 8.5 percent of projected 2021 GDP), adequate financing for it may not be available, which could justify the use of the SDR allocation.

To help WAEMU governments meet their fiscal financing needs, the central bank (BCEAO) launched a special six-month refinancing window in February 2021. The amount of bonds eligible to be issued by Togo under this window is equivalent to 10.8 percent of projected 2021 GDP.

Donor support. Based on available information, the top three contributors of financing for the COVID-19 response in 2020 were: World Bank (about 1.4 percent of GDP; US$106 million); IMF (1.4 percent of GDP; US$103 million); and BOAD (0.5 percent of GDP; US$37 million).

Domestic accountability and transparency. Support from bilateral donors is deposited at a special BCEAO account and private contributions are deposited at a special commercial bank account. The Audit Court is preparing a special audit report on COVID-19 related spending. The authorities are also preparing to publish procurement contracts linked to COVID-19 spending.

Special factors. N/A.

Table A44. Togo[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	17.7	19.1	16.2	17.6
Tax revenue	13.0	14.2	12.2	12.9
Social security contributions	0.0	0.0	0.0	0.0
Grants	2.9	3.2	2.5	3.3
Other revenue	1.7	1.8	1.6	1.4
Expenditure	16.0	20.7	23.1	23.6
Current expenditure	13.0	13.1	14.1	14.3
Capital expenditure	3.1	7.6	9.0	9.3
Overall balance	1.6	-1.5	-6.9	-6.0
2) Debt service and suspension				
Total debt service	11.4	11.1	11.2	10.8
Domestic debt service	10.3	10.0	10.3	9.4
Domestic interest	1.8	2.1	2.0	2.0
Domestic amortization	8.4	7.9	8.3	7.5
External debt service	1.1	1.1	0.9	1.4
External interest	0.2	0.2	0.3	0.4
External amortization	0.9	0.8	0.5	1.0
Debt service suspension				
Total agreed (or requested) debt service suspended		0.4	0.3	0.7
AFD (France)		0.0	0.0	0.0
EXIMBANK-CHINE		0.3	0.2	0.6
EXIMBANK-INDE		0.0	0.0	0.1
FDS SAOUDIEN		0.0	0.0	0.0
FDS KOWEITIEN		0.1	0.0	0.1
3) Priority/protected spending				
Total priority spending (including COVID-related)	5.2	5.9	6.4	6.1
Social spending	5.2	5.9	6.4	6.1
Health	1.4	1.9	2.4	1.7
Education	2.6	2.8	2.9	3.3
Social protection	1.2	1.2	1.1	1.1
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			1.8	0.8
COVID-19 prevention, containment, and management			1.0	
COVID-19 support to households			0.7	
COVID-19 support to businesses, SOEs, government entities			0.1	
MEMORANDUM ITEMS				
Revenue losses due to policy measures			1.0	0.6

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Tonga

The epidemic. NIL since Tonga is still COVID-19 free.

Economic impact. The economy expanded by 0.7 percent in FY20 while the government projects a contraction of 2.5 percent in FY21. This is an improvement from the initial forecast of -2.9 percent in FY2020 and -5.9 percent in FY21. These improvements were due to the acceleration of reconstruction following Tropical Cyclone (TC) Gita, TC Harold and other major infrastructure development activities and the resilience of remittances. Average growth of 2.6 percent is forecasted for the period between FY22 and FY24. The tourism sector remains the most affected sector in the economy due to the unprecedented crisis caused by the dual shocks of COVID-19 and TC Harold. The latter have also affected agricultural exports. Domestic consumption and business activity were also affected by lockdown measures introduced in March 2020, but have been returning to normal due to the gradual lifting of domestic containment measures and a resumption of seasonal worker programs.

Government response. Containment measures: The government of Tonga introduced containment measures starting in January 2020. In March 2020, it declared a state of National Emergency and tightened measures for incoming travelers (including international cruise ships and yachts passengers) before prohibiting all passengers flights into the country. Other preventive measures include: (i) the construction and renovation of isolation and quarantine facilities (preparedness and protection); (ii) strengthening community safety and protection (installation of water tanks and hand-basins for school, community policing etc.); (iii) government declaration of a national emergency and border closure; lock down; (iv) practice of 1.5 meter social distancing; and (v) issuance of size restrictions for all gatherings. The authorities started easing restrictions on April 12, 2020, by lifting the national lockdown, and domestic restrictions were further eased on June 11, 2020, for example by further reducing curfew hours and removing the prohibition on contact sports. Non-resident Tongans are slowly being repatriated, and the seasonal worker program has started to resume. The state of National Emergency has been extended until July 5, 2021, and the border closure until further notice. Vaccination started on April 15, 2021. Fiscal measures: The government of Tonga announced an Economic and Social Stimulus Package of T$60 million (5.0 percent of GDP) on April 2, 2020 to provide short-term assistance to affected sectors. Over a third of the funds were to be directed to the health sector, while the rest were to support the affected sectors, such as tourism, agriculture and fisheries. In addition, the government of Tonga announced a deferral of retirement contributions and hardship allowances for laid-off employees (up to three months); needs-based financial assistance to households, SOEs and government entities; tax and duty relief and tax deferrals; provisions of tax exemptions to agricultural and fisheries sector; purchase of capital equipment and gear; assistance with the payment of utility bills by public enterprises; and a three-month moratorium on Government Development Loans & TC Gita Recovery Loan Fund; and expansion and extension of the Government Development Loan facility at the Tonga Development Bank to assist the affected sectors; and tax deferral requests from businesses. A further extension of fiscal support is under Parliamentary consideration in the FY22 budget. Monetary policy measures: Monetary policy, administered by the National Reserve Bank of Tonga (NRBT), continues to be accommodative. Financial sector measures: The NRBT is working closely with commercial banks to ensure that they are well capitalized. The NRBT is also monitoring liquidity conditions and possible measures for additional liquidity support, including the easing of exchange control requirements; issuance of Government bonds; and building public awareness of monetary and financial sector policies. Commercial Banks are willingness to restructure loans and grant extensions of repayment periods. The Retirement Fund Board & National Retired Board Fund offered benefits to their respective members included loans and grants.

Donor support. Top four donors: WB–T$75m; ADB–T$31.2m; Australia–T$13.6m; and New Zealand–T$6.8m. All donations are reflected in the government budget on both cash and in-kind.

Domestic accountability and transparency. Accountability and transparency for COVID-19 fiscal programs are divided according to nine clusters. The clusters members include government ministries and relevant agencies led by a respective key ministry. The relevant assessments and implementation of the cluster's planned activities/programs are carried out by each respective cluster in line with the clusters' response plan toward COVID-19. The nine clusters include: (i) Economic and Social Recovery (lead by Ministry of Finance); (ii) Education Cluster (lead by Ministry of Education and Training); (iii) Emergency Telecommunication Cluster (lead by MEIDECC); (iv) Essential Services Cluster (lead by MEIDECC/ MPE); (v) Food Security and Livelihood (lead by MAFF and Fisheries); (vi) Health, Nutrition, Water Sanitation Hygiene (WASH) Cluster (lead by Ministry of Health); (vii) Logistics and Coordination Cluster (lead by NEMO, MEIDECC); (viii) Safety and Protection Cluster (led by MIA); and (ix) Shelter Cluster (led by MOI/Lands).

Special factors. In terms of the recurrent budget allocations, the majority of the priority areas reflect a slight increase from FY21 to FY22 to continue supporting COVID-19 response activities and government projects.

Table A45. Tonga

(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	41.7	48.9	45.1	42.6
Tax revenue	20.9	21.7	20.5	21.2
Social security contributions	0.0	0.0	0.0	0.0
Grants	18.3	23.2	20.9	19.1
Other revenue	2.5	4.0	3.7	2.3
Expenditure	38.5	48.0	40.7	44.2
Current expenditure	30.3	38.5	34.7	38.2
Capital expenditure	8.3	9.4	5.9	6.0
Overall balance	3.2	0.1	4.4	-1.7
2) Debt service and suspension				
Total debt service	3.1	3.2	3.3	2.7
Domestic debt service	1.5	1.8	1.8	1.5
Domestic interest	0.1	0.2	0.1	0.2
Domestic amortization	1.3	1.6	1.6	1.3
External debt service	1.7	1.4	1.5	1.2
External interest	0.5	0.5	0.5	0.1
External amortization	1.2	0.9	0.9	1.1
Debt service suspension				
Total agreed (or requested) debt service suspended				
Creditor 1				1.3

Table A45. Tonga (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
3) Priority/protected spending				
Total priority spending (including COVID-related)	8.0	8.5	8.0	8.6
Social spending	8.0	8.5	8.0	8.6
Health	3.7	3.7	3.1	3.9
Education	4.3	4.8	4.9	4.7
Social protection				
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending				0.2
COVID-19 prevention, containment, and management				
COVID-19 support to households				
COVID-19 support to businesses, SOEs, government entities				

1/ Fiscal year runs from July to June. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Uganda

The epidemic. The first reported COVID-19 case was on March 21, 2020. COVID-19 positivity rates increased after the easing of most of the lockdown measures in the summer of 2020. The increasing number of cases somewhat strained hospital capacity though the authorities identified additional space for patient management. The authorities have recruited additional staff and volunteers to assist with the management of the pandemic. The number of cases decreased in early 2021 and the vaccination started in March 2021.

Economic impact. In FY2019/20, real GDP growth decelerated to 3.0 percent, mainly reflecting: (i) external channels as disruptions in supply chains from Asia impacted imports of inputs needed for production and FDI and portfolio flows declined; and (ii) collapsing domestic demand as the lockdown and containment measures impacted manufacturing and services sectors, particularly tourism. Notwithstanding the continued negative impact in FY2020/21, real GDP growth is expected to accelerate slightly to 3.3 percent, mainly on the back of strong agriculture.

Government response. The government of Uganda implemented early on a wide range of measures to contain the spread of the virus such as border closures, curfews, school closures, and enforced social distancing. They also took the following measures to cushion the impact of the shock on the economy:

- In FY2019/20, two supplementary budgets and budget reallocation increased the spending envelope for critical sectors and vulnerable groups by about US$300 million (0.8 percent of GDP), of which around US$90 million (0.2 percent of GDP) is estimated to have been executed. In FY2020/21, tax measures in response to COVID-19 contributed to the revenue shortfall by close to US$70 million (0.2 percent of GDP). In addition, through the budget and two supplementary budgets, US$600 million (1.5 percent of GDP) were allocated for additional COVID-19 related outlays, partly driven by the delayed execution of some measures originally planned for FY2019/20. Moreover, further support is allocated for vaccines both in FY2020/21 (around US$139 million or 0.4 percent of GDP) and in FY21/22 (around US$122 million or 0.3 percent of GDP). Among others, the fiscal support has included the following measures: (i) additional funding to the health sector, including for medical equipment, masks, test kits, and vaccines; (ii) support to households, including food to the vulnerable and funding for agriculture inputs and entities that support the sector; (iii) employment support, such as through the EMYOOGA initiative; (iv) support to firms, including in the form of waived interest on tax arrears, deferred payments of Pay-As-You-Earn and corporate income tax and the expedited repayment of VAT refunds; (v) the expansion of labor-intensive public works programs; (vi) acceleration of the development of industrial parks; (vii) clearance of arrears; and (viii) import substitution and export promotion by providing funding to the Uganda Development Bank (UDB) and recapitalizing the Uganda Development Cooperation. As such, the UDB also aimed at supporting economic sectors affected by COVID-19.

- Bank of Uganda has reduced its policy rate by 2 percentage points since April 2020, committed to providing exceptional liquidity assistance for up to one year to financial institutions in need, waived limitations on restructuring of credit facilities at financial institutions that may be at risk of going into distress and has also worked with mobile money providers and commercial banks to reduce charges on mobile money transactions. All Supervised Financial Institutions were directed to defer dividend payments and bonuses for at least 90 days effective March 2020 to ensure capital adequacy. Other measures include purchases of treasury bonds held by microfinance deposit taking institutions and credit institutions to ease liquidity pressures and exceptional permission to SFIs to restructure loans as needed on a case by case basis. These measures, which remained in place until March 2021, have been extended for another six months starting on April 1, 2021.

Donor support. Financial support was provided by the IMF for about US$500 million in May 2020 through its Rapid Credit Facility (RCF), the World Bank for $300 million in June 2020 and AfDB in FY2020/21 for an amount of US$32 million from its COVID-19 crisis response. Also, part of the costs of vaccination is expected to be financed by COVAX and loan from the WB. With the exception of the fraction of the IMF resources that were used for balance of payment support (70 percent of the RCF disbursement), all resources have been brought on budget with allocated spending lines.

Domestic accountability and transparency. Ugandan authorities committed to provide a separate reporting mechanism for COVID-19 spending in the context of Program Based Budgeting. They also committed to publish once signed large procurement contracts together with names of awarded companies. Finally, they plan to complete and publish an independent audit of COVID-19 spending in mid-2021.

Special factors. COVID-19 spending was also funded through a reallocation within total expenditures, particularly through a reprioritization of capital spending. COVID-19 spending done through the Ugandan Development Bank (UDB)—which received a large part of the IMF RCF money—is not included in the budget (the budget only reflects the on lending of the resources to UDB). The UDB is expected to report separately on the use of those funds.

Table A46. Uganda

(In percent of GDP)

	Actual 2/	Pre-COVID-19 Projections 3/	Actual 2/	Latest 2/
	FY2019	FY2020	FY2020	FY2021
Monitored item				
1) Fiscal context				
Revenue	13.2	14.3	14.6	14.7
Tax revenue	11.4	12.9	12.1	12.9
Social security contributions	0.0	0.0	0.0	0.0
Grants	0.8	0.3	1.5	0.9
Other revenue	1.0	1.0	1.1	1.0
Expenditure	20.3	19.8	24.5	21.2
Current expenditure	11.1	10.9	13.1	12.4
Capital expenditure	9.2	8.9	11.4	8.8
Overall balance	-7.1	-5.5	-9.9	-6.4
2) Debt service and suspension				
Total debt service	6.9	6.4	8.1	8.2
Domestic debt service	5.8	5.1	6.6	6.6
Domestic interest	2.1	1.8	2.1	2.4
Domestic amortization	3.7	3.3	4.5	4.3
External debt service	1.1	1.2	1.5	1.6
External interest	0.5	0.5	0.7	0.7
External amortization	0.6	0.8	0.8	0.9
Debt service suspension				
Total agreed (or requested) debt service suspended			0.0	0.3
ABU DHABI FUND			0.0	0.0
AFD (France)			0.0	0.0
EXIM BANK OF CHINA			0.0	0.2
EXIM BANK S KOREA			0.0	0.0
JBIC (Japan)			0.0	0.0
JICA (Japan)			0.0	0.0
KUWAIT FUND			0.0	0.0
MIN FOR AFF AUSTRIA			0.0	0.0
SAUDI ARABIA FUND			0.0	0.0
UKEF			0.0	0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	3.8	4.2	5.0	4.6
Social spending	3.8	4.2	5.0	4.6
Health	1.4	1.8	2.4	2.4
Education	2.3	2.3	2.5	2.1
Social protection	0.1	0.1	0.1	0.1
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending	0.2		1.4	0.3
COVID-19 prevention, containment, and management	0.1		0.5	0.3
COVID-19 support to households	0.0		0.1	0.0
COVID-19 support to businesses, SOEs, government entities	0.1		0.8	0.0

Table A46. Uganda (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
MEMORANDUM ITEMS				
Revenue losses due to policy measures	0.0		0.1	0.0
COVID-19 below the line measures			0.5	0.0
Loans			0.5	0.0
Guarantees			0.0	0.0

1/ Fiscal year runs from July to June. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.

Yemen

The epidemic. Yemeni authorities reported the first confirmed case of COVID-19 on April 10, 2020, in areas under its control. As of May 3, 2021, 6,341 cases and 1,233 deaths have been recorded. With little testing capacity, it is likely that reported cases highly underestimate the spread of the virus among a vulnerable population. The extended conflict has severely damaged the country's health and general infrastructure, leaving the health care system poorly equipped to address the spread of COVID-19 while limited fiscal space has constrained the authorities' response.

Economic impact. The COVID-19 pandemic has compounded existing challenges in Yemen. The six-year long conflict has crippled Yemen's economy and pushed the country into an acute humanitarian crisis. The UN estimates that more than 24 million people—some 80 percent of the population—are in need of humanitarian assistance, including more than 12 million children. Desperately needed external support collapsed during the pandemic. Foreign exchange reserves are now nearly exhausted, and economic activity is estimated to have contracted by 5 percent in 2020. With limited alternative resources, the central bank in Aden has resorted to monetary financing of the deficit. As a result, the exchange rate has depreciated by around 50 percent since the start of 2020, further eroding purchasing power for critical food and medical imports. Food prices have increased by over 60 percent over the same period. As the global pandemic continues, and absent an effective resolution to the conflict, the economic outlook for 2021 is bleak, with growth projected at 0.5 percent. Significant additional external financing will be needed just to maintain a very basic level of critical imports.

Government response. Despite the lack of resources and weak institutional capacity, Yemen implemented emergency policies to confront the health crisis, including containment measures and additional COVID-19 and priority expenditures of about 0.9 percent of GDP. Containment measures included school and business closures, bans on public and religious gatherings, and a shutdown of border points. The authorities established emergency facilities, procured test kits and additional ventilators, increased ICU capacity, deployed a public campaign on personal hygiene, and enlisted healthcare workers. The authorities also allocated emergency funds to support local quarantine centers with medical equipment, including by reallocating non-priority outlays. Going forward, priority expenditures, including on health and education, and modest COVID-19 related support are expected to be maintained. The government is engaging with donors and development partners on its vaccination strategy, with COVAX expected to cover about 23 percent of Yemen's population of around 30 million people. Yemen received a first batch of 360,000 COVID-19 vaccines (AstraZeneca) via the COVAX facility on March 31, 2021, as part of a total of 1.9 million doses that are expected to be delivered in 2021.

Donor support. US$2.2 billion was mobilized in 2020 as reported by OCHA. Through partnership with UN agencies, the World Bank responded with an envelope of US$147 million in 2020. Yemen has benefitted from the CCRT totaling SDR 42.4 million during the interval from April 14, 2020, to October 15, 2021.

Domestic accountability and transparency. The authorities established a high-level inter-ministerial committee to oversee COVID-19 related spending, prioritize expenditures and monitor implementation. The authorities are also receiving Fund technical assistance on budget execution and cash management to enhance transparency and help improve accountability in fiscal operations.

Special factors. As a result of the extended conflict, Yemeni institutions have become weak and fragmented. This has not only limited their fiscal response, but also compromised their ability to provide timely and comprehensive data. The authorities are benefiting from technical assistance and capacity development on statistical capacity, fiscal areas and central bank needs.

Table A47. Yemen

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2,4/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	8.5	6.5	5.7	4.9
Tax revenue	2.7	2.0	2.8	2.1
Social security contributions	0.0	0.0	0.0	0.0
Grants	0.5	0.4	0.0	0.0
Other revenue	5.3	4.1	2.9	2.8
Expenditure	13.8	15.3	15.3	11.0
Current expenditure	13.4	14.8	14.9	10.7
Capital expenditure	0.5	0.5	0.4	0.3
Overall balance	-5.3	-8.8	-9.6	-6.1
2) Debt service and suspension				
Total debt service				
Domestic debt service				
Domestic interest				
Domestic amortization				
External debt service				
External interest				
External amortization				
Debt service suspension				
Total agreed (or requested) debt service suspended				

Table A47. Yemen (concluded)[1]
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2,4/ FY2020	Latest 2/ FY2021
3) Priority/protected spending				
Total priority spending (including COVID-related)	1.5	2.1	2.6	2.5
Social spending	1.5	2.1	2.6	2.5
Health	0.3	0.4	0.5	0.9
Education	1.3	1.7	2.1	1.6
Social protection				
Other priority spending				
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			0.4	0.2
COVID-19 prevention, containment, and management				
COVID-19 support to households				
COVID-19 support to businesses, SOEs, government entities			0.3	0.1
Other			0.1	0.0

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.
4/ Estimates.

Zambia

The epidemic. Zambia registered its first COVID-19 cases on March 18, 2020. As of June 10, 2021, a total of 103,763 infections have been identified and 1,324 deaths have been reported. The second wave of the pandemic peaked in early 2021, and a third wave started in late May. Testing and treatment capacity is limited. Very limited vaccinations have started primarily through COVAX.

Economic impact. A fall in global demand caused by COVID-19 took a toll on Zambia's mining and tourism sectors. Containment measures have affected domestic trade, construction, and manufacturing. As a result, GDP contracted by about 3 percent in 2020, compared to the 1.5 percent growth forecasted pre-COVID-19. A modest recovery is expected for 2021, with growth around 1.5 percent, below the rate of population growth. Fiscal pressures have increased due to significantly lower revenue collections and higher spending needs.

Government response. At the onset of the pandemic, the government closed schools, universities, and many businesses. Public gatherings and foreign travel were restricted. Two towns were temporarily placed under lockdowns to curb local outbreaks. The government started easing restrictions toward the end of April 2020. In response to the second wave of the pandemic, in January 2021, the Lusaka city council suspended all large gatherings and ordered bars and restaurants to work on a takeout basis. Mandatory quarantine was reimposed for travelers from select countries and political rallies were banned in response to the third wave.

In response to the pandemic, the government announced an ZK 8 billion bond (2.3 percent of GDP, most of which has been issued) to finance COVID-19 related expenses, including health spending, arrears clearance, grain purchases, and a recapitalization of a non-bank financial institution (NATSAVE). Import duties on mineral concentrate and export duties on precious metals were suspended to support the mining sector (the first measure was extended permanently with the 2021 budget). The 2021 budget also implemented tax breaks for tourism: a permanently lower CIT rate and suspended import duties and fees.

The Bank of Zambia (BoZ) lowered its main policy rate by 350 bps and established a 10 billion kwacha medium-term lending facility (around 3 percent of GDP) to support lending by financial service providers. It also initiated an 8 billion kwacha bond repurchase program. In addition, BoZ scaled up open market operations to support commercial banks and allowed financial service providers to renegotiate the terms of credit facilities with borrowers affected by the pandemic.

Donor support. As of July 31, 2020, total pledged assistance was US$355.5 million. The top three contributors were the EU (US$97.1 million pledged), the World Bank (US$79.9 million), and the African Development Bank (US$67.5 million). In February 2021, Zambia requested debt treatment under the G20 Common Framework to help restore debt sustainability. In parallel, the authorities requested an IMF-supported program to underpin their reform efforts and help restore macroeconomic stability and address the human and economic impact from the COVID-19 pandemic. Discussions on an Extended Credit Facility commenced in February 2021.

Domestic accountability and transparency. In November 2020, the Office of the Auditor General completed an audit of COVID-19 related spending and identified shortcomings which led to personnel changes. The government of the Republic of Zambia is making efforts to strengthen the usage of IFMIS, increase the transparency of public procurement, and improve public investment. Reporting and governance standards of SOEs are also undergoing revisions.

Special factors. N/A.

Table A48. Zambia
(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
1) Fiscal context				
Revenue	20.4	23.0	19.0	20.1
Tax revenue	16.1	16.5	14.7	13.9
Social security contributions	0.0	0.0	0.0	0.0
Grants	0.3	1.0	0.5	0.5
Other revenue	4.0	5.5	3.8	5.7
Expenditure	29.8	28.5	31.9	28.8
Current expenditure	20.4	20.2	24.7	25.3
Capital expenditure	9.4	8.3	7.3	3.5
Overall balance	-9.4	-5.5	-12.9	-8.7

Table A48. Zambia (continued)

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
2) Debt service and suspension				
Total debt service	15.2	19.5	15.6	21.9
Domestic debt service	9.9	13.1	12.7	14.0
Domestic interest	3.9	3.8	4.1	4.5
Domestic amortization	6.0	9.3	8.6	9.5
External debt service	5.2	6.5	2.9	7.9
External interest	3.0	2.6	1.5	2.8
External amortization	2.2	3.8	1.5	5.0
Debt service suspension				
Total agreed (or requested) debt service suspended			0.9	2.1
France (AFD)			0.0	0.0
Japan			0.0	0.0
EXIM Russia			0.0	0.1
EXIM USA			0.0	0.0
EXIM China			0.6	1.3
CDB			0.2	0.4
DBSA			0.1	0.1
EXIM India			0.0	0.0
SFD			0.0	0.0
KFAED				0.0
Intesa Sanpaolo				0.1
UKEF				0.0
3) Priority/protected spending				
Total priority spending (including COVID-related)	5.1	7.3	7.0	6.7
Social spending	5.0	7.1	6.8	6.5
Health	1.5	2.6	2.5	2.6
Education	3.3	3.8	3.5	2.8
Social protection	0.1	0.7	0.7	1.1
Other priority spending	0.2	0.1	0.2	0.1
4) COVID-19 related additional spending				
Total COVID-19 related additional spending			4.5	4.2
COVID-19 prevention, containment, and management			0.4	0.8
Purchases of medical equipment and clearance of arrears to local drug suppliers			0.4	0.8
COVID-19 support to households			0.6	0.9
Youth empowerment programs			0.1	0.1
Constituency Development Fund			0.1	0.1
Clear arrears on wages and pensions			0.4	0.8
COVID-19 support to businesses, SOEs, government entities			3.4	2.5
Recapitalize NATSAVE bank			0.3	0.0
Clear arrears to suppliers of goods and services, on VAT refunds, and on third-party arrears to micro-finance institutions			2.6	2.1
Grain purchases to replenish the Strategic Food Reserves			0.5	0.3

Table A48. Zambia (concluded)[1/]

(In percent of GDP)

Monitored item	Actual 2/ FY2019	Pre-COVID-19 Projections 3/ FY2020	Actual 2/ FY2020	Latest 2/ FY2021
MEMORANDUM ITEMS				
Revenue losses due to policy measures				6.5
Large one-off expenditure and revenue items that help to explain variations in aggregates				
Bank of Zambia dividend paid to government			0.7	1.4
COVID-19 below the line measures			0.0	0.0
Loans			0.0	0.0
Guarantees			0.0	0.0
Arrears (gross)	12.1		11.6	9.0

1/ Fiscal year runs from January to December. Main data sources: country authorities/IMF.
2/ Based on April 2021 WEO data or latest available data.
3/ Based on initial 2020 budget data or January 2020 WEO data.