POLICY OPTIONS FOR EACH COUNTRY[1]

ALGERIA

Fiscal

- In response to the oil price shock, authorities have announced their intention to lower current spending by 30 percent, while keeping wages intact and protecting health and education spending. The government is also preparing a supplementary finance law, which will incorporate measures to mitigate the economic impact of the virus. The law will notably include compensation measures for losses incurred by businesses. In the meantime, declaration and payments of income taxes for individuals and enterprises have been postponed, except for large enterprises. The authorities have relaxed contractual deadlines and suspended penalties for companies that experience delays in completing public contracts.

Monetary and macro-financial

- On March 15, the Bank of Algeria lowered the reserve requirement ratio from 10 percent to 8 percent, and its main policy rate by 25 basis points to 3.25 percent. On April 6, the Bank of Algeria announced that it was easing solvency, liquidity and NPLs ratios for banks. Banks are also allowed to extend payments of some loans without a need to provision against them.

Exchange rate and balance of payments

- The authorities announced several measures to cut the import bill by at least USD 10 billion (6 percent of GDP). Authorities banned exports of several products, including food, medical and hygiene items.

ANGOLA

Fiscal

- The National Assembly approved a package of revenue and expenditure measures to fight the COVID-19 outbreak in the country and to minimize its negative economic impact. Additional health care spending to respond to the virus, estimated at US$40 million, was announced. Tax exemptions on humanitarian aid and donations and some delays on filing taxes for selected imports were granted.

Monetary and macro-financial

- On March 27, 2020, the central bank (BNA) reduced the rate on its 7-day permanent liquidity absorption facility from 10 percent to 7 percent. In addition, the BNA announced the equivalent of 0.5 percent of GDP to be provided as liquidity support to banks and created a liquidity line (in local currency, equivalent toUS$186 million) for

[1] https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19

the purchase of government securities from non-financial corporations. In addition, the BNA has expanded its credit-stimulus program that allows banks to deduct from their reserve requirement obligations the amount of credit extended to selected sectors targeted by an ongoing import substitution/export promotion program. From March 30th, financial institutions that carry out credit operations are allowed to grant their clients a moratorium of 60 days for servicing the debt. On April 3, the BNA announced that the minimum allocation of credit to promote the production of a set of priority products would increase from 2 percent to 2.5 percent of the commercial banks net assets. To mitigate risks of shortages of essential goods, which are predominantly imported, on April 18, the BNA instructed banks to provide credit in local currency to assist importers.

Exchange rate and balance of payments

- It is expected that the exchange rate will continue to play a shock-absorbing role. On April 1, the central bank introduced an electronic platform for foreign exchange transactions, which will be progressively extended for all such transactions.

BENIN

Fiscal

- The mitigation and prevention measures taken so far by the authority's amount to CFAF 10 billion (about $17 million or 0.1 percent of GDP). They are also considering more ambitious measures provided that they can garner financing from donors. With the support of the WHO and the World Bank, the authorities are preparing a broader prevention and mitigation plan to buy the necessary equipment; intensify surveillance, notably at points of entries; build capacity for case confirmation and follow-up; and organize quarantine and self-isolation protocols. The authorities have started discussions with donors to mobilize financing for the plan, which is preliminarily estimated to cost at least US$ 100 million or CFAF 60 billion (equivalent to 0.7 percent of GDP).

Monetary and macro-financial

- The regional central bank (BCEAO) for the West-African Economic and Monetary Union (WAEMU) has taken pre-emptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. The BCEAO first raised the liquidity made available to banks at its weekly and monthly auctions of March 23, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor of 2.5 percent. This was followed, starting with the weekly refinancing auction of March 30, 2020, by the adoption of a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a lower rate. As announced on March 21, 2020, the BCEAO has also: (i) extended the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; (ii) set-up a framework inviting banks to accommodate demands from firms with Covid-19 related repayment difficulties to postpone for a 3 month renewable period debt service falling due, without the need to classify such postponed claims as NPL; and iii) introduced measures to promote the use of electronic payments. In addition, the BCEAO has announced the creation of a special 3-month refinancing window at a fixed rate of 2.5 percent for limited amounts of 3-month "COVID-19 T-Bills" to be issued by each WAEMU sovereign to help meet funding needs related to the current pandemic.

Exchange rate and balance of payments

- No measures.

BOTSWANA

Fiscal

- The government established a Covid-19 Relief Fund with a 2 billion Pula (about 1.1 percent of GDP) contribution from the government that will: i) finance a wage subsidy amounting to 50% of salaries of affected businesses (1000-2500 pula per month for a period of 3 months; ii) finance a waiver on training levy for a period of 6 months (150 million pula). The MoF also decided a tax deferral of 75% of any quarterly payment between March and September 2020 to be paid by March 2021.; iii) Build-up of fuel and grain reserves, as well as acquisition of relevant medical equipment and improvement of water supply (475 million Pula); iv) Fund a government loan guarantee scheme of 1 billion Pula (20% financed by commercial banks) for businesses that are tax compliant (including those who are not eligible to pay taxes/). Guarantee covers a period of 24 months with a max of 25 billion pula per borrower. Reduce the VAT refund period (from 60 days to 21 days).

Monetary and macro-financial

- Banks and nonbanks have agreed to offer loan restructuring (including for mortgages and vehicles) and payment holidays for affected sectors. Life insurance payment premiums and retirement fund contributions have been rescheduled for at least three months. The Bank of Botswana relaxed rules to meet capital requirements and introduced measures to improve liquidity. Capital adequacy ratio for banks has been reduced from 15 to 12.5 percent, and regulatory forbearance for non-performing loans. Overnight funding costs were reduced, access to repo facilities broadened, and collateral constraints for bank borrowing from the BoB extended to include corporate bonds and traded stocks.

Exchange rate and balance of payments

- No measures. The central bank maintains a crawling peg vis-à-vis basket of currencies.

BURKINA FASO

Fiscal

- The authorities on April 2, 2020 announced plans to revise the 2020 budget to address the socio-economic impacts of the outbreak. Several measures are under consideration, including, among others: (i) lowering import duties and VAT for hygiene and healthcare goods and services critical to tackle COVID-19, and for tourism businesses; (ii) lowering other selected tax rates; (iii) delaying tax payments, and waiving late payment fines and penalties; (iv) suspending government fees charged on informal sector operators for rent, security and parking in urban markets; (v) lowering the licensing fee for companies in the transportation and tourism sectors; (vi) suspending on-site tax inspection operations; (vii) Donating food and providing assistance to households and local small businesses; (viii) supporting the water and electricity bills, including through cancelation, of the most vulnerable social groups; and (ix) securing adequate stocks of consumer products and strengthening surveillance of prices. An emergency response plan for the health sector has been prepared. The plan focuses on strengthening human and technical capacities of public hospitals, increasing available hospital beds, expanding testing capacities and purchasing medical supplies to facilitate the implementation of hygiene measures. The plan will be regularly updated to reflect local and global developments.

Monetary and macro-financial

- The regional central bank (BCEAO) for the West-African Economic and Monetary Union (WAEMU) has taken pre-emptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. The BCEAO first raised the liquidity made available to banks at its weekly and monthly auctions of March 23, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor of 2.5 percent. This was followed, starting with the weekly refinancing auction of March 30, 2020, by the adoption of a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a lower rate. As announced on March 21, 2020, the BCEAO has also announced: (i) an extension of the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; (ii) a framework inviting banks to accommodate demands from firms with Covid19-related repayment difficulties to postpone for a 3 month renewable period debt service falling due, without the need to classify such postponed claims as NPL; and (iii) measures to promote the use of electronic payments. In addition, the BCEAO has announced the creation of a special 3-month refinancing window at a fixed rate of 2.5 percent for limited amounts of 3-month "Covid-19 T-Bills" to be issued by each WAEMU sovereign to help meet funding needs related to the current pandemic.

Exchange rate and balance of payments

- No measures.

BURUNDI

Fiscal

- No measure has been officially announced. The Covid-19 contingency plan is costed at USD 26 million (about 0.9 percent of 2019 GDP) as of April 1, 2020. The cost could increase rapidly with the number of cases.

Monetary and macro-financial

- No measures have been officially announced.

Exchange rate and balance of payments

- No measure has been officially announced. Burundi has been engaged in multiple currency practices, with a parallel market exchange rate that is substantially more depreciated than the official exchange rate.

CAPE VERDE

Fiscal

- The authorities stand ready to reprioritize spending, notably through a revised budget to be tabled in parliament by June. However, the likely fall in revenue from the expected economic contraction in 2020 will further constrain fiscal space. In the meantime, they have taken measures to support the private sector, including loan guarantees and tax obligations facilities as follows: loan guarantees of up to 50 percent for large companies in all sectors (CVE 1 billion, about €9 million); up to 80 percent for companies in the tourism and transport sectors (CVE 1 billion); up to 100 percent for small-and medium-sized enterprises in all sectors (CVE 300 million, €2.7 million) and for micro-enterprises in all sectors (CVE 700 million CVE, about €6.7 million). Other measures include faster settlement of invoices and VAT refunds, extension of the tax payment period, payment in instalments for VAT and other withholding taxes, cancellation of contributions to the Pension Fund for three months, and funding of an emergency plan with CVE 76 million through the reallocation of budgetary appropriations, to cover additional expenses for personnel, training and medical equipment.

  The most vulnerable, mitigating measures are estimated at CVE 2.2 billion (1.2 percent of GDP). They comprise: (i) income compensation to provide financial support to individuals operating in the informal sector; (ii) social inclusion emergency measures for vulnerable people without income; (iii) social inclusion income, with support from the World Bank; (iv) support to microfinance institutions to support interest-free loans to vulnerable households and; (v) care for the elderly with food assistance and other financial support.

Monetary and macro-financial

- In late March, the central bank decided to loosen the monetary policy stance and to increase liquidity in the banking system. Key measures included a reduction in rates as follows: the policy rate by 125 basis points to 0.25 percent, the minimum reserve requirements from 13 to 10 percent, and the overnight deposit rate by 5 basis points to 0.05 percent; and the setting up at the central bank of a long-term lending instrument for banks. The central bank (BCV) also called on banks to grant a moratorium on loans obligations to borrowers in good standing with their payment record as of end-March 2020.

  On April 1, the authorities introduced a moratorium on insurance payments and loans repayment during April-September 2020 for household, companies, and non-profit associations, as well as the SMEs.

  The BCV also implemented prudential measures, including the reduction in capital adequacy ratio and provision for banks depending on requests by borrowers to place a moratorium or forbearance on loan repayment for three months.

Exchange rate and balance of payments

- No measures taken.

CAMEROON

Fiscal

- The fiscal stance envisages measures to mitigate the crisis and its impact on growth. The authorities' preparedness and response plan projects COVID-19-related health spending to reach CFAF 58.7 billion (or US$100 million) over the next three months (about 0.44 percent of GDP on an annualized basis). The increase in health and other crisis-related spending coincides with declining oil and non-oil fiscal revenues due to the global slowdown. The authorities plan to largely maintain the level of investment envisaged in the 2020 budget to protect growth.

Monetary and macro-financial

- On March 27, 2020, BEAC announced a set of monetary easing measures including a decrease of the policy rate by 25 bps to 3.25 percent, a decrease of the Marginal Lending Facility rate by 100 bps to 5 percent, a suspension of absorption operations, an increase of liquidity provision from FCFA 240 to 500 billion, and a widening of the range of private instruments accepted as collateral in monetary operations. The MPC also supported BEAC's management's intent to propose to reduce haircuts applicable to private instruments accepted as collateral for refinancing operations, and to postpone by one-year principal repayment of consolidated central bank's credits to member states, but these possible additional measures are not effective yet. On March 25, 2020, the COBAC informed banks that they can use their capital conservation buffers of 2.5 percent to absorb pandemic-related losses but requested banks to adopt a restrictive policy with regard to dividend distribution.

Exchange rate and balance of payments

- No measures.

CENTRAL AFRICAN REPUBLIC

Fiscal

- The government of C.A.R. intends to implement an announced response plan for the health sector that was prepared in strong collaboration with the WHO, with an estimated cost of 27 billion of FCFA (1.9 percent of GDP). This plan goes beyond an immediate response plan and contains measures to strengthen the ability of the healthcare system to deal with such pandemics in the future. It notably aims at: (i) providing medical care of confirmed cases; (ii) improving the monitoring of the country's points of entry; and (iii) strengthening the capacities of the medical staff, laboratories and hospitals. The government has requested the help of its development partners to finance this plan through grants and loans.

Monetary and macro-financial

- On March 27, 2020, BEAC announced a set of monetary easing measures including a decrease of the policy rate by 25 bps to 3.25 percent, a decrease of the Marginal Lending Facility rate by 100 bps to 5 percent, a suspension of absorption operations, an increase of liquidity provision from FCFA 240 to 500 billion, and a widening of the range of private instruments accepted as collateral in monetary operations. The MPC also supported BEAC's management's intent to propose to reduce haircuts applicable to private instruments accepted as collateral for refinancing operations, and to postpone by one-year principal repayment of consolidated central bank's credits to member states, but these possible additional measures are not effective yet. On March 25, 2020, the COBAC informed banks that they can use their capital conservation buffers of 2.5 percent to absorb pandemic-related losses but requested banks to adopt a restrictive policy with regard to dividend distribution.

Exchange rate and balance of payments

- No measures.

CHAD

Fiscal

- An estimated CFAF 15 billion (0.3 percent of non-oil GDP) of health-related expenditures have been approved and are being implemented under a national contingency plan. Key measures include: (i) training of medical and technical staff, (ii) purchase of necessary medical equipment, (iii) construction of seven health centers in remote areas, (iv) construction of three mobile hospitals, and (v) securely managing entry points. The authorities have also decided on a package of fiscal measures to help households and businesses weather the shock. For small and medium-sized enterprises, the authorities will, among other things, reduce by 50 percent the business license fees and the presumptive tax for 2020. Tax breaks such as carry forward losses and delays in tax payments will also be examined on a case-by-case basis. Additionally, domestic arears of about CFAF 110 billion owed to suppliers will be repaid. Measures will also be taken to alleviate the hardship on households, including temporary suspension of payments of electricity and water bills for the lifeline consumption, the establishment of a Youth Entrepreneurship Fund (0.6 percent of non-oil GDP), establishment of a food distribution program (0.5 percent of non-oil GDP) with the help of UN agencies. The authorities will pay all death benefits due to deceased civil and military agents, indemnities and ancillary wages owed to retirees and payment of medical expenses for civilian agents and defence and security forces (0.1 percent of non-oil GDP). Measures also include the simplification of the import process for food and necessity items, including health equipment, and tax exemptions for these items. Additionally, the authorities are in the process of hiring additional health workers (1600+) and will set up a solidarity fund for the vulnerable population amounting to CFAF 100 billion.

Monetary and macro-financial

- On March 27, 2020, BEAC announced a set of monetary easing measures including a decrease of the policy rate by 25 bps to 3.25 percent, a decrease of the Marginal Lending Facility rate by 100 bps to 5 percent, a suspension of absorption operations, an increase of liquidity provision from FCFA 240 to 500 billion, and a widening of the range of private instruments accepted as collateral in monetary operations. The MPC also supported BEAC's management's intent to propose to reduce haircuts applicable to private instruments accepted as collateral for refinancing operations, and to postpone by one-year principal repayment of consolidated central bank's credits to member states, but these possible additional measures are not effective yet. On March 25, 2020, the COBAC informed banks that they can use their capital conservation buffers of 2.5 percent to absorb pandemic-related losses but requested banks to adopt a restrictive policy with regard to dividend distribution.

Exchange rate and balance of payments

- No measures.

COMOROS

Fiscal

- The authorities intend to fully implement their pandemic preparedness plan. Their top priority will be to substantially expand spending on health care in line with pandemic-related needs, trying to overcome to the greatest extent possible the health care system's capacity constraints. If financing is available after raising spending on health care, the authorities intend to raise transfers to vulnerable households. Import taxes on food, medicines, and items related to hygiene were reduced by 30 percent. The government announced this week a fund to support employees associated with airport operations.

Monetary and macro-financial

- The authorities intend to monitor the impact of the COVID-19 shock on banks' asset quality. The central bank reduced reserve requirements to 10 percent. The authorities also announced a restructuring of commercial loans and freezing of interest rates in some commercial loans.

Exchange rate and balance of payments

- The authorities intend to monitor inflation developments and continue preserving the peg against the euro.

DEMOCRATIC REPUBLIC OF CONGO

Fiscal

- A preparedness and response national plan to deal with the pandemic has been designed with support from development partners, and it is coordinated by Dr. Jean-Jacques Muyembe. The plan mainly focuses on actions to (i) strengthen early detection and surveillance and foster technical and operational coordination within the government; (ii) improve the quality of medical care to infected patients; and (iii) develop effective preventive communication strategies and enhance medical logistic platforms. The plan's budget is estimated at US$135 million (0.3 percent of GDP).

  The following measures were approved the week of April 12th by the Prime Minister: 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 relief fund. The week of April 19, an additional set of measures were adopted, namely: i) provision of water and electricity for a period of two months, free of charge, ii) prohibition to evict renters in case of no payment of financial obligations from March to June 2020, iii) suspension of VAT collection on the production and on the sales of basic goods.

Monetary and macro-financial

- • On March 24, the central bank (BCC) announced several measures to ease liquidity conditions by: (i) reducing the policy rate by 150 bps to 7.5 percent; (ii) eliminating mandatory reserve requirements on demand deposits in local currency; and (iii) creating a new collateralized long-term funding facility for commercial banks of up to 24 months to support the provision of new credit for the import and production of food and other basic goods. The BCC has also postponed the adoption of new minimum capital requirements and encouraged the restructuring of non-performing loans. In addition, the BCC announced measures to reduce contamination risks in bank notes and promote the use of e-payments.

Exchange rate and balance of payments

- No specific policy responses have been set to date

REPUBLIC OF CONGO

Fiscal

- The overall cost of the response plan to the COVID 19 epidemic has been estimated at US$170 million (100 billion XAF), equivalent to 1.6 percent of 2020 GDP, to date the government has made available to the Ministry of Health the amount of US$1.4 million. The EU, WFP, France are getting together to provide support for the poorest segments of the population with combined support amounting to about 3 billion XAF as of now.

  The government has adopted some measures to ease tax and duty payments for private enterprises. In particular, more time has been given to companies to pay their taxes and tax assessments on site have been abandoned. The import duty directorate is also strongly encouraging electronic payment of dues and allowing more electronic documents to be accepted at the port. Corporate income tax has been reduced to 28 percent from 30 percent and withholding tax has been reduced to 5 percent from 7 percent.

Monetary and macro-financial

- On March 27, 2020, BEAC announced a set of monetary easing measures including a decrease of the policy rate by 25 bps to 3.25 percent, a decrease of the Marginal Lending Facility rate by 100 bps to 5 percent, a suspension of absorption operations, an increase of liquidity provision from FCFA 240 to 500 billion, and a widening of the range of private instruments accepted as collateral in monetary operations. The MPC also supported BEAC's management's intent to propose to reduce haircuts applicable to private instruments accepted as collateral for refinancing operations, and to postpone by one-year principal repayment of consolidated central bank's credits to member states, but these possible additional measures are not effective yet. On March 25, 2020, the COBAC informed banks that they can use their capital conservation buffers of 2.5% to absorb pandemic-related losses but requested banks to adopt a restrictive policy with regard to dividend distribution. Discussions are taking place at the country level on whether private companies can have access to the 100 billion XAF fund set up by the President and on simplifying access to refinancing instruments. A guarantee scheme has been set up to help private company's service their banking debts, but no details have been provided on the amounts or conditions.

Exchange rate and balance of payments

- No new measures.

CÔTE D'IVOIRE

Fiscal

- The government adopted an emergency health response plan of 96 billion CFAF (or 0.3 % of GDP). It will (i) provide free care for those with the infection and equipping intensive care units; (ii) strengthen epidemiological and biological surveillance (virus testing; creation of a free call center, rehabilitating and equipping laboratories); (iii) reinforce capacities of pharmaceutical industries and financing research on the virus. On March 31, the government announced a package of economic measures to prop the income of the most vulnerable segments of the population through agricultural input support and expanded cash transfers, provide relief to hard-hit sectors and firms, and support public entities in the transport and port sectors to ensure continuity in supply chains. In this regard, the authorities created 4 special Funds to be spent over 2 years, including the National Solidarity Fund of 170 billion CFAF (0.5 % of GDP), the Support Fund for the informal sector of 100 billion CFAF (0.3 % of GDP), the Support Fund for the small and medium enterprises of 150 billion CFAF (0.4 % of GDP) and the Support Fund for large companies of 100 billion CFAF (0.3 % of GDP). They will also provide financial support to the agriculture sector by 300 billion CFAF (0.8 % of GDP).

Monetary and macro-financial

- The regional central bank (BCEAO) for the West-African Economic and Monetary Union (WAEMU) has taken pre-emptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. The BCEAO first raised the liquidity made available to banks at its weekly and monthly auctions of March 23, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor of 2.5 percent. This was followed, starting with the weekly refinancing auction of March 30, 2020, by the adoption of a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a lower rate. As announced on March 21, 2020, the BCEAO has also announced: (i) an extension of the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; (ii) a framework inviting banks to accommodate demands from firms with Covid19-related repayment difficulties to postpone for a 3 month renewable period debt service falling due, without the need to classify such postponed claims as NPL; and (iii) measures to promote the use of electronic payments. In addition, the BCEAO has announced the creation of a special 3-month refinancing window at a fixed rate of 2.5 percent for limited amounts of 3-month "Covid-19 T-Bills" to be issued by each WAEMU sovereign to help meet funding needs related to the current pandemic.

Exchange rate and balance of payments

- No measures

DJIBOUTI

Fiscal

- Increase in health and emergency spending in support of households and firms affected by the pandemic.

Monetary and macro-financial

- The Central Bank of Djibouti has stepped up its financial sector surveillance.

Exchange rate and balance of payments

- No measures.

DOMINICAN REPUBLIC

Fiscal

- The latest economic measures announced by President Medina amounted to RD$32 billion (about US$576 million, or ¾ percent of GDP). These include higher social spending: (i) the Quédate en Casa program (RD$17 billion), subsidizing the most vulnerable households, including informal workers. Coverage under the existing program Comer es Primero, paying RD$5,000 (about US$90) per month increased from 0.8 to 1.5 million households, of whom 0.9 million households already received payments as of April 22; 452,817 families will receive additional transfers of RD$2,000 (about US$36) per month; (ii) the newly created Employee Solidarity Assistance Fund (FASE) (RD$15 billion), which will benefit about 754,000 families of formal workers who were laid-off with a monthly transfer up to 70 percent of wages (minimum of RD$5,000, RD$8,104 on average). The government increased healthcare spending on medical supplies and equipment, tests in private labs, rent of two private medical centers, and support of the pharmaceutical industry, including through budget reallocations. Tax relief is provided through extended payment deadlines and some tax benefits. To cover financing gaps, the authorities are mobilizing loans and commercial credit lines from the IMF, World Bank, the Inter-American Development Bank, Latin American Development Bank, and the Central American Bank for Economic Integration; and raising private donations for healthcare needs.

Monetary and macro-financial

- On March 16, the Monetary Council of the Central Bank of the Dominican Republic (BCRD) eased its policy stance and took measures to provide additional liquidity and support the economy. Interest rate measures include the monetary policy rate cut (from 4.5 to 3.5 percent per annum), reduction of the 1-day REPO facility rate (from 6.0 to 4.5 percent), and the overnight deposit rate cut (from 3.0 to 2.5 percent). Banks were allowed to cover reserve requirements with public and BCRD bonds up to RD$22.3 billion (about ½ percent of GDP), which is equivalent to a 2 percent reduction in the reserve requirement rate and a release of RD$30.13 billion (US$553.7 million; about? percent of GDP) to the economy. These resources will be used for credit to households and businesses at an interest rate capped at 8.0 percent. Liquidity measures include easing other REPO operations for RD$30 billion (about ? percent of GDP) to provide funds to the financial system, and provisions of U.S. dollar liquidity (US$0.5 billion, about ½ percent of GDP) through REPO operations and allowing banks to use public bonds towards reserve requirements on foreign currency deposits. Debt relief measures include a temporary freeze of debtor ratings and provisioning; classifying overdue loans for a 60-day period; and giving 90 days to debtors to update loan guarantees.

Exchange rate and balance of payments

- The BCRD has intervened in the foreign exchange markets to prevent disorderly market conditions and maintains a strong international reserve position (about US$8.9 billion, or about 10 percent of GDP, as of April 21, 2020).

EGYPT

Fiscal

- The government has announced stimulus policies in the USD 6.13billion package (EGP 100 billion, 1.8 percent of GDP) to mitigate the economic impact of COVID-19. Pensions have been increased by 14 percent. Expansion of the targeted cash transfer social programs, Takaful and Karama, are also being extended to reach more families. A targeted support initiative for irregular workers in most severely hit sectors has been announced, which will entail EGP 500 in monthly grants for 3 months. To support the healthcare sector, EGP 5 billion has been allocated, targeted at providing urgent and necessary medical supplies, and disbursing bonuses for medical staff working in quarantine hospitals and labs. To support medical professionals, including doctors working in university hospitals, a 75 percent allowance over the wages has been announced. Energy costs have been lowered for the entire industrial sector; real estate tax relief has been provided for industrial and tourism sectors; and subsidy pay-out for exporters has been stepped up. As part of the EGP 100 billion stimulus, EGP 50 billion has been announced for the tourism sector, which contributes close to 12 percent of Egypt’s GDP, 10 percent of employment, and almost 4 percent of GDP in terms of receipts, as of 2019. The moratorium on the tax law on agricultural land has been extended for 2 years. The stamp duty on transactions and tax on dividends have been reduced. Capital gains tax has been postponed until further notice.

Monetary and macro-financial

- The central bank has reduced the policy rate by 300bps. The preferential interest rate on loans to SMEs, industry, tourism and housing for low-income and middle-class families, has been reduced from 10 percent to 8 percent. Loans with a two-year grace period will be made available to aviation sector firms. Support has been announced for small projects harmed by covid-19, especially in the industrial and labour-intensive sectors, through the availability of short-term loans of up to a year, to secure the necessary liquidity for operational expenses until the crisis is over. The limit for electronic payments via mobile phones has been raised to EGP 30,000/day and EGP 100,000/month for individuals, and to EGP 40,000/day and EGP 200,000/per week for corporations. A new debt relief initiative for individuals at risk of default has also been announced, that will waive marginal interest on debt under EGP 1 million if customers make a 50 percent payment. Micro lenders have been instructed to also consider delays on a case-by-case basis, of up to 50 percent of the value of monthly instalments' for the struggling clients. The regulations issued last year requiring banks to obtain detailed information of borrowers have been relaxed. Suspension of credit score blacklists for irregular clients and waiver of court cases for defaulted customers have been announced. The central bank has also launched an EGP 20 billion stock-purchase program. A temporary daily limit has been set for deposits and cash withdrawals for individuals and companies.

Exchange rate and balance of payments

- No measures.

EQUATORIAL GUINEA

Fiscal

- Fiscal policy is facing large two shocks: the Coronavirus and lower oil prices. The government approved a package of measures at end-March to address the crisis. It broadens emergency health spending (0.3 percent of GDP), mainly to improve hospital preparedness to respond to local transmission. It also further improves the first response system, quarantine facilities for incoming travellers, and laboratory facilities/testing which had already been operationalized earlier in March. The package also envisages a social assistance scheme for the most vulnerable and measures to ensure continuity of education. Finally, it provides some targeted and temporary support to the private sector, including by halving withholding tax rates and delaying tax payment deadlines for small and medium-sized firms, while safeguarding public revenues. In addition, in light of the recent oil price decline, Equatorial Guinea is facing a large fiscal revenue shock, given that hydrocarbons accounted for more than ¾ of fiscal revenues. To address this shock, the government is contemplating to mobilize more financing. There are also considerations to slow down execution of non-priority expenditures as well as to continue implementation of plans to strengthen the tax administration.

Monetary and macro-financial

- On March 27, 2020, BEAC announced a set of monetary easing measures including a decrease of the policy rate by 25 bps to 3.25 percent, a decrease of the Marginal Lending Facility rate by 100 bps to 5 percent, a suspension of absorption operations, an increase of liquidity provision from FCFA 240 to 500 billion, and a widening of the range of private instruments accepted as collateral in monetary operations. The MPC also supported BEAC's management's intent to propose to reduce haircuts applicable to private instruments accepted as collateral for refinancing operations, and to postpone by one-year principal repayment of consolidated central bank's credits to member states, but these possible additional measures are not effective yet. On March 25, 2020, the COBAC informed banks that they can use their capital conservation buffers of 2.5 percent to absorb pandemic-related losses but requested banks to adopt a restrictive policy with regard to dividend distribution.

Exchange rate and balance of payments

- No measures.

ERITREA

Fiscal

- No measures.

Monetary and macro-financial

- No measures.

Exchange rate and balance of payments

- No measures.

ESWATINI

Fiscal

- In FY19/20 (ending March 31, 2020), a supplementary budget was approved for additional public healthcare of E100 million (0.14 percent of GDP). Low priority recurrent spending will be redirected to the fight against the pandemic and a portion of the capital budget will be reallocated towards refurbishing hospitals and completing new hospitals. Additional expenditure policies are being considered but have not yet been finalized. Revenue measures to mitigate the impact of the virus include: (i) taxpayers projecting losses will file loss provisional returns and no payment will be required; (ii) extension of returns filing deadlines by 3 months before penalties kick-in; (iii) payment arrangements for taxpayers facing cash flow problems; (iv) waiver of penalties and interest for older tax debts if principal is cleared by the end of September 2020; and (v) up to E90 million (0.13 percent of GDP) in tax refunds for SMEs that have complied with tax obligations, retain employees, and continue to pay them during this period. The authorities have reduced the price of fuel and postponed the planned increase in water and electricity prices. For more information see http://www.gov.sz/.

Monetary and macro-financial

- The Central Bank of Eswatini has: (i) reduced the discount rate twice by a cumulative 200 basis points to 4.5 percent; (ii) reduced the reserve requirement to 5 percent (from 6 percent); (iii) reduced the liquidity requirement to 20 percent (from 25) for commercial banks and to 18 percent (from 22) for the development bank; (iv) encouraged greater use of electronic payments; and (v) encouraged banks to consider loan restructuring and repayment holidays. Banks have announced that those individuals and companies that need short term financial support or relief can approach them and each application will be assessed on a risk-based approach. For more information see https://www.centralbank.org.sz/.

Exchange rate and balance of payments

- No measures.

ETHIOPIA

Fiscal

- Ethiopia initially announced a Br 300 million package to bolster healthcare spending in early March. On March 23, the Prime Minister announced the aid package would be increased to Br 5 billion (US$154 million or 0.15 percent of GDP) but details on the precise modalities of the assistance were not made available. On April 3, the Prime Minister's office announced a COVID-19 Multi-Sectoral Preparedness and Response Plan, with prospective costing of interventions. The plan is to be implemented over the next three months and will require US$1.64 billion in funding (about 1.6 percent of GDP). The funds are expected to be allocated as follows: (i) $635 million (0.6 percent of GDP) for emergency food distribution to 15 million individuals vulnerable to food insecurity and not currently covered by the rural and urban PSNPs; (ii) $430 million (0.4 percent of GDP) for health sector response under a worst-case scenario of community spread with over 100,000 COVID-19 cases of infection in the country, primarily in urban areas; (iii) $282 million (0.3 percent of GDP) for provision of emergency shelter and non-food items; (iv)The remainder ($293 million, 0.3 percent of GDP) would be allocated to agricultural sector support, nutrition, the protection of vulnerable groups, additional education outlays, logistics, refugees support and site management support.

- A broader set of measures including support to enterprises and job protection in urban areas and industrial parks is under discussion with the donor community but has not been formalized. The expansion of the Urban Productive Safety Net Programme to 16 additional cities over the next two months is under active consideration, in collaboration with the World Bank, at an estimated cost of $134 million).
- Ethiopian authorities have formally requested IMF support in the form of an RFI at 100 percent of quota (given maxed out use of PRGT resources under the ongoing ECF/EFF program).

Monetary and macro-financial

- The central bank has provided 15 billion birr (0.45 percent of GDP) of additional liquidity to private banks to facilitate debt restructuring and prevent bankruptcies.

Exchange rate and balance of payments

- No measures.

GABON

Fiscal

- Authorities' current projection envisages the control of non-priority expenditure and redirect savings (FCFA 17 billion; 0.2 percent of GDP) to COVID-19 related spending. The government has also created a fund available at their Caisse de Depots etc. Consignation (CDC) with an initial allocation of FCFA 4 billion (approx. USD 2 million) to combat the propagation of COVID-19 in the country. The Minister of Finance has designated a public accountant in order to facilitate disbursements of health-related spending of that fund. This week the government also further announced two mechanisms totalling approximately USD 417 million to mitigate the social and economic impact of COVID-19. The first mechanism, a solidarity fund of around USD 42 million will support households, and particularly the most vulnerable population, through different channels, including the payment of their water and electricity bills and the creation of a food bank. The second mechanism of around USD 375 million consists of facilitating access to commercial banks financing for private (formal and informal) companies, including SMEs.

Monetary and macro-financial

- On March 27, 2020, BEAC announced a set of monetary easing measures including a decrease of the policy rate by 25 bps to 3.25 percent, a decrease of the Marginal Lending Facility rate by 100 bps to 5 percent, a suspension of absorption operations, an increase of liquidity provision from FCFA 240 to 500 billion, and a widening of the range of private instruments accepted as collateral in monetary operations. The MPC also supported BEAC's management's intent to propose to reduce haircuts applicable to private instruments accepted as collateral for refinancing operations, and to postpone by one-year principal repayment of consolidated central bank's credits to member states, but these possible additional measures are not effective yet. On March

25, 2020, the COBAC informed banks that they can use their capital conservation buffers of 2.5 percent to absorb pandemic-related losses but requested banks to adopt a restrictive policy with regard to dividend distribution.

Exchange rate and balance of payments

- No measures.

THE GAMBIA

Fiscal

- In mid-March, the authorities prepared a US$9 million (0.5 percent of GDP) COVID-19 action plan, for which they have already obtained grant financing. The government has also reallocated 500 million dalasi (0.6 percent of GDP) from the current budget to the Ministry of Health and other relevant public entities for containment measures to prevent and control the spread of the COVID-19 outbreak. Currently, the needs are being reassessed, as the community spread of the virus has been ascertained and recommendations based on the work done by expert policy groups have been expanded to emphasize the need for more testing, especially identifying local transmissions, building preparedness for rapid regional responses, and stepping up targeted support for the most vulnerable groups. RCF and CCRT financing from the IMF (see below) could be used to cover these additional costs.

  Donor agencies, including the UNDP, WFP, WHO, FAO, UNICEF, UNFP and UNICEF, have focused financial assistance (about $1.5 million cumulatively, so far) to strengthen social assistance support for programs aimed at vulnerable groups impacted by COVID-19 by improving communication, safeguarding nutrition and ensuring food security. On April 2, The World Bank (WB) approved a US$10 million grant for the COVID-19 Response and Preparedness Project to enhance case detection, tracing, prevention, and social distancing communication as well as the provision of equipment to isolation and treatment centers. The WB is accelerating the rollout of its Social Safety Net project to help mitigate the impact of COVID-19 on the most vulnerable population. Many of the other donors will also be expanding their social assistance support through cash transfers using mobile money and direct payments targeted to poor households, new mothers and farmers using existing databases of past recipients, village lists and voter rolls.

  The Gambia Revenue Authority has extended by two months the filing of the 2019 annual tax return and the payment of final 2019 tax as well as for the filing of the first quarter 2020 declaration and the payment of the first quarter instalment.

Monetary and macro-financial

- Domestic financial conditions have tightened with the average yield on the most used 364-days T-bills increasing to 11.73 percent (433 bps higher in mid-April than at end-2019). To ease liquidity conditions the central bank reduced its monetary policy rate by 50 basis points at end-February 2020 to 12 percent and increased its standing deposit facility rate by the same margin to 3 percent. It is also actively monitoring the situation and is in close communication with banks and ready to respond to the situation as inflationary pressures warrant. Further measures are under consideration to provide emergency liquidity support together with increased intensity and frequency of supervision to address any financial stability concerns.

Exchange rate and balance of payments

- The central bank stepped up the monitoring of banks' FX net open positions but has not imposed any specific exchange measures; the central bank is committed to maintaining a flexible exchange rate to absorb balance-of-payments (BOP) shocks.

  The IMF is providing additional BOP support, which also can be on-lent/transferred to the budget. On April 15, the Executive Board approved a US$21.3 million for The Gambia under the Rapid Credit Facility (RCF). The RCF support supplements earlier financing from the IMF under a US$47.1 million Extended Credit Facility (ECF) arrangement approved on March 23, 2020. To accommodate the worsened BOP outlook, the IMF also agreed to modify the performance criteria on net usable international reserves and net domestic assets of the central bank under the ECF-supported program. The Gambia will also benefit from debt relief under the Catastrophe Containment (CC) window of the Catastrophe Containment and Relief Trust (CCRT) approved on April 13, 2020. The first tranche of $2.9 million (corresponding to debt service due to the Fund in the first six months) has been already approved for delivery. The total debt relief can be extended up to $10.8 million if resources are identified to extend the initiative for 24 months.

GHANA

Fiscal

- The government committed US$100 million to support preparedness and response, and about US$210 million under its Coronavirus Alleviation Programme to the promotion of selected industries (e.g., pharmaceutical sector supplying COVID-19 drugs and equipment), the support of SMEs and employment, and the creation of guarantees and first-loss instruments. Additional funds have been earmarked to address availability of test kits, pharmaceuticals, equipment, and bed capacity.

  To compensate for larger spending related to the COVID-19 crisis, the government plans cutting spending in goods and services, transfers, and capital investment (also reflecting the lower absorption capacity of the economy due to the pandemic), for a total of at least GHc 1.1 billion (0.3 percent of GDP). Also, the government has agreed with investors to postpone interest payment on non-marketable domestic bonds held by public institutions to fund the financial sector clean-up for about GHc 1.2 billion (0.3 percent of GDP).

  To reduce the financing needs, the government will draw US$218 million from the stabilization fund.

Monetary and macro-financial

- The Monetary Policy Committee (MPC) cut the policy rate cut by 150 basis points to 14.5 percent on March 18, and announced several measures to mitigate the impact of the pandemic shock, including lowering the primary reserve requirement from 10 to 8 percent, lowering the capital conservation buffer from 3 to 1.5 percent, revising provisioning and classification rules for specific loan categories, and steps to facilitate and lower the cost of mobile payments. The committee also signalled it would continue to monitor the economic impact of COVID-19 and take additional measures if necessary.

Exchange rate and balance of payments

- No measures

GUINEA

Fiscal

- A National Emergency Preparedness and Response Plan for a COVID-19 outbreak were prepared, with the support of international development partners. Key measures focus on strengthening surveillance at ports of entry; reinforcing capacity for COVID-19 detection; increasing the number of quarantine centers; expanding treatment facilities and acquiring needed medical equipment; and conducting a communication campaign. The implementation cost of the National Emergency Plan is estimated at US$47 million (0.3 percent of GDP).

  In addition, a COVID-19 economic response plan was announced on April 6, 2020. The Plan aims at strengthening infrastructure in the health sector, protecting the most vulnerable, and supporting the private sector, notably small and medium enterprises. The authorities estimate the cost of the Plan at about USD dollars 290 million (2 percent of GDP). Key measures include: the introduction of temporary exonerations on taxes, social contributions and payment of utilities for firms in the most affected sectors; the implementation of labour-intensive public works, provision of cash transfers, and a waiver on the payment of utilities for the most vulnerable.

Monetary and macro-financial

- The Economic Response Plan envisages the use of monetary policy tools to ease liquidity conditions in the banking system (including a reduction in the monetary policy rate, lowering reserve requirements, and recourse to liquidity instruments). It also envisages the establishment of a credit guarantee scheme for SMEs.

Exchange rate and balance of payments

- No measures.

GUINEA BISSAU

Fiscal

- Emergency measures of about US$ 0.5 million have been approved. These are focused on upgrading the main national hospital, and the provision of medicines, food, and medical equipment to the country's hospitals. The authorities already made available FCFA 100 million (0.01 percent of GDP) and will provide monthly FCFA 122 million to the main hospital. They are seeking support from multilateral donors to finance additional emergency healthcare and sanitary expenses.

Monetary and macro-financial

- The regional central bank (BCEAO) for the West-African Economic and Monetary Union (WAEMU) has taken pre-emptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. The BCEAO first raised the liquidity made available to banks at its weekly and monthly auctions of March 23, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor of 2.5 percent. This was followed, starting with the weekly refinancing auction of March 30, 2020, by the adoption of a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a lower rate. As announced on March 21, 2020, the BCEAO has also: (i) extended the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; (ii) set-up a framework inviting banks to accommodate demands from firms with COVID-19 related repayment difficulties to postpone for a 3 month renewable period debt service falling due, without the need to classify such postponed claims as NPL; and (iii) introduced measures to promote the use of electronic payments. In addition, the BCEAO has announced the creation of a special 3-month refinancing window at a fixed rate of 2.5 percent for limited amounts of 3-month "Covid-19 T-Bills" to be issued by each WAEMU sovereign to help meet funding needs related to the current pandemic.

Exchange rate and balance of payments

- No measures.

KENYA

Fiscal

- The government has earmarked Ksh40 billion (0.4 percent of GDP) in funds for additional health expenditure, including enhanced surveillance, laboratory services, isolation units, equipment, supplies, and communication; social protection and cash transfers; food relief; and funds for expediting payments of existing obligations to maintain cash flow for businesses during the crisis. Given lower revenues due to decreased economic activity and the need to accommodate emergency spending, the government is currently reassessing the budget deficit target for FY 2019/20. A package of tax measures has been proposed by the government. This includes full income tax relief for persons earning below the equivalent of $225 per month, reduction of the top pay-as you earn rate from 30 to 25 percent, reduction of the base corporate income tax rate from 30 to 25 percent, reduction of the turnover tax rate on small businesses from 3 to 1 percent, and a reduction of the standard VAT rate from 16 to 14 percent.

Monetary and macro-financial

- On March 24, the central bank (1) lowered its policy rate by 100 bps to 7.25 percent; (2) lowered banks' cash reserve ratio by 100 bps to 4.25 percent; (3) increased the maximum tenor of repurchase agreements from 28 to 91 days; and (4) announced flexibility to banks regarding loan classification and provisioning for loans that were performing on March 2, 2020, but were restructured due to the pandemic. The central bank has also encouraged banks to extend flexibility to borrowers' loan terms based on pandemic-related circumstances and encouraged the waiving or reducing of charges on mobile money transactions to disincentive the use of cash. On April 15, the central bank suspended the listing of negative credit information for borrowers whose loans became non-performing after April 1 for six months. A new minimum threshold of $10 was set for negative credit information submitted to credit reference bureaus.

Exchange rate and balance of payments

- No measures.

LESOTHO

Fiscal

- On April 13, the prime minister's speech unveiled updated fiscal measures to support food security and to assist those most affected by the crisis. (i) R1.2 billion has been allocated, and R500 millions of that go to a Contributory Fund that the government has started. (ii) R200 million will be spent on agriculture for food production, while social protection schemes will be expanded. (iii) The government will pay affected textiles workers a subsidy for three months. (iv) The government will also pay business rentals in May and defer certain taxes until September. (v) The country is also improving credit facilities for SMEs, guaranteeing 75 percent of principal rather than 50 percent.

Monetary and macro-financial

- On March 23, 2020, following an extraordinary meeting of the Monetary Policy Committee (MPC), the Central Bank of Lesotho (CBL) announced (i) an increase of the NIR target floor from US$630 million to US$660 million, and (ii) a reduction of the CBL policy rate by 100 basis points from 6.25 to 5.25 percent. To encourage the use of non-cash payments, the CBL has negotiated with mobile network operators the removal of fees for transactions below M50 and temporarily raised mobile money transaction limits. On April 14, following another extraordinary meeting of the MPC of the CBL announced a reduction of the CBL policy rate from 5.25 to 4.25 percent.

Additional financial sector measures were also unveiled in the PM's speech: (i) Banks and insurance companies have been asked to suspend loan repayments for three months, and insurance companies asked to suspend instalment payments. (ii) The implementation of Basel II.5 was postponed to free up funds that would otherwise go towards additional capital buffers.

Exchange rate and balance of payments

- No measures. The local currency is pegged to South Africa's Rand, which has depreciated substantially since the Covid-19 outbreak.

LIBERIA

Fiscal

- Aside from some measures to speed up and facilitate the importation process—including by removal of the pre-shipment inspection requirement and some protective surcharges—and to develop a preparedness plan, no other special fiscal measures have yet been adopted.

  The authorities are hoping to finalize a COVID-19 preparedness plan in conjunction with the donor community. The draft is still evolving. The World Bank has to date approved US$1.5 million available for actions under the plan from its overall funding envelope and utilization of this has begun.

  Areas of concentration under the plan include support to health care workers, purchase and rehabilitation of health care equipment, procurement of drugs and other medical supplies, deployment of surge staff to contact tracing activities, border areas, rapid response teams, training of responders, planning, communications and information sharing, staffing and equipping of laboratories, and logistical and supply support.

Monetary and macro-financial

- No changes to monetary policy are envisaged at this stage, as the shortage of Liberian dollar banknotes coupled with the lack of confidence in the banking system precludes any meaningful response to the pandemic using monetary policy instruments. In mitigation of this situation, the CBL is expediting the procurement of additional banknotes approved by the Legislature in December 2019. In response to the difficulties being felt by the private sector, the CBL is also allowing banks to practice limited forbearance on asset classification, provisioning, and lending policies in hard-hit sectors of the economy, while remaining vigilant for signs of banking sector stress.

On the payments side, to better facilitate the use of electronic payments, the CBL has suspended fees and charges for most electronic transfers and point-of-sale outlets used by merchants and mobile money operators; and increased allowable daily limits.

Exchange rate and balance of payments

- No measures so far, but the authorities are committed to allowing the exchange rate to adjust in line with market forces.

LIBYA

Fiscal

- The Government of National Accord (GNA) announced a package of LD 500 million (about 1 percent of GDP) in emergency COVID-19 related spending. While the exact nature and use of this spending is yet to be specified, it is believed to be aimed at supporting the health system in expanding testing and responding to a possible surge in infections. Certain medical equipment and personal protective gear are already in short supply as a result of the civil war which has impacted imports and impeded the free flow of goods within Libya's borders. In an effort to protect declining reserves, in mid-April the GNA announced a 20 percent pay cut for civil servants.

Monetary and macro-financial

- No measures.

Exchange rate and balance of payments

- No measures.

MADAGASCAR

Fiscal

- Key measures include: (i) increased spending on epidemic prevention and control; (ii) cash-transfers and in-kind necessities to the poorest and those unemployed; and (iii) tax relief, suspension of government fees and waived social contributions. Due to very limited resources, the authorities are actively seeking additional budget support from development partners, beyond what was already disbursed or committed. On April 3, 2020, IMF approved a disbursement under the Rapid Credit Facility (RCF) equivalent to $165.9 million to meet the large external financing gaps arising from Covid-19. On March 12, 2020, the World Bank provided a grant of $3.7 million to strengthen prevention against the COVID-19 pandemic, purchase materials and equipment, and train health workers. On April 2, 2020, the World Bank approved $100 million Development Policy Operation (DPO) for budget support to improve the human capital. The government is working on a revised budget law that will consider additional fiscal and support measures to be presented to parliament.

Monetary and macro-financial

- The central bank provided monetary policy support and acted to safeguard financial stability. The central bank has started to provide liquidity to the private sector, planning up to MGA620 billion (about 1.2 percent of GDP) to allow banks to defer delayed payments on existing loans and increase lending to businesses.

Exchange rate and balance of payments

- The authorities are maintaining the flexible exchange rate regime. Based on the latest available data, the central bank made some limited interventions, and the exchange rate depreciated by about 3.8 percent vis-à-vis US$ since the beginning of the year.

MALAWI

Fiscal

- The government's response plan includes US$20 million (0.25 percent of GDP) in spending on health care and targeted social assistance programs; this includes hiring 2000 additional health care workers. In addition, tax waivers will be granted on imports of essential goods to manage and contain the pandemic.

Monetary and macro-financial

- The domestic currency Liquidity Reserve Requirement (LRR) has been reduced by 125 basis points to 3.75 percent (aligned with the foreign currency LRR) and the Lombard Rate has been reduced by 50 percent to 0.2 percentage points above the policy rate. An Emergency Liquidity Assistance (ELA) framework has been introduced to support banks in the event of worsening liquidity conditions and to provide support to banks on a case-by-case basis. However, financial sector buffers, including banks' capital and liquidity buffers, are expected to counter risks to the banking system. To support small and medium enterprises (SMEs), commercial banks and micro-finance institutions will be, on a case-by-case basis, restructuring SME loans and providing a three-month moratorium on their debt service. Fees on mobile money transactions have been temporarily waived to encourage cashless transactions.

Exchange rate and balance of payments

- No measures have been taken.

MALI

Fiscal

- The government has updated its medical response plan to prevent the spread of COVID-19 and strengthen its medical care capacity, in collaboration with the World Health Organization, now costed at about 0.5 percent of GDP (including bonuses to health workers). The government is also working with the World Bank to enhance its medical care capacity, notably in terms of medical equipment (respirators, quarantine facilities, etc.). The government unveiled a package of social measures to support the most vulnerable households. These measures include the setup of a special fund to provide targeted income support to the poorest households, a mass distribution of grain and food for livestock to poorest households, the supply of electricity and water free of charge to the poorest consumers for the months of April and May 2020, a 3-month exemption from VAT on electricity and water tariffs, and a 3-month exemption from customs duties on the import of basic food (rice and milk). A package of economic measures was also announced to ease liquidity constraints on ailing firms, including an SMEs-support guarantee fund, clearing the budget spending float, granting tax deferral and relief to ease liquidity constraints on the hardest-hit companies, especially in the hospitality sector (hotels, restaurants, transportation).

Monetary and macro-financial

- The regional central bank (BCEAO) for the West-African Economic and Monetary Union (WAEMU) has taken pre-emptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. The BCEAO first raised the liquidity made available to banks at its weekly and monthly auctions of March 23, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor of 2.5 percent. This was followed, starting with the weekly refinancing auction of March 30, 2020, by the adoption of a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a lower rate. On March 21, 2020, the BCEAO had also announced: (i) an extension of the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; (ii) a framework inviting banks to accommodate demands from firms with Covid19-related repayment difficulties to postpone for a 3 month renewable period debt service falling due, without the need to classify such postponed claims as NPL; and (iii) measures to promote the use of electronic payments.

Exchange rate and balance of payments

- No measures.

MAURITANIA

Fiscal

- The government on March 25 announced the creation of an emergency fund of about $80 million (1.1 percent of GDP) for urgent procurements of medical supplies and equipment; subsidies to 30,000 poor households; and financial support to small individual businesses. It also waived customs duties and taxes on imports of essential goods and signalled that it will take additional measures as more resources are mobilized. To help provide much-needed resources for health services and social protection programs, the IMF Board on April 23, 2020 granted to Mauritania an emergency financing of SDR 95.68 million (about $130 million) under the Rapid Credit Facility. The country has also appealed to development partners for additional financing.

Monetary and macro-financial

- The central bank took measures to ease liquidity conditions and support the financing of the economy, including: a reduction in the policy rate from 6.5 percent to 5 percent; a reduction in the marginal lending rate from 9 percent to 6.5 percent; and a reduction in banks' reserve requirements from 7 percent to 5 percent.

Exchange rate and balance of payments

- No measures.

MAURITIUS

Fiscal

- The authorities have announced plans to increase general public health spending by Rs 208 million (0.04 percent of GDP), with half already disbursed. There are a range of other fiscal support measures including an additional Rs 4 billion (0.8 percent GDP) in spending/financing. The State Investment Corporation will raise Rs 2.7 billion (0.5 percent of GDP) to make equity investments in troubled firms. There will be financing available for SMEs. The Development Bank of Mauritius will give Rs 200 million (0.04 percent of GDP) in credit for firms short on cash. Affected firms will receive extra tax deductions. All labour contracts set to expire this year are extended through December 3, 2020. The government also introduced a Wage Support Scheme and Self-Employed Assistance Scheme to limit the socio-economic impact of COVID-19 by providing financial support to employees who would become unemployed on a temporary basis, as well as those employed in informal sectors or self-employed. On April 17, the government extended the two social assistance schemes until the end of April allocating an additional RS 4.5 bill in spending. The government also established CoVid-19 Solidarity Fund aimed at funding COVID-19 related projects (financial support to Mauritian residents and the financing of projects related to the COVID-19 virus and other related health issues), with around RS 80 mill raised by the public and enterprises as of April 20, 2020.

Monetary and macro-financial

- The Bank of Mauritius (BOM) reduced the Key Repo Rate from 3.35 percent to 2.85 percent on March 10, followed by a further reduction to 1.85 percent on April 16. On March 13, the BOM also adopted a set of measures focused on economic operators which are being directly impacted by COVID-19, including: i) reduction of cash reserve ratio - lower cash reserve ratio from 9 to 8 percent, with the amount released through the cut earmarked for any commercial banks' facility to be granted to the affecting economic operators; ii) special relief amount of Rs 5 billion (1 percent or GDP) - special credit line for affected firms to be administered via the commercial banks to meet affected operators' cash flow and working capital requirements; iii) moratorium on capital repayment for loans - commercial banks will provide a moratorium of six months on capital repayment for existing loans of affected economic operators; iv) easing of banking guidelines - the BOM also eased supervisory guidelines on handling credit impairments and v) savings bonds - Rs 5 billion (1 percent of GDP) of 2.5 percent two-year BOM bonds which will be made available to retail investors.

  On March 23, BOM announced additional support measures: i) support to households - six-month moratorium on household loans at commercial banks, while BOM will bear interest payments for households with the lowest income; ii) Special Foreign Currency (USD) Line of Credit ($300 million) - targeting operators having foreign currency earnings, including SMEs; iii) Swap arrangement to support import-oriented businesses (initial amount $100 million); and iv) Shared ATM Services - waving ATM fees during national confinement period.

Exchange rate and balance of payments

- The central bank has maintained the flexible exchange rate regime and has been intervening modestly in the foreign exchange market to reduce volatility and provide FX liquidity to the economy.

MOROCCO

Fiscal

- The authorities have created a special fund dedicated to the management of the pandemic, of about 2.7 percent of GDP financed by the government and by voluntary contributions from public and private entities which will be tax deductible. This fund will cover the costs of upgrading medical facilities and support businesses and households impacted by the pandemic. Businesses with less than 500 employees made temporarily idle and experiencing a reduction in turnover of more than 50 percent can defer social contribution payments until June 30. Their employees who become temporarily unemployed and are registered with the pension fund will receive 2,000 dirhams a month and can put off debt payments until June 30. Companies with annual turnover lower than 20 million dirhams can also defer tax payments. In addition, the government has decided to accelerate payment to its suppliers to support businesses. The government took measures to support households working in the informal sector.

Households' benefiting from the non-contributory health insurance (RAMED) will receive a mobile payment of DRH 800-1200 (USD 80-120) in April, depending on households' composition. Other households which do not benefit from RAMED will be able to claim cash support by registering online. The government postponed the deadline for personal income tax filing from end-April to end-June 2020 and provided a tax exemption for additional compensation paid by firms to employees in the formal sector up to a limit of 50 percent of the average monthly net salary.

A decree-law adopted on April 6 authorizes the government to increase external borrowing beyond the ceiling approved in the 2020 Budget Act.

Monetary and macro-financial

- The central bank reduced the policy rate by 25 bps to 2.0 percent on March 19. To support companies, loan payments are suspended for small and medium-sized businesses and self-employed people until June 30. To reduce volatility, the Capital Market Authority decided to revise downwards the maximum variation thresholds applicable to financial instruments listed in Casablanca Stock Exchange.

  Given growing demand for liquidity support in the banking system (both in DRH and in EUR/USD), Bank al-Maghrib decided on a three-pronged approach to increase liquidity provision to the banking sector: (i) expand the range of collateral accepted for repos and credit guarantees to include public and private debt instruments (including mortgages), (ii) increase and lengthen central bank refinancing operations to support banking credit to (V) SMEs, and (iii) provide FX swaps to domestic banks. In addition, the government will guarantee 95 percent of banks' new short-term loans to (V) SMEs through the Central Guarantee Fund. In addition, the government will provide interest-free loan of up to dirham 15,000 to self-employed, with a repayment period of three years and a grace period of one year.

Exchange rate and balance of payments

- As part of a gradual and orderly transition to a more flexible exchange rate regime, the authorities broadened the dirham's fluctuation band to +/- 5 percent (from +/- 2.5 percent) on March 6, 2020.

  On April 7, the Moroccan authorities purchased all available resources (about US$ 3 billion or 240 percent of quota and about 3 percent of GDP) under the Precautionary and Liquidity Line (PLL) arrangement. This purchase will help the authorities limit the social and economic impact of the COVID-19 pandemic and allow Morocco to maintain an adequate level of official reserves to mitigate pressures on the balance of payments.

MOZAMBIQUE

Fiscal

- The government has increased the budget allocation for health, from about MT 2 billion (or about 0.2 percent of GDP) to about MT 3.3 billion (0.3 percent of GDP). In addition, the Government is asking Mozambique's development partners for US$ 700 million for help to deal with the economic impact of the pandemic. This fiscal package would finance 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.

Monetary and macro-financial

- To ease liquidity conditions, on March 16, 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). On March 22, it 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; and (ii) 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. On March 30, the central bank announced measures to easy payment system transactions and liquidity conditions by: (i) lowering fees and charges for digital transactions through commercial banks, mobile banking and e-currency, for a period of three months, and (ii) waiving specific provision on foreign currency loans, until December 31. The central bank reduced the policy rate by 150 bps to 11.25 percent on April 16.

Exchange rate and balance of payments

- The metical has been allowed to adjust flexibly and has depreciated by almost 3 percent against the US dollar since early March 2020.

NAMIBIA

Fiscal

- On April 1stthe government launched the Economic Stimulus and Relief Package to mitigate the impact of COVID-19 (8 billion Namibian Dollars, or 4.25 percent of GDP), including i) expenditure measures of 2.2 billion for health, wage subsidies, and income grants; and ii) guarantees of up to 2.3 billion to support low interest loans for small and agricultural businesses, and individuals. In addition, the government called off the Independence Celebrations and reallocated the corresponding financial outlay to the fight against COVID-19.

Monetary and macro-financial

- The central bank reduced the policy rate by 100 bps to 5.25 percent on March 20. On March 26, the central bank announced changes in the financial sector and its regulatory setting, including i) allowing banks to grant loan payment moratorium (payment holidays) ranging from 6 to 24 months, ii) regulatory and policy relief changes, such as relaxing the determination on liquidity risk management, reducing the capital conservation buffer rate to 0 percent for at least 24 months to support banking institutions to supply credit, and postponing the effective date of implementation of the 25 percent single borrower limit and concentration risk limit.

Exchange rate and balance of payments

- No measures.

NIGER

Fiscal

- A plan has been presented to donors with an estimated cost of 7.4 percent of GDP, divided into an immediate health response and broader economic and social mitigation. Key elements are already being implemented, such as temporary tax relief for hard-hit sectors, two months of free utilities for vulnerable households, and distribution of food from the strategic reserve.

Monetary and macro-financial

- The regional central bank (BCEAO) for the West-African Economic and Monetary Union (WAEMU) has taken pre-emptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. The BCEAO first raised the liquidity made available to banks at its weekly and monthly auctions of March 23, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor of 2.5 percent. This was followed, starting with the weekly refinancing auction of March 30, 2020, by the adoption of a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a lower rate. As announced on March 21, 2020, the BCEAO has also: (i) extended the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; (ii) set-up a framework inviting banks to accommodate demands from firms with Covid19-related repayment difficulties to postpone for a 3 month renewable period debt service falling due, without the need to classify such postponed claims as NPL; and (iii) introduced measures to promote the use of electronic payments.

Exchange rate and balance of payments

- No measures.

NIGERIA

Fiscal

- Contingency funds of N984 million ($2.7 million) have been released to Nigeria's Center for Disease Control, and an additional N6.5 billion ($18 million) was distributed for purchasing more testing kits, opening isolation centers and training medical personnel. Grant of N10 billion ($28 million) was released to the Lagos State to increase its capacity to contain the outbreak. The government is reviewing its 2020 budget and, given the expected large fall in oil revenues, announced plans to cut/delay non-essential capital spending by N1.5 trillion (close to 1 percent of GDP). A fiscal stimulus package in the form of a COVID-19 intervention fund of N500 billion ($1.4 billion), has been approved by the President to support healthcare facilities, provide relief for taxpayers, and incentivize employers to retain and recruit staff during the downturn. Import duty waivers for pharmaceutical firms will be introduced. Regulated fuel prices have been reduced, and an automatic fuel price formula introduced to ensure fuel subsidies are eliminated. The President also ordered an increase of the social register by 1 million households to 3.6 million to help cushion the effect of the lockdown.

Monetary and macro-financial

- The Central Bank of Nigeria (CBN) maintained its current monetary policy rate in March but introduced additional measures, including: (i) reducing interest rates on all applicable CBN interventions from 9 to 5 percent and introducing a one year moratorium on CBN intervention facilities; (ii) creating a N50 billion ($139 million) targeted credit facility; and (iii) liquidity injection of 3.6 trillion (2.4 percent of GDP) into the banking system, including N100 billion to support the health sector, N2 trillion to the manufacturing sector, and N1.5 trillion to the real sector to impacted industries. Regulatory forbearance was also introduced to restructure loans in impacted sectors. The CBN is also coordinating a private sector special intervention initiative targeting N120 billion ($333 million) to fight COVID-19. As of April 16, N42.6 billion was received, including $50 million grant from the European Union.

Exchange rate and balance of payments

- The official exchange rate has been adjusted by 15 percent, with an ongoing unification of the various exchange rates under the investors and exporters (I&E) window, Bureau de Change, and retail and wholesale windows. The authorities committed to let the I&E rate move in line with market forces. A few pharmaceutical companies have been identified to ensure they can receive FX and naira funding.

RWANDA

Fiscal

- The pandemic is expected to cause a revenue shortfall of 1.9 percent of GDP. The government's emergency response plan, including scaled-up health spending, is estimated at about 1.5 percent of GDP. Support to vulnerable households has started in the form of regular in-kind transfers of basic food stuffs (door-to-door provision of rice, beans, and flour every three days). Support to firms is envisaged in the form of subsidized loans from commercial banks and is expected to target SMEs and hard-hit sectors such as the hospitality industry. The salaries of top civil servants for the month of April will be redirected to welfare programs. Tax relief measures include the suspension of down payments on outstanding tax for amicable settlement and the softening of enforcement for tax arrears collection. The deadline for filing and paying corporate income tax has been extended, and VAT refunds to SMEs are being fast-tracked. The 30-day maturity period for the public health insurance scheme premium was removed.

Monetary and macro-financial

- On March 18, the central bank announced liquidity support measures: (i) an extended lending facility worth RWF 50 billion (0.5 percent of GDP) available to liquidity-constrained banks for the next six months. Under this facility, banks can borrow at the policy rate and benefit from longer maturity periods; (ii) Treasury bond purchases through the rediscount window for the next six months; and (iii) lowering of the reserve requirement ratio by 100 basis points, from 5 to 4 percent, effective from April 1. Loan repayment conditions were also eased for impacted borrowers, and charges on electronic money transactions waived for the next three months. The central bank is also working closely with the Minister of Economy and planning to provide support to microfinance institutions.

Exchange rate and balance of payments

- No measures. The central bank remains committed to maintaining exchange rate flexibility and limiting foreign exchange market interventions to avoiding excessive exchange rate volatility.

SÃO TOMÉ AND PRÍNCIPE

Fiscal

- Key measures under considerations include:
    - i) Implementation of the health contingency plan prepared in coordination with the WHO, including associated health spending (on medicine, equipment, staffing, and treatment centers), to protect against COVID-19;
    - ii) Expansion of social assistance to the most vulnerable, including expansion of the WB-supported cash-transfer program, and increased support to the disadvantaged (the elderly, disabled and abandoned children);

iii) Protecting small businesses and employment, in particular through salary contributions and state-guaranteed loans;
iv) Financial assistance to workers who lost their jobs in both the formal and informal sectors.
v) Implementation of automatic stabilizers.
vi) Where supply chains are disrupted, the state will procure seeds, feedstock, and other essential inputs to be sold to farmers at market price.
vii) Introduction of a solidarity tax on public servants whose salaries are relatively unaffected by the shock.

Monetary and macro-financial

- The Central Bank of Sao Tome (BCSTP) has reduced the policy rate and minimum cash reserve requirement, and temporary easing of some prudential ratios over three months to ensure adequate provision of liquidity in the market.

  Encouraged commercial banks to reduce some banking fees and grant a temporary moratorium on debt services to fundamentally sound businesses affected by the crisis. They are also working on options to increase liquidity to banks so that they will be able to grant credit to the economy.

Exchange rate and balance of payments

- No measures.

SENEGAL

Fiscal

- Announced fiscal measures could reach up to 7 percent of GDP. The government has allocated FCFA 71 billion (0.5 percent of GDP) to finance additional health spending. Furthermore, the authorities have set out an economic support package to mitigate the impact of the pandemic: FCFA 69 billion will be used to provide urgent food aid and essential medical supplies; FCFA 15 billion will finance the suspension of utility payments for poorer customers; FCFA 12.5 billion has been allocated to the Senegalese diaspora; hard-hit sectors such as tourism and transport are expected to receive about FCFA 100 billion ; and an expedited payment of unmet obligations will help strengthen firms balance sheets. On the tax side, postponing tax payments will improve liquidity of enterprises. Their balance sheets will also profit from a partial write-off of tax debt. The government has set up a national solidarity fund of up to FCFA 1000 billion (7 percent of GDP) which will be financed by a mix of donor contributions, voluntary donations, and the budget.

Monetary and macro-financial

- The regional central bank (BCEAO) for the West-African Economic and Monetary Union (WAEMU) has taken pre-emptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. The

BCEAO first raised the liquidity made available to banks at its weekly and monthly auctions of March 23, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor of 2.5 percent. This was followed, starting with the weekly refinancing auction of March 30, 2020, by the adoption of a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a lower rate. On March 21, 2020, the BCEAO had also announced: (i) an extension of the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; (ii) a framework inviting banks to accommodate demands from firms with Covid19-related repayment difficulties to postpone for a 3 month renewable period debt service falling due, without the need to classify such postponed claims as NPL; and (iii) measures to promote the use of electronic payments.

Exchange rate and balance of payments

- No measures.

SEYCHELLES

Fiscal

- The government has announced a measure to subsidize wages for companies facing distress caused by COVID-19. A revised 2020 budge was presented to the National Assembly.

Monetary and macro-financial

- The Central Bank of Seychelles (CBS) reduced the policy rate by 100 bps to 4 percent on March 23. On the same day, it announced that a credit facility of approximately $36 million will be set up to assist commercial banks with emergency relief measures to assist businesses and individuals struggling with the financial impact of the pandemic. The CBS also announced that commercial banks, the Development Bank of Seychelles (DBS) and the Seychelles Credit Union have agreed to consider a moratorium of six months on the repayment of principal and interest on loans to assist businesses in impacted sectors. The National Assembly has allowed the Central Bank to provide (i) a limited credit to government up to SCR 500 million, preferably through purchase of securities, and subject to central bank Board approval; and (ii) extending the maturity of credit to commercial banks to 3 years. The CBS is also considering easing reserve requirements. The CBS will continue to monitor potential market stress and any emerging risks to the financial sector and the economy.

Exchange rate and balance of payments

- No measures.

SIERRA LEONE

Fiscal

- The government is developing, in close collaboration with the Fund and other development partners, a health response and a broader economic package of measures. On April 2, the World Bank approved a $7.5 million International Development Association (IDA) grant to support preparedness of the Sierra Leonean health system in the context of COVID-19. On April 22, the government announced its plans to include incentives for healthcare workers (including a risk allowance, life insurance and compensation for living expenses when in-field) as part of the health response under development.

Monetary and macro-financial

- The central bank held an emergency Monetary Policy Committee meeting on March 18. They decided to: (i) reduce the monetary policy rate (mostly signalling) by 150 bps from 16.5 percent to 15 percent, effective March 19; (ii) create a special credit facility (Le 500 billion) to support production, procurement and distribution of essential goods; and (iii) extend the reserve requirement maintenance period from 14 to 28 days to ease tight liquidity.

Exchange rate and balance of payments

- Following the March 18 MPC meeting, the central bank announced its intention to provide FX resources to ensure the importation of essential goods. The exchange rate has been allowed to adjust.

SOMALIA

Fiscal

- The authorities are seeking donor support to respond to the crisis. Effective April 15, they have introduced a three month tax holiday on basic commodities and reduced consumption tax on some additional goods by 50 percent. The authorities will make additional transfers to federal member states and the Banadir region to help them respond to the impact of the pandemic.

Monetary and macro-financial

- The Central Bank is releasing funding-for-lending support for medium and small enterprises through commercial banks initially for $2.9 million with more in the pipeline. The Central Bank is also encouraging commercial banks to use excess liquidity to support lending and employ existing CBRs to support remittance inflows.

Exchange rate and balance of payments

- No measures.

SOUTH AFRICA

Fiscal

- The government is assisting companies and workers facing distress through the Unemployment Insurance Fund (UIF) and special programs from the Industrial Development Corporation. Additional funds are being made available for the health response to Covid-19, workers with an income below a certain threshold will receive a small tax subsidy during the next four months, and the most vulnerable families will receive temporarily higher social grant amounts for the next six months. A new 6-month Covid-19 grant was also created to cover unemployed workers that do not receive grants or UIF benefits and the numbers of food parcels for distribution was increased. Funds are available to assist SMEs under stress, mainly in the tourism and hospitality sectors, and small-scale farmers operating in the poultry, livestock, and vegetables sectors. A new loan guarantee scheme will help companies with turnover below a certain threshold to get bank financing for the payment of operating expenses. Allocations are also being made to a solidarity fund to help combat the spread of the virus, with assistance of private contributions, and support municipal provision of emergency water supply, increased sanitation in public transport, and food and shelter for the homeless. The revenue administration is accelerating reimbursements and tax credits, allowing SMEs to defer certain tax liabilities, and has issued a list of essential goods for a full rebate of customs duty and import VAT exemption. A 4-month skills development levy tax holiday is also being implemented.

Monetary and macro-financial

- The central bank (SARB) reduced the policy rate by 100 bps to 5.25 percent on March 19 and then another 100 bps to 4.25 percent on April 14. On March 20, it announced measures to ease liquidity conditions by: (i) increasing the number of repo auctions to two to provide intraday liquidity support to clearing banks at the policy rate; (ii) reducing the upper and lower limits of the standing facility to lend at repo-rate and borrow at repo-rate less 200 bps; and (iii) raising the size of the main weekly refinancing operations as needed. On March 23, the government announced the launch of a unified approach to enable banks to provide debt relief to borrowers. On March 25, the SARB announced further measures to ease liquidity strains observed in funding markets. The program aims to purchase government securities in the secondary market across the entire yield curve and extend the main refinancing instrument maturities from 3 to 12 months. On March 26, the SARB issued guidelines on modalities to provide debt relief to bank customers. On March 28, it announced temporary relief on bank capital requirements and reduced the liquidity coverage ratio from 100 to 80 percent to provide additional liquidity and counter financial system risks. On April 6, 2020, the SARB issued guidance on dividend and cash bonuses distribution to ensure bank capital preservation.

Exchange rate and balance of payments

- The SARB announced it will continue its longstanding practice of not intervening in the foreign exchange market.

SOUTH SUDAN

Fiscal

- No measures.

Monetary and macro-financial

- No measures.

Exchange rate and balance of payments

- No measures.

SUDAN

Fiscal

- Already facing financing constraints amid large macro-economic imbalances, the outbreak of COVID-19 puts further pressure on an already tight fiscal position. Nevertheless, the authorities have prepared a Multi-hazard Emergency Health Preparedness Plan guided by the WHO, which has identified priority areas to tackle the outbreak of COVID-19. According to the plan, the financing needs to cope with COVID-19 related health care is about $120 million. So far, domestic private sector has pledged to contribute $ 2 million to help the government, the government reallocated $3 million and UN and international partners are expected to donate $9 million. The US government has also announced a donation of $8 million, while the European Union announced a support package of EUR 70 Million. On April 9, the Islamic Development Bank was also reported to provide $35 million to Sudan, while the World Bank has also announced a package of US$ 35 Million from its Headquarters based trust funds.

  To mitigate the negative impact on households and enterprises, the government is considering boosting social safety net by increasing direct cash transfer, providing unemployment benefits and delivering basic food baskets to poor families at discounted prices. These measures could cost about $1.5 billion in three months.

  On April 15, the government also announced significant increase in the salaries of public sector employees.

  There are also reports from the Ministry of Health that 30 billion SDG have been allocated to prevent the collapse of the Sudanese health system and another 20 billion SDG to support the families affected by the lockdown measures in Khartoum.

Monetary and macro-financial

- The government is preparing to freeze loan repayment and services for three months to ease the pressure on private sector.

Exchange rate and balance of payments

- No specific measures are taken to deal with COVID-19.

TANZANIA

Fiscal

- No measures.

Monetary and macro-financial

- No measures.

Exchange rate and balance of payments

- No measures.

TOGO

Fiscal

- On March 20, 2020, the authorities announced an action plan heavily reliant on development partners' financing. The overall financing need is estimated at about CFAF 70 billion (about $130 million or 2 percent of GDP). The National Assembly authorized the Government to rule by decrees for a period of 6 months to accelerate the decision-making process. President Faure Gnassingbé has declared a state of health emergency for 3 months and announced a series of additional measures.
    - Health measures: (i) State of health emergency for a period of 3 months; and (ii) Establishment of mobile units for screening and testing throughout the country.
    - Social measures: (i) Free water and electricity for groups paying social tariffs for 3 months; (ii) Mobile-based cash transfer program aiming to support informal workers directly through mobile enrolment to receive a state grant of at least 30 percent of the minimum wage, with pay outs from CFAF 10,500 ($18) to CFAF 20,000 ($34); (iii) Adjustment of the working hours of civil servants from 9 a.m. to 4 p.m.; and (iv) A decree freeing 1,048 detainees was signed.
    - Economic measures: (i) Creation of a Solidarity and Economic Recovery Fund of CFAF 400 billion (11.8 percent of GDP). Financing is expected from the budget, private sector, and donors. No specifics on the timeline has been

provided; and (ii) Issues to be discussed by inter-ministerial committees: situation of young entrepreneurs; support agricultural sector; measures to support consumption, production and job protection; possibilities for tax relief for business exposed to the COVID-19 fallout. More specifically, the government announced a series of fiscal measures for businesses: (i) a reduction of VAT rate from 18 percent to 10 percent for the hotel and catering sectors, (ii) a suspension of tax audits and penalties for the fiscal year, (iii) waiver for the submission of financial statements and postponement of tax payments for selected businesses, and (iv) granting instalments in tax payments for SMEs.

  - Security measures: (i) Implementation of a curfew as of April 2, 2020 from 8 pm to 6 am; and (ii) Creation of a special anti-pandemic force of 5,000 men.

Monetary and macro-financial

- The regional central bank (BCEAO) for the West-African Economic and Monetary Union (WAEMU) has taken pre-emptive steps to better satisfy banks' demand for liquidity and mitigate the negative impact of the pandemic on economic activity. The BCEAO first raised the liquidity made available to banks at its weekly and monthly auctions of March 23, allowing average refinancing rates to remain relatively close to the floor of the monetary policy corridor of 2.5 percent. This was followed, starting with the weekly refinancing auction of March 30, 2020, by the adoption of a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a lower rate. As announced on March 21, 2020, the BCEAO has also announced: (i) an extension of the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; (ii) a framework inviting banks to accommodate demands from firms with Covid19-related repayment difficulties to postpone for a 3 month renewable period debt service falling due, without the need to classify such postponed claims as NPL; and (iii) measures to promote the use of electronic payments. In addition, the BCEAO has announced the creation of a special 3-month refinancing window at a fixed rate of 2.5 percent for limited amounts of 3-month "Covid-19 T-Bills" to be issued by each WAEMU sovereign to help meet funding needs related to the current pandemic.

Exchange rate and balance of payments

- No measures.

TUNISIA

Fiscal

- A 2.5 billion TND emergency plan ($0.71 billion or 1.8 percent of GDP) was announced on March 21. The package includes the postponement of CIT payments, other taxes and social contributions, VAT exemptions, VAT refund procedures and reimbursement acceleration, rescheduling taxes and custom arrears, and others in order to provide liquidity to the private sector, limiting layoffs and protecting the most vulnerable population especially in the informal sector. The plan also includes an expansion of the budget allocation for health expenses as well as the creation of a 100 TND Million fund for the acquisition of equipment for public hospitals. From the social side, this also includes cash transfers for low income households, disabled and homeless people (450 TND million for three months). The plan also includes a support for those who will be on temporary unemployment because of the COVID19 shock (300 TND million).

Monetary and macro-financial

- The CBT has reduced its policy rate in March by 100 bps. On March 20, the CBT announced a package to support the private sector, by asking banks to defer payments on existing loans and suspend any fees for electronic payments and withdrawals. The central bank has also asked banks to postpone credit reimbursement by employees for a period of 3 or 6 months, depending on the net revenue level. Besides, the government announced a set of financial measures including the creation of investment funds (600 million TND), a state guarantee for new credits (500 million TND), the activation of a mechanism for the state to cover the difference between the policy rate and the effective interest rate on investment loans within a cap of 3 percent.

Exchange rate and balance of payments

- No measures.

UGANDA

Fiscal

- The authorities have used part of their Contingency Fund in the FY2019/20 budget to finance approximately USD 1.3 million of the Ministry of Health Preparedness and Response Plan from January to June 2020. The government has passed a supplementary budget of about US$80 million to support critical sectors such as health and security at the frontline of this pandemic. The government has increased health spending and announced a package of measures to mitigate the social and economic impact of the pandemic. This includes a food distribution campaign; expedited repayment of domestic government arrears to the private sector suppliers; boosting the lending capacity of the state-owned Uganda Development Bank (UDB) to provide affordable credit to support private sector companies to reorient their production towards covid-19 response related items; the deferment of tax payment obligations for the most affected sectors; the introduction of tax exemptions for items used for medical use; the support with water and electricity utilities and the expansion of labour-intensive public works programs. Close collaboration and support measures in cash and kind are ongoing with the private sector, intergovernmental agencies and other stakeholders.

Monetary and macro-financial

- Bank of Uganda (BoU) issued a statement on March 20th listing the following measures: (i) BoU's commitment to provide exceptional liquidity assistance for a period of up to one year to financial institutions that might need it; (ii) ensuring that the contingency plans of the supervised financial institutions guarantee the safety of customers and staff; (iii) putting in place a mechanism to minimise the likelihood of sound business going into insolvency due to lack of credit; (iv) waiving limitations on restructuring of credit facilities at financial institutions that may be at risk of going into distress. BoU has also worked with mobile money providers and commercial banks to ensure they reduce charges on mobile money transactions and other digital payment charges.

  During its April 2020 MPC meeting, the Bank reduced its Central Bank Rate (CBR) by 1 percentage point to 8 percent to counter the deteriorating economy, ensure adequate access to credit and smooth functioning of the financial markets. Other concrete measures introduced include: (i) Directing that all Supervised Financial Institutions (SFIs) defer the payments of dividends and bonus for at least 90 days effective March 2020 to ensure adequate capital buffers are maintained; (ii) provision of liquidity to commercial banks for a longer period through issuance of reverse Repurchase Agreements (REPOs) of up to 60 days at the CBR, with opportunity to roll over; (iii) Purchase of Treasury Bonds held by Microfinance Deposit taking Institutions (MDIs) and Credit Institutions (CIs) in order to ease their liquidity distress; (iv) Grant exceptional permission to SFIs to restructure loans of corporate and individual customers that have been affected by the pandemic, on a case by case basis effective April 2020.

  Bank of Uganda has further provided guidelines, applicable for 12 months, on credit relief and loan restructuring to be followed by the Supervised Financial Institutions (SFIs) during the Covid-19 pandemic. Among these are restrictions on how many times a loan can be restructured during the 12 month period with the limit being 2 times and a removal of the current pre-requisite of payment of arrears to be eligible for restructuring; Repayment moratoriums granted to borrowers negatively affected by the pandemic can include the suspension, postponement or reduction of principal amounts, interest or full payments, for a period not exceeding 12 months.

Exchange rate and balance of payments

- Bank of Uganda has announced that it stands ready to intervene in the foreign exchange market to smooth out excess volatility of the exchange rate.

ZAMBIA

Fiscal

- The Zambian government has announced a release of 2.64 billion-kwacha (0.75 percent of GDP) to clear arrears and pay contractors. Import duties on mineral concentrate and export duties on precious metals were suspended to support the mining sector. The government has waived tax penalties and fees on the outstanding tax liabilities resulting from CoVID-19, suspended customs duties and VAT on some medical supplies, removed provisions relating to claim of VAT on imported spare parts, lubricants and stationery to ease pressure on companies. The government had set up an Epidemic Preparedness Fund amounting to 57 million kwacha (0.02% of GDP) and had approved a COVID-19 Contingency and Response Plan with a budget of 659 million kwacha (0.2% of GDP). Furthermore, 400 doctors and 3000 paramedics were recruited to fight the COVID-19 pandemic.

Monetary and macro-financial

- The Bank of Zambia (BoZ) plans to provide 10 billion kwacha (3% of GDP) of medium-term liquidity support to eligible financial services providers and scale up open-market operations to provide short-term liquidity support to commercial banks. In addition, BoZ implemented several measures to stimulate the use of e-money and reduce the use of cash, revised the rules governing the operations of the interbank foreign exchange market to support its smooth functioning, strengthening market discipline and providing a mechanism to address heightened volatility, revised loan classification and provisioning rules, and extended the transitional arrangement to IFRS9.

Exchange rate and balance of payments

- No measures.

ZIMBABWE

Fiscal

- The authorities' requirements to fight Covid-19, as per the humanitarian appeal stood at US$220 million targeting prevention and control of the disease including awareness campaigns. To date, the authorities have availed over ZWL$100 million and US$2 million to fight against COVID-19. In addition, they have started administering a ZWL$600 million cash transfer program that targets 1 million vulnerable households over the next 3 months; have begun to enlist small and medium-size businesses and informal traders that are affected by the lockdown for a bailout by government (no amount has yet been allocated to this cushioning package); the freeze on government hiring has been lifted for the health sector, targeting 4000 additional medical personnel (about 20 percent increase); companies have been allowed to extend the payment of corporate taxes (waiving interest and penalties); and duties and taxes on various goods and services related to COVID-19 have been suspended, including on testing, protection, sterilization, and other medical consumables. Due to limited fiscal space, the Ministry of Finance is targeting expenditure reprioritization by redirecting capital expenditure towards health-related expenditures including water supply and sanitation programs, including directing the 2 percent Intermediated Money Transfer Tax, which is currently ring-fenced for social protection and capital development projects, to COVID-19 related mitigatory expenditures. The authorities have relaxed some procurement regulations with a view of facilitating speedy procurement of essential goods and services.

Monetary and macro-financial

- The authorities returned the multicurrency system allowing both Zimbabwean dollar and US dollar to be legal tender. They reduced bank policy rate from 35 percent to 25 percent, reduced the statutory reserve ratio on bank deposits from 5 percent to 4.5 percent and also increased private sector lending facility by the central bank from ZW$1 billion to ZW$2.5 billion.

Exchange rate and balance of payments

- The central bank moved from managed floating exchange rate system to a fixed exchange rate management system.