

Parliamentary briefing



Simon Kirkland
UK Parliamentary and Political Adviser
SKirkland@christian-aid.org

Jacopo Villani
Senior Adviser, Humanitarian Policy and Advocacy
JVillani@christian-aid.org

Sierra Leone and Strengthening Health Systems December 2014

Please raise the following issues with the Minister:

- The current Ebola outbreak is pushing the health system in Sierra Leone to breaking point. What support is the UK Government giving to help the country build a sustainable, high quality health system?
- The Government of Sierra Leone continues to lose a huge amount of revenue from tax incentives, including those granted to British mining companies. These resources could be invested in strengthening the health system. In that regard, what actions will the UK Government take to ensure that British mining companies operating in Sierra Leone will not benefit from huge tax incentives and will pay a fairer share of taxes?

Key messages

- In Sierra Leone the Ebola virus case incidence is still increasing and the situation in the country remains very critical. The epidemic is seriously endangering the functioning of the entire national health system which has left the population without access to basic healthcare.
- There is an urgent need to strengthen the healthcare system in Sierra Leone, both to contain the current epidemic and also to help the country prevent future outbreaks.
- The UK Government should develop long-term aid plans in order to help Sierra Leone build a sustainable and efficient health system.
- An effective health system requires adequate funding. Higher revenues coming from the extraction of natural resources could dramatically increase the country's expenditures on strengthening the health system.
- The UK Government should do what it can to ensure that British mining companies operating in Sierra Leone improve their tax transparency and compliance, and place good tax compliance at the centre of their corporate governance.

Context

The Ebola outbreak has been ravaging Guinea, Liberia and Sierra Leone since March 2014. As of 3 December 2014 in Sierra Leone the epidemic had infected a total of 7,635 people of whom 1,660 had died.¹ There are 200-300 deaths and 400-500 new infections per week. The epidemic is not levelling off yet, hence there is still a critical need to isolate and treat infected people and to further prevent the spread of the disease. Individuals, families and entire communities have been affected, and the consequences for their livelihoods, food security, protection and access to health services are catastrophic.

The Ebola epidemic is deeply damaging Sierra Leone's economy. A recent World Bank report on the economic impact of Ebola warns that Sierra Leone's GDP growth will sharply decline, despite its positive growth in recent years.² All the post-war achievements in the sectors of health, education, justice and employment are in jeopardy. The health sector is collapsing and the national capacity to cope with such an overwhelming humanitarian crisis is weak.

Christian Aid's work in Sierra Leone

Christian Aid and its partners have reached 1.2 million people with life-saving advice on how to avoid contracting Ebola, promoted behaviour change through radio messages, and distributed 200,000 pairs of disposable gloves to medical teams across nine districts. They have trained 900 community health volunteers to conduct door-to-door awareness-raising to prevent Ebola transmission and rolled out the training to 9,000 volunteers, enabling them to reach nearly 50,000 households across the country. Christian Aid's partners provided more than 360kg of powdered chlorine – with the potential to produce 11,600 gallons of diluted liquid chlorine – to disinfect health centres and for hand-washing by medical teams. They provided food and non-food items to 350 quarantined households and psychosocial support to affected individuals and families aimed at reducing stigma and supporting Ebola survivors.

Health system strengthening in Sierra Leone

There is an urgent need to strengthen the fragile health system in Sierra Leone to efficiently tackle the Ebola epidemic and to strengthen its preparedness for future outbreaks. Unless a wide-ranging response to this crisis is adopted, the Sierra Leonean health system is predicted to collapse.

Patients affected by malaria, HIV/AIDS, TB and other preventable diseases have all been ignored since the beginning of the outbreak. Higher incidences of maternal and child mortality and malnutrition are expected due to the reduced access to health facilities and the decrease in food availability.

The dramatic deficit of health personnel (Sierra Leone has about 136 doctors and 1,017 nurses for 6 million people) continues to represent one of the major obstacles to the development of efficient health services and access to basic health care in Sierra Leone.

Although the UK Government supported the health system reforms in Sierra Leone in the recent past, the Ebola crisis has further evidenced the extreme fragility of the Sierra Leonean health system.

Christian Aid urges the UK Government to adopt a longer-term sustainable response to strengthen the national health system in all its aspects.

Funding the health system through mining revenues

It is widely documented how British mining companies are benefiting from tax exemptions and reductions in Sierra Leone. Tax incentives, granted by the Government of Sierra Leone, strongly reduce the potential revenues that the country could receive from its minerals. This dramatically reduces the country's spending on social services such as health and education. A recent report written by Christian Aid's partners, highlights that the Sierra Leonean Government in 2011 spent more in tax incentives than on its development priorities. In 2012 it granted US \$224.3m on tax exemptions, which is eight times the budget allocated for the health sector (US \$25.7m).³

In addition, many of the tax incentives are negotiated behind closed doors between Government and companies making the negotiation process extremely opaque and corrupt.

The UK Government should encourage and support the Government of Sierra Leone in its efforts to resist pressure to grant mutually damaging tax incentives.⁴ Christian Aid urges the UK Government to strictly follow and implement the recommendations outlined in the report *Supporting the Development of More Effective Tax Systems* by the IMF, OECD, UN and World Bank, in order to help reduce revenue losses in Sierra Leone that undermine good governance and development.⁵

One of the most important recommendations is that the UK Government should encourage all its resident mining companies operating in Sierra Leone to ensure that the National Revenue Authority of Sierra Leone is fully involved in the negotiation and design of these exemptions. This would ensure a more transparent and fairer negotiation process that will not promote corruption and political patronage.⁶

The proper implementation of the above recommendations would enable Sierra Leone to raise its tax revenues, in order to invest more resources in strengthening its fragile health system.

¹ WHO, Ebola data and statistics, available at <http://apps.who.int/gho/data/view Ebola-sitrep Ebola-summary-latest?lang=en>

² World Bank Group, 'Update on the Economic Impact of the 2014 Ebola Epidemic on Liberia, Sierra Leone, and Guinea', 2 December, 2014, available at worldbank.org/en/topic/macroeconomics/publication/economic-update-ebola-december

³ Budget Advocacy Network (BAN) and National Advocacy Coalition on Extractives (NACE) *Losing Out: Sierra Leone's massive revenue losses from tax incentives*, 2014, pp 6, 7, 18. This research was supported by Tax Justice Network-Africa (TJN-A), Christian Aid, IBIS and ActionAid.

⁴ IMF, *Supporting the Development of More Effective Tax Systems*, 2011, p24.

⁵ Ibid.

⁶ Ibid, p25.