Recovery from the Pandemic in Developing Asia: Achieving Inclusive and Sustainable Growth with Sound Fiscal Management *IMF-JICA conference 2023 in Tokyo*

Invest more and better toward resilient UHC in Asia and Pacific Findings from the Financial Support during COVID-19 Pandemic for Resilient UHC





February 14, 2023

MAKIMOTO Saeda
Principal Research Fellow
JICA Ogata Sadako Research Institute

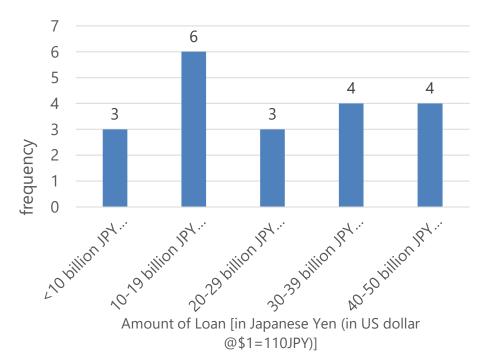
COVID-19 Crisis Response Emergency Support Loan (development policy loan) – quick review

Objectives

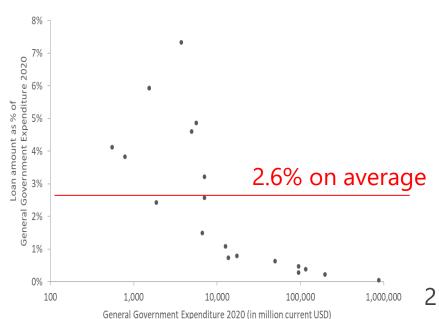
To strengthen **resilient health systems** and to revitalize **economic and social activities**

On average, \$217 million were provided per program (equivalent to 2.6% of general government expenditure 2020)

Loan amount per program (out of 20 programs loan agreement contracted by March 2022)

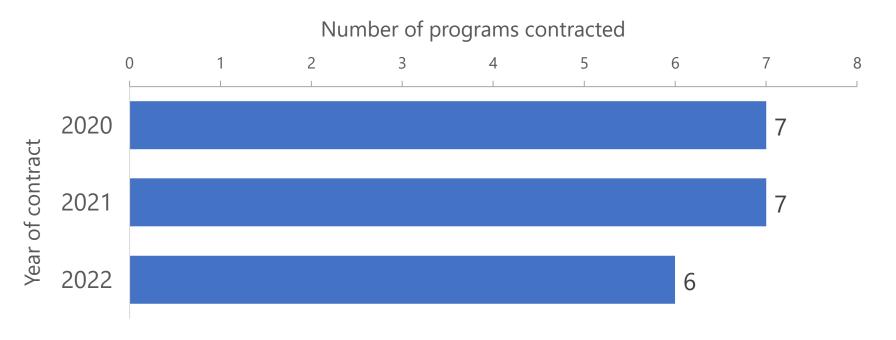


Loan amount vs general government Expenditure (out of 20 programs loan agreement contracted by March 2022)



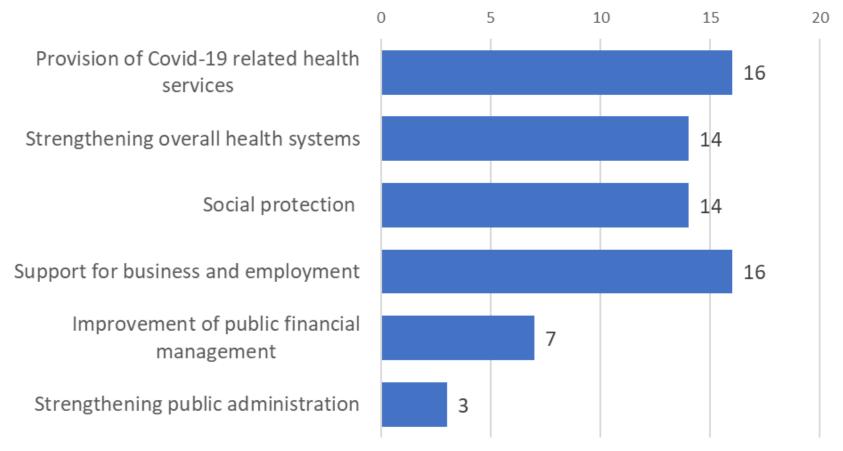
Programs were formulated in early stage of the COVID-19 pandemic as well as following stages of the pandemic

Number of programs contracted in each year (out of 20 programs loan agreement contracted by March 2022)



Policy actions were not limited in health sector, but also set in social protection, business, employment and public financial management

Domains of policy actions (out of 20 programs loan agreement contracted by March 2022)



Examples of policy actions

■ COVID-19

- Implement laboratory test on SARS-CoV-2 more than 10 million times.
- Develop and implement National Vaccination Master Plan for Covid-19.
- Complete 2 doses of Covid-19 vaccination to 60% of population.
- Four regional hospitals treat severe cases of Covid-19.

■ Health System Strengthening

- Develop framework and manual of health care waste management.
- Develop guideline on tele-medicine systems.
- Develop management guidelines on national health information system.
- Agreement on implementation of project for strengthening laboratory network for infectious disease control.

Examples of policy actions

■ Social Protection

- Launch operations of national unified registry of the poor.
- Enact law for protection of victims of gender-based violence.
- Establish subsidy program on education for students on primary, secondary and vocational training schools

Support for Business and Employment

- Establish subsidy program for small and medium enterprises to maintain employment.
- Executive board of employment promotion fund approves extension of loan repayment deadline to all borrowers.
- Start construction works to maintain, renovate and conserve **touristic** and historical sites.
- Enactment of law on improvement of Public-Private-Partnership for green power and related infrastructure business

Examples of policy actions

■ Public Financial Management

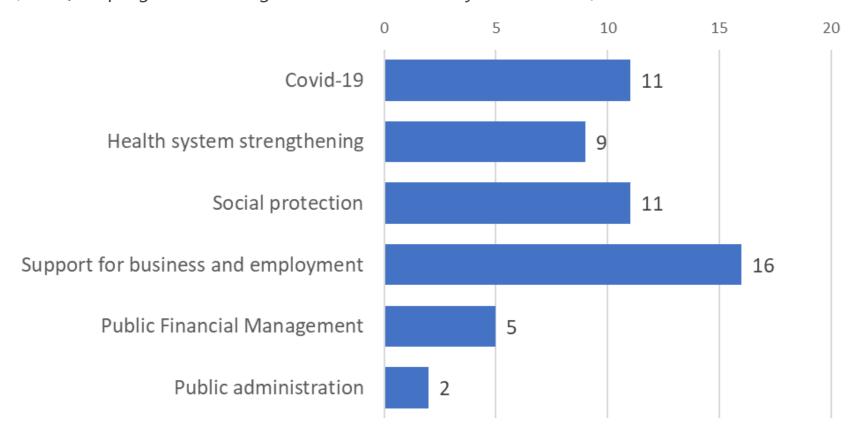
- Issue Public Dept Management Strategy.
- 32,000 enterprises use **online tax filing systems** for value added tax and corporate income tax.
- Authorize policy on Tourism and enact Tourism Tax Law

■ Public Administration

- Improve civil registry system, including simplification and digitalization of procedure.
- Abolish gender-based discrimination in employment, candidacy in elections and land acquisition.

Indicators on support for business and employment were most popular, followed by indicators on health and social protection

Domains of performance indicators (out of 20 programs loan agreement contracted by March 2022)



Policy actions/indicators vary in the context

Bangladesh

Provision of Covid-19 related health services

Social protection

Support for business and employment

Cambodia

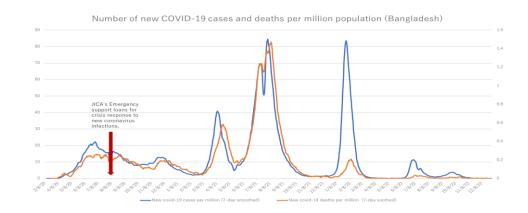
Provision of Covid-19 related health services
Strengthening overall health systems
Social protection
Support for business and employment
Improvement of public financial management

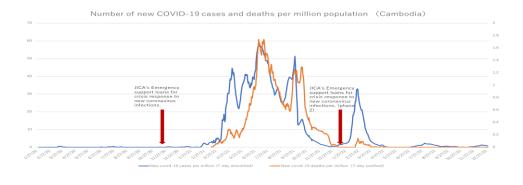
Bhutan

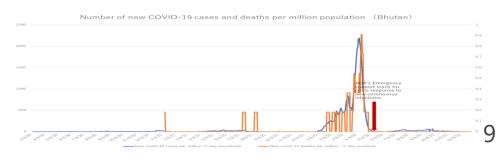
Provision of Covid-19 related health services

Social protection

Support for business and employment
Improvement of public financial management
Strengthening public administration







Key findings

- The program contributed to fill **financial gap**, caused by **increased demand** for health, social protection and maintaining employment and business, and **decreased revenue** due to the pandemic.
- The program supported medium- and long-term investment for resilient and sustainable society, as well as immediate responses in early stage of the pandemic.

Key findings

- The program supported not only COVID-19 related health services, but also **health system strengthening**, in order to maintain essential health services during pandemic and to attain resilient UHC in post-pandemic era.
- The program also supported development and implementation of **policies** of **non-health sector**, such as social protection, support for business and employment, public financial management and public administration, in order to attain sustainable and inclusive growth.
- Each program selected several **key actions and indicators among competing priorities**. Leadership of the government is the key to smoothly coordinate with relevant stakeholders.

Impact of the program

- The impact of the programs will be assessed in **the ex- post evaluation** by monitoring changes in performance indicators for ensuring affordable access to health services for poor and vulnerable populations, while putting in place critical systems to manage COVID-19.
- Raised awareness on investment in health among MOF officials are expected as more frequent dialogue were held between MOF and MOH during formulation and implementation of the program.

Key issues for investment in health

- Health is the foundation of human capital, and driver for social and economic development. However, investment in health has been low in most countries.
- Resilient health systems is not only for public health emergency risk of infectious diseases, but also climate change/environment impacts on health, as well as service demand changes due to ageing.
- Continuing increase fiscal vulnerability and debt in LMICs is compounded by COVID-19 economic recession and this may disrupt increase of health financing among lots of competing priorities for social and economic development.
- Invest in health "more" and "better(smarter)" is essential, and requires leadership of the government, evidence-based policy, data to prioritize actions, and learning from the field.

Reference

- Pre Implementation Stage Evaluation, JICA (https://www.jica.go.jp/english/our_work/evaluation/index.html)
- Gadsden T, Ford B, Angell B, Sumarac B, de Oliveira Cruz V, Wang H, Tsilaajav T, Jan S. Health financing policy responses to the COVID-19 pandemic: a review of the first stages in the WHO South-East Asia Region. Health Policy Plan. 2022 Nov 14;37(10):1317-1327. doi: 10.1093/heapol/czac071. PMID: 36066247; PMCID: PMC9661300.
- Amu H, Dowou RK, Saah FI, Efunwole JA, Bain LE, Tarkang EE. COVID-19 and Health Systems Functioning in Sub-Saharan Africa Using the "WHO Building Blocks": The Challenges and Responses. Front Public Health. 2022 Apr 4;10:856397. doi: 10.3389/fpubh.2022.856397. PMID: 35444973; PMCID: PMC9013894.
- World Health Organization. (2022). Global spending on health: rising to the pandemic's challenges. Geneva: World Health Organization. https://www.who.int/publications/i/item/9789240064911)

(reference)

Investment in health is not only medical investment: need to tackle wider determinants

- Risks associated with the highest number of deaths worldwide for both sexes combined, all ages, in 2019:
 - 1. High systolic blood pressure (10.8 million deaths)
 - 2. Tobacco (8.71 million deaths)
 - 3. Dietary risks (e.g., low fruit, high salt) (7.94 million deaths)
 - 4. Air pollution (6.67 million deaths)
 - 5. High fasting plasma glucose (6.50 million deaths)
 - 6. High body-mass index (5.02 million deaths)
 - 7. High LDL cholesterol (4.40 million deaths)
 - 8. Kidney dysfunction (3.16 million deaths)
 - 9. Child and maternal malnutrition (2.94 million deaths)
 - 10.Alcohol use (2.44 million deaths)
- Most of these risk factors are preventable and treatable, and tackling them will bring huge social and economic benefits
 (IHME 2019)

(reference)

Climate change and health risks

