

### A Malaria Week Dialogue: Sustaining Health Financing in a time of Crisis



### CO CHAIRS & PANELISTS





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#### **OBJECTIVES**

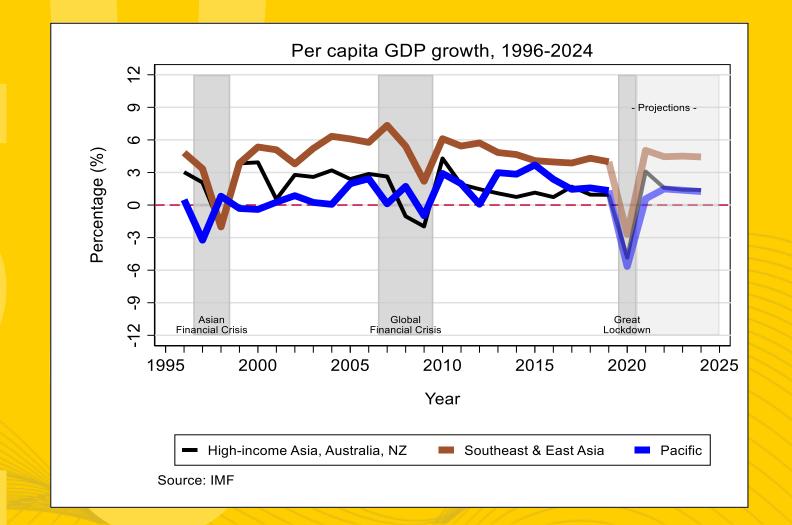


- Review the potential impact of COVID-19 on government revenues and budgets;
- Highlight how reduced financing may jeopardize the malaria elimination goal;
- Identify actions to sustain health financing for critical services.
- Recommend collective priority actions to sustain financing in Asia Pacific

TheSE recommendations will feed into the Senior Officials Meeting on Friday.

### "Great Lockdown" Effect on GDP Growth in Asia and Pacific









Classification	N	Pre-crisis levels		Projected 2020		Difference	
		Total	Tax	Total	Tax	Total	Tax
High-income Asia, Australia, NZ (HI)	6	28.9%	20.4%	27.3%	18.7%	-1.6%	-1.7%
Southeast & East Asia (EA)	13	24.1%	13.1%	21.6%	11.5%	-2.4%	-1.6%
South Asia (SA)	8	20.6%	14.3%	18.0%	12.2%	-2.6%	-2.4%
Pacific (PA)	16	65.0%	20.2%	57.2%	18.2%	-7.8%	-1.6%
All Asia & Pacific	43	37.4%	16.9%	33.3%	14.9%	-4.1%	-1.8%
Low income (LIC)	29	18.4%	11.3%	18.0%	10.6%	-0.4%	-0.7%
Lower middle income (LMI)	50	27.0%	17.2%	24.4%	15.7%	-2.6%	-1.6%
Upper middle income (UMI)	56	31.1%	19.1%	30.0%	17.7%	-1.0%	-1.3%
High income (HIC)	81	37.6%	22.4%	36.1%	21.4%	-1.5%	-1.0%
All countries	216	30.4%	18.5%	28.9%	17.2%	-1.5%	-1.2%



# Projected impact on general government expenditures as share of GDP, 2017-2020 ("Expenditure Shock")

Classification	N	Pre-crisis levels	Projected 2020	Difference
High-income Asia, Australia, NZ (HI)	6	30.0%	38.8%	8.8%
Middle-income Southeast & East Asia (EA)	13	29.0%	29.5%	0.5%
South Asia (SA)	8	25.2%	26.2%	0.9%
Pacific (PA)	16	59.8%	65.1%	5.3%
All Asia & Pacific	43	38.3%	41.8%	3.5%
Low income (LIC)	29	21.8%	24.3%	2.5%
Lower middle (LMI)	50	30.2%	31.5%	1.3%
Upper middle (UMI)	56	33.3%	38.0%	4.8%
High income (HIC)	81	38.2%	45.7%	7.5%
All countries	216	32.6%	37.0%	4.4%

Source: WB/IMF staff estimates

## How Do Ministries of Finance Respond to "Revenue and Expenditure Shocks"?



- Government enters into "countercyclical funding" meaning it spends more when it has less revenue, but that widens the deficit
- Increased deficit spending is "covered" by reserves or increased debt through the issuance of bonds or lending from state owned, multi-lateral or commercial banks
- Growth in the Asia region prior to the 2008 fiscal crisis was stronger than before the COVID 19 crisis making it more difficult to access debt and enable deficit spending
- Government reduces expenditures by delaying capital spending, looking for increased efficiencies and freezing government salaries
- Reports from countries already show a slowing of cash flow, reduction in budgets for travel or set percent decrease across all sectors (including health)



### "Safeguarding" Malaria Funding Going Forward

- By being pro-active in having health budgets declared priority sectors and more specifically have malaria budgets declared a health sub-sector priority
- Presenting evidence from other countries to document the resurgence of malaria when associated budgets are cut
- Taking a medium term budgetary approach to malaria control and eradication
- By avoiding having malaria budgets fall into the category of "frozen or reserved" line ministry expenditures that in itself is done to provide fiscal stability
- To the extent possible not relying on virements (administrative transfer of budget from one part to another) or supplemental budgets to meet malaria program needs
- By being realistic yet still focused on moving forward with malaria sustainability plans with partners
- Getting malaria funding in front of any policy based lending or debt re-negotiation discussions

### **BREAKOUT SESSION MODERATORS**



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### **CHATHAM HOUSE RULES**

Participants are free to use information from the discussion, but is not allowed to reveal who made any comments



### **MAIN TOPICS**

- Budget outlook in represented countries
- Making the case for sustained financing
- If there are cuts to financing, what is the right course of action?