

Pacific Heads of Health

Réunion des directeurs de la santé du Pacifique

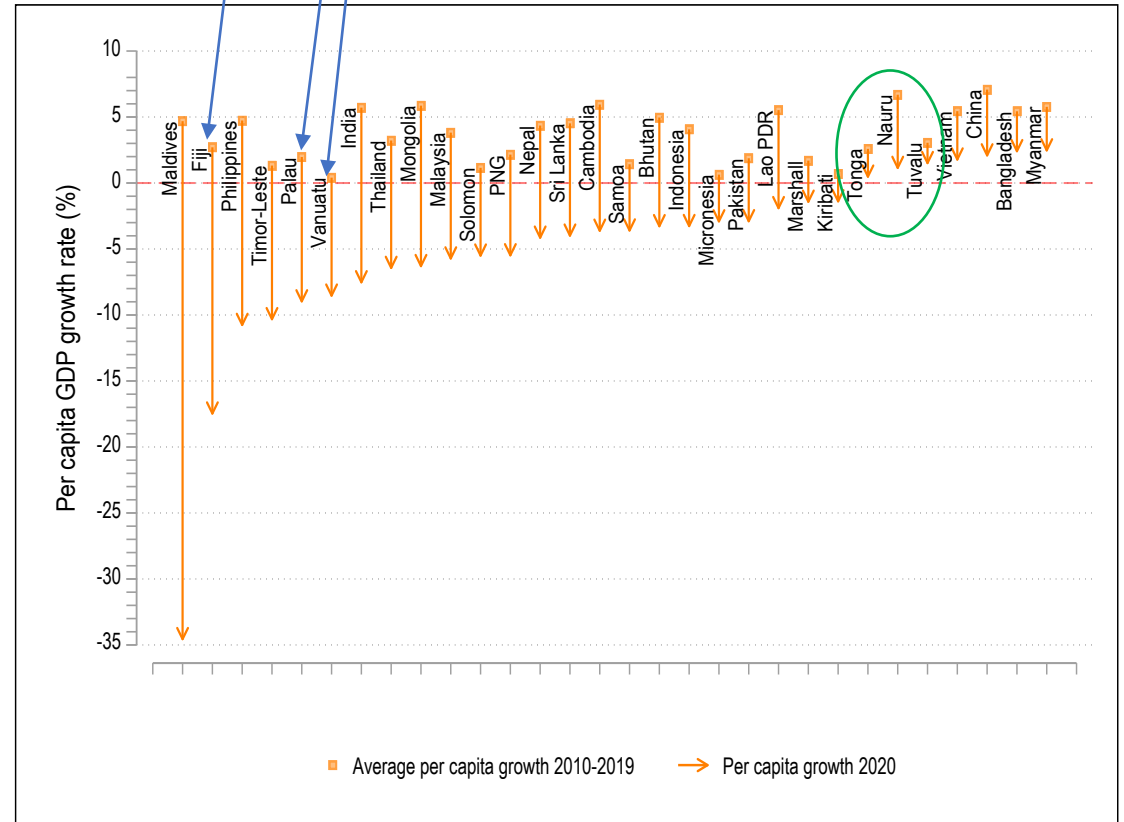
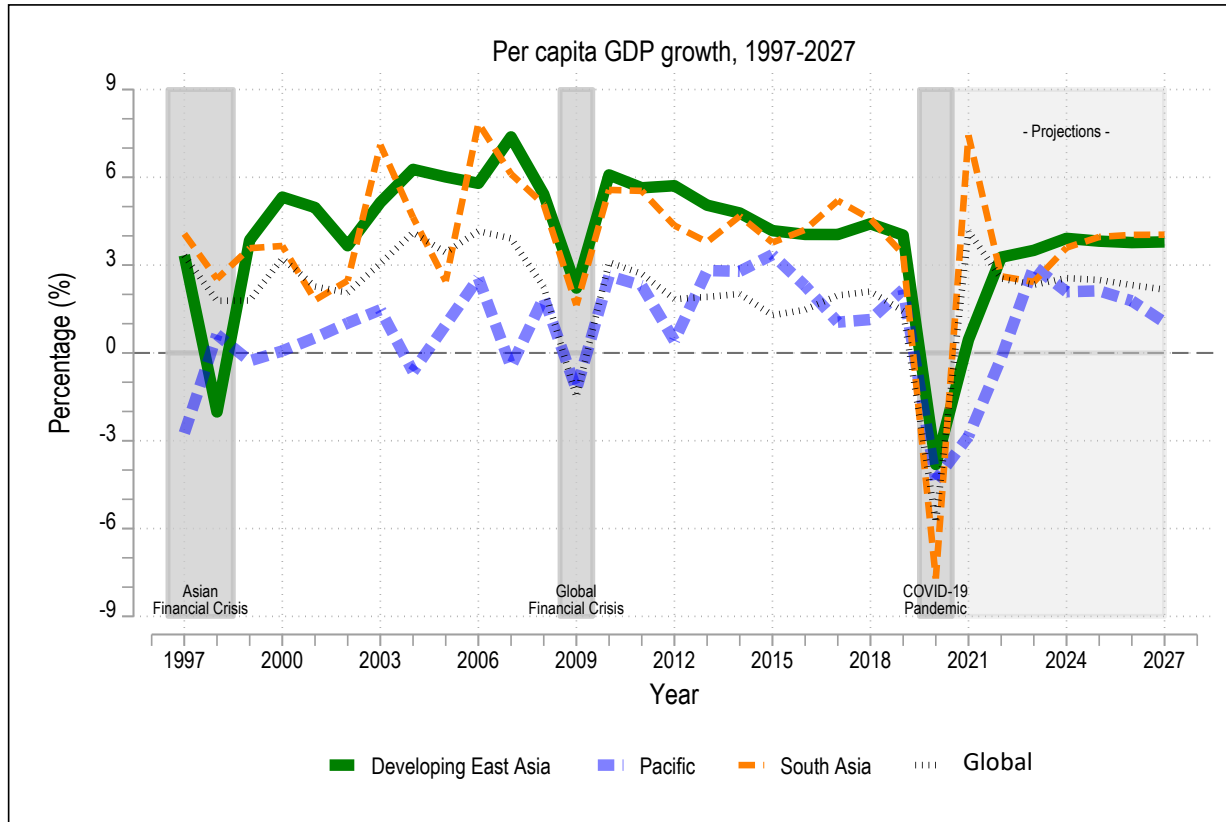
Double Shock Double Recovery: What does this mean for improving Universal Health Coverage in the Pacific?

Presented by: The WB Pacific Health Team

Take-home messages: your management is important

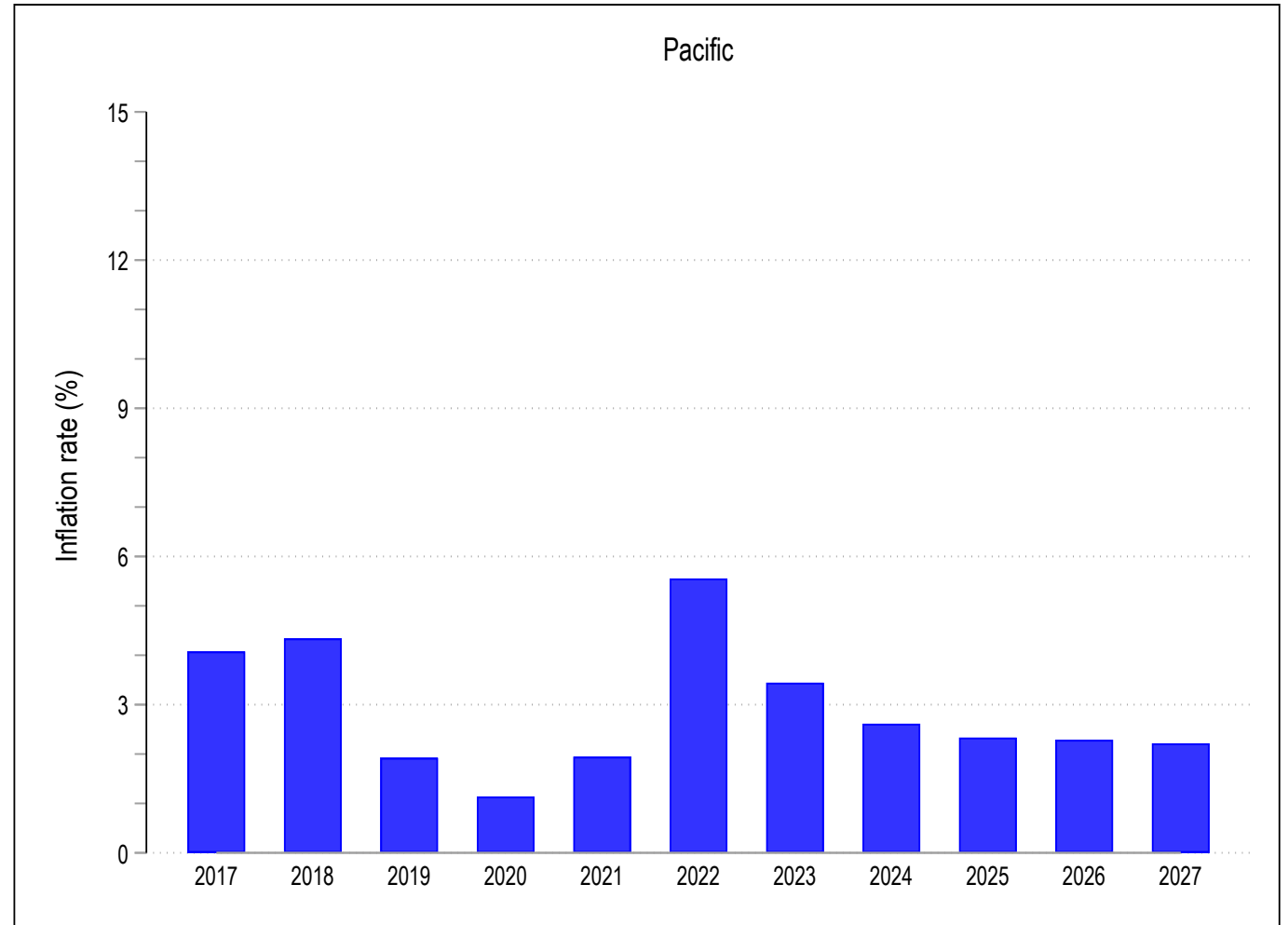
- Many countries are projected to recover to 2019 pre-pandemic levels of economic activity in per-capita terms by 2024, and some are unlikely to recover until 2027 or later.
- The health sector will face significant pressure in coming years.
- **A focus on quality, efficiency and equity of public spending is urgent** for high expenditure areas. High *return-for-investment* areas should be priority.
- **Stronger corporate and clinical governance is a pre-requisite** for resilient systems and to strengthen progress on Universal Health Coverage.

1st shock: COVID hit us hard



2nd shock: global events are delaying recovery

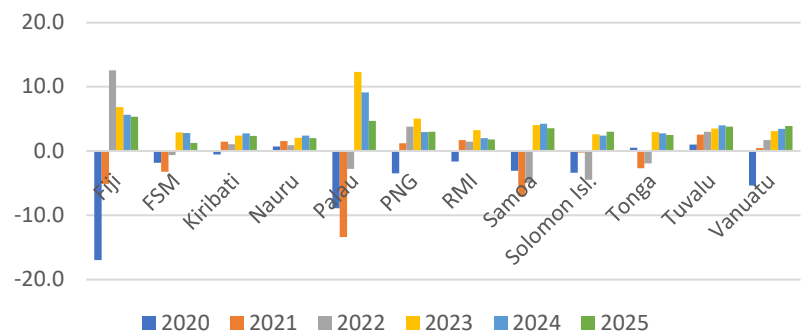
disruption of commodity markets due
to Russia's invasion of Ukraine
+
pent-up demand from the pandemic
+
supply-chain challenges
+
exchange rate depreciations
=
unexpectedly high inflation rates



Country specific data - how does your country compare?

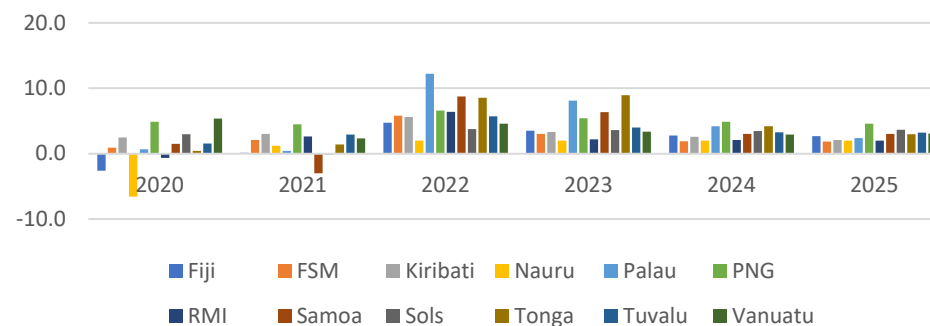
Gross Domestic Product growth (constant price)

	2020	2021	2022	2023	2024	2025
Fiji	-17.0	-5.1	12.5	6.9	5.7	5.3
FSM	-1.8	-3.2	-0.6	2.9	2.8	1.3
Kiribati	-0.5	1.5	1.0	2.4	2.8	2.3
Nauru	0.7	1.6	0.9	2.0	2.4	2.0
Palau	-8.9	-13.4	-2.8	12.3	9.1	4.7
PNG	-3.5	1.2	3.8	5.1	3.0	3.0
RMI	-1.6	1.7	1.5	3.2	2.0	1.8
Samoa	-3.1	-7.1	-5.0	4.0	4.3	3.5
Solomon Isl.	-3.4	-0.2	-4.5	2.6	2.4	3.0
Tonga	0.5	-2.7	-2.0	2.9	2.7	2.5
Tuvalu	1.0	2.5	3.0	3.5	4.0	3.8
Vanuatu	-5.4	0.4	1.7	3.1	3.5	3.9

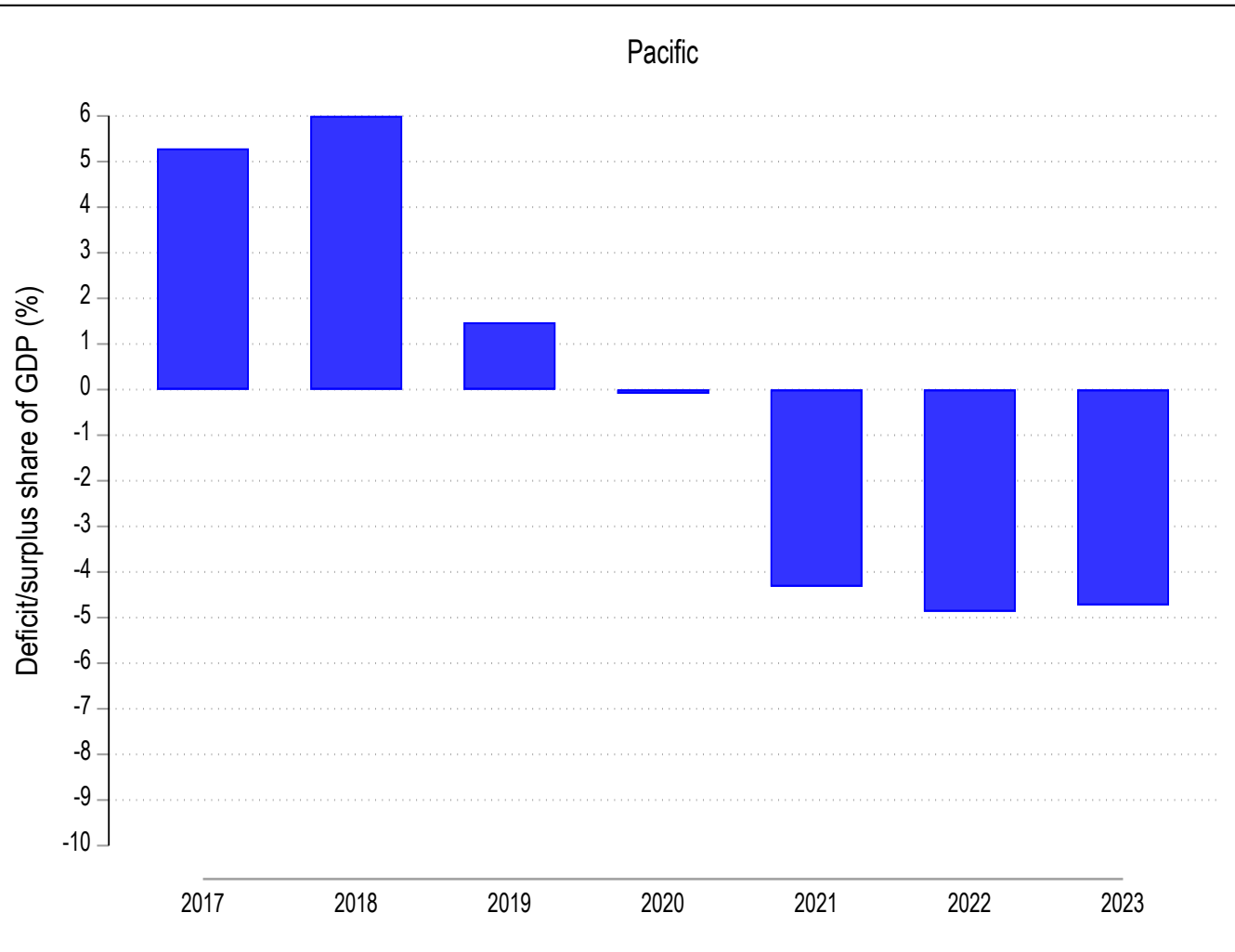


Inflation (average consumer price)

	2020	2021	2022	2023	2024	2025
Fiji	-2.6	0.2	4.7	3.5	2.8	2.7
FSM	0.9	2.1	5.8	3.0	1.9	1.8
Kiribati	2.5	3.0	5.6	3.3	2.6	2.1
Nauru	-6.6	1.2	2.0	2.0	2.0	2.0
Palau	0.7	0.5	12.2	8.1	4.2	2.4
PNG	4.9	4.5	6.6	5.4	4.9	4.6
RMI	-0.7	2.6	6.4	2.2	2.1	2.0
Samoa	1.5	-3.0	8.8	6.3	3.0	3.0
Solomon Isl.	3.0	-0.1	3.7	3.6	3.5	3.6
Tonga	0.4	1.4	8.5	8.9	4.2	2.9
Tuvalu	1.6	2.9	5.7	4.0	3.3	3.2
Vanuatu	5.3	2.3	4.6	3.4	2.9	3.1



Is your country at risk of debt distress?



High risk of debt distress:



Moderate risk of debt distress:



When is your country expected to reach economic recovery?

Did not contract in 2020	Pre-pandemic 2019 per capita levels of economic activity expected to recover by							Not recovered by 2027
	2021	2022	2023	2024	2025	2026	2027	
Bangladesh China Tonga Tuvalu Vietnam	Pakistan	Cambodia India Indonesia Malaysia Nepal	Lao PDR Philippines Thailand	Bhutan Maldives Mongolia Tonga	Fiji FSM	PNG	Kiribati Palau	Afghanistan Myanmar Nauru Samoa Solomon Islands Sri Lanka Vanuatu

Your average expenditure on health differs: low out of pocket spending and high reliance on external financing.

Country	CHE per capita (USD)	CHE as a % of GDP	As % of current health expenditure					Gov. spending on health (% total gov.t spending)
			Public	Private (excl. OOP)	OOP	Domestically funded	Externally funded	
PIC9 Average	749	11	85	11	4	70	27	13
<i>Aspirational peers</i>	721	6	57	8	35	98	2	9
<i>Structural peers</i>	426	6.5	63	9	28	89	11	10

How does your country compare?

	Real current health expenditure per capita		Domestic expenditure on health as a percentage of gov. expenditure		Public share of current expenditure on health	
	2017-19 average	2020	2017-19 average	2020	2017-19 average	2020
Cook Islands	599	531	7	8	89	89
Fiji	210	186	8	8	68	70
Kiribati	174	167	7	8	86	85
RMI	722	731	11	10	93	93
FSM	416	425	5	4	96	95
Nauru	1,142	1,144	9	7	92	86
Niue	1,235	1,319	5	5	91	96
Palau	2,046	2,640	17	23	75	81
PNG	58	64	8	8	70	72
Samoa	218	202	13	12	80	75
Solomon Isl.	97	99	8	10	91	90
Tonga	221	248	8	8	82	81
Tuvalu	832	1,071	12	16	93	93
Vanuatu	96	114	5	6	78	77
Average	576	639	9	9	84	85

What do we need to do now?

The region is prone to health and climate emergencies.

The next pandemic is a question of 'when' not 'if'.

Public financing for health is key for sustaining progress towards UHC but it is unlikely to continue to increase at the same pace it did pre-pandemic.

The pandemic has hit vulnerable populations hardest. Resuming and maintaining critical prevention activities and healthcare services to more vulnerable populations is critical.

A focus on quality, efficiency and equity of public spending is urgent and necessary, not only to get 'more health for the money' but also to help attract 'more money for health'.

You made some good progress in recent years...

Health budgets and spending remained protected or even increased in some Pacific countries.



Ongoing low out of pocket (OOP) spending for health



Some of you are taking steps to reinvigorate and improve governance mechanisms



... including making the most of pandemic related investments



Many of you used the 'opportunity' of increased pandemic resources to strengthen the broader health system.



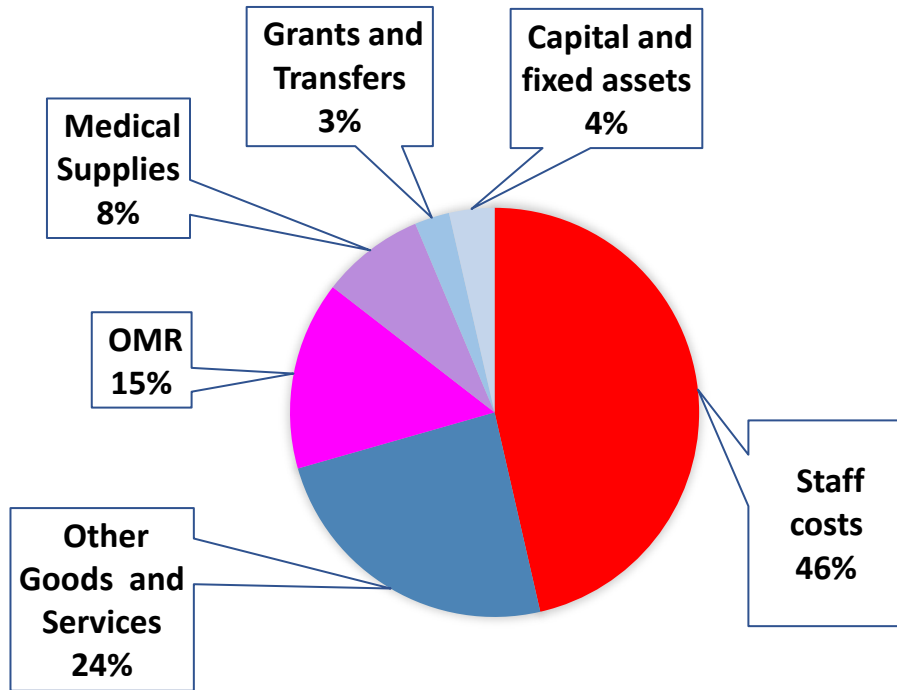
Increased understanding of the crucial importance of a well-functioning, efficient SCM system
→ to make the most of government and DP investments



Acceleration in the adoption of digital tools across the region.

We are more likely to find efficiency gains by targeting large expenditure areas

*Share of MOH expenditure, by expenditure type (2018-2019)**



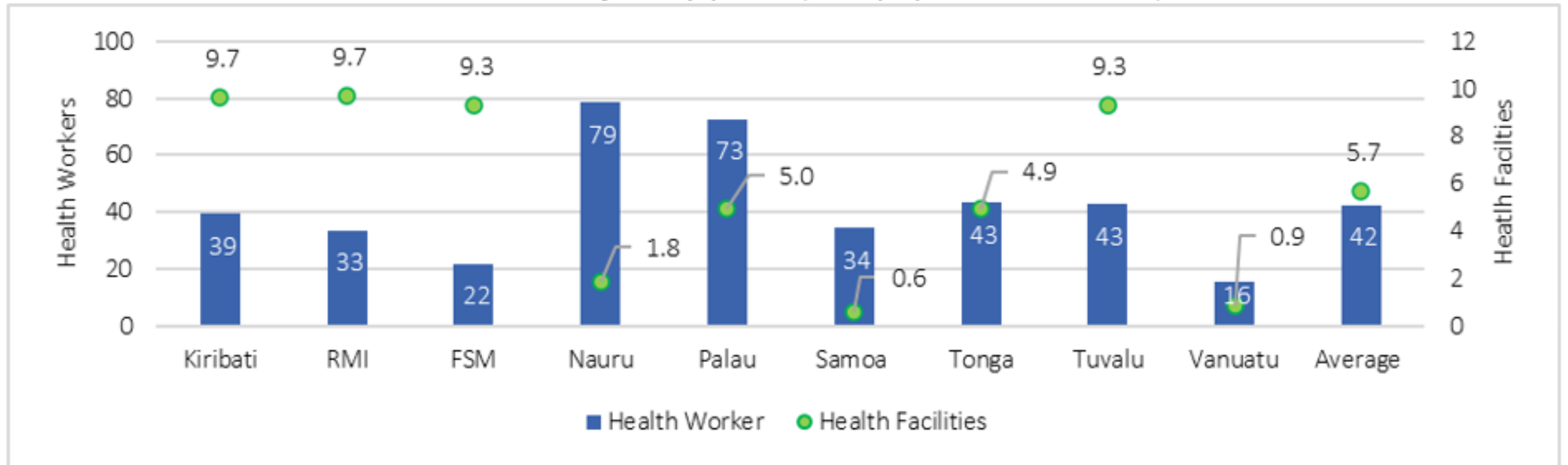
* Average for RMI, Kiribati, Samoa, Tonga, Tuvalu, Palau

Key questions you can ask about your country:

- With limited resources, is it better to have fewer well staffed/equipped facilities, or more facilities poorly resourced?
- What can you do to better manage the supply chain for medical essentials?
- How can you improve the coordination and management of overseas and local referrals?

How does your country compare?

Health worker and health facility per 10,000 population in PIC-9, 2018–2019



Proposed recommendations for governments

MOHs are encouraged to urgently improve the quality of expenditure to (i) get the most out of existing health dollars, and (ii) make the case for maintaining or strategically increasing the allocation to health from MOF and DPs.

- High-cost areas where improved efficiency could free up existing money for health
- High impact interventions which have high health returns for investment

MOHs need to strengthen corporate and clinical governance as a pre-requisite to achieving more equitable, efficient and quality health results.

- Facilitating regular quality debate at country level on reported progress
- Adjusting money, staffing and other resources throughout the year where needed and possible to strategically improve health outcomes
- Continuing efforts to get clarity on what resources are being provided by DPs to complement domestic resources, and so maximise health results

Proposed recommendations for development partners

Actively and energetically get behind MOHs' efforts to improve quality of expenditure and governance. This includes:

- responding in a timely and accurate way to government requests for information on what resources are planned and provided to help progress UHC and achieve national strategic plan priorities;
- contributing to quality debate on progress with UHC and related indicators at country and regional forums. Actively use this analysis to contribute to the preparation, implementation and monitoring of integrated annual workplans and budgets at country level for prioritised UHC service results.

Take-home messages: your management is important

- **Many countries are projected to recover to 2019 pre-pandemic levels of economic activity in per-capita terms by 2024**, and some are unlikely to recover until 2027 or later.
- **The health sector will face significant pressure** in coming years.
- **A focus on *quality, efficiency and equity of public spending is urgent*** for high expenditure areas. High *return-for-investment* areas should be a priority.
- **Stronger corporate and clinical governance is a pre-requisite** for resilient systems and to strengthen progress on Universal Health Coverage.

Thank you!