

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**  
Overview of investment in health  
toward resilient universal health  
coverage



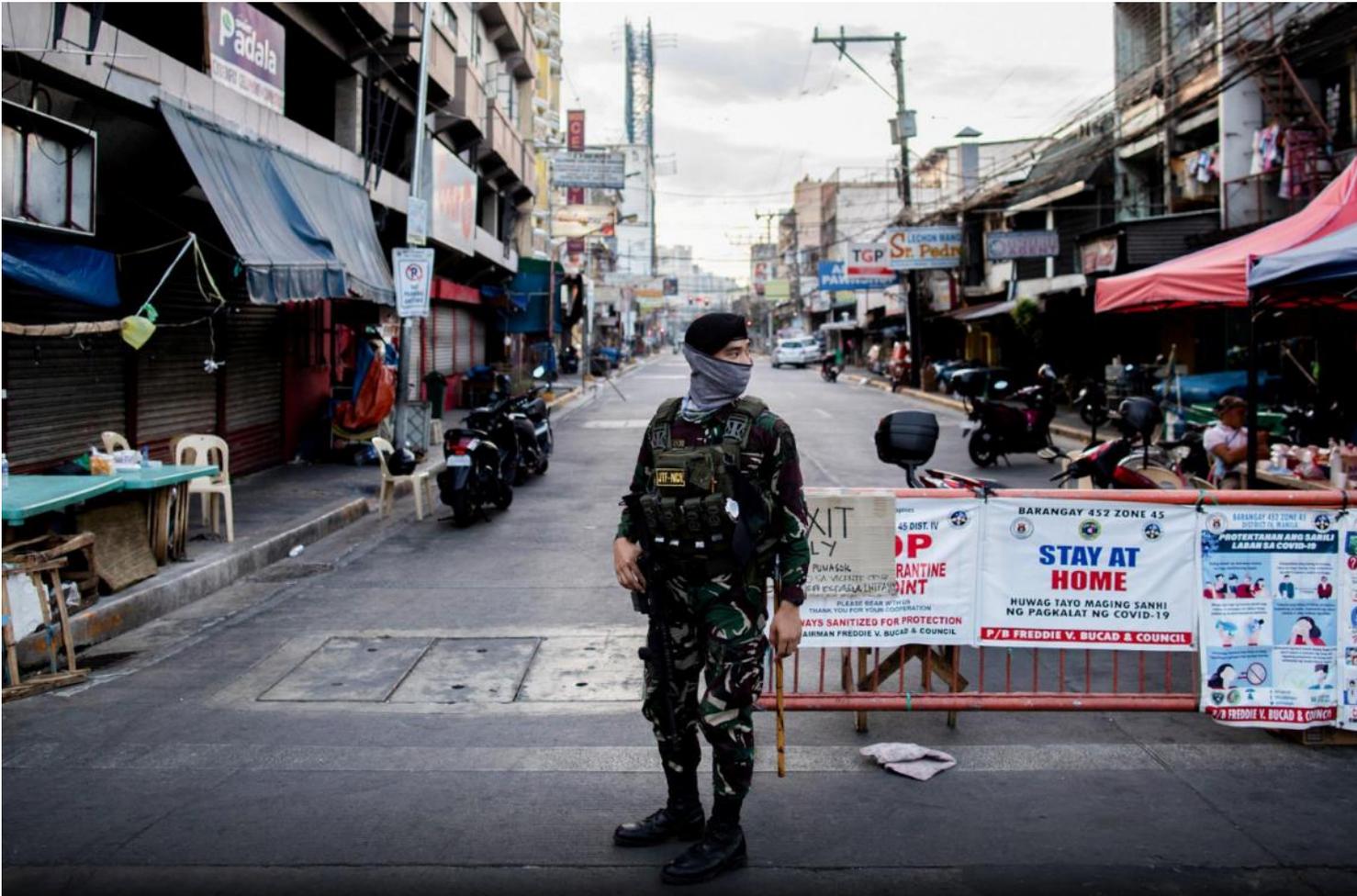
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Makoto Tobe, Ph.D., M.P.H.

Senior Advisor on Health

Japan International Cooperation Agency (JICA)

# When health is at risk, everything is at risk.



(Source: Reuters. 12 May 2020. Philippines extends lockdown in capital beyond 11 weeks.

<https://jp.reuters.com/article/health-coronavirus-philippines-idINKBN22O0C8>)

# Universal Health Coverage (UHC) as a contributor to sustainable development

Health enables children to study and workers to produce more.

UHC, **quality health service** and **health financial protection** to all, is a center of SDG 3.



(Source: WHO Southeast Asia Regional Office. (2017).  
Monitoring the Health-Related Sustainable Development Goals.)

# \$1 investment to health produces \$9 to \$20 return of investment.

*With enhanced **investment** to scale up **health** technologies and systems ... in most low-income and middle-income countries, ... **economic benefit exceed costs by a factor of about 9-20.***

(Source: Jamison, D. T., Summers, L. H., Alleyne, G., et al. (2013). Global health 2035: a world converging within a generation. *Lancet*, 382(9908), 1898-1955. doi:10.1016/S0140-6736(13)62105-4 )

The Lancet Commissions

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**GLOBAL HEALTH 2035** THE LANCET

**Global health 2035: a world converging within a generation**

Dean T Jamison\*, Lawrence H Summers\*, George Alleyne, Kenneth J Arora, Seth Berkley, Agnes Binagwaha, Flavia Bustreo, David Evans, Richard GA Feachem, Julio Frank, Gargee Ghosh, Sujal Gollak, Yan Guo, Sarjiev Gupta, Richard Horton, Margaret E Kraak, A del Mahmoud, Linah K Mohalla, Mithul Ncube, Anil Pablos-Mendez, K Srinath Reddy, Helen Scazzari, Agnes Soucat, Karen HUITVELT-Moe, Gavin Yamey

**Executive summary**

Prompted by the 20th anniversary of the 1993 World Development Report, a Lancet Commission revisited the case for investment in health and developed a new investment framework to achieve dramatic health gains by 2035. Our report has four key messages, each accompanied by opportunities for action by national governments of low-income and middle-income countries and by the international community.

**There is an enormous payoff from investing in health**

The returns on investing in health are impressive. Reductions in mortality account for about 11% of recent economic growth in low-income and middle-income countries as measured in their national income accounts.

However, although these accounts capture the benefits that result from improved economic productivity, they fail to capture the value of better health in and of itself. This intrinsic value, the value of additional life-years (VLYs), can be inferred from people's willingness to trade off income, pleasure, or convenience for an increase in their life expectancy. A more complete picture of the value of health investments over a time period is given by the growth in a country's "full income"—the income growth measured in national income accounts plus the VLYs gained in that period. Between 2000 and 2011, about 24% of the growth in full income in low-income and middle-income countries resulted from VLYs gained.

This more comprehensive understanding of the economic value of health improvements provides a strong rationale for improved resource allocation across sectors.

**Opportunities:**

- If planning ministries used full income approaches (assessing VLYs) in guiding their investments, they could increase overall returns by increasing their domestic financing of high-priority health and health-related investments.
- Assessment of VLYs strengthens the case for allocating a higher proportion of official development assistance to development assistance for health.

**A "grand convergence" in health is achievable within our lifetimes**

A unique characteristic of our generation is that collectively we have the financial and the ever-improving technical capacity to reduce infectious, child, and maternal mortality rates to low levels universally by 2035, to achieve a "grand convergence" in health. With enhanced investments to scale up health technologies and systems, these rates in most low-income and middle-income countries would fall to those presently seen in the best-performing middle-income countries. Achievement of convergence would prevent about 10 million deaths in 2035 across low-income and lower-middle-income countries relative to a scenario of stagnant investments and no improvements in technology. With use of VLYs to estimate the economic benefits, over the period 2015–35 these benefits would exceed costs by a factor of about 9–20, making the investment highly attractive.

**Opportunities:**

- The expected economic growth of low-income and middle-income countries means that most of the incremental costs of achieving convergence could be covered from domestic sources, although some countries will continue to need external assistance.
- The international community can best support convergence by funding the development and delivery of new health technologies and curbing antibiotic resistance. International funding for health research and development targeted at diseases that disproportionately affect low-income and middle-income countries should be doubled from current amounts (US\$3 billion/year) to \$6 billion per year by 2020. The core functions of global health, especially the provision of global public goods and management of externalities, have been neglected in the last 20 years and should regain prominence.

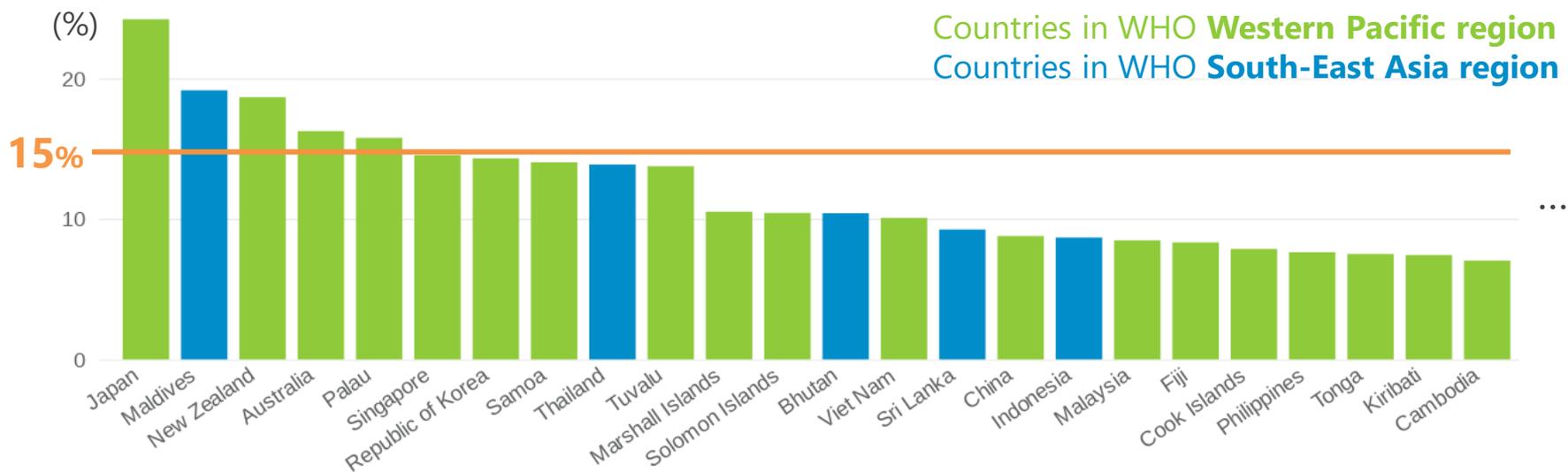
**Fiscal policies are a powerful and underused lever for curbing of non-communicable diseases and injuries**

The burden of deaths from non-communicable diseases (NCDs) and injuries in low-income and middle-income

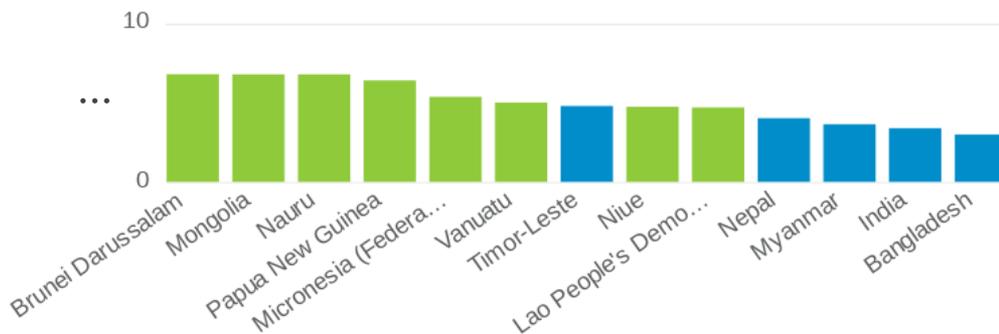
1898 www.thelancet.com Vol 382 December 2, 2013

# Government budgetary priority on health varies among countries in Asia and the Pacific.

*Domestic general government health expenditure as % of general government expenditure (2019 or latest available)*

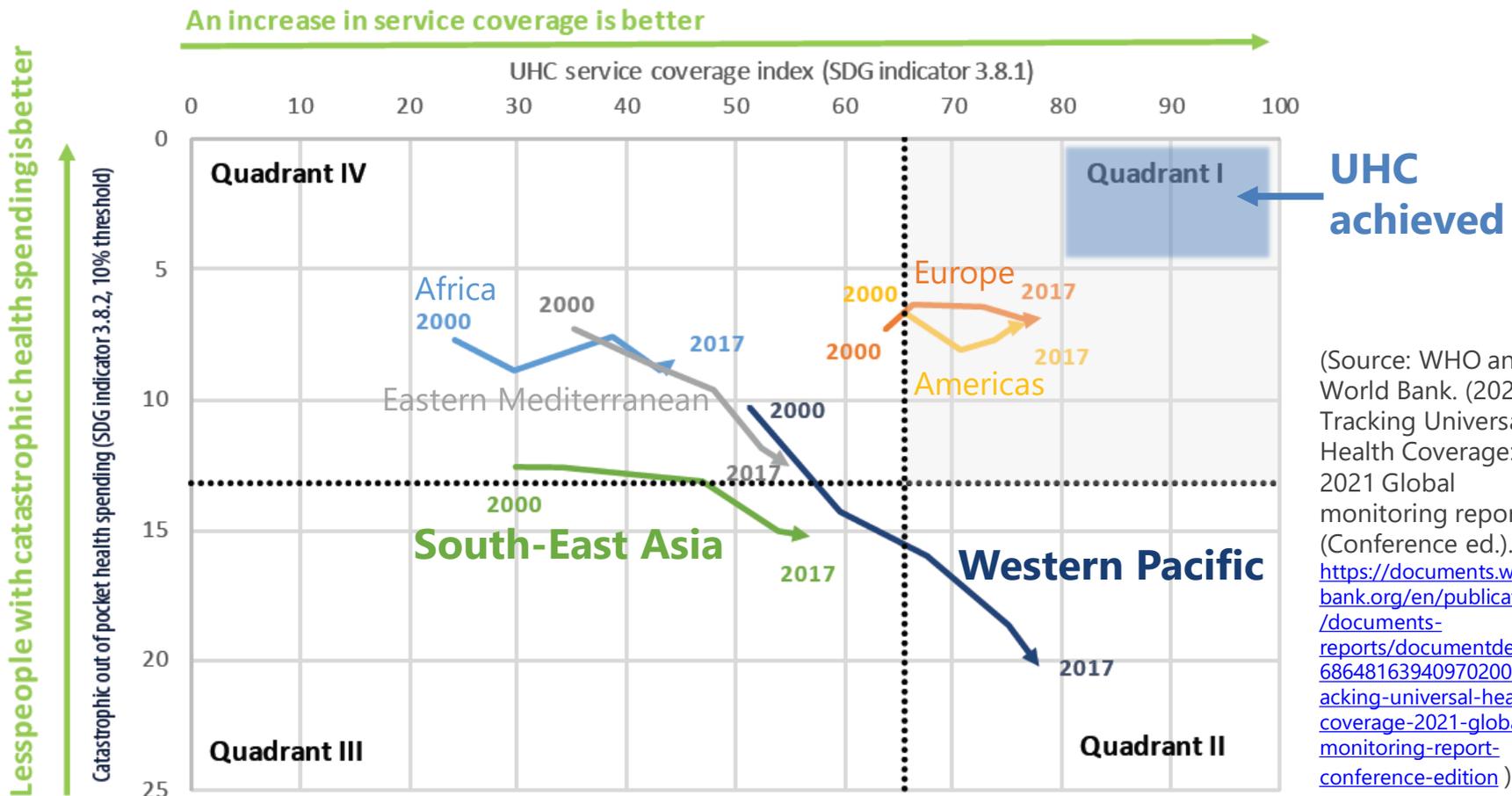


(Source: WHO. (2022). Global Health Observatory.  
[https://www.who.int/data/gho/data/indicators/indicator-details/GHO/domestic-general-government-health-expenditure-\(gghe-d\)-as-percentage-of-general-government-expenditure-\(gge\)](https://www.who.int/data/gho/data/indicators/indicator-details/GHO/domestic-general-government-health-expenditure-(gghe-d)-as-percentage-of-general-government-expenditure-(gge)))



# Even before COVID-19, investment to health was insufficient to achieve UHC.

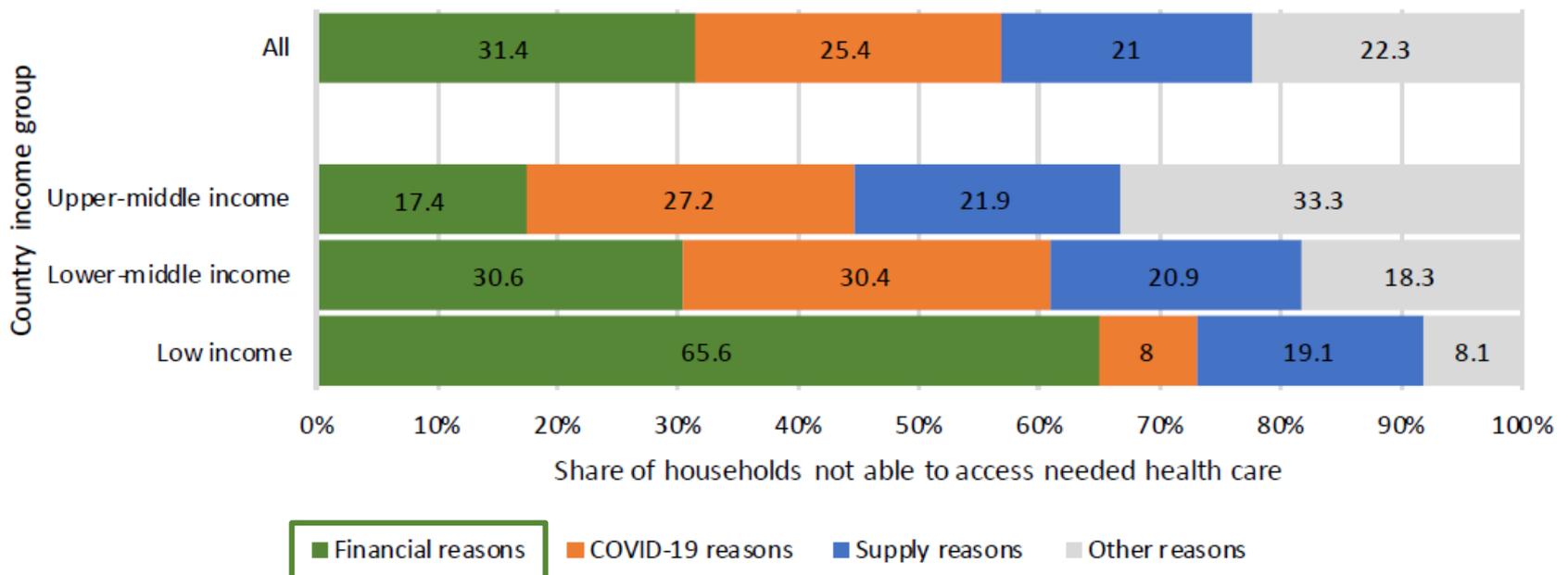
*Domestic general government health expenditure as % of general government expenditure (2019 or latest available)*



(Source: WHO and World Bank. (2021). Tracking Universal Health Coverage: 2021 Global monitoring report (Conference ed.). <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/686481639409702006/tracking-universal-health-coverage-2021-global-monitoring-report-conference-edition>)

# About 20% of households reported not being able to access the health care services during early stage of the pandemic

*Main reason reported by household for not accessing health care when needed, in 39 low- and middle-income countries in April-August 2020*



(Source: WHO and World Bank. (2021). Tracking Universal Health Coverage: 2021 Global monitoring report (Conference ed.). <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/686481639409702006/tracking-universal-health-coverage-2021-global-monitoring-report-conference-edition> )

# Japan provided \$5 billion in-kind support to respond to COVID-19 crisis

Bilateral and multilateral cooperation for

- Vaccines, refrigerators and transport
- masks, gowns, gloves
- Testing kits, diagnosis equipment
- Water supply



(Source: Ministry of Foreign Affairs of Japan (2022). Japan's COVID-19 related cooperation towards achieving UHC <https://www.mofa.go.jp/files/100231344.pdf>)

(Photos: JICA)

Moreover, Japan provided \$5 billion concessional loan to respond to COVID-19  
*COVID-19 Crisis Response Emergency Support Loan*

## **Objectives**

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

## **Lending conditions**

Interest rate: **0.01%**

repayment period: 15 years (incl. 4-year grace period)

## **Modality**

development policy loan

In total, 20 loan programs to 17 countries have been implemented.

<b>Regions</b>	<b>Countries</b>
East Asia	Mongolia
Central Asia	Uzbekistan
South-east Asia	Cambodia*, Indonesia, Philippines*, Thailand
South Asia	Bangladesh, Bhutan, India, Maldives
Oceania	Fiji*, Papua New Genia, Solomon Islands
Middle East	Jordan
Africa	Cote d'Ivoire, Mauritius
Americas	Honduras

\* Two loan programs were formulated.

# Presenters

## ***Saeda Makimoto***

Principal Research Fellow,  
**JICA** Ogata Research Institute

## ***Or Vandine***

Secretary of State,  
**Ministry of Health**, Cambodia

## ***Huot Pum***

Undersecretary of State,  
**Ministry of Economy and Finance**, Cambodia

# Discussant

***Shaikh Moniruzzaman***

Joint Secretary,

**Ministry of Finance**, Bangladesh