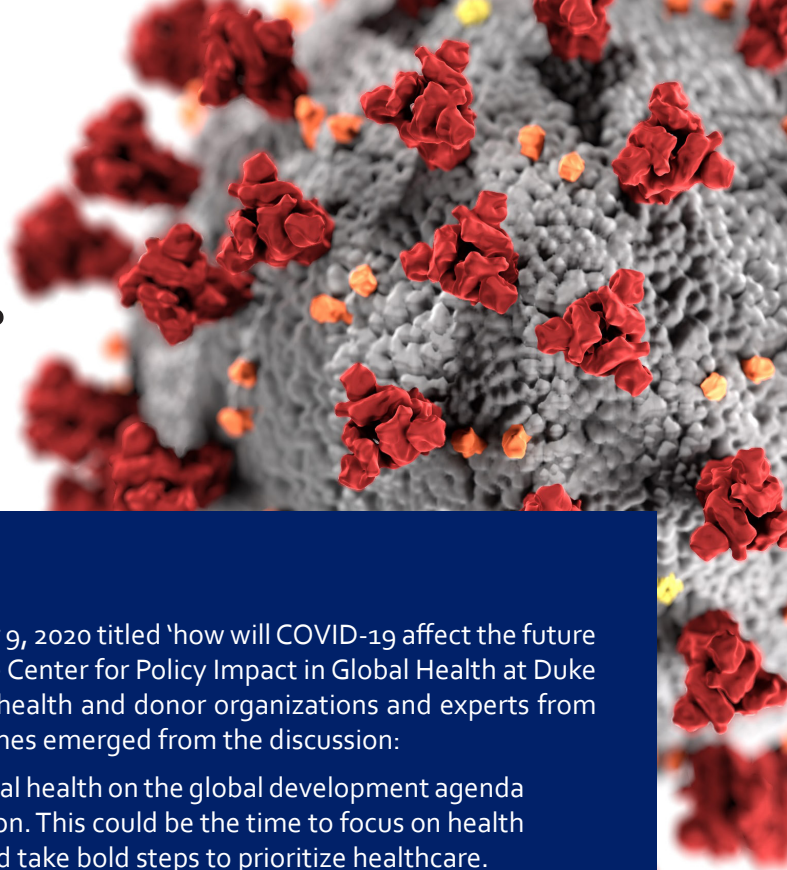


How will COVID-19 affect the future of global health aid?



Summary

This report summarizes a dialogue held on November 9, 2020 titled 'how will COVID-19 affect the future of global health aid?' This dialogue was hosted by the Center for Policy Impact in Global Health at Duke University. Participants included policymakers from health and donor organizations and experts from transitioning middle-income countries. Four key themes emerged from the discussion:

1. COVID-19 has elevated the importance of global health on the global development agenda and presents a window of opportunity for action. This could be the time to focus on health security and health-systems strengthening and take bold steps to prioritize healthcare.
2. The pandemic has severely constrained financial resources available for health at the global and national level. Participants called for urgent action to help weather the storm and ensure resiliency in the health sector.
3. A reorientation towards global public goods for health is needed to ensure resilient health systems in the future.
4. Aid transition plans and approaches must adapt, but details remain limited on how exactly the pandemic will affect these processes.

Introduction

As part of an ongoing [project](#) at Duke University called *Driving Health Progress During Disease, Demographic, Domestic Finance, and Donor Transitions* (the “4Ds”), the Center for Policy Impact in Global Health in the Duke Global Health Institute facilitated a closed discussion with experts on the rapidly changing health aid environment during the COVID-19 pandemic. In particular, the dialogue explored the impact of the pandemic on two critical dimensions of the health aid ecosystem: support for global public goods (GPGs) for health and transition from aid. Participants were primarily policymakers from key health donor organizations and ex-

perts from transitioning middle-income countries. The discussion was guided by Chatham House Rule. This report is a summary of the presentations and key themes from the discussions held during the dialogue.

Presentation summaries

Muhammad Pate, *Global Director for Health, Nutrition and Population at the World Bank and Director of the Global Financing Facility*, noted that even before COVID-19, countries were already off-track to achieve Sustainable Development Goal 3. The pandemic will exacerbate fiscal constraints, poverty, and countries' ability to deliver health to their populations. He not-

This is one in a series of dialogue reports focusing on COVID-19 and four major global health transitions: disease, demography, development assistance for health, and domestic resources for health. These dialogues are part of the study *Driving health progress during disease, demographic, domestic finance, and donor transitions* led by the [Center for Policy Impact in Global Health](#).



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ed that the World Bank was responding to the COVID-19 crisis in three key ways: (i) expanding beyond health to focus on broader human development, as captured by the Bank's [Human Capital Project](#); (ii) giving more financial tools to countries to help them emerge from this crisis; and (iii) working on health systems strengthening (HSS), particularly via affordable primary health care, to enable countries to better respond to shocks. Dr. Pate noted that development partners will play a critical role in supporting countries in a post-COVID era and that debt relief will be essential for countries to recover from this crisis.

Agnès Soucat, *Director for Health Systems, Governance and Financing at the World Health Organization (WHO)*, highlighted that we must do more to address the health concerns of tomorrow. She emphasized that we must rebuild health systems to account for the lessons we've learned through the COVID-19 crisis, including a shift towards funding what WHO calls [common goods for health \(CGH\)](#)—that is, GPGs and interventions with large social externalities—at both [national](#) and [global](#) levels. She argued that public investment in CGH is critical for health, yet no concrete actions have been taken to identify sustainable sources of global revenue to fund common goods. Currently, common goods are identified and funded in a [fragmented](#) and ad-hoc manner without clear priorities, roles, or measures in place. To move towards a health system focused on CGH, Dr. Soucat highlighted three essential requirements: (i) a collective identity to agree on what should be funded, (ii) the vested interest of each country via institutions focused on collective action consensus building, and (iii) citizen trust.

Seth Terkper, *Executive Director of the PFM-Tax Africa Network and former Minister of Finance for Ghana*, argued that fiscal management, and in particular debt management, is a major concern for developing countries in times of crises. However, he noted that COVID-19 is not that different from other types of crises and countries must take proactive action to be prepared for such shocks. In particular, he advised countries to prepare for the next crisis during good times. In terms of transitioning from aid, he advised countries to find ways to trim their domestic expenditures and reduce debt to better weather the loss of concessional financing.

Discussion themes

1. A window of opportunity for action

COVID-19 has elevated the importance of global health on the global development agenda and presents a window of opportunity for action. Global health has never been higher on the global agenda. Participants voiced that this could be a time to reimagine what is possible. Specifically, two key areas were mentioned.

- **Increase focus on health security and HSS.** We are now in a new era of pandemics and health emergencies. COVID-19 presents an opportunity to enhance global and country-level investment and prioritization into building resilient systems, rooted in strong primary and public health care, that are able to weather such shocks. Key to this will be ensuring sustained financing for health security, in order to avoid the trap of “panic followed by neglect” (there is [empirical evidence](#) showing that financing for health security rises after a major outbreak but then falls again when the outbreak is over).
- **Take bold steps to prioritize healthcare.** COVID-19 has shown the importance of a strong health system. Governments should use this window of opportunity to ensure healthcare is prioritized, and that this prioritization leads to increased funding. Channels that previously have not been politically feasible in some countries, such as increasing income tax or [levying health taxes](#) on fossil fuels, tobacco, alcohol, and sugar-sweetened beverages, could be explored to mobilize resources.

2. Urgent call for financial resources

The pandemic has severely constrained financial resources available for health at the global and national level. Participants called for urgent action to help weather the storm and ensure resiliency in the health sector.

- **Debt relief for middle-income countries.** Rising debt levels among low- and middle-income countries were already problematic prior to the pandemic. However, debt has been further exacerbated given austerity measures taken to weather contractions to the global economy. Rising debt levels in the past have led to [healthcare spending cuts](#): this is a choice that no country should have to make during a pandemic.
- **Continued COVID-19 donor financing relief.** Donors have mobilized significant resources for low- and middle-income countries to respond to the pandemic



Development Initiatives [found](#) that “international finance institutions are committing more to social sectors including health, education and social protection, while bilateral donors are increasing commitments to health at the expense of many other areas.” However, much of this funding has been provided via loans. Although the support is helpful in the short-term, it could saddle countries with excessive repayments. Additionally, donors themselves are facing constrained fiscal environments; in 2020 total official development assistance could fall by [as much as US\\$25 billion](#) from its 2019 levels as a result of economic recession in donor nations. Yet, low- and middle-income countries will continue to require support for post-COVID recovery efforts and aid should be sustained.

3. Invest in CGH

A reorientation towards CGH is needed to ensure resilient health systems in the future. However, significant debate remains on how this reorientation might be achieved.

- **CGH should be funded at both the national and international levels.** All countries should invest in CGH and there is a joint responsibility between donors and low- and middle-income countries to fund such critical goods. While foreign aid can help support CGH at the domestic level, countries themselves should be prioritizing such functions. However, some participants flagged barriers for low- and middle-income countries to invest in preparing for unlikely, but costly, events such as pandemics. In these circumstances, global funds should be mobilized so that countries do not need to go into debt to finance such goods.
- **Existing mechanisms should be redesigned to support CGH.** The current global health architecture was not created to support such functions and there is no clear mechanism for financing and delivery. Many common goods have not historically aligned with donor strate-

gies and focus areas. Existing organizations could be redesigned to move away from country-specific efforts towards areas with cross-cutting impact and potential spillovers, such as health security. However, this reorientation risks potential backsliding if not managed carefully.

- **The timing of a redesign.** Although COVID-19 presents a window of opportunity for a change to the global health architecture, an essential element needed to garner support for a reorientation towards common goods is a shared collective identity. In many ways, COVID-19 has exacerbated nationalistic and anti-global sentiment. However, some bright spots, such as the broad support for the [COVAX Facility](#), may signal that countries are willing to come together around collective action issues.

4. Need for nimble aid transition planning

Aid transition plans and approaches must adapt, but details remain limited on how exactly the pandemic will affect these processes. Although participants argued that there was no doubt that COVID-19 will upend aid transition planning and/or approaches, the full impact remains to be seen. Participants shared some ways COVID-19 could affect transition and what might be done to prepare.

- **The timing of transition is likely to change.** This could be in one of two ways: either transition may come earlier than originally planned given donor funding constraints or transition may be more gradual given the backsliding many recipient countries have faced in recent months.
- **Efficiency gains made during COVID-19 could change the narrative of transitions.** While much of the transition debate currently focuses on replacing external sources of funding with domestic sources, looking for more funding may not be the most reasonable solution. COVID-19 has forced countries to look for efficiency gains where available, which could be a valuable tool when planning for transition.

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