THE WORLD BANK’S SUPPORT FOR SUSTAINABLE FINANCING AND RESILIENT SYSTEMS FOR HEALTH SECURITY IN EAST ASIA AND PACIFIC REGION

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Outline

Pandemic in history – distant past and recent
Why Health Security in Southeast Asia?
What we are doing?
Pandemic Emergency Financing Facility (PEF)
Catastrophe Deferred Drawdown Options (CAT-DDO)
Pandemic in history – examples from distant past & recent

.... deadly, disruptive ... with devastating health, economic and social damages

- **1918-9**
  - **Spanish flu**
    - Global
    - A third of the global population infected
    - ~ 50 million deaths

- **1957**
  - **Asian flu H2N2**
    - Global
    - > 1 million deaths

- **1968-9**
  - **Hong Kong flu H3N2**
    - Global
    - 1-2 million deaths

- **1980 – to date**
  - **HIV epidemic**
    - Xxx infected
    - Xxx deaths
    - Xxx$ economic cost

- **2009**
  - **Swine flu H1N1**
    - > 18,000 deaths

- **2009 – to date**
  - **Ebola virus disease**
    - 28,616 cases
    - 11,310 deaths
    - ~ US$2.2 billion loss in GDP in Guinea, Liberia, Sierra Leone
    - School closure for >6 months

- **2015 – to date**
  - **MERS CoV in Korea**
    - 186 confirmed cases (38 deaths in Korea & 690 globally)
    - 3,768 schools closed
    - 16,693 contacts quarantined
    - ~US$17 billion economic loss

- **2015 – 2016**
  - **Zika**
    - Over a million infected
    - 2,971 confirmed cases of microcephaly

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[World Bank Group Logo]
The last 30 years have witnessed a steady increase in the frequency and diversity of disease outbreaks.
In a two-week period, there were 916 infectious outbreak alerts across the world.

Infectious outbreak alert (March 24-April 6, 2018)
- AFR: 22%
- LAC: 33%
- MENA: 4%
- EAP: 18%
- ECA: 8%
- SAR: 15%

168 alerts in EAP
- Dengue
- Hand, foot and mouth disease
- Influenza
- Influenza-like illness
- Hantavirus
- Human pegivirus
- Measles
- Rabies
- Schistosomiasis
- TB

World Bank, Bi-Weekly Bulletin, Infectious disease outbreak alerts
Why health security in Southeast Asia?

Factors behind the increased risks

- Growing population and density
- Unplanned urbanization
- Poor hygiene and sanitation
- Weak health systems
- Increasing antimicrobial resistance
- Food safety
- Highly interconnected world - international trade, migration and travel
- Changing ecosystem, climate change, and natural disaster
- Increased contact between humans and animals (domestic and wild)
Current health security implementation arrangements are weak

- Focus on response instead of investing in preparedness
- Fragmented & uncoordinated financing for health security
- Inadequate governance structures and institutions to coordinate efforts
Health security defined
...at the human-animal-ecosystem interfaces


Considering the fact that:
~ 60% of all human diseases, and
~ 75% of emerging infectious diseases are zoonotic origin

one health approach across the human-animal-ecosystem is critical

Note:
• Public health is at the center of the health security efforts
• Size and overlap of respective circles depends on the particular condition
What are we doing?

Objective
• To strengthen financial and institutional capacity of selected countries to ensure sustainability of health security in EAP

3 Intermediate Outcomes
• Generate evidence on health security financing and institutions to inform policy and planning at national and regional levels

• Strengthen financial and institutional capacities for health security through technical assistance

• Increase political and economic commitment to improve regional health security

Country level & Regional level
Cambodia, Indonesia, Lao PDR, Myanmar, Vietnam
I:O I: Generate evidence on health security financing and institutions to inform policy and planning at national and regional levels

- Develop Health Security Financing Assessment Tool (HSFAT) methodology that includes institutional assessment
- Conduct Health Security Financing Assessments and disseminate results in 5 countries
IO II: Strengthen financial and institutional capacities for health security through technical assistance

A. Support Governments in developing national action plans for health security, in collaboration with WHO and partners

B. Provide technical assistance in financial and institutional capacity building

- Develop training materials on health security financing, including contingency financing, PFM and One Health coordination structures and convert the materials into online flagship course on health security financing

- Conduct series of capacity building workshops for policymakers, technical staff and DPs on health security financing, institutional strengthening and PEF readiness at the country level

- Improve the OneHealth concept by incorporating animal health in Agriculture Public Expenditure Reviews conducted by the Bank
IO III: Increase political and economic commitment to improve regional health security

A. Increase political and economic commitment for health security

• Develop simulation exercise scenarios related to economic impacts of pandemics and financing pandemic preparedness (with WHO)

• Conduct regional simulation exercise in collaboration with WHO, ADB, and ASEAN at the regional level, focusing on funding flow and economic risks

• Build the capacity of the Technical Task Force in advocacy and building political commitment in their respective governments and organizations

• Conduct regional knowledge exchange and learning events on health security planning, including pandemic preparedness and health security financing

B. Development and dissemination of regional economic case analysis and policy briefs to increase political commitment for health security financing

• Conduct and disseminate regional economic risks/economic case analysis in 5 countries

• Support preparation of policy notes to help priority countries integrate and adequately prioritize financing for universal health security into national fiscal framework, MTEF, and sector budgeting and planning
Pandemic Emergency Financing Facility (PEF)

• Provide essential surge financing to key responders, including, governments, multilateral agencies and civil society organizations, to respond to an outbreak with pandemic potential and to minimize its health and economic consequences.

• It tackles a critical challenge of speedy resource mobilization for outbreak response, particularly among low income countries with relatively weak health systems.

![Diagram]

- Cash Window
- PEF
- Insurance Window
- Donors
- Insurance
- Bonds
PEF is an insurance-based mechanism that provides surge financing to IDA-eligible countries for pandemic response.

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<thead>
<tr>
<th>Insurance window</th>
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<tbody>
<tr>
<td><strong>Beneficiaries</strong></td>
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<tr>
<td>• 78 eligible countries</td>
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<tr>
<td>• Responding agencies(^1)</td>
</tr>
<tr>
<td><strong>Size</strong></td>
</tr>
<tr>
<td>• USD 425m</td>
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<tr>
<td>• Ceilings of maximum payments for each disease pathogen</td>
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<tr>
<td>• Payout are layered (except for flu) and pre-determined based on outbreak size, spread and growth</td>
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<th>Cash window</th>
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<td>• 78 eligible countries</td>
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<tr>
<td><strong>Size</strong></td>
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<tr>
<td>• USD 55m</td>
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<tr>
<td>• Amount of payout per event determined on a case-by-case basis</td>
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<th>Coverage</th>
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<td>• Outbreaks from a defined set of 6 pathogens</td>
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<tr>
<td>• Pandemic flu, Filovirus, Coronavirus, Lassa Fever, Rift Valley Fever, Crimean Congo Hemorrhagic Fever</td>
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<th>Activation Criteria (Trigger)</th>
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<td>• Pay-outs are made based on the outbreak reaching a pre-determined criteria: Size: 5,000 cases (flu), ≥250 deaths (non-flu) Growth: growing at a rate greater than zero Spread: at least 2 countries with ≥20 deaths in each</td>
</tr>
</tbody>
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| Outbreaks with pandemic potential that are not covered by or have not triggered the insurance window |
| Pay-outs are based on technical expert recommendation and steering body approval |

\(^1\) International organizations and NGOs supporting outbreak response in affected countries. Have to be accredited by the PEF Steering Body to be eligible.
Catastrophe Deferred Drawdown Option (Cat DDO)

- A type of Development Policy Financing (DPF)
  - Based on Matrix of Prior Actions (usually related to Hazard Risk Management) and results
  - Disburses rapidly, once agreed trigger(s) is met

- Deferred drawdown option linked to a catastrophe
  - Funds approved ex-ante
  - Pre-specified drawdown trigger(s) – typically (but not necessarily) the country’s declaration of a state of emergency, and apply to health emergency
Summary from our 2-day knowledge sharing event at the Prince Mahidol Award Conference, Bangkok, January 2018
Thank you