Plenary Session 2
Funding PHC in the time of COVID-19

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Premise

• PHC is underfunded in a majority of LICs and LMICs
• Out-of-pocket health payments deter people from using needed health services and result in severe financial hardship for millions more
Increasing spending on PHC

Macroeconomic forecast

Increase in general government expenditure (GGE)

Impact on PHC spending

Government health spending (GHE) and PHC spending will grow, even if shares of health in government spending, and of PHC in health spending stay the same.

Spending on PHC can increase if:

- GHE increases and PHC/GHE stays constant
- PHC/GHE increases

GHE can only increase if GHE/GGE increases (or increase in development assistance for health)

Current challenge: increasing levels of public debt and increases in interest rates associated with inflationary fears entails an increase in interest payments on public debt for many countries. This will reduce the amount that can be allocated through the budget.
Macroeconomic Projections

Low-Income countries
Objective of the Session

1. What are the options to increase government spending overall – particularly in the contraction and stagnation countries?

2. What are the options for allocating a higher share:
   a. of government spending to health, and
   b. of health spending to PHC

particularly in the contraction and stagnation countries?