

EXTERNAL FUNDING TO HEALTH SYSTEMS IN LATIN AMERICA AND THE CARIBBEAN

August 5, 2022

The **External Funding Operations to Health Systems Dashboard** is an initiative of the Pan American Health Organization (PAHO/WHO) for tracking funding operations from the main international financial institutions and donors to the countries of Latin America and the Caribbean.

The information about the sources, levels, and structure of funds can serve as a tool to identify the resources potentially available to build sustainable and resilient health systems as the health investment priorities of the countries and the external funders.

The scope of the database is the loans and grants approved since the formal start of the pandemic in March 2020. The operations registered in the database include the financing of health and the support of macroeconomic stability.

Illustration No. 1: Distribution of approval for health systems by country



MAIN RESULTS

Since the formal start of the pandemic in March 2020, international financial institutions and selected donors have approved more than 1,200 financing operations with a value of US\$265,805.3 million, which were directed to the following purposes:

- **Health Systems** accounts for a cumulative amount of US\$7,981 million as of June 2022: 72% of the financing is related to the health response to COVID-19 and 28% to other health purposes.
- **Other sectors** account for a total of US\$253,823.4 million as of June 2022: 76.9% of the financing is directed to budget support measures and macroeconomic stability, 16% to other purposes other than health related to the impact of COVID-19 (education, social protection, others), and 7.1% for other purposes.

Resources for budget support, which account for most funds, have provided governments with liquidity to respond to the crisis and have indirectly contributed to sustaining health systems. In 2020, specific funds for the health sector only reached 2.7% of the total approved and increased to 4.9% in 2021. In 2022, resources for the health sector seem to have lost momentum, reporting only 1.1% of funds approved.

Table 1: Distribution of approvals by purpose and year (US\$ million), 2020 - 2022

Main and secondary purpose	2020	2021	June 2022	Total
Other sectors	90,282.4	86,060.8	77,480.2	253,823.4
Budget support and macroeconomic stability	72,163.9	64,525.0	58,554.0	195,242.9
Other non-health purposes	6,288.6	15,914.8	18,287.2	40,490.6
Other purposes related to COVID-19	11,829.9	5,621.0	639.0	18,089.9
Health systems	2,544.0	4,397.2	1,040.7	7,981.9
Prevention and treatment of COVID-19	1,795.7	3,250.5	704.4	5,750.6
Health systems non-COVID-19	748.3	1,146.7	336.3	2,231.3
Total	92,826.4	90,458.0	78,520.9	261,805.3

Source: PAHO. External funding operations to health systems database.

FINANCING FOR HEALTH SYSTEMS

Between March 2020 and June 2022, **307 financing operations were approved with a commitment of US\$7,981 million**. In the first half of 2022, approved operations only represented US\$1,040.7 million, a decrease of 44.0% compared to the first half of 2021.

The World Bank (WB) approved 43.6% of the resources, 17.8% from the Inter-American Development Bank (IDB), 12.3% from the Central American Bank for Economic Integration (CABEI), 11.8% from the Andean Development Corporation (CAF), and the remaining 14.5% came from other organisms.

Chart 1. Distribution of approvals by funder (US\$ million), 2020 - June 2022

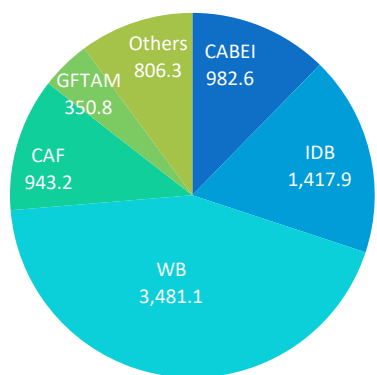
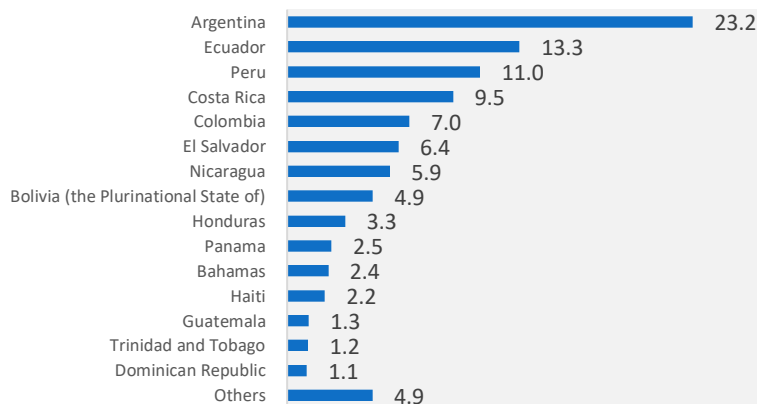


Chart 2. Percentage distribution of approvals by country, 2020 - June 2022



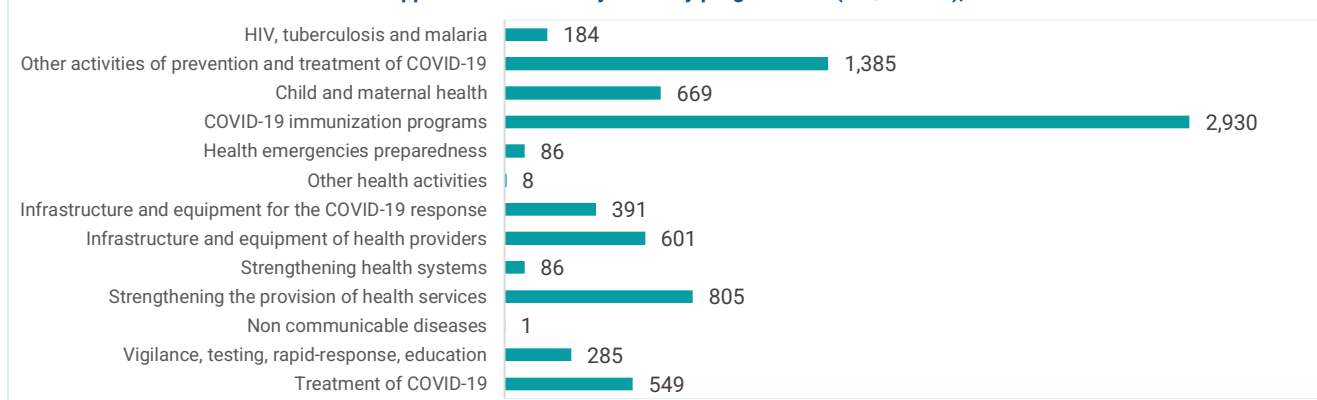
Fuente: PAHO. External funding operations to health systems database.

Geographically, 95.1% of the funds were distributed in 11 countries. Of these funds, Argentina was the country with the highest value of approvals in the period, US\$1,850 million or 23.2% of the funds for health systems. This is followed by Ecuador (13.3%), Peru (11.0%), and Costa Rica (9.5%).

Purpose of the resources and program areas. 72% of the resources approved for health systems are associated with the health response to COVID-19. In 2021, COVID-19 funds increased from 70.6% to 73.9% of the total health approvals, and in the course of 2022, it decreased to 67.7%.

The three most relevant programmatic areas in the approval of funds are COVID-19 immunization programs (36.7%), other prevention and care activities for COVID-19 (17.4%), and the strengthening of service provision (10.1%). Resources for COVID-19 immunization programs reached US\$2,930 million as of June 2022, of which 20% (US\$579 million) was approved in the first half of 2022.

Chart 3. Distribution of approvals for health systems by program area (US\$ million), 2020 - June 2022



Source: PAHO. External funding operations to health systems database.