

Fractured Systems and Fading Funds: Rebuilding Resilient Health Systems in Low Middle-Income Countries amidst Economic, Security and Policy Instability

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The history of security measures to protect against infectious diseases dates back many decades ago. Nevertheless, context in which modern day health security has been framed and rationalised was in fact set in the late 1980s' when industrialisation and widespread urbanisation opened doors to zoonotic and infectious diseases with uncontrolled spread, having potentials of a deadly pandemic with significant implications on markets and economies became prominent in scholarly writings.¹ A renewed interest in health security measures to strengthen public health capacities, was awakened following the 2014 Ebola virus outbreak in West Africa with the introduction of Global Health Security Agenda (GHSA) to which many LMICs are signatories off.²

The international health fundings' trajectory also mirrors global responses to health crises. A notable increase in health fundings began in the 1990s as a response to public health emergencies such as HIV/AIDS, malaria, tuberculosis and the Global Fund was established in 2002 to combat the aforementioned crises. This growth has however, remained uneven and inconsistent, often swayed by national priorities or as a sequelae to immediacy of crises, changing health priorities of donor countries/ organisations. The recent COVID-19 pandemic has, nonetheless, already unveiled flaws in preparedness and response including, limited financial investments in health systems, lack of emergency funds surge, reallocation of health resources, insufficient commitments and others consequently, undermining health, globally.

In September 2022, a novel multilateral funding tool, the Pandemic Fund, was created and unveiled at the G20 Joint Foreign ministers and Health Ministers' meeting in Bali, Indonesia, with the aim to bolster pandemic prevention, preparedness, and response in low-middle income countries through financial support/ aid, technical and expert guidance

from various partners (national, regional, global). The fund prioritizes bio-surveillance,

lab advancements for rapid diagnosis, and capacity building of health worker training. With the World Bank being its trustee and WHO chairing its technical advisory panel, the Fund was successful in moving critical financial investments awarding US\$885 million, catalysing additional US\$ 6 billion from partners covering investment gaps in nearly 75 low-middle income countries via 47 capacity building, surveillance and technical support projects. The fund has been pivotal in galvanising multi-sectoral co-ordinations and cooperations, incentivising countries to improve their domestic input for sustainability of financial investments and moving additional international resources for pandemic preparedness.³ As calls for additional funding of \$10.5 billion per annum to support the global pandemic preparedness response (PPR) arose, to strengthen the global PPR financing architecture, The World Bank launched the Financial Intermediary Fund (FIF) as a collaborative partnership between donors, co-investors/ potentially implementing political systems, civil society organizations/ foundations with World Bank as a host and WHO as the technical lead.⁴

Financial disruptions courtesy the ongoing global recession and more recently global trade/ tariff conflicts and their forecasted implications on Health Security Agendas, nationally and globally, have prompted scholars to rethink and re-evaluate the global development finance system. An example of the same is the establishment of IMF's Resilience and Sustainability Trust in April 2022 (Centre for Global Development, 2024) to assist vulnerable LMICs facing long-term structural risks such as climate change, poverty, public health crises including epidemics and pandemics endure these external shocks which otherwise pose a risk to their macro economic stability and balance of payments through long term concessional financing (Global Development Policy Centre, 2024). Similarly, the World Bank also started restructuring with the introduction of reforms aimed at expanding its lending capacity to adapt to these evolving needs of LMICs.⁵

Global Health investment gaps significantly undermine

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health security and sustainability of ongoing public health initiatives in LMICs where health systems are already strained. Recessions and inflation coupled with debt burdens, and shifting international donors' priorities severely reduces both domestic and external health financing. Thereby, jeopardizing essential health services such as immunizations, disease surveillance, and emergency preparedness. LMICs are seen struggling to fulfill co-financing obligations and/or are falling behind pledged international aid transitions, which ultimately slows progress toward Universal Health Coverage (UHC).

Donor countries, facing their own fiscal constraints, tend to scale back commitments, leading to unpredictability in development assistance for health. Fragmented and misaligned aid in domestic health systems has further complicated efficient resource use. Moreover, financial instability also deters investments in health infrastructure, innovation, and workforce development; all core components of resilient health systems.

In response to economic crises, governments in LMICs are pushed to mobilize ministries in strategic plans with the object of fiscal consolidation while safeguarding essential health services. Efficiency, prioritization, and innovation becomes critical for which a shift of stakeholder's perspectives becomes inevitable. Stewardship by implementing vertical programs within the broader health system infrastructure also improve resilience and sustainability. In spite of the delays in the scale and speed of interventions courtesy financial disruptions, coordinated efforts to enhance public financial management, horizontally, across social sectors can bolster health resilience whilst safeguarding vulnerable populations.

Sustaining health initiatives amidst reduced pecuniary investments is challenging yet possible provided strategic shifts are made. For this purpose, International financial institutions such as the IMF and multilateral development banks (MDBs) play a crucial role. As IMF programs adjust macroeconomic frameworks, health ministries and partners are often mobilised to ensure essential health services are protected. IMF and MDBs' monetary contributions in existing programs can be leveraged into protecting essential healthcare services, such as immunizations, Labs and capacity building through collaborative re-assessments and revisions in the context of macro-economic landscape of LMICs. For this purpose, newer instruments such as debt-for health swaps, converting debt repayments into health spendings, spending in other sectors such as social protection can result in beneficial health outcomes.⁶

Reallocations within the existing national budgets can support efficiency gains targeting cost effectiveness of interventions alongside public-private partnerships in infrastructure and service delivery in LMICs ensure health equity, accountability and resistance to financial shocks.⁶ Increasing health taxes on products like tobacco, alcohol, and sugary drinks can raise significant revenue while promoting healthier behaviour. These revenues, if reinvested in health systems, could help close funding gaps. Green taxes and subsidy reforms may offer similar benefits. Not only would such measures promote healthier behaviours but when reinvested in the health system, these policies can close the donor aid gaps.⁶

Alternatively, fiscal consolidation through macroeconomic modalities such as blended financing, i.e. combining concessional loans and grants with the purpose of driving sustainability in national healthcare can help LMICs mitigate implications of financial disruptions on WHO identified threats. Often LMICs resort to adapting policies, and/ or re-evaluating cofinancing requirements to reflect on economic realities and endure financial disruptions.

With efficiency gains becoming censorious champions in surviving economic recessions, LMIC governments should also focus on reducing wasteful health spending through cost-effective practices such as rational use of high-cost medicines. While such reforms take time and political will, they can help stretch limited budgets further.

In sum, a comprehensive approach, protecting essential services, leveraging global financing, cutting inefficiencies, raising revenues through health taxes, and reprioritizing national budgets is much needed to sustain health financing and system resilience in the face of mounting macroeconomic shocks to ensure health security at national and international forums. Sustaining global public health initiatives amidst reduced financial resources is challenging but possible, provided strategic shifts are made. Efficiency, prioritization, and innovation have become critical. Governments and health actors must focus on protecting essential health services, eliminating inefficiencies (such as procurement waste or duplicated reporting), and adopting cost-effective interventions. Country ownership and smarter integration of vertical programs into broader health systems can improve resilience. Additionally, investing in preventive care and primary healthcare can yield long-term cost savings. While reduced resources may limit the scale and speed of interventions, with careful planning, collaboration, and governance reforms, essential global health

goals can still be upheld.

DISCLAIMER

None.

CONFLICT OF INTEREST

None to declare.

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