Financing Alliance for Health

Country Fact Card - Malawi

2018
## Macro context of Malawi

<table>
<thead>
<tr>
<th>Topic</th>
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<tbody>
<tr>
<td>Health Landscape</td>
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<tr>
<td>Health Financing</td>
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<tr>
<td>Community health system</td>
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</table>
Malawi: macro context

Political landscape

- **President:** Peter Mutharika
- **Stable democratic government** – five peaceful and parliamentary elections since 1993 (multi-party elections held 2011 and 2016). Next elections 2019
- Progress over last 10 years in non-monetary indicators of human development have been dampened by **persistent challenges to reduce poverty**
- Consistent budget deficits (~4.1% FY2016/17), resulting in **limited fiscal space**

- **Current Government**
  - The **agricultural sector** accounts for approx. 1/3 of GDP, and drives livelihoods for 2/3 of the population
  - The major challenge for the government continues to be balancing its **efforts to restore fiscal discipline** with its efforts to effectively respond to Malawi’s food security needs
  - Risks including adverse weather, the threat of another climatic shock, declining and volatile on-budget ODA flows, persistently high inflation (22.5%) and weak global demand for Malawi’s agricultural products all threaten budget flexibility

Political priorities

- 5 priorities of the Economic Development Document: agriculture and climate change management; education and skills development; energy and industrial development; transport and ICT infrastructure development; and health and population management
- Health and population management goals focused around **family planning and gender equality**

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<td>5 priorities of the Economic Development Document: agriculture and climate change management; education and skills development; energy and industrial development; transport and ICT infrastructure development; and health and population management</td>
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Risks

- **Population**: 18.1M
- **GDP per capita (current USD, 2014)**: $1,200
- **GDP CAGR, 2012-2016**: 9.2%
- **Unemployment (total)**: 6.6%
- **Unemployment (youth)**: 9.6%
- **Inflation**: 10.2%
- **Credit rating**: B-
- **Interest rate**: 18.0%
- **Current account deficit (as % of GDP)**: 17.8%
- **Population growth rate (2010-2014)**: 3.1%

SOURCE: World Bank, International Monetary Fund; CIA World Fact book; BBC News; Business Monitor International;
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- Community health system
## Malawi: health indicators

### Health system indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
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<tbody>
<tr>
<td>Under-five mortality rate per 1,000 births</td>
<td>68</td>
</tr>
<tr>
<td>Community health workers per 1,000 citizens</td>
<td>0.732</td>
</tr>
<tr>
<td>Physicians per 1,000 citizens</td>
<td>0.019</td>
</tr>
<tr>
<td>Life expectancy at birth</td>
<td>59</td>
</tr>
<tr>
<td>DALYs per 1,000 citizens</td>
<td>165</td>
</tr>
<tr>
<td>Maternal mortality rate per 100,000 births</td>
<td>510</td>
</tr>
<tr>
<td>Under-five mortality rate per 1,000 births</td>
<td>68</td>
</tr>
</tbody>
</table>

### Causes of maternal mortality

- Haemorrhage
- Infection
- Unsafe abortion
- Pre-eclampsia/eclampsia
- Obstructed labour

### Causes of child mortality

- Malaria 14%
- Other causes 13%
- Acute respiratory infections 13%
- HIV/AIDS 12%
- Prematurity 12%
### Health financing landscape

#### Healthcare Expenditure Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Health Expenditure (THE) as % of GDP</td>
<td>9.0% avg. low-income countries (5%) global avg. (9.2%)</td>
</tr>
<tr>
<td>General Health Expenditure (GHE) as % of General Government Expenditure (GGE)</td>
<td>6.2% targets set by Abuja Declaration (15%)</td>
</tr>
<tr>
<td>Out-of-Pocket (OOP) expenditure as % of THE</td>
<td>10.2%</td>
</tr>
<tr>
<td>Development Assistance for Health (DAH) as % of THE</td>
<td>68%</td>
</tr>
</tbody>
</table>

#### Trends in Shares of Total Health Expenditure in Malawi

![Graph showing trends in healthcare expenditure in Malawi](image)

- **External resources**
- **General govt. health expenditure**
- **Private health expenditure**
- **Out-of-pocket expenditure**

**SOURCE:** WHO Global Health Expenditure Database, 2013; African Health Strategies, 2016; WHO 2015
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Malawi’s National Community Health Strategy

MISSION || To ensure quality, integrated community health services are affordable, culturally acceptable, scientifically appropriate, and accessible to every household through community participation to promote health and contribute to the socio-economic status of people in Malawi

<table>
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<th>Overview</th>
<th>Objectives</th>
<th>Key figures</th>
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<tr>
<td>Improve community health systems for a generation&lt;br&gt;• Integrated health service delivery&lt;br&gt;• Community engagement and accountability</td>
<td>• Health Service Delivery Deliver EHP at community level through integrated services provided by CHWs in CHTs&lt;br&gt;• Human Resources Build a sufficient, equitably distributed, well-trained community health workforce&lt;br&gt;• Information, Communication &amp; Technology Promote a harmonised community health information system with a multi-directional flow of data and knowledge&lt;br&gt;• Supply Chain &amp; Infrastructure Provide sufficient supplies, transport, and infrastructure for CHWs in CHT&lt;br&gt;• Community Engagement Strengthen community engagement in and ownership of community health&lt;br&gt;• Leadership &amp; Coordination Ensure sufficient policy support and funding for community health and that activities are implemented and coordinated at all levels</td>
<td>Implementation timeline: 2017–2022&lt;br&gt;Target: 7,000 CHWs&lt;br&gt;Total cost: $407Mn</td>
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Resulting in better health outcomes<br>• Contribute to the reduction under 5 mortality by 25% and maternal mortality by 20% by the year 2022<br>• Saving +9000 child lives per year

And offering a cost-effective solution<br>• Delivering a 5:1 long-term economic return on investment

SOURCE: NCHS Strategy 2017-2022
The strategy defines a new CH system linking community with local government

Related Ministries
- DC
- ADC
- VDC
- CHAG
- VHC

Community Health Team
- DHMT
- HCMC
- Health Centre
- Community Health Team

Community

Community Health Team
- AEHO
- CHN
- CMA
- SHSA
- HSA
- CHVs
The NCHS will cost $407mm over 5 years, less than 15% of HSSP II costs

Timely Investments

NCHS Total Cost (USD millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Recurrent</th>
<th>Start-up</th>
</tr>
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<tbody>
<tr>
<td>2017–18</td>
<td>38</td>
<td>1</td>
</tr>
<tr>
<td>18–19</td>
<td>39</td>
<td>26</td>
</tr>
<tr>
<td>19–20</td>
<td>59</td>
<td>25</td>
</tr>
<tr>
<td>20–21</td>
<td>69</td>
<td>26</td>
</tr>
<tr>
<td>2021–22</td>
<td>79</td>
<td></td>
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NCHS Costs by Category

In Percentage

- CHW Salaries: 30%
- ICT: 4%
- Planning meetings (1): 4%
- CHW supervision: 4%
- CHW transport: 4%
- CHW supplies: 3%
- Program management (1): 13%
- CHW training: 20%
- Infrastructure: 20%

SOURCE: NCHS Strategy 2017-2022