PUBLIC FINANCE TARGETS FOR UHC

FACTSHEET

Most low- and middle-income countries (LMIC) are challenged to raise *more public revenue* to invest in their health systems to progress towards Universal Health Coverage (UHC): every person's access to quality health services, on the basis of need and not the ability to pay. Public – i.e. mandatory/prepaid/pooled - revenue sources include domestic government finance and, where necessary, external development assistance. ***What level of public finance for UHC is needed?*** As long as costed implementation plans for UHC are absent, we can turn to these general targets:

RELATIVE TARGETS

At least 5% of GDP

Evidence[i] shows that when governments direct more than 5% of their GDP to health there is:

- a marked decrease in catastrophic and impoverishing out-of-pocket spending (below 20% of total health expenditure);
- an increase in utilization of essential health services (e.g. over 90% child immunization);
- a positive correlation with the availability of core health workforce (4.45/1000 population).

The World Health Organisation[ii] and *World Bank*[iii] use 'government expenditure on health as % of GDP' as an indicator in research and databases.

The Abuja target is the target that was adopted by African governments in 2001, committing to spend at least 15% of their budget to the health sector.

ABSOLUTE TARGETS

At least 86 USD per capita

It is calculated that with a budget of at least 86 USD per person per year governments can secure a package of core primary level health services, including staffing, medicines and equipment for a range of common diseases. This minimum amount is based on the *High-level Taskforce* on Innovative International Financing for Health Systems (2005-2009). An absolute target typically needs to be adjusted over the years. Currently, the World Bank estimates that *90 USD* per capita per year is needed for UHC (2018).

At least 112 USD per capita, estimated by the WHO in 2017[vi], is the amount needed in LMICs for all services and interventions needed to achieve the health related sustainable development goals (SDG3).

'Twin targets'

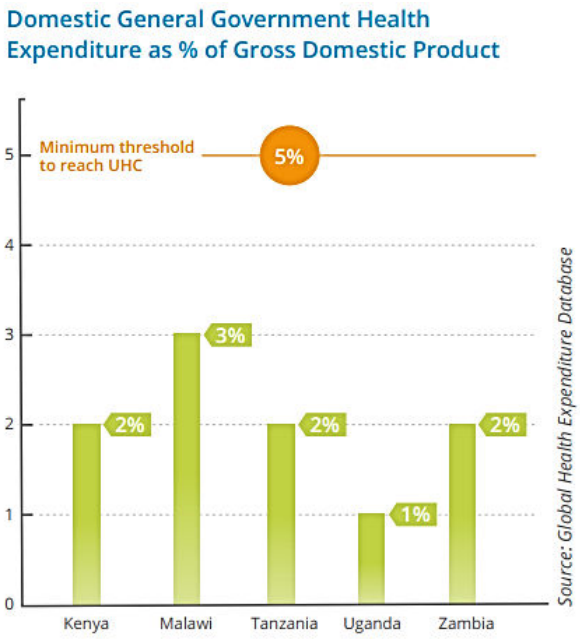
The combination of both the relative >5% of GDP ***and*** the absolute >86 USD per capita target was proposed by global health experts[iv] in 2014:

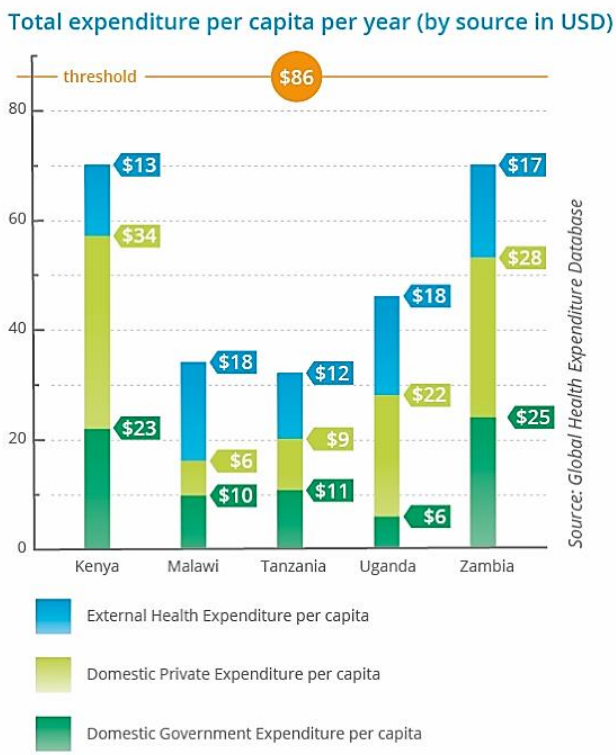
- **Linking public expenditure for health to a country's wealth** – as reflected by GDP - **motivates governments** to prioritize health, and raise more revenue that can be equitably invested in social services for the population including health services.
- **In most LICs even 5% of GDP will not yield the amount of 86 USD per capita**. Effective external assistance will be needed. The two targets *"(…) can play an important role in advocating for domestic and external assistance funds that are truly additional to at least move towards universal primary care services."* [i]

At its summit in 2016 in Rwanda *the African Union* (AU) adopted the two targets as benchmarks for their **Africa Scorecard on Domestic Financing for Health**[v], as additional to the Abuja target. Scorecard results were first published in 2018.

HEALTH SYSTEMS ADVOCACY PARTNERSHIP

The Health Systems Advocacy Partnership (HSAP) is a consortium of the African Centre of Global Health and Social Transformation (ACHEST), AMREF Health Africa, Health Action International (HAI), Wemos and the Dutch Ministry of Foreign Affairs. HSAP aims at strengthening health systems for better sexual and reproductive health and rights. Focus areas include human resources for health and equitable health financing. We combine advocacy, research and civil society engagement at national, regional and international levels of policy making and work in Kenya, Malawi, Tanzania, Uganda and Zambia. The five HSAP focus countries are all challenged by significant gaps in public financial resources for health, as shown in the graphs below (based on the most recent data available in the WHO Global Health Observatory database)





References:

[i] McIntyre *et al* (2017) What level of domestic government health expenditure should we aspire to for universal health coverage? [link]

[ii] WHO Global Health Observatory: http://www.who.int/gho/health_financing/public_exp_health/en/

[iii] World Bank statistics database refers to the WHO Global Health Expenditure database http://apps.who.int/nha/database

[iv] Working Group on Health Financing at the Chatham House Centre on Global Health Security: https://www.chathamhouse.org/publication/shared-responsibilities-health-coherent-global-framework-health-financing

[v] African Union (2018) Africa Scorecard on Domestic Financing for Health with The Global Fund, UN Foundation, WHO: http://aidswatchafrica.net/index.php/africa-scorecard-on-domestic-financing-for-health/document/75/12

[vi] Stenberg *et al* (2017) Financing transformative health systems towards achievement of the health Sustainable Development Goals.[link]

This document is part of
Wemos' contribution
to the Health Systems Advocacy Partnership.