

Developing countries devote more funding to health, except many in sub-Saharan Africa

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This map shows the change in governmental health expenditure source as a percent of general government expenditure. World Health Organization, all developing countries. Credit: Institute for Health Metrics and Evaluation, University of Washington

The commitment to health by country governments in the developing world has grown dramatically over the last two decades, according to a new study by the Institute for Health Metrics and Evaluation (IHME) at the University of Washington and Harvard Medical School.

Overall domestic government spending on health doubled in low-income countries over 12 years to reach \$18 billion in 2006, the study shows. That is three times as much as the amount of development assistance for health the governments received.

"The fact that governments are committing more of their own resources

to health is crucial," said Dr. Christopher Murray, IHME director and co-author of the study. "Aid from outside donors plays an important role but can fluctuate from year to year. Governments ultimately have to sustain themselves." Murray is a UW professor of global health.

The study, "Public financing of health in developing countries: a cross-national systematic analysis," appears in the April 9 online-first issue of the *Lancet*. Researchers analyzed spending data from developing countries and health aid data from agencies, multilateral institutions, such as the [World Health Organization](#) and the International Monetary Fund, and hundreds of nonprofit groups and charities.

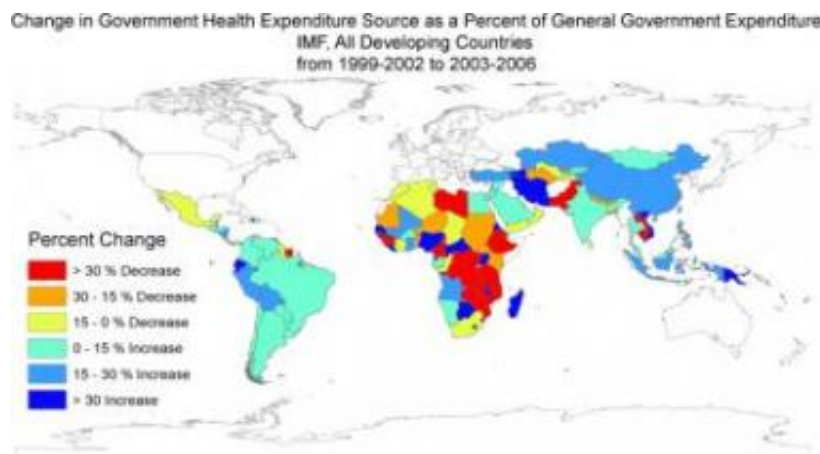


This map shows the change in development assistance for health as a percentage of gross domestic product (GDP), all developing countries from 1999-2002 to 2003-2006. Credit: Institute for Health Metrics and Evaluation, University of Washington

They found that data on government health spending are often missing entire years of information and can be difficult to reconcile. After overcoming the data challenges, researchers were able to identify two distinct trends. First, in sub-Saharan Africa where many governments

receive significant health aid directly, the aid appears to be in part replacing domestic health spending instead of fully supplementing it. The researchers found, in those countries, that for every \$1 spent in health aid, governments shifted between 43 cents and \$1.14 of their own funds to other priorities. Conversely, in countries where nongovernmental organizations receive most of the aid and then apply it to projects inside the country, government health spending appears to have increased. Both trends merit further research, the authors say.

"Right now, we don't know where all the money is going because the documentation is so poor," said Dr. Dean Jamison, one of the paper's co-authors. He is a UW professor of global health and co-leader of the Disease Priorities Network at the IHME. "Some governments may be channeling parts of their health budgets toward better sanitation or education. All we know is that it isn't going directly into the health budget."



This map shows change in government expenditure as a percent of general government expenditure, International Monetary Fund (IMF), all developing countries, from 1999-2002 and 2003-2006 Credit: Institute for Health Metrics and Evaluation, University of Washington

To strengthen the effectiveness of the health aid system, the researchers make five recommendations:

- adoption of a clear set of reporting standards for government health spending as source and spending in other health-related sectors
- establishment of collaborative targets to maintain or increase the share of government expenditures going to health
- investment in developing countries' capacity to effectively receive and spend health aid
- careful assessment of the risks and benefits of expanded health aid to non-governmental sectors
- study of the use of global price subsidies or product transfers as mechanisms for health aid

The study was written by lead author Dr. Chunling Lu, a Harvard Medical School instructor, and five IHME researchers. It will be unveiled April 9 at a roundtable meeting of representatives from aid organizations, governments, development banks, and research institutions at Imperial College in London.

"We are hoping that the lessons learned from countries that are investing more of their own money in their health systems can be applied where domestic health spending is declining," said Dr. Julio Frenk, IHME board chairman and dean of the faculty, Harvard University School of Public Health. "The worst outcome would be for people to lose faith in health aid, especially now when, as we can see in places such as Haiti, countries need extra help to make a tangible difference in people's

lives."

IHME will further explore domestic health spending, track development assistance for health contributions, and forecast international spending on health aid in IHME's upcoming report, *Financing Global Health 2010*, to be published this summer.

Provided by University of Washington

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