



Independent observer  
of the Global Fund

## Era of Rapid Growth of Donor Funding for Health Has Ended

The era of rapid growth of donor funding for health in low and middle-income countries has come to an end, a [report](#) published by Kaiser Family Foundation says.

The report analyses official development assistance (ODA) for the health sector provided by donors between 2002 and 2010. According to the report, following the creation of the Global Fund and the US President's Emergency Plan for AIDS Relief (PEPFAR) at the beginning of this period, funding for health increased more than four-fold, rising from \$4.4 billion to \$18.4 billion, and grew at a much faster pace cumulatively (317%) than overall ODA (169%). Funding for health also grew as a share of overall ODA, rising from 8.1% in 2002 to 12.5% in 2009; it remained at this level in 2010.

Forty-three donors (26 bilateral and 17 multilateral) provided health ODA in 2010, an increase from 26 donors (21 bilateral and five multilateral) in 2002. Most health ODA over the 2002–2010 period was provided bilaterally by donor governments, which collectively accounted for 65.8% of disbursements in 2010. Multilateral organisations provided the balance. However, funding from multilateral organisations accounted for nearly three quarters of the \$1.4 billion increase in health ODA between 2009 and 2010. Editor's Note: In effect, this represents a shift on the part of governments. The governments decided to provide a greater portion of their aid money through multilateral organisations, and a correspondingly smaller proportion through their own bilateral initiatives. Multilateral agencies, such as the Global Fund, are largely funded by donor governments.

The US was the single largest donor for health over the entire period, including in 2010 (\$6.4 billion), when it accounted for 34.6% of all health ODA. The UK was the second largest bilateral donor in 2010 (\$1.2 billion) followed by the European Commission, Germany and Canada (\$0.5 billion each).

The Global Fund has been the second largest donor to health since 2006. By 2010, the Fund gave \$3.0

billion out of the total multilateral funding of \$6.3 billion. The World Bank was the second largest multilateral donor in 2010 (\$0.9 billion), followed by GAVI (\$0.7 billion), and the World Health Organization (WHO) (\$0.4 billion).

Sub-Saharan Africa received the largest share of health funding of any region, rising from 31.9% in 2002 to 47.4% in 2010. It also accounted for the highest growth over the period (52.3%).

The second largest share of funding went to South and Central Asia (13.3% in 2010). All other regions accounted for less than 10.0% of total health funding. Funding for three regions (North Africa, South America, and Oceania) declined between 2009 and 2010.

HIV/AIDS programmes drove most of the growth in health ODA over the period 2002–2010, accounting for \$6.5 billion (46.8%) of the \$14.0 billion increase in health ODA. Basic health and medical care accounted for the second largest share (\$1.9 billion, 13.4%) of the increase.

While funding for all health sub-sectors grew over the 2002 to 2010 period, funding for HIV/AIDS, malaria, and TB increased at faster rates than other sub-sectors such as family planning, nutrition, workforce/management and other infectious diseases.

The report says that the trend of slower growth witnessed between 2002 and 2010 was likely to have continued in 2011.

The full title of the report is “Donor Funding For Health in Low and Middle-Income Countries, 2002–2010.”

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