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African Countries Face Major Challenges in Bid to Increase Domestic Spending on Health

African governments have not lived up to their commitment in the Abuja Declaration to allocate 15% of their annual budgets to health expenditure.

Furthermore, short- to medium-term domestic funding for health in low-income countries in Africa will not be enough to provide the basic package of interventions required by the population, even if African governments were to increase spending on health in line with their commitments in the Abuja Declaration. Any increase in funding will need to draw upon all sources, domestic and international, until the tax bases of African countries grow sufficiently to assume a larger share of the costs.

Meanwhile, in non-African middle-income countries, funding for health comes predominantly from domestic sources, with external funding contributing a negligible proportion.

These are three of the conclusions of “Trends in Development Assistance and Domestic Financing for Health in Implementing Countries,” a report prepared by the Global Fund. The report examined health expenditures in 52 African countries (37 low-income and 15 middle-income) and in 20 non-African middle-income countries.

In the 2001 Abuja Declaration, African countries agreed to allocate at least 15 percent of their annual budgets to the health sector. From the perspective of the Global Fund, this is an important commitment because the programmes currently supported by the Global Fund can only become sustainable if implementing countries gradually assume a bigger share of the burden of financing these programmes.

An examination of national health account data revealed that for all 52 African countries, the average government expenditure on health, as a percentage of total government expenditure, rose only marginally from 8.8% in 2001 to 9.0% in 2007, despite the 15% commitment of the Abuja Declaration. Twenty-five countries recorded increases in the percentage of total government expenditures devoted to health between 2001 and 2007; the remaining 27 countries reported reductions.

Some countries fared better than others. While, in 2001, none of the countries were spending 15% or more of their national budgets on health, by 2007 three countries had met the 15% target (Djibouti, Botswana and Rwanda).

Table 1: African countries' share of the national budget spent on health, for 2001 and 2007

Year	Number of countries (total: 52) with health spending as percentage of national budget at:			
	Less than 5.0%	Between 5.0% and 9.9%	Between 10.0% and 14.9%	15.0% and over
2001	8	27	17	0
2007	7	23	19	3

In addition, three African countries (Liberia, Malawi and Burkina Faso) had surpassed the 15% target for at least some of the years between 2001 and 2006 (though not in 2007).

Over the period 2001-2007, 10 countries (Benin, Botswana, Burkina Faso, Djibouti, Gabon, Malawi, Mali, Namibia, Rwanda, and Tanzania) consistently allocated, on average, above 12% of

total government expenditures to health. This list includes both middle- and low-income countries. At the opposite end of the spectrum, the average allocations for health for this period in Angola, Guinea, Eritrea, Guinea Bissau and Nigeria was consistently less than 5% of total government expenditure.

In terms of how the data breaks down by sub-region within Africa, between 2001 and 2007, spending on health (as a percentage of the national budget) rose noticeably in East Africa, but declined significantly in North Africa. See Table 2 for details.

Table 2: Health spending as percentage of national budget, in 2001 and 2007:
Sub-regional breakout

Sub-Region

	Health spending	
	as percentage of national budget	
	2001	2007
Southern Africa	10.0%	10.3%
North Africa	9.5%	7.0%
West and Central Africa	8.1%	8.1%
East Africa	7.9%	9.4%

The data shown above relate to health spending as a percentage of national expenditures. The report from the Global Fund also looked at other ways to analyse health expenditures in Africa. The following are some of the findings:

” Health expenditures as a percentage of GDP: Total expenditure on health as a percentage of GDP rose in nearly two-thirds of the African countries between 2001 and 2007, with Namibia, Zimbabwe, Democratic Republic of Congo, Rwanda and Burundi all recording increases of 30% or more. Half of the 52 countries examined devoted at least 5% percent of their GDP to health. (In comparison, the total expenditure on health as a percentage of GDP in the WHO South East Asia and Eastern Mediterranean regions was 3.4% and 4.5%, respectively.)

” Funding from external sources as a percentage of total health expenditures: The average external funding proportion of total health expenditure in all 52 African countries grew from a level of 15.3% in 2002 to 20.1% in 2006. Thirty seven African countries recorded increases in external contributions over this period.

” Per capita total expenditure on health: The per-capita total expenditure on health in the WHO African Region in 2006 was \$111. However, if the middle-income countries are removed from the calculation, the amount drops to \$65. This compares to \$85 for the WHO South East Asia Region and \$791 globally.

The report found that there is no significant difference in the allocation of national budgets to health between the African middle-income countries and the middle-income countries from other regions selected for the study. In both sets of countries, government expenditure on health as a percentage of total government expenditure is clustered between 8% and 12%.

The report said that “while external aid has its risks in terms of long term sustainability and aid dependency, the dilemma faced by the African lower-income countries is the absence of effective alternatives. Domestic tax bases and alternative revenue sources remain modest in Africa and in lower-income countries elsewhere.”

The report said that although several African countries have increased their financial resources following the Abuja Declaration, they still do not have enough money to fund programs at levels that will enable them to attain universal access targets and the Millennium Development Goals. In addition, the report

said, “even a significant push by African countries to achieve the 15 percent target would lead to only a marginal increase in their per-capita health expenditures, particularly in the countries already devoting above-average proportions of their resources to health.”

Finally, the report concluded that “significant development assistance for health flows to African countries will remain critical for the countries to attain the required additional per-capita expenditure on health that is needed to scale up national programs.”

“Trends in Development Assistance and Domestic Financing for Health in Implementing Countries,” is available at www.theglobalfund.org/en/replenishment/hague/documents.

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