

# Innovative Approaches and Enhancing Financing for Health in a post COVID19 crisis world

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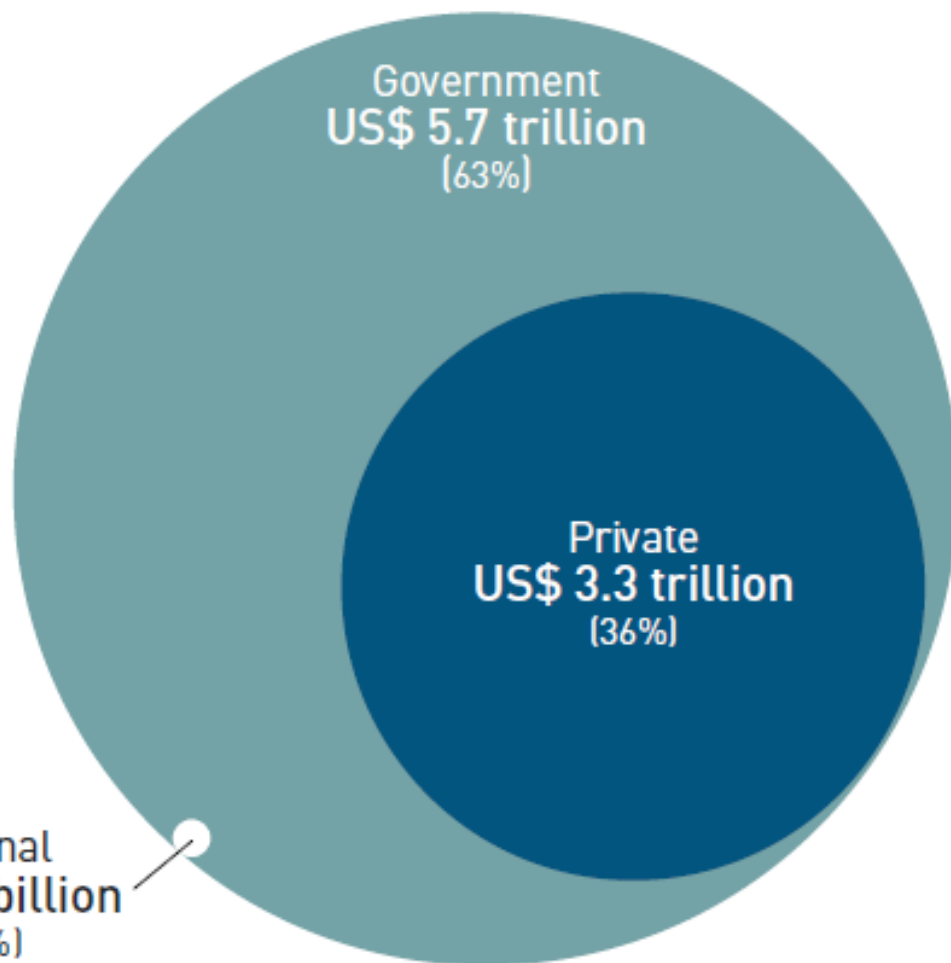
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# What have we learned?



# Global spending on health in 2020

Global spending on health, 2020  
US\$ 9.0 trillion

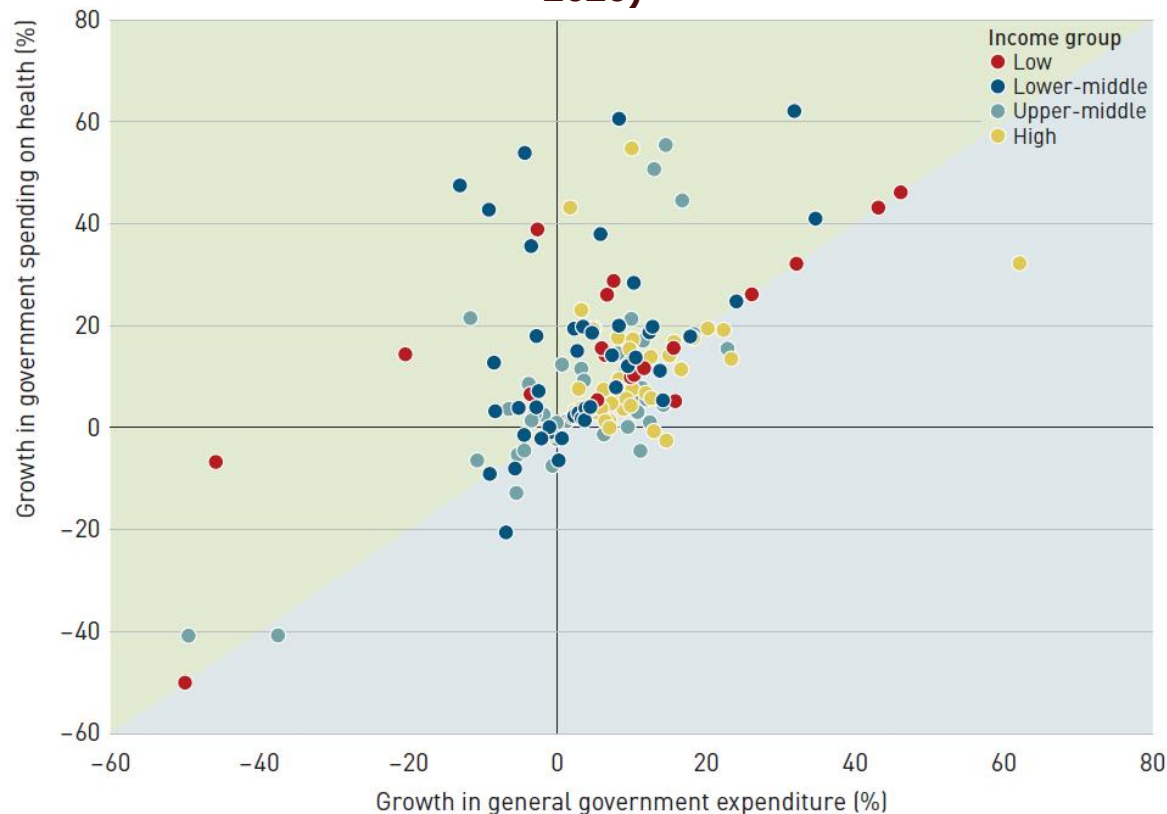


- Global spending on health reached US\$ 9 trillion in 2020
- It represented **10.8%** of global GDP.
- Up **5.8%** from 2019
- **63%** of came from government sources

External  
US\$ 17 billion  
(0.2%)

Total global spending on health rose 6.3% while global GDP fell 3.4% from 2019 to 2020, driven by public spending

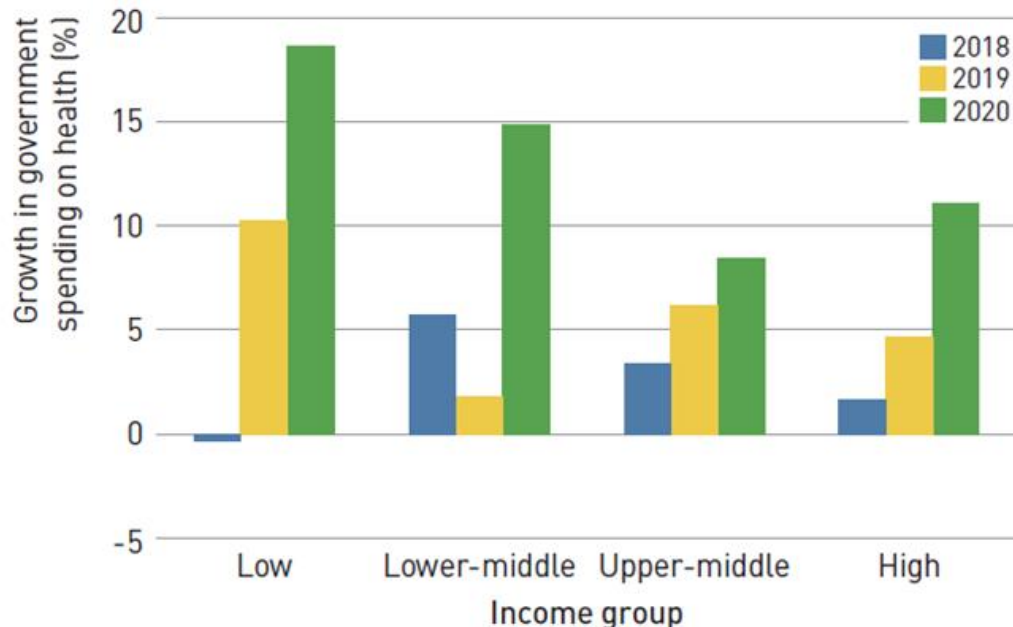
**Growth of general government spending and government spending on health (2019-2020)**



On average the priority given to health, increased from 2019 to 2020 in all income groups  
Except high income countries where total spending increased too

# Government spending was the main driver of the increase in total health spending from 2019 to 2020

**Growth of government spending on health  
(2018-2020)**

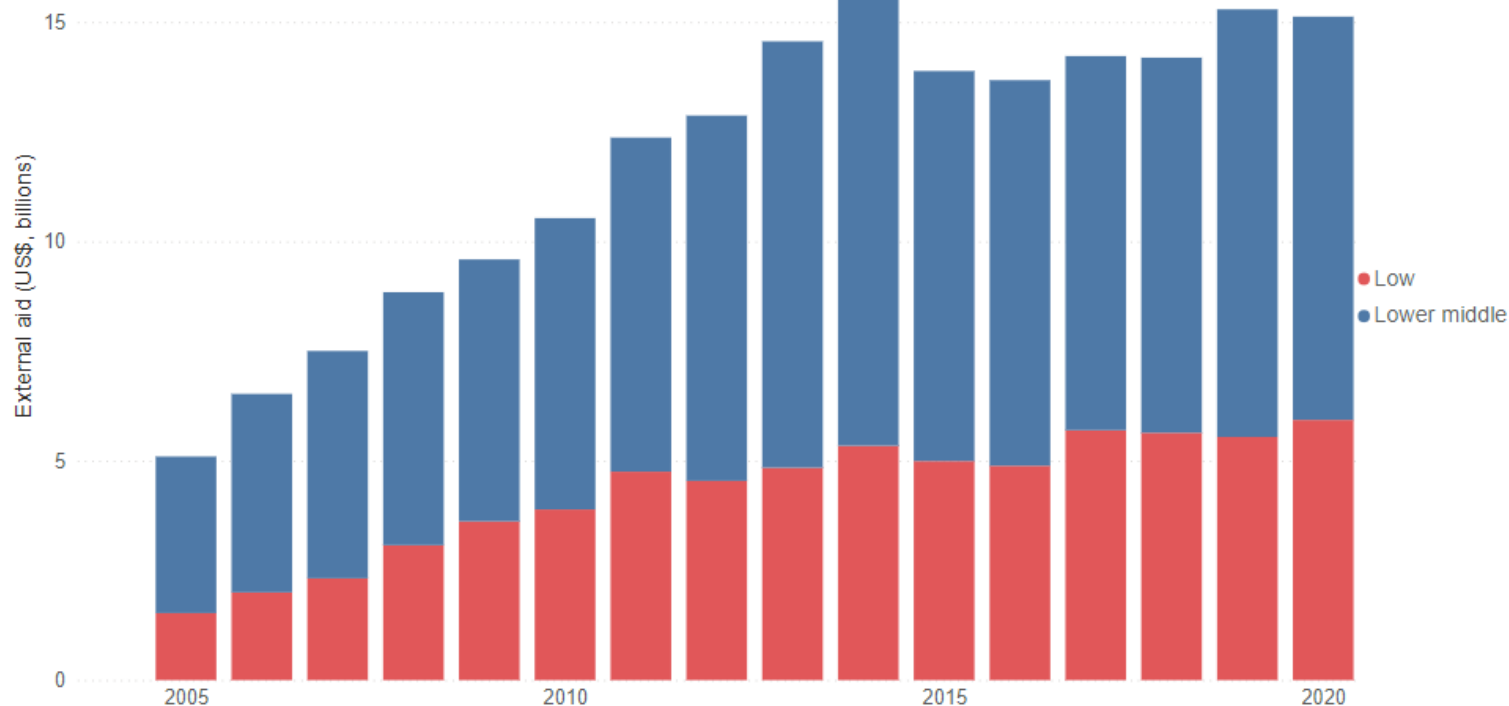


Note: Growth rates are based on per capita values in constant (2020) national currency units. Country-specific gross domestic product deflators were used to convert current values to constant values.

Data source: WHO Global Health Expenditure Database, 2022.

Across countries, average per capita government spending on health increased in all income groups and rose faster than in previous years

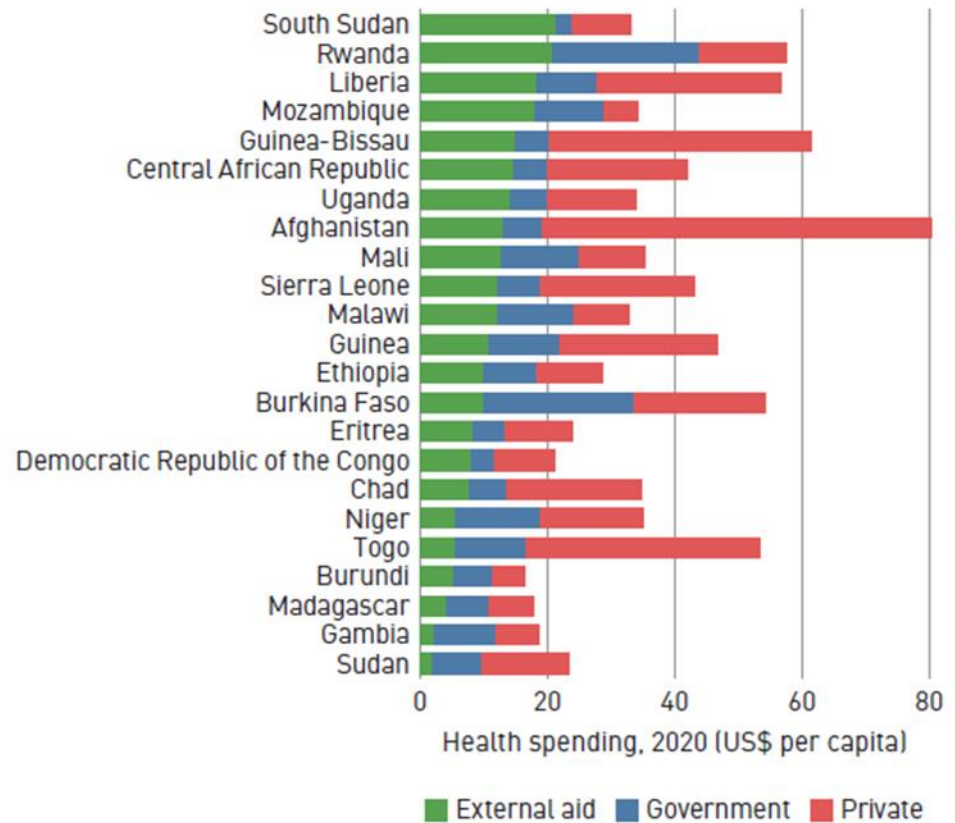
In 2020 spending from external aid in 2020 remained close to the 2019 level.



# In 2020, health spending from aid increased only marginally in low income countries

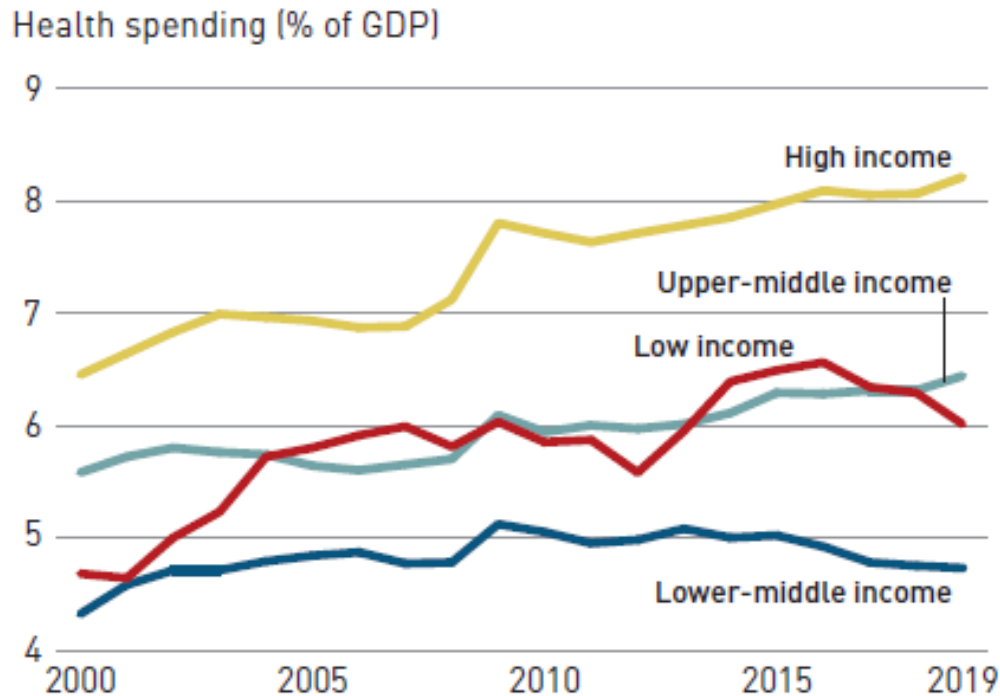
- Aid has remained stable at 29% in 2020, the same as in 2019 : Health aid among low income countries was an average of US\$ 10.80 per capita in 2020, a marginal rise from US\$ 10.10 per capita in 2019.
- Private spending remains the largest source of health spending in low income countries
- As in 2019, external aid remained higher than government spending on health (US\$ 9.20 per capita) in 2020.

## Composition of health ending by source in low income countries, 2020



Data source: WHO Global Health Expenditure Database, 2022.

# Health spending before 2019 : growth, but not converging



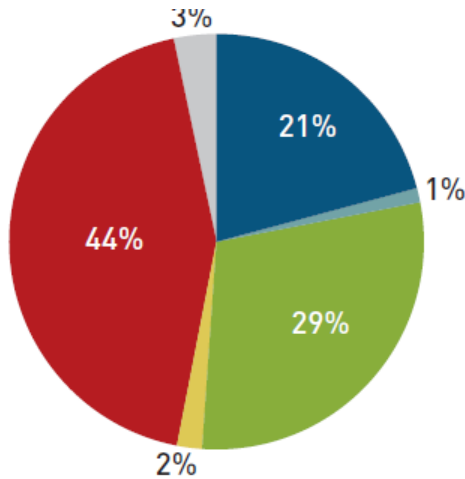
Data source: WHO Global Health Expenditure Database, 2021.

- What factors drive the growth and
- What factors drive the disparity?

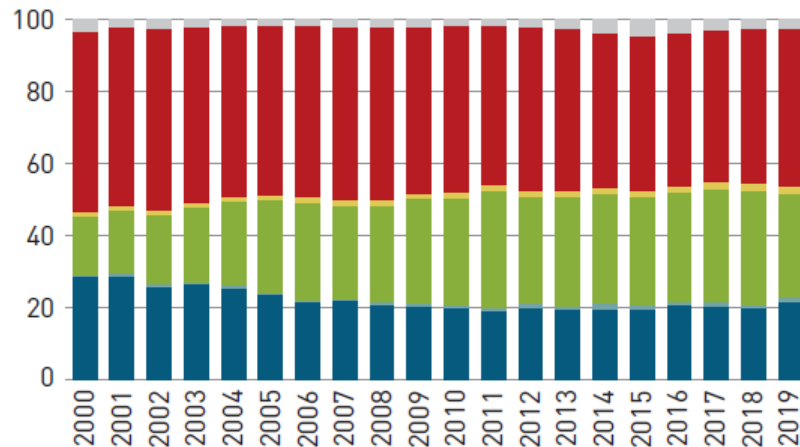


# Public spending has decreased in low income countries where aid was substantial

Low income, 2019



Low income, 2000-2019

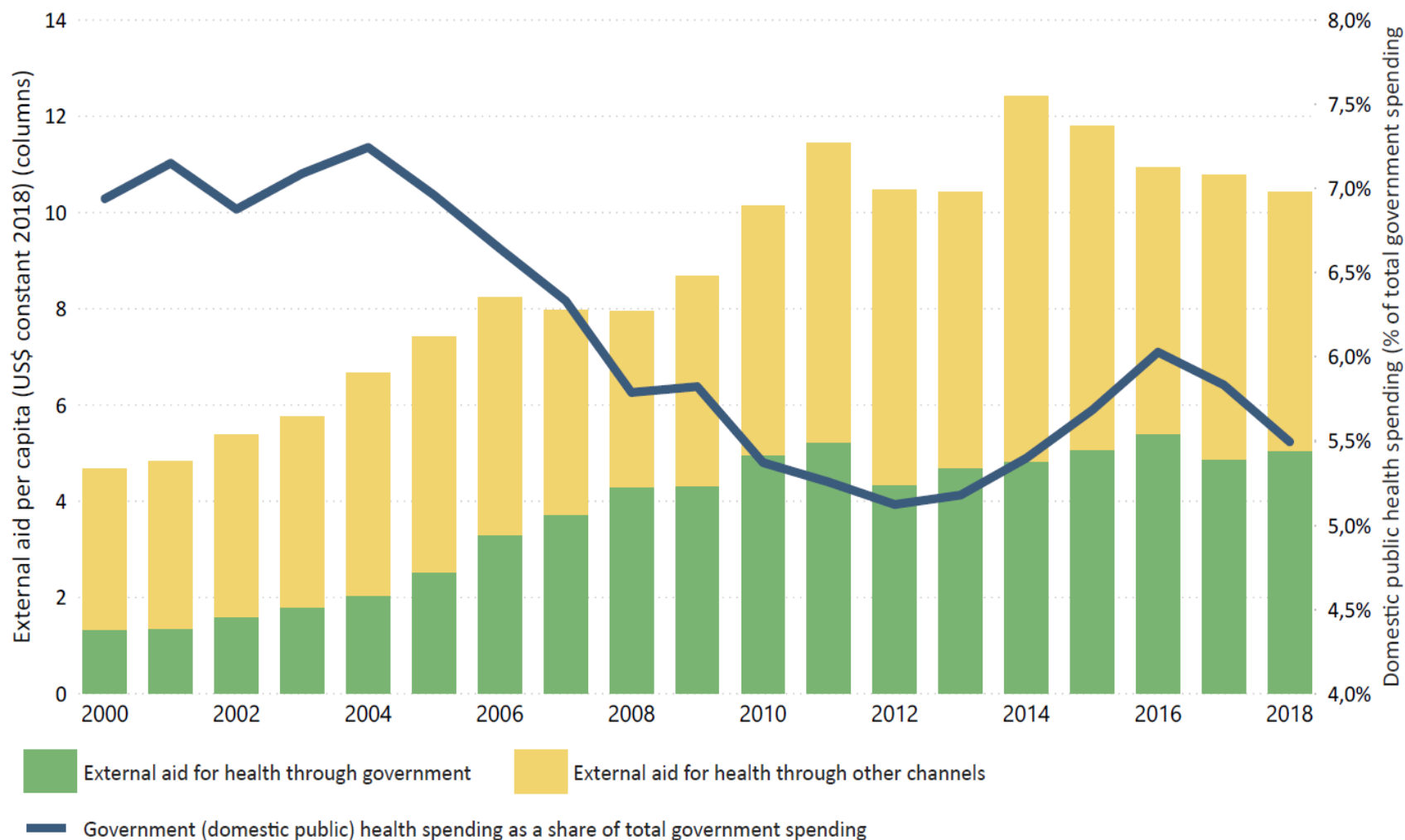


■ Government transfers 
 ■ Social health insurance contributions 
 ■ External aid  
■ Voluntary health insurance contributions 
 ■ Out-of-pocket spending 
 ■ Other

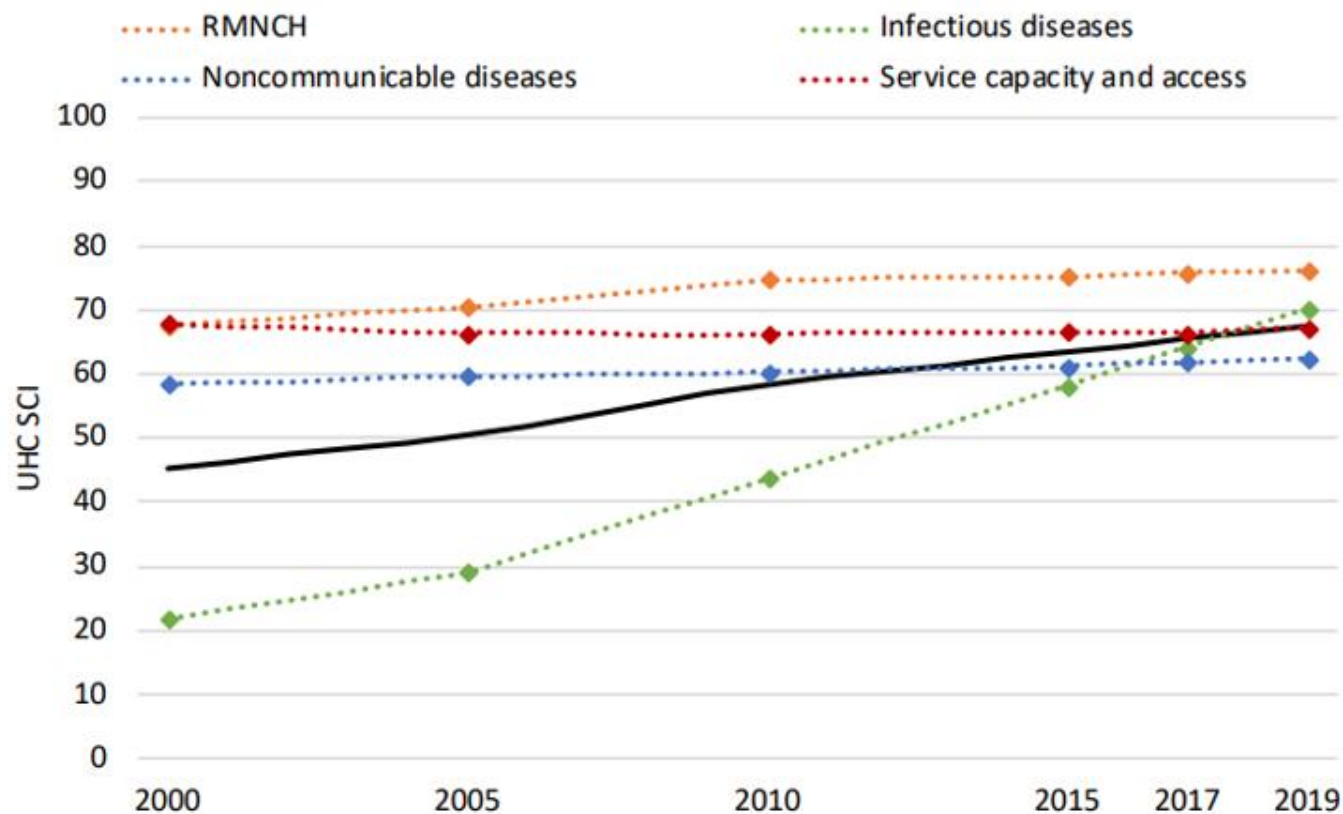
Data source: WHO Global Health Expenditure Database, 2021.

# When external aid increased, health priority in domestic budget allocations declined

External aid for health per capita by channel and the priority for health in general government spending in lower income countries, 2000–2018

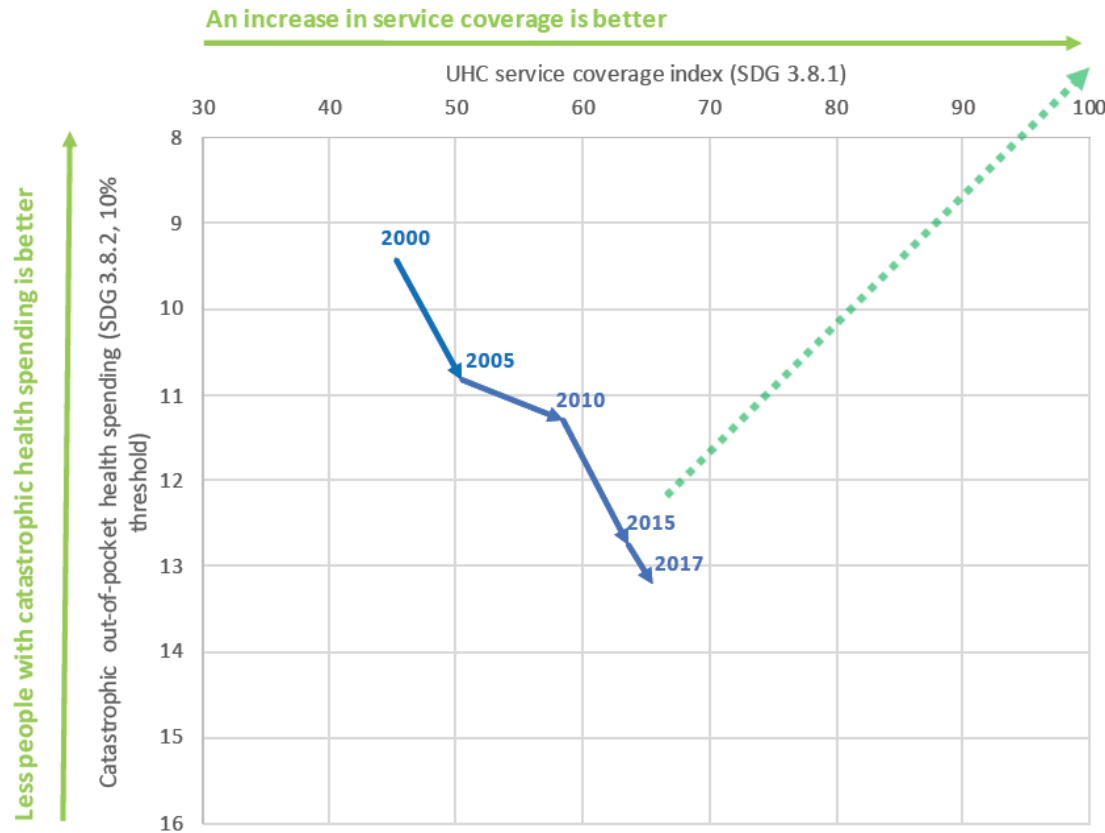


## Progress in service coverage was mainly driven by improvements in the coverage of interventions tackling infectious diseases...



# Globally service coverage increased but catastrophic spending due to accessing health services worsened over the past two decades

**Figure ES.1** Progress in service coverage (SDG indicator 3.8.1) and catastrophic health spending (SDG indicator 3.8.2, 10% threshold), 2000–2017



**1. Income is a driver.**

**2. People with more money spend more.**

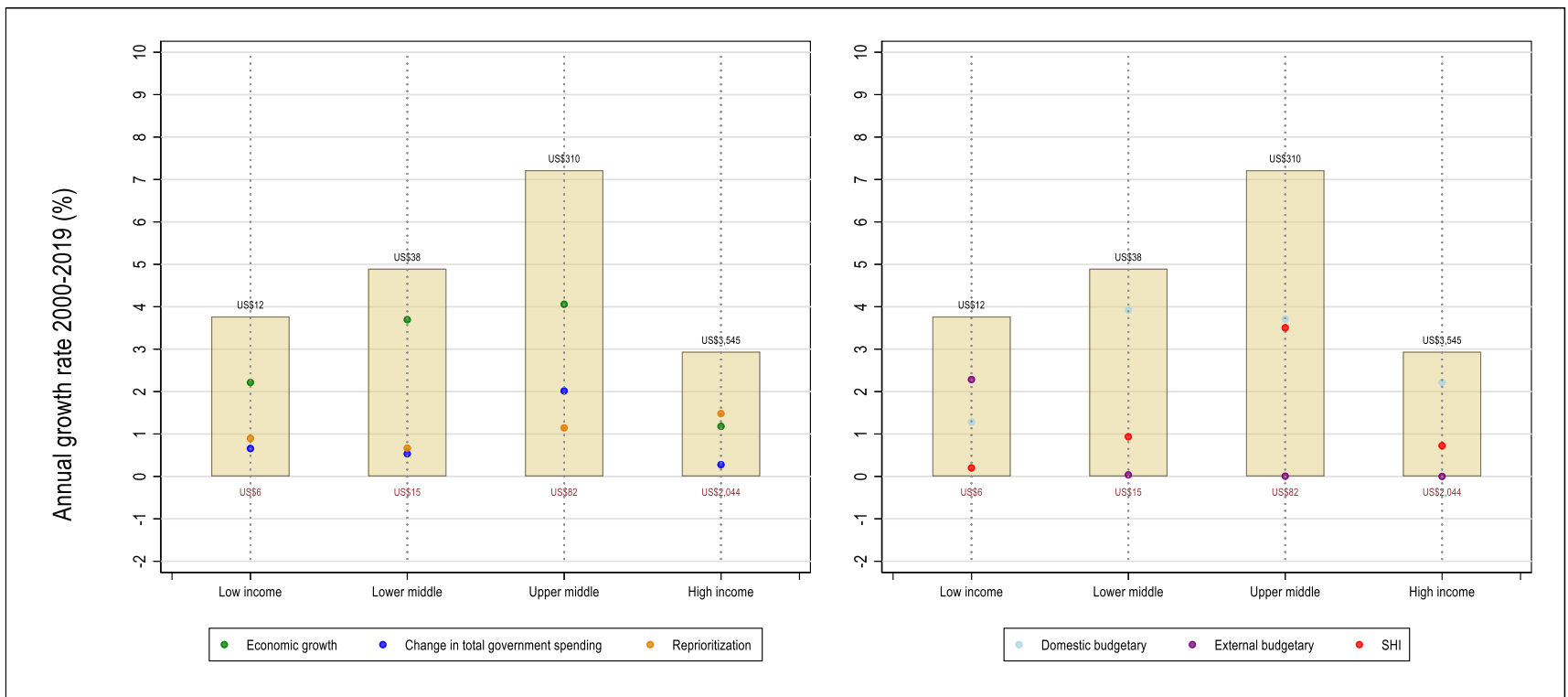
**3. Public finance and public policy matters.**

Understanding the past matters because it helps us identify priorities going forward in the pandemic era.

# Where are we going ? Post 2019 shifts

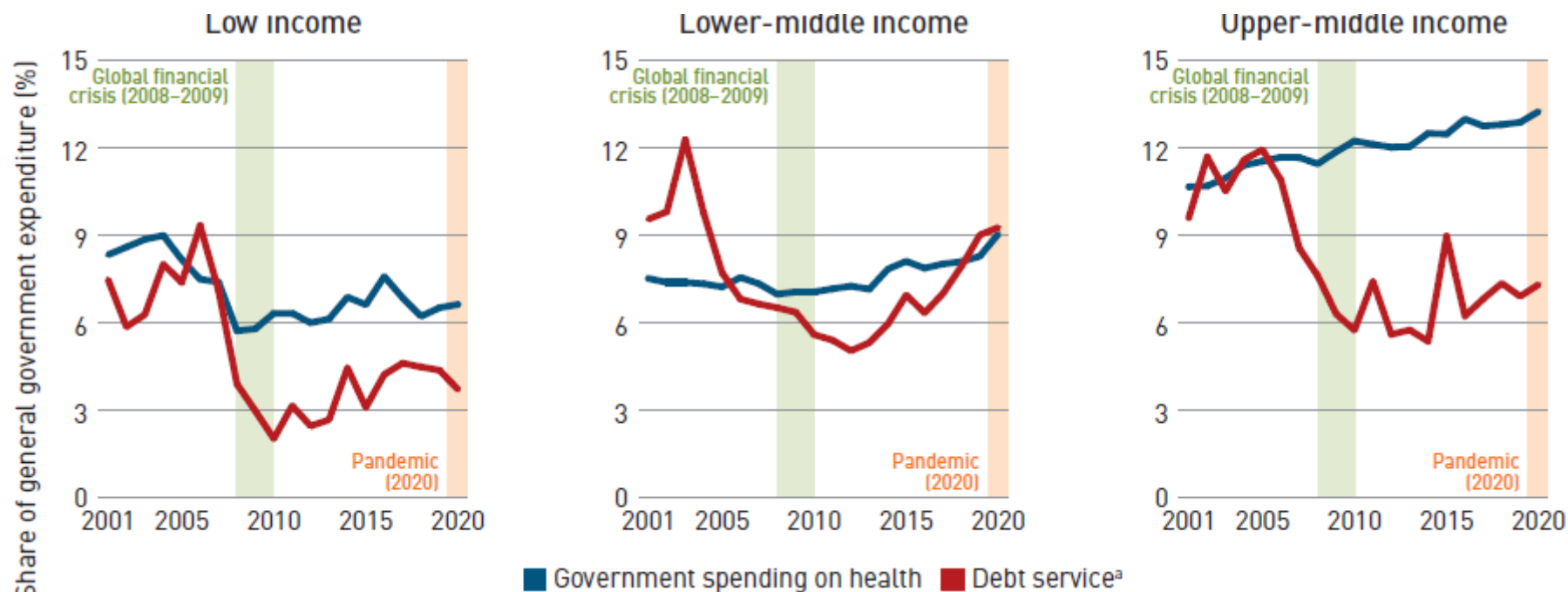
# Fiscal space is driven by economic growth

Figure 2. Decomposition of increases in public financing for health by macro-fiscal determinants (left panel) and by composition (right panel), 2000-2019



# Public debt accumulated in 2020-2022 challenges sustainable social spending

## Shares of debt service and health spending in total government expenditure



a. Refers to debt service on external debt from the general government sector. Includes only countries with data on debt service.

Data source: WHO Global Health Expenditure Database, 2022; World Bank, International Debt Statistics.

# Development agenda in health: bending the curve or tectonic shift ?

Foundations, Institutions, Transformation

- **Back to Foundations**

- Shift from disease programs to systemic programs
- Support to infrastructure and human resources
- Shift to sovereign constituencies

- **Building Institutions**

- Support to national, regional and continental institutions
- Shift of global financing to LICs and Africa
- Networks of regional institutions (eg EU AU)
- Team Europe partnerships

- **Transformation ?**

- UHC financing institutions (pooling and strategic purchasing)
- Cash transfers
- Adaptive systems (environmental crisis)



# Health and Social Protection Systems: a new investment agenda

## Commons, Human Resources, Financial Systems

- **Investment in the Health Commons inc PPR:**

- One Health

- **Core functions: Surveillance, Information, Coordination; Legislation, Coordination, taxes and subsidies**
- **Public health programs (animal health, environmental health, diseases control, etc)**

- Public Health Institutions

- Collective action: citizens' platforms

- **Investments in Human Resources**

- Foundational training of frontline workers

- Rural pipelines

- Capacity building (hospital management, public health, ehealth etc)

- **Adaptative Social Protection**

- UHC financing institutions (pooling and strategic purchasing)

- Cash transfers to frontline services, SMEs and households,

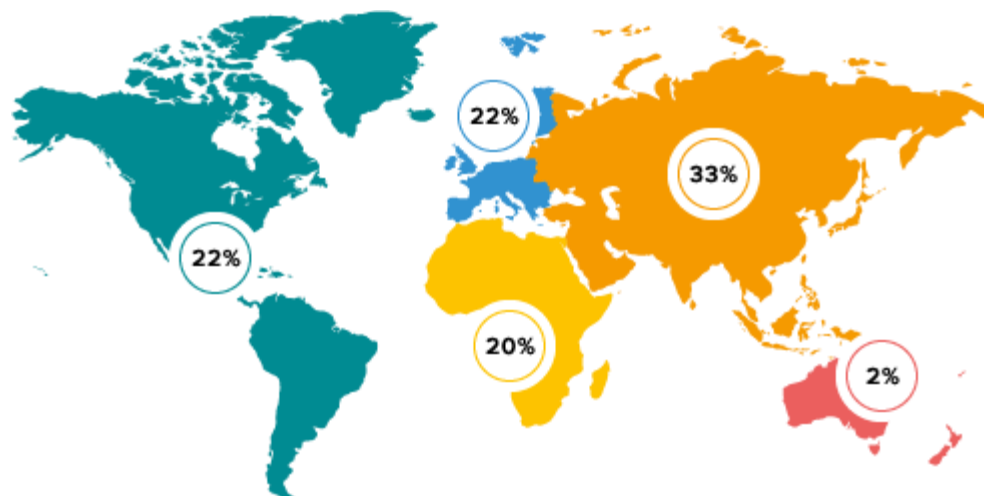
## What could this mean for national financing

- **Construction of health financing institutions**
  - Health and Environment taxes: beyond tobacco: alcohol, SSB, sugar, fossil fuel
  - Pooling institutions (national health insurance)
  - Strategic purchasing
- **Tap in the private sector**
  - Limiting global funding and global mechanisms to global commons
  - Matching global funding to domestic funding (WB pandemic funding)
- **Health is multisectoral**
- **Health services is an economic sector**
  - Private sector is essential to service delivery: a majority of countries developed their service delivery through the private sector with the state funding it

# What could this mean for global financing

- **Financing the global commons**
  - Limiting global funding and global mechanisms to global commons
  - Matching global funding to domestic funding (eg WB Pandemic Fund )
  - Blending as an answer to fungibility/substitution
- **Global Health Institutions Reforms**
  - End of multilateral institutions as we know them in the early 21<sup>th</sup> century.
  - We are moving to a federation of regional institutions
- **Financing Equity of access**
  - Shifting ODA to regional institutions
  - Reducing dependency for basic services

# A new financing framework for the SDGs: Finance in Common



- Finance in Common: a coalition of 500 + public development banks
- \$23 trillion in assets **US\$2.7 trillion** of new financing in 2022 **12%** of global investments
- Coalition of Social Investment
- Example: AVAT Afreximbank, IEB, KfW, AFD
- [Home | Finance in common](#)

# Africa investment agenda in health and social protection systems

- Developed with Africa CDC : **US\$ 15 billion over the next 3 years**
- Increasing public investment to 10% of total PDBs investment ie **US\$ 270 billion** per year

## INVESTING IN HEALTH AND SOCIAL PROTECTION SYSTEMS: A PROPOSED INVESTMENT AGENDA TOWARDS THE SDGS

# Thank You !

Health and Social Protection Investment  
Agenda | Finance in common

**INVESTING IN HEALTH AND SOCIAL  
PROTECTION SYSTEMS: A PROPOSED  
INVESTMENT AGENDA TOWARDS  
THE SDGS**

**Finance In Common Summit (FICS)**  
Health and Social Protection High-Level  
Event





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