

## External AID for health remains insufficient in low income countries

It has long been recognized that many countries lack sufficient funds to ensure universal access to critical health interventions and services. In response, the international community has increased their financial support to low and low-middle income countries, particularly related to the Millennium Development Goals (MDGs). Have these funds helped increase overall expenditures on health in poor countries? Are they sufficient?

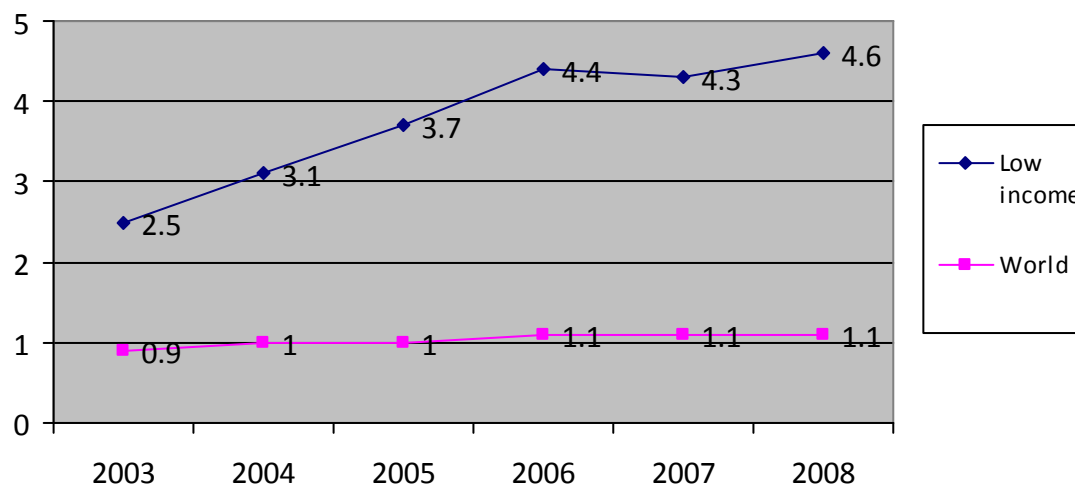
Trends between 2003 and 2008 show significant increases in total expenditures on health in the group of low-income countries.<sup>1</sup> Taken as a group, these countries spent \$13.6 (in 2005 US\$) per capita on health in 2003, a figure that includes contributions from external sources such as bilateral and multilateral partners and foundations. This had increased to \$14.1 in 2004, and \$17.4 in 2008, the last year for which data are available. This represents an increase of 28% over the period.

At the same time, financial contributions from outside these countries for health also increased. External aid per capita received by the low-income countries have increased from 2005 constant US\$ 2.5 in 2003 to 4.6 in 2008 which is an increase of 17% per year. The relative contribution of these external resources to total expenditure on health has increased from 18.2% to 25.7% during the period concerned; remains relatively low. In individual countries, however, the contributions can be considerably higher, rising as high as 90% of total health expenditures.

The 2001 *Report of the Commission on Macroeconomics and Health* estimated that a minimum set of essential preventive and curative interventions, focusing largely on communicable diseases, would cost approximately \$34 per person. Despite the increase in aid, per capita expenditure on health across the group of low-income countries in 2008 was only \$23.6, of which only \$6.1 was financed through external aid. At current growth rate, total health expenditure would reach only \$21 in 2005 US\$ by 2012, still substantially lower than the original target.

### External Resources per capita by year (US\$ 2005 prices)

(Excluding Somalia, DPR Korea, Zimbabwe)



<sup>1</sup> World Bank country classification by income level ([web page](#)) : per capita GNI of less than US \$1005 for low-income countries. Source: National Health Accounts, Health System Financing, HSS, World Health Organization [www.who.int/nha](http://www.who.int/nha)

