Constraints to Scaling Up the Health Millennium Development Goals: Costing and Financial Gap Analysis

Background Document for the Taskforce on Innovative International Financing for Health Systems

Working Group 1: Constraints to Scaling Up and Costs

The Taskforce on Innovative International Financing for Health Systems

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Executive summary

WHO[1] has estimated the cost of strengthening health systems in 49 low-income countries in order to scale up service provision to move more rapidly towards the health Millennium Development Goals (MDGs). The costing uses a normative approach, specifying the activities and levels of coverage, and through them, the inputs required to scale up the systems and services using technical guidance from WHO, UNAIDS, UNFPA and partners. Country prices were then used to estimate costs.

These are the results:

In US$ billions	2009	2010	2011	2012	2013	2014	2015	Total	%
Management of childhood illness*	0.14	0.16	0.24	0.35	0.45	0.53	0.66	2.53	1%
Immunization	0.66	0.67	1.04	0.91	1.10	0.91	0.97	6.27	2%
Maternal health	0.70	0.91	1.21	1.50	2.03	2.51	2.97	11.82	5%
Family planning	1.00	1.22	1.46	1.39	1.32	1.16	0.88	8.43	3%
Tuberculosis	0.61	0.67	0.67	0.69	0.70	0.71	0.73	4.78	2%
Malaria	1.04	1.05	0.94	1.17	0.95	0.96	1.14	7.25	3%
HIV / AIDS	0.56	1.12	1.65	2.17	2.69	3.23	3.73	15.13	6%
Essential drugs **	0.53	0.63	0.83	1.10	1.36	1.84	3.17	9.48	4%
Subtotal	5.23	6.43	8.03	9.29	10.62	11.85	14.25	65.70	26%
Governance (including drug regulation)	0.62	0.60	0.83	0.84	0.85	0.92	0.90	5.56	2%
Infrastructure, equipment and vehicles	8.34	12.84	17.33	18.45	13.09	11.42	9.75	91.23	36%
Human resources for health	3.28	5.31	7.24	9.30	10.61	12.33	14.20	62.28	25%
Supply chain / logistics	1.18	0.86	1.41	2.08	2.14	2.63	2.51	12.82	5%
Health information system	0.37	0.94	0.44	0.70	0.69	0.69	0.69	4.52	2%
Health financing	0.32	0.49	0.73	1.13	1.55	2.26	2.85	9.34	4%
Subtotal	14.11	21.04	27.98	32.50	28.94	30.26	30.90	185.73	74%
Total (US$ billions)	19.34	27.47	36.01	41.79	39.56	42.11	45.16	251.44	100%
Total per capita (US$)	14.20	19.75	25.35	28.82	26.72	27.87	29.30	172.01	

* Prevention of mother-to-child transmission of HIV and management of malaria in children are grouped under the HIV and malaria costs respectively.
** Essential medicines for noncommunicable diseases, mental health, and parasitic diseases.

The total additional cost is US$251 billion over 7 years, with $151 billion of the total for sub-Saharan Africa. The additional per capita costs start at $14.2 in 2009 and end at $29.3 in 2015.

Making these additional resources available would significantly reduce mortality in the 49 countries, averting 23 million deaths from 2009–2015, and up to 4 million child deaths annually. At this rate of scale up, 39 out of the 49 countries would reach their MDG 4 target for child survival, and at least 22 countries would achieve their 2015 target for maternal mortality. Significant progress would be made to expand access to health services for HIV/AIDS, tuberculosis and chronic diseases, and global targets to reduce malaria mortality would be achieved.

The realization of these outcomes, however, depends on the availability of increased resources for health in low-income countries. A financing gap analysis of a no-change scenario—where the available funds increase only at recently observed rates—indicates a gap of $37 billion in 2015 and a gap of $224 billion for the full period, compared with the estimated need. The gap is considerably smaller if donor and recipient countries meet their internationally stated pledges to increase their financial flows to health. Under this more optimistic scenario funding in the year 2015 will be just about enough to meet the additional needs, though there will still be a funding gap in earlier years, totalling about $100 billion for the whole period.

If all the required funds identified in this costing exercise were made available by 2015, total health expenditure for the group of 49 low-income countries as a whole would on average be $54 per capita, there would be a total of 21 hospital beds per 10,000 population and 1.9 nurses and midwives per 1,000 population. Even then, these ratios would barely approach the rates observed in 2006 in lower middle income countries despite more than 50% of the global disease burden for 2009–2015 being found in the 49 low-income countries. Accordingly, the health system scale up that has been costed in this exercise is not aimed at producing an "ideal" health system but is one that aspires for a reasonable level of functionality to address a formidable burden of disease.