

## Read me – About the Health Financing Toolbox

The Health Financing Toolbox is designed to equip development cooperation stakeholders with essential information on the internal and external financing of nation states, with a particular emphasis on health financing. To achieve this, the Health Financing Toolbox includes a comprehensive collection of topic-specific documents, along with numerous interactive world maps and data tables. These digital tools enable users to explore key aspects of health financing across all countries, with data categorized into both economic and medical dimensions.

### Color coding schemes in the world maps and data tables

Except for the following specified cases, the colors used in the world maps and all columns in the data tables represent quintiles. These quintiles divide countries into five distinct groups, with each group being assigned a color ranging from red to orange and yellow to light green and dark green.

Exceptions to this general rule include the following:

**Domestic general government revenue in percent of GDP (%):** For this indicator, the minimum threshold for sufficient government revenue is set at 20% as recommended in the Zero Draft of the Addis Ababa Action Agenda. Countries with a government revenue of 20% or more of gross domestic product are displayed in dark green. The colors light green, yellow, orange and red indicate levels of 15-20%, 10-15%, 5-10% and less than 5%, respectively.

**Dom. Gen. Government Health Expenditure in percent of government revenue (%):** For this indicator, the minimum threshold for a sufficient share of a country's annual government budget on public health is set at 15% as agreed upon by African Union member states in the Abuja Declaration. The same minimum value was adopted for countries from other world regions than Africa. Countries with health expenditures of 15% or more of government revenue are displayed in dark green. The colors light green, yellow, orange and red indicate levels of 12-15%, 9-12%, 6-9% and less than 6%, respectively.

**Dom. Gen. Government Health Expenditure in percent of GDP (%):** For this indicator, the minimum threshold for a sufficient share of a country's annual government budget on public health in relation to its gross domestic product is set at 5% as recommended in the World Health Organization's World Health Report 2010. Countries with health expenditures of 5% or more of gross domestic product are displayed in dark green, whereas the colors light green, yellow, orange and red indicate levels of 4-5%, 3-4%, 2-3% and less than 2%, respectively.

**Real Transfers of ODA in the form of Grants in percent of GNI (%):** For this indicator, the minimum threshold for a sufficient share of an economically advanced country's real transfers of official development assistance in relation to its gross national income is set at 0.7% as agreed upon in an UN General Assembly Resolution on 24 October 1970. High-income countries with expenditures on real transfers of official development assistance of 0.7% or more of gross national income are displayed in dark green. The colors light green, yellow, orange and red indicate levels of 0.56-0.7%, 0.42-0.56%, 0.28-0.42% and less than 0.28%, respectively.

**ODA Grants for Health in percent of GNI (%):** For this indicator, the minimum threshold for a sufficient share of an economically advanced country's real transfers of health-specific official development assistance in relation to its gross national income is set at 0.1% as recommended in the report of WHO's Commission on Macroeconomics and Health published on 20 December 2001. High-income countries with expenditures on real transfers of health-specific official development assistance of 0.1% or more of gross national income are displayed in dark green. The colors light green, yellow, orange and red indicate levels of 0.08-0.1%, 0.06-0.08%, 0.04-0.06% and less than 0.04%, respectively

## Data sources, analytical processes and methodological procedures

Data on **population by country and year** are taken from the World Population Prospects 2022 - Special Aggregates, Online Edition, provided by the UN Department of Economic and Social Affairs, Population Division (2022). The presented indicator values refer to the estimates as of 1 July of the respective years.

In general, the data on **gross domestic product, gross national income and general government gross debt** are extracted from the WEO database. An additional search for total amounts or values per capita was done for other developing countries with mostly small population sizes using sources such as UN data, the World Development Indicators (WDI) of the World Bank or the Global Health Expenditure Database (GHED).

The calculation of the **general government revenue from domestic sources** uses the data provided through the IMF World Economic Outlook (WEO) database, April 2024, on general government revenue as percentage of GDP (gross domestic product). As this indicator includes grants receivable besides taxes, social contributions and other internal revenue it is necessary to deduct the amount of external funding. Considering that for lower income countries ODA grants represent by far the most important source of international contributions the project data of the CRS database are utilized to calculate the transfers received by central and local levels as well as public entities of the recipient governments. Therefore, the shown data on domestic government revenue represent the figures on total government revenue minus the ODA grants going to the public sector of recipient countries.

The figures for **domestic general government expenditure for health** are calculated with data from the WHO Global Health Expenditure Database. They represent the sum of three revenue sources, namely transfers from government domestic revenue that are allocated to health purposes, social insurance contributions and capital health expenditure funded through domestic public sources.

**Real transfers of official development assistance (ODA)** exclude specific calculation variables that are traditionally included in ODA figures, focusing instead on financial flows that directly contribute to enhancing social and economic development opportunities for the poorest populations. The purpose of this approach is to exclude financial flows and booking variables that artificially inflate ODA figures without providing tangible resources for development.

Exclusions include the following:

*Loans and equity investments:* The funds for loans considered in ODA often originate from the capital market and are typically extended to middle-income countries with an interest premium. These loans do not represent a genuine financial contribution by the donor country's state institutions and are

not well-suited for addressing the critical development needs of the most disadvantaged regions and population groups.

*Debt relief:* While debt relief is necessary to enhance fiscal capacity for self-financing, much of the existing debt burden stems from questionable export promotion practices and decisions made without democratic oversight. Therefore, while debt relief is acknowledged as important, it does not necessarily reflect a direct financial commitment to development cooperation.

*In-donor expenditure on refugees:* In-country refugee expenditure represents a real financial effort for a priority humanitarian task. However, this expenditure primarily addresses immediate needs within the donor country and has, at best, an indirect impact on relieving the burdens of nations affected by conflict and disaster.

*Imputed student costs:* The development impact of funding the academic education of students from developing countries, particularly when not directly linked to local development programs, is questionable. This type of support may not align with the primary objectives of development cooperation.

*Administrative costs:* The level of administrative costs in ODA depends on the donor countries' willingness to contribute to appropriate joint programs and international organizations. Lowering these costs through better coordination and planning is encouraged, as it allows for more efficient use of resources in development assistance.

The figures on **ODA grants for health** are based on analyses by medmissio, which do not simply rely on official reporting, but encompass a critical review on the project level. Intending to estimate as precisely as possible the ODA contributions in support of health benefitting individual countries, medmissio's approach seeks to consider all relevant aid activities for identifying and quantifying exactly those flows which specifically foster Sustainable Development Goal (SDG) 3 and its targets. The research combines two fundamental stages: First, a comprehensive keyword search applied to the totality of projects or components reported by DAC/OECD member countries and health relevant multilateral organizations to the Creditor Reporting System intends to detect every flow that may contribute to SDG 3. Second, the reported information such as project titles, descriptions, purpose codes and implementing channels is scrutinized to determine which activities are in fact supporting specific programmatic areas of SDG 3 and to estimate the respective fractions of the involved annual disbursements. In addition, all financial amounts exceeding 5 million US\$ in at least one of the study years are reviewed regardless of the descriptive identifiers. Thanks to the fact that reporting to the CRS database is mandatory for DAC members and this information system is also widely used by most of the important multilateral organizations it covers close to 100 percent of funding streams that meet ODA criteria. The analysis includes the totality of projects funded by the 23 DAC members that joined the organization until 2010, which account for 91% of the real ODA transfers in the form of grants provided by all official donor countries (2021). As the main result of several consecutive research phases, medmissio developed a list of projects with more than 500.000 data entries representing the annual disbursements for projects or components thereof that were found relevant for health financing. Of these, roughly 385.000 entries were classified as financial flows that specifically support interventions in the area of health or tackling particular health problems. In consequence, the ODA grants displayed in the document represent the sum of the disbursements made for the identified activities that foster any of the health specific targets.