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Can countries of the WHO African Region wean themselves off donor funding for health?

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Context: In 2004, 18 countries received less than 11% of their total health expenditure (THE) from external sources; 9 countries received 11-20%; 7 countries received 21-30%; 6 countries received 31-40%; and the remaining 6 countries received 41-60% of their THE from external sources. Given the unpredictability of donor funding, which is likely to be exacerbated by the currently global financial crisis, countries of the Region ought to implement strategies for weaning donor funding for health.

Objective: To provide an overview of health financing in the WHO African Region and explore various strategies that African countries can employ to wean-off donor funding for health.

Methods: (a). The health financing analysis reported in this paper is based on the national health accounts (NHA) data for the 46 WHO Member States in the African Region. (b). Data Envelopment Analysis (DEA) is applied to estimate technical efficiency of 46 WHO African Member States national health systems in producing life expectancies. (c). Potential savings from reductions in military expenditures among 32 African countries was estimated using military expenditure data from the CIA factbook. (d). Potential for raising additional tax revenues was estimated for 39 African countries whose secondary data on mean observed tax level as a percentage of gross domestic product were available. (e). Corruption Perceptions Index (CPI) secondary data on 46 WHO African Member States was analyzed.

Results: (a). In 2004, the total health expenditure in the WHO Region was about US\$ 35.53 billion, of which approximately US\$ 2.23 billion (6.25%) was from external sources. (b). DEA revealed that the NHSs of 35 (76.1%) WHO African countries were operated inefficiently and had potential for efficiency savings. (c). The average

military expenditure per person among African countries was US\$16.02 and the eight countries whose per capita military expenditure was above the average have a scope for reducing military expenditures for use in health. (d). Thirteen countries whose tax share of GDP is less than 15% have a scope to increase it to 15%, with improved efficiency of tax administration systems. (e). All the countries in the African Region had a Corruption Perceptions Index (CPI) score of less than six. Perceived levels of corruption and lack of transparency is worst in the 32 countries that scored below three.

Conclusion: Armed with a clear vision for freedom from donor dependence and backed by effective programmes for improving economic efficiency of public and private expenditures; identifying and pruning unproductive public expenditures; strengthening tax administration systems; creating an environment for enabling private health sector growth; and boosting health development governance, countries of the African region have a high probability of weaning off donor funding for health in this century. Pursuit of such a noble vision should be supported by an enabling macroeconomic and political environment.