MACRO-FISCAL CONTEXT AND HEALTH FINANCING FACT SHEETS

SOUTH ASIA

How Much Can a Country Spend on Health?
ACKNOWLEDGEMENTS

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ABOUT THE MACRO-FISCAL CONTEXT AND HEALTH FINANCING FACT SHEETS

What are the factsheets?
How much can a country spend on health? To answer this question it is important to understand the macro fiscal constraints under which a country operates. The Macro Fiscal Context and Health Financing Factsheets were created to provide quickly digestible information about a given country’s fiscal health trends over time and benchmark the country against its income group or regional peers.

What is in the factsheets?
The factsheets use graphical representations of 14 key indicators linked to the larger macro fiscal environment in which a health system operates. The definition of each indicator as well as a guide for interpreting them in the context of fiscal space for health is provided in all factsheets.

What is the availability of the factsheets?
The factsheets are available for 188 countries covering a period from 1995-2010.

Where is the data from?
The data used in the factsheets is from the World Development Indicators (World Bank); World Economic Outlook (IMF); and World Health Statistics (WHO) of November 2012. Gross National Income (GNI) is based on the Atlas method (current US $).

How do I cite the factsheets?

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Afghanistan
Macro-Fiscal Context and Health Financing Factsheet

1A. Health Financing Indicators, 2002-2009

Year
1995 2000 2005 2010

Tot. Health Exp. (% GDP) [left]
Govt. (% THE) [right]
Govt. (% GGS) [left]
OOP (% THE) [right]

2A. Health Financing Indicators, 2010

Tot. Health Exp. (% GDP) Govt. (% THE) Govt. (% GGS) OOP (% THE)

Afghanistan Average in LICs Average in SAR

GNI per capita: 4.1e+02
Population: 3.5e+07

1B. Macroeconomic Indicators, 2003-2017

Year

Growth Unemployment Inflation

2B. Macroeconomic Indicators, Average 2012-2017 (proj.)

Growth Unemployment Inflation

Afghanistan Average in LICs Average in SAR
Afghanistan
Macro-Fiscal Context and Health Financing Factsheet

1C. Fiscal Indicators, 2002-2010

2C. Fiscal Indicators, Average 2012-2017 (proj.)

1D. Sources of Revenue, 2006-2010

2D. Sources of Revenue, 2010
Bangladesh
Macro-Fiscal Context and Health Financing Factsheet

1A. Health Financing Indicators, 1995-2010

2A. Health Financing Indicators, 2010

3. Macroeconomic Indicators, 1995-2017

4. Macroeconomic Indicators, Average 2012-2017 (proj.)

- **GNI per capita:** 7.7e+02
- **Population:** 1.5e+08

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**1A. Health Financing Indicators, 1995-2010**

- **Tot. Health Exp. (% GDP)**
- **Govt. (% GGS)**
- **Govt. (% THE)**
- **OOP (% THE)**

**2A. Health Financing Indicators, 2010**

- **Tot. Health Exp. (% GDP)**
- **Govt. (% THE)**
- **Govt. (% GGS)**
- **OOP (% THE)**

**3. Macroeconomic Indicators, 1995-2017**

- **Growth**
- **Unemployment**
- **Inflation**

**4. Macroeconomic Indicators, Average 2012-2017 (proj.)**

- **Bangladesh**
- **Average in LICs**
- **Average in SAR**
Bangladesh
Macro-Fiscal Context and Health Financing Factsheet

1C. Fiscal Indicators, 1995-2010

2C. Fiscal Indicators, Average 2012-2017 (proj.)

1D. Sources of Revenue, 2001-2009

2D. Sources of Revenue, 2010

- Debt [left]
- Deficit [right]
- Spending [right]
- Revenue [right]

- Bangladesh
- Average in LICs
- Average in SAR

- Income
- Other Taxes
- Grants & Other Revenue

- Bangladesh
- Average in LICs
- Average in SAR
Bhutan
Macro-Fiscal Context and Health Financing Factsheet

1A. Health Financing Indicators, 1995-2010

1B. Macroeconomic Indicators, 1995-2017

2A. Health Financing Indicators, 2010

2B. Macroeconomic Indicators, Average 2012-2017 (proj.)

GNI per capita: 2.1e+03
Population: 7.4e+05

Growth Unemployment Inflation

Bhutan Average in LMICs Average in SAR
Bhutan
Macro-Fiscal Context and Health Financing Factsheet

1C. Fiscal Indicators, 1995-2010

2C. Fiscal Indicators, Average 2012-2017 (proj.)

1D. Sources of Revenue, 1995-2009

2D. Sources of Revenue, 2010
India
Macro-Fiscal Context and Health Financing Factsheet

1A. Health Financing Indicators, 1995-2010

1B. Macroeconomic Indicators, 1995-2017

2A. Health Financing Indicators, 2010

2B. Macroeconomic Indicators, Average 2012-2017 (proj.)

GNI per capita: 1.4e+03
Population: 1.2e+09
Maldives
Macro-Fiscal Context and Health Financing Factsheet

GNI per capita: 6.5e+03
Population: 3.2e+05

1A. Health Financing Indicators, 1995-2010

1B. Macroeconomic Indicators, 1995-2017

2A. Health Financing Indicators, 2010

2B. Macroeconomic Indicators, Average 2012-2017 (proj.)
Maldives
Macro-Fiscal Context and Health Financing Factsheet

1C. Fiscal Indicators, 1995-2010

2C. Fiscal Indicators, Average 2012-2017 (proj.)

1D. Sources of Revenue, 1995-2010

2D. Sources of Revenue, 2010

- Debt [left]
- Deficit [right]
- Spending [right]
- Revenue [right]

- Income
- Other Taxes
- Grants & Other Revenue

- Maldives
- Average in LMICs
- Average in SAR
Nepal
Macro-Fiscal Context and Health Financing Factsheet

1A. Health Financing Indicators, 1995-2010

1B. Macroeconomic Indicators, 1995-2017

2A. Health Financing Indicators, 2010

2B. Macroeconomic Indicators, Average 2012-2017 (proj.)

GNI per capita: 5.4e+02
Population: 3.0e+07
Pakistan
Macro-Fiscal Context and Health Financing Factsheet

1C. Fiscal Indicators, 1995-2010

1D. Sources of Revenue, 1995-2011

2C. Fiscal Indicators, Average 2012-2017 (proj.)

2D. Sources of Revenue, 2010

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**1C. Fiscal Indicators, 1995-2010**

- Debt
- Deficit
- Spending
- Revenue

**1D. Sources of Revenue, 1995-2011**

- Income
- Other Taxes
- Grants & Other Revenue

**2C. Fiscal Indicators, Average 2012-2017 (proj.)**

- Debt
- Deficit
- Spending
- Revenue

**2D. Sources of Revenue, 2010**

- Income tax
- Other taxes
- Grants & other revenue

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**Pakistan Macro-Fiscal Context and Health Financing Factsheet**

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**1C. Fiscal Indicators, 1995-2010**

- Debt
- Deficit
- Spending
- Revenue

**1D. Sources of Revenue, 1995-2011**

- Income
- Other Taxes
- Grants & Other Revenue

**2C. Fiscal Indicators, Average 2012-2017 (proj.)**

- Debt
- Deficit
- Spending
- Revenue

**2D. Sources of Revenue, 2010**

- Income tax
- Other taxes
- Grants & other revenue

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**Pakistan Macro-Fiscal Context and Health Financing Factsheet**
Sri Lanka
Macro-Fiscal Context and Health Financing Factsheet

1A. Health Financing Indicators, 1995-2010

2A. Health Financing Indicators, 2010

GNI per capita: 2.6e+03
Population: 2.1e+07

1B. Macroeconomic Indicators, 1995-2017

2B. Macroeconomic Indicators, Average 2012-2017 (proj.)
Sri Lanka
Macro-Fiscal Context and Health Financing Factsheet

1C. Fiscal Indicators, 1995-2010

2C. Fiscal Indicators, Average 2012-2017 (proj.)

1D. Sources of Revenue, 1995-2008

2D. Sources of Revenue, 2010

1C. Fiscal Indicators, 1995-2010

- Debt
- Deficit
- Spending
- Revenue

2C. Fiscal Indicators, Average 2012-2017 (proj.)

- Debt
- Deficit
- Spending
- Revenue

1D. Sources of Revenue, 1995-2008

- Income
- Other Taxes
- Grants & Other Revenue

2D. Sources of Revenue, 2010

- Income tax
- Other taxes
- Grants & other revenue

Sri Lanka
Average in LMICs
Average in SAR
## Definition of Macro Fiscal Health Indicators

The 14 indicators describe a country’s macro-fiscal environment to identify constraints or opportunities for health systems financing. For each indicator two aspects are important: level and trend. A country with a 10 percent unemployment rate that has fallen from 15 percent may be in better shape than one with an 8 percent unemployment rate that has risen from 4 percent. It is also important to benchmark to group averages of countries in the same Word Bank (WB) region (EAS, ECS, LCN, MEA, NAC, SAS, or SSF) and income group (HIC, Upper MIC, Lower MIC, or LIC).

### Health Financing Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Source</th>
<th>Definition</th>
<th>How to interpret for fiscal space for health?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total health expenditure (THE as % GDP)</td>
<td>World Health Organization (WHO)</td>
<td>The sum of public and private health expenditure, which covers provision of health services (preventive and curative), family planning activities, nutrition activities, and emergency aid designated for health but does not include provision of water and sanitation (ratios in nominal LCUs).</td>
<td>Health financing indicators reflect not only the share of resources devoted to health, but also the role of the government in the health sector in terms of financing, provision, or regulation.</td>
</tr>
<tr>
<td>2. Government health spending (GHE as % THE)</td>
<td>WHO</td>
<td>Consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants, and social health insurance funds (ratios in nominal LCUs).</td>
<td></td>
</tr>
<tr>
<td>3. Government health spending (GHE as % GGS)</td>
<td>WHO</td>
<td>General government health spending as share of general government spending (GGS) (ratios in nominal LCUs).</td>
<td></td>
</tr>
<tr>
<td>4. Out of pocket spending (OOP as % THE)</td>
<td>WHO</td>
<td>The direct outlay of households including gratuities and in-kind payments to health practitioners, suppliers of pharmaceuticals, and other goods and services whose primary intent is to improve health status (ratios in nominal LCUs).</td>
<td></td>
</tr>
</tbody>
</table>

### Macroeconomic Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Source</th>
<th>Definition</th>
<th>How to interpret for fiscal space for health?</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Growth (GDP, constant prices)</td>
<td>International Monetary Fund (IMF)</td>
<td>Growth is the rate of change of a nation’s GDP from one year to another.</td>
<td>Growth is the most important macroeconomic indicator. Additional fiscal space for health can be generated through economic growth without altering government spending priorities.</td>
</tr>
<tr>
<td>6. Unemployment (rate)</td>
<td>IMF</td>
<td>Unemployment is the rate of unemployed workers of the total labor force. Unemployed workers are currently not working but are willing and able to work for pay, currently available to work, and have actively searched for work.</td>
<td>Persistent high unemployment is also evidence of structural problems in the economy. High rates of unemployment also may affect fiscal space for health if a large share of government health resources come from employer/employee contributions through payroll taxes.</td>
</tr>
<tr>
<td>7. Inflation (end of period consumer prices)</td>
<td>IMF</td>
<td>Inflation is the rate at which general level of prices for goods and services are rising.</td>
<td>High levels of inflation can indicate structural problems and macroeconomic instability.</td>
</tr>
</tbody>
</table>

### Debt, Deficits, and Spending Indicators

<table>
<thead>
<tr>
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<th>Source</th>
<th>Definition</th>
<th>How to interpret for fiscal space for health?</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Gross Debt (as % of GDP)</td>
<td>IMF</td>
<td>General government gross includes debt liabilities in SDRs, currency and deposits, debt securities, loans, insurance, pensions and standardized guarantee schemes, and other accounts payable. Equity and investment fund shares and financial derivatives and employee stock options are not included.</td>
<td>In the medium to long run, the level of debt is the most important indicator of fiscal solvency, and the deficit provides information on whether the debt level is under control or being brought under control. The level of spending reflects choices about the role of government in the economy. These choices should be constantly reviewed.</td>
</tr>
<tr>
<td>9. Deficit (as % of GDP)</td>
<td>IMF</td>
<td>General government net lending or borrowing is revenue minus total expenditure—it is the extent to which general government is putting in or utilizing the financial resources generated by other sectors and non-residents.</td>
<td></td>
</tr>
<tr>
<td>10. Spending (as % of GDP)</td>
<td>IMF</td>
<td>Total expenditure is the total expense and the net acquisition of nonfinancial assets. It accounts for disposals of nonfinancial assets.</td>
<td></td>
</tr>
<tr>
<td>11. Revenues (as % of GDP)</td>
<td>IMF</td>
<td>Revenue consists of taxes, social contributions, grants receivable, and other revenue. Revenue increases government's net worth, which is the difference between its assets and liabilities.</td>
<td></td>
</tr>
</tbody>
</table>

### Revenue Composition

<table>
<thead>
<tr>
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<th>Definition</th>
<th>How to interpret for fiscal space for health?</th>
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</thead>
<tbody>
<tr>
<td>12. Taxes on income, profits, and capital gains (% GDP)</td>
<td>WB/IMF</td>
<td>Tax payments on personal and corporate income and capital gains.</td>
<td>The cost of raising revenues, in terms of the excess burden, generally differs by the source of revenue.</td>
</tr>
<tr>
<td>13. Other taxes (% GDP)</td>
<td>WB/IMF</td>
<td>Other forms of tax payments, including taxes on international trade, VAT, and other excise taxes.</td>
<td></td>
</tr>
<tr>
<td>14. Non-tax revenue (% GDP)</td>
<td>WB/IMF</td>
<td>Other forms of revenue, including grants.</td>
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</tr>
</tbody>
</table>