



Investment on the Health of People

Challenges:

Afghanistan is extremely poor and highly dependent on foreign aid. Much of the population continues to suffer from shortages of housing, clean water, electricity, healthcare and jobs. About 25% of its population is unemployed and 54% lives below the poverty line.¹

In 2016, globally, the average per capita health expenditure was US\$ 1,000; whereas the top 10 countries spent US\$ 5,000 or more per person but half of the world's countries spent less than US\$ 350 per person. Globally, public spending on health per capita from domestic sources increased; in high income countries US\$ 2,257, in lower-middle income countries US\$ 58, in low-income countries US\$ 9 on average.² In Afghanistan, input from domestic sources is only US\$ 3.4 while the average total health expenditure per capita is about US\$ 87.

Afghanistan's health system is heavily financed by international donors and private household expenditure. Approximately 75.5% of total health expenditure (THE) was paid by households' out of pocket (OOP), about 19.4% by international partners and only 5.1% by the government of Afghanistan (NHA 2017).³ The high OOP expenditure has resulted in a substantial financial burden on households. According to the national budget decree 1399 (2020), the government allocated only 3.4% to the health sector.⁴ The share of the government allocation to the health sector is far lower than the target of 15% recommended by the Abuja Declaration. Public health interventions are often opposed by powerful commercial interests, and the health gains for individuals are often perceived as too small to sway their voting intentions, despite adding up to large gains at the population level. Actually, the public health interventions are cost-saving and offer substantial returns on investment (ROI). The ROI for all public health interventions is 14.3 implying a cash return of more than 14 fold.⁵

Solutions:⁶

Therefore, we need to increase domestic revenue for health to reduce the dependency on external aid, reduce the reliance on out-of-pocket spending and increase government contributions to the health sector in Afghanistan. The strategies for increasing domestic investment in health are organized around four key areas:

1. Increased allocation of government spending on health; reduce dependency on external aid.
2. Earmarked taxes for health (sin-taxes*); reduce and treat hazards.
3. User fees management at hospitals; improve quality of secondary and tertiary healthcare.
4. Promotion of health insurance; protect from catastrophic health expenditures.

Why sin-taxes*:

1. Smoking is one of the major risk factors for cardiovascular diseases, lung diseases and cancers.
2. WHO-2017: reported 5,461 deaths and 25,654 sustained injuries due to road accidents annually in Afghanistan.
3. Air pollution due to emission of hazardous gases of vehicles is a raising health concern in Afghanistan. Studies show that pollution emitted from fuel has an adverse effect on health; cardiovascular, respiratory and cancers.
4. The sugary beverages are accountable for about 183,000 deaths worldwide each year; this includes diabetes, heart disease and cancer deaths.

Increased revenue enables MoPH to focus on the following priorities:

1. Improve overall quality of secondary and tertiary healthcare.
2. Improve treatment and research centers for cancer, non-communicable diseases and injuries.
3. Train highly qualified clinical staff to meet the needs of the country and advances on health.
4. Equip and modernize the hospital sector according to international standards.
5. Implement demand and supply side interventions to increase uptake of primary healthcare services.

Expectations:

1. Increased government budget allocation on health.
2. Excise tax earmarking for health.
3. Obligatory social health insurance.

¹ World Bank, website.

² Public Spending on Health, A Closer Look at Global Trends, WHO, 2018.

³ MoPH, The National Health Accounts (NHA) report 2017.

⁴ National Budget, 1399.

⁵ BMJ, Return on investment of public health interventions: a systematic review, Volume 71, Issue 8.

⁶ The MoPH Revenue Generation Strategic Framework, 2018.