

World Health Organization statement to the Financing for Development 4 Preparatory Committee : Inter-active discussion 1 - Domestic Public Resources

The high cost of health services and reliance on out-of-pocket payments is the primary reason people miss out on essential health care. These costs often force families to choose between paying for medicines or a visit to the doctor and other necessities, such as food, housing and education.

While countries are now recovering from the pandemic, increased levels of government debt and debt servicing from annual budgets mean that public funding for health will remain limited in the near term. Many countries face rising interest payments on debts incurred, which will reduce their overall government spending capacity by between 15% to 30%.

In fact, some 3.3 billion people live in countries where debt interest payments are greater than expenditure on health or education.

This challenge notwithstanding, improvements in health/development can only be achieved with sustained domestic public financing. Achieving SDG 3 is anchored in Target 3.8 on universal health coverage (UHC).

Up to 90% of essential interventions for universal health coverage can be delivered using a primary health care (PHC) approach and an estimated 75% of the projected health gains from the SDGs could be achieved through PHC.

To progress towards UHC, countries need to ensure adequate levels of general government revenues to finance health. Evidence is clear that voluntary contributions and voluntary health insurance are not a viable path towards UHC; no country has made significant progress to UHC with a predominant reliance on private spending.

Health taxes, especially on tobacco, alcohol and sugar sweetened beverages, generate government revenue while also promoting healthier behaviors, leading to improved health outcomes and productivity gains that benefit society as a whole.

These taxes also reduce healthcare costs, alleviate pressure on health systems, and promote greater equity. Such outcomes will directly support the pursuit of universal health coverage (UHC), as well as contribute to reducing poverty (SDG Goal 1), promoting productive employment (SDG Goal 8), and reducing inequality (SDG Goal 10).