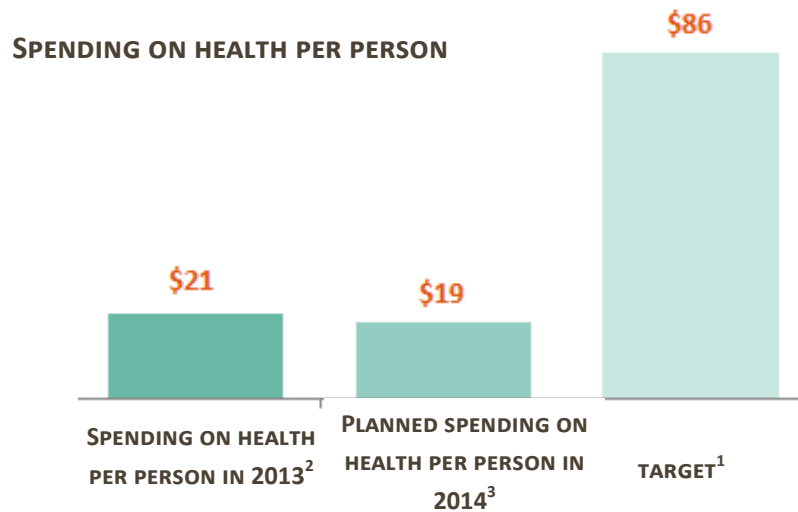


GOVERNMENT SPENDS LESS THAN 22% OF WHAT IS NEEDED ON EACH PERSON'S HEALTH

Governments need to spend **at least US\$86** per person in order to provide basic health services.¹ In 2013, the Government of Malawi only spent **US\$21** on each person's health.² The planned 2014 budget reduced this to **US\$19**,³ further undermining Malawi's ability to provide its citizens with basic universal healthcare.



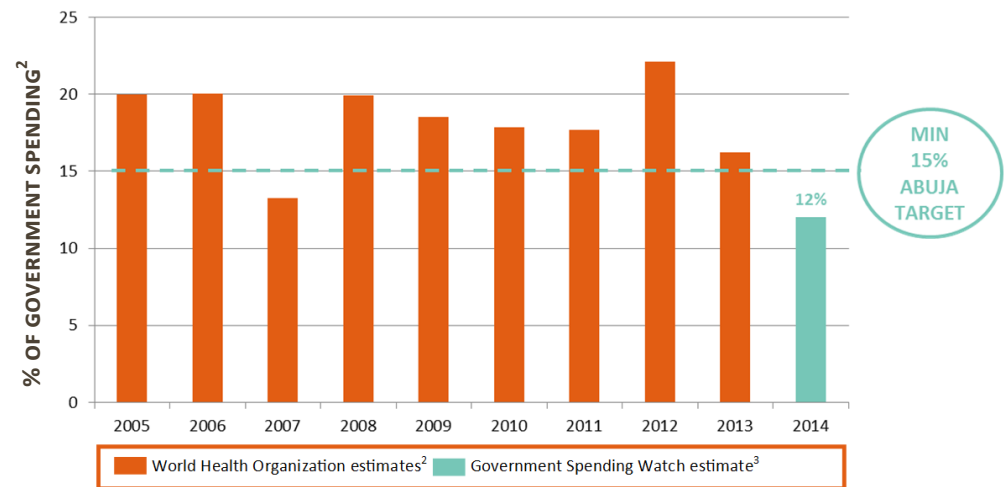
INADEQUATE SPENDING ON REPRODUCTIVE HEALTH

On average, less than **1%** of Malawi's overall government expenditure from 2009 to 2012 was spent on reproductive health.⁴ This includes money spent on all maternal health services, antenatal care, prenatal care, family planning counselling and commodities and other reproductive care-related services.⁴ Between 2009 and 2012, estimates of government spending on women and children's health as a share of total government spending on health increased from **12% to 15%**.⁴ However this is still only half of the **30%** target that the government committed to in the Every Newborn Action Plan.

PROGRESS HAS STALLED ON THE ABUJA PROMISE

The Government of Malawi has signed up to the Abuja Declaration, committing to spend **at least 15%** of its government budget on health.⁵ While Malawi has met this target since 2008,² the planned 2014 budget only allocated **12%**³ of government spending to health.

GOVERNMENT SPENDING ON HEALTH*



*WHO Global Health Expenditure Database figures² differ from the National Health Accounts figures⁴ of actual expenditures as a percentage of total government expenditure.

The NHA figures show: 10.5 per cent in 2009/10, 11.0 per cent in 2010/11, and 11.7 per cent in 2011/12. If NHA figures are correct, Malawi still has a long way to go to meet the Abuja target.

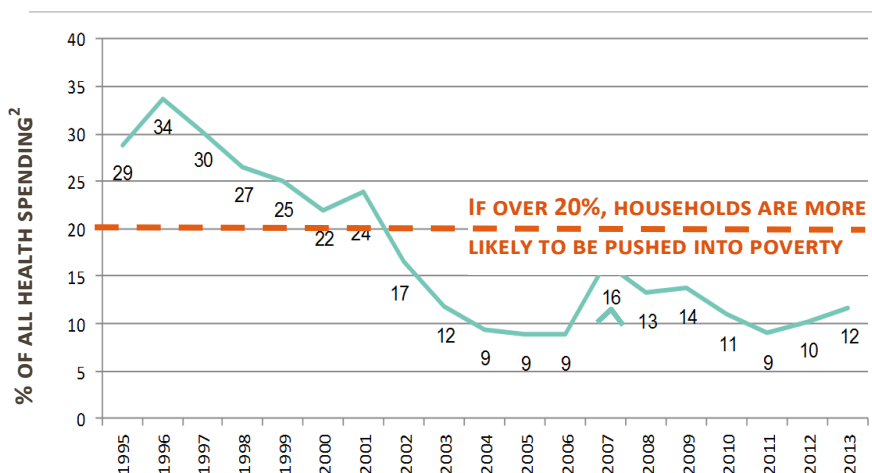
SPREADING THE BURDEN OF HEALTH SPENDING

Despite the fact that the Basic Health Package is provided free in Malawi, many Malawians are still paying for their healthcare, including reproductive health services. In 2013, **12%** of all health spending in the country was spent by households up-front, without insurance.²

While this is under the recommended top limit of **20%**, the percentage has been steadily increasing since 2011.² Progress could still be made to reduce the burden of health spending on the poorest in the country.



SHARE SPENT DIRECTLY BY HOUSEHOLDS (OUT-OF-POCKET)



MALAWI NEEDS MORE DONOR ASSISTANCE FOR HEALTH

Governments can and should spend **at least 5%** of their country's Gross Domestic Product (GDP) on health.¹ In 2013, the Government spent **4.2%** of Malawi's GDP on health,² and in planned expenditure for 2014 this figure rose slightly to **4.9%**,³ representing good progress towards the target.

Using the GDP measure is important as it shows where governments can do more relative to their country's wealth. As Malawi is close to this target, further progress depends on the government's health spending being supplemented by additional donor funding.

THE IMPORTANCE OF TAX REVENUE FOR HEALTH

A recent study found that between 2008 and 2010, Malawi's government lost approximately **US\$275 million per year** in revenue from illicit financial flows such as tax evasion, tax scams, criminal activity and corruption.⁶ In addition, between 2008 and 2012, the government lost **US\$117.6 million per year** in revenue from corporate tax incentives such as exemptions and reductions to certain taxes.⁶

This amounts to almost **US\$400 million** lost revenue through illicit financial flows and corporate utilisation of tax incentives each year—more than **double** the entire health budget for 2013-2014.⁶

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