

Targeted Health Aid Matters for Financial Risk Protection






Background

Development Assistance for Health (DAH) plays a vital role in supporting Universal Health Coverage (UHC), contributing one third of total health expenditures in low-income countries. While financial risk protection is essential for UHC, we know surprisingly little about how DAH helps achieve it.

Our Research

New research helps to address the evidence gap by investigating associations between DAH and financial risk protection, focusing on which households benefit most and under what conditions. This study combined data from 159 national household surveys for 65 low- and middle-income countries conducted between 2000 and 2016 with records of health aid flows. By applying robust statistical analysis that accounts for differences across countries and over time, we examined how targeted health aid relates to people's protection against financial hardship from out-of-pocket health spending.

Findings

-  Strategic allocation of DAH can alleviate financial burdens for vulnerable populations, there is some evidence of improved financial risk protection for the poorest households.
-  When DAH flows via the recipient government financial management system, it is associated with improved financial risk protection outcomes.
-  DAH effectiveness is not uniform. It depends on contextual factors such as GDP per capita and the extent to which DAH is channeled through government systems. An imbalance can lead to little or no improvement in financial risk protection.

Recommendations



Careful Planning and Targeted Investments: DAH investments require careful planning to improve financial risk protection. Positive DAH effects for the poorest quintiles of the population might be driven by DAH targeting poorer populations and doing so effectively.



Resources should be channeled through governments: this may be a promising avenue to enhance the impact of DAH on financial risk protection.



Providers of DAH could base their DAH allocation choices on the **quality of public financial management systems** (PFM) of recipient country governments, measured via PFM assessments (e.g. PEFA assessments).

Underlying Research

Research article: Gabani, J., Suhrcke, M., Neelsen, S., Eozenou, P. H. V., & Smitz, M. F. (2024).

Does health aid matter to financial risk protection? A regression analysis across 159 household surveys, 2000–2016. *Social Science & Medicine*, 356, 117148.

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