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MACRO-FISCAL CONTEXT AND HEALTH FINANCING FACTSHEET

Macro-Fiscal Context and Health Financing Factsheets provide graphical representations of 14 key indicators linked to the larger macro fiscal environment in which a health system operates.

These factsheets are produced by a task team consisting of Rafael Cortez (Task Team Leader, Sr. Economist, HDNHE), Aaka Pande (Young Professional, Health Specialist, MNSHH), Patrick Eozenou (Young Professional, Economist, HDNHE), Adam Leive (Consultant), Marc Smitz (Consultant), and Ece Ozcelik (Consultant), under the overall supervision of Armin Fidler (Acting Sector Manager, HDNHE) and Nicole Klingen (Acting Director, HDNHE). The task team is grateful for inputs from Jack Langenbrunner, Ajay Tandon, Robert Gilingham, George Schieber, Edit Velenyi, and Cheryl Cashin.

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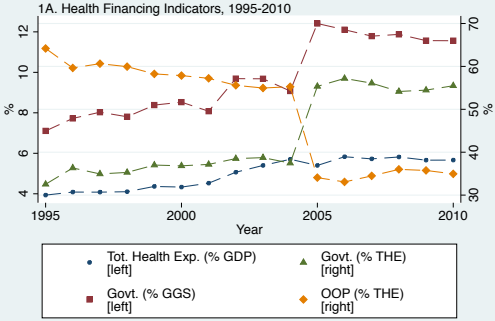
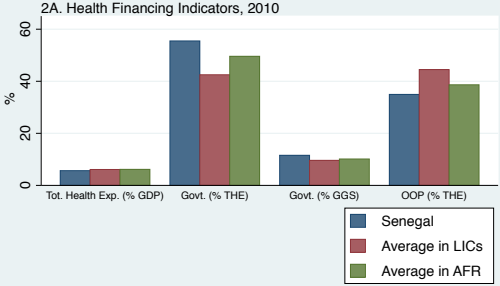
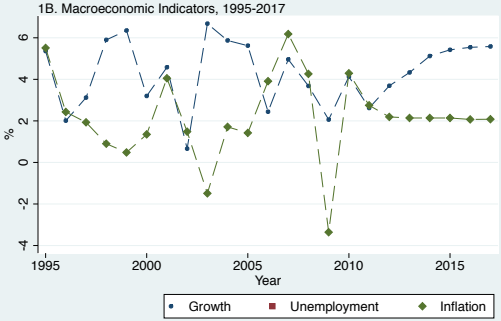
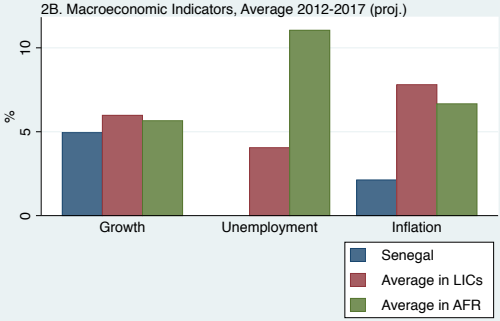
Senegal
Macro-Fiscal Context and Health Financing Factsheet



GNI per capita: 1.1e+03
Population: 1.3e+07







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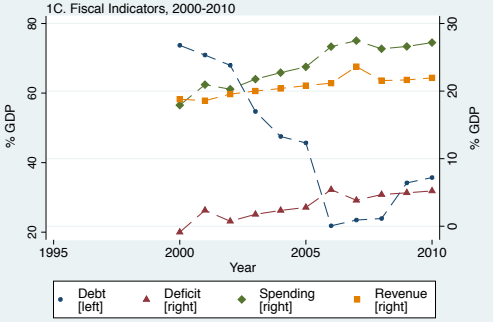

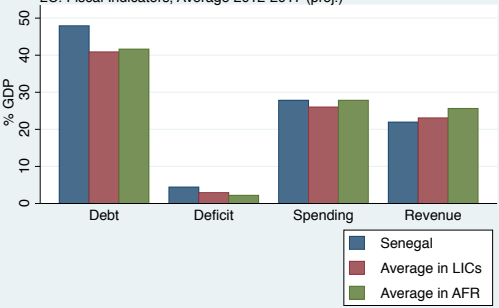

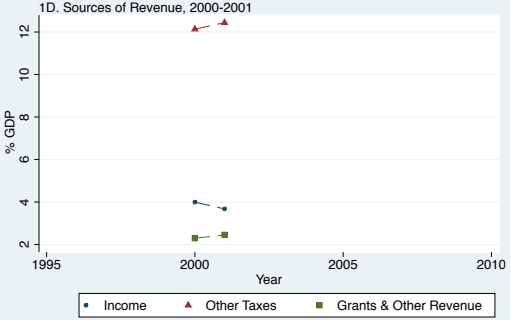

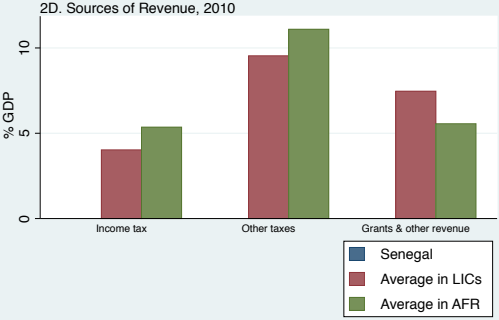

Definition of Macro Fiscal Health Indicators

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).

Indicator	Source	Definition	How to interpret for fiscal space for health?
Health Financing Indicators			
1. Total health expenditure (THE as % GDP)	World Health Organization (WHO)	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).	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.
2. Government health spending (GHE as % THE)	WHO	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).	
3. Government health spending (GHE as % GGS)	WHO	General government health spending as share of general government spending (GGS) (ratios in nominal LCUs).	
4. Out of pocket spending (OOP as % THE)	WHO	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).	
Macroeconomic Indicators			
5. Growth (GDP, constant prices)	International Monetary Fund (IMF)	Growth is the rate of change of a nation's GDP from one year to another.	Growth is the most important macroeconomic indicator. Additional fiscal space for health can be generated through economic growth without altering government spending priorities.
6. Unemployment (rate)	IMF	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.	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.
7. Inflation (end of period consumer prices)	IMF	Inflation is the rate at which general level of prices for goods and services are rising.	High levels of inflation can indicate structural problems and macroeconomic instability.
Debt, Deficits, and Spending Indicators			
8. Gross Debt (as % of GDP)	IMF	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.	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.
9. Deficit (as % of GDP)	IMF	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.	
10. Spending (as % of GDP)	IMF	Total expenditure is the total expense and the net acquisition of nonfinancial assets. It accounts for disposals of nonfinancial assets.	
11. Revenues (as % of GDP)	IMF	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.	
Revenue Composition			
12. Taxes on income, profits, and capital gains (% GDP)	WB/IMF	Tax payments on personal and corporate income and capital gains.	The cost of raising revenues, in terms of the excess burden, generally differs by the source of revenue.
13. Other taxes (% GDP)	WB/IMF	Other forms of tax payments, including taxes on international trade, VAT, and other excise taxes.	
14. Non-tax revenue (% GDP)	WB/IMF	Other forms of revenue, including grants.	

Data is from November 2012. Gross National Income (GNI) is based on the Atlas method (current US $).