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AFRICAN STRATEGIES FOR HEALTH

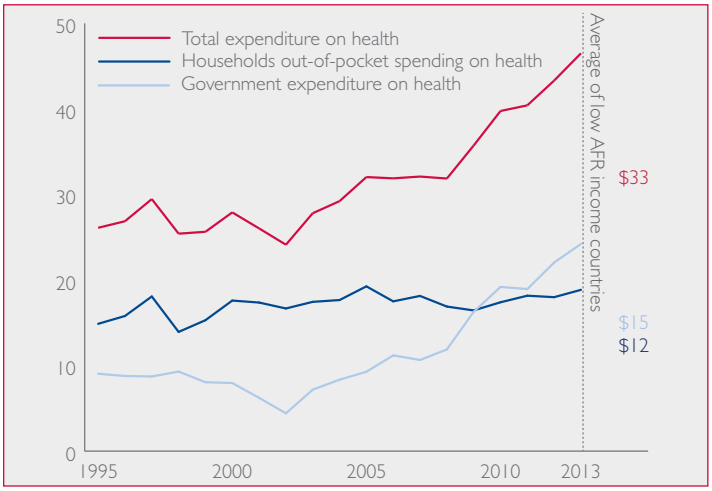
HEALTH FINANCING PROFILE: TOGO

Key country indicators

Development indicators*	
Total population	6,817,000
Total fertility rate (births per woman)	4.6
Gross national income per capita (PPP)	1,180
Health care expenditure indicators**	
Expenditure ratio	
Total expenditure on health as % of GDP	8.6% ↑ avg. low-income countries (5%) ↓ global avg. (9.2%)
Level of expenditures	
General government expenditure on health as % of total government expenditure	15.4% ↑ targets set by Abuja Declaration (15%)
Selected per capita indicators	
Per capita total expenditure on health (PPP int.$)	119
Per capita government expenditure on health at average exchange rate (US$)	28
Per capita government expenditure on health (PPP int.$)	62
Sources of funds	
General government expenditure on health as % of total expenditure on health	52.1%
Private expenditure on health as % of total expenditure on health	47.9%
External resources for health as % of total expenditure on health	5.9%
Out-of-pocket expenditures as % of private expenditure on health	84.6%

Note: WHO aggregates are calculated using absolute amounts in national currency units converted to Purchasing Power Parity (PPP) equivalents

Per capita expenditure in US$ (constant 2013 US$)**



World Health Organization (WHO) Global Health Observatory, 2013
**WHO Global Health Expenditure Database, 2013*

Contextual Factors

Togo's approach to national planning for health has evolved since 2010. Reforms to the political and strategic framework of the country's health system have resulted in the creation of evidence-based health plans, known as Compacts, which reflect enhanced partnerships and dialogue within regional initiatives such as the Harmonization for Health in Africa (HHA) and the International Health Partnership (IHP+). In 2011, Togo drafted a new National Health Policy and a National Health Development Plan for 2012-2015.[1]

The state budget allocated to the health sector has been dominated by the small proportion of government expenditure on health (approximately 5%), low disbursement, and under-mobilization of internal resources. Almost half (51%) of all health spending is out-of-pocket expenditure by households through the direct payment system involving user fees, or cost recovery, and the purchase of medicines by patients.[1] In 2006, resources generated by cost recovery in public health facilities amounted to 41% of the budget allocated to health by the government.[1,2]

Some local authorities (town halls or prefectures) finance health services by paying salaries to prefecture health workers. This source of funding is likely to increase as the health service delivery system is decentralized. Development partners provide financial support through external cooperation programs with the government and direct funding to grassroots communities through non-governmental organizations and associations. The health sector has suffered greatly from the country's socio-political situation, which has led to a 62% reduction in official development assistance and a reduction in the share of external assistance in gross domestic product (GDP) from 13.8% to 3.3% between 1990 and 2005.[1] Since then, resumed cooperation with the European Union and international financial institutions has brought the amount of aid to an envelope of approximately US$20 to US$26 million per year.[1]

The recent World Health Organization Country Cooperation Strategy for Togo (2009-2013) includes several strategic priorities, such as health and community system strengthening, and identifies the drafting of a national strategy to finance and develop universal health coverage (UHC) as a strategic action.[1]

Health Financing Functions

- ***Revenue contribution and collection:***

Budget envelopes for the health sector in Togo have been developed on an ad hoc basis due to irregular flow of funds from the government and external partners. Steady and sufficient resources are needed to ensure revenue forecasting and budget formulation. The Togolese government is working on public financial management reforms with the International Monetary Fund and the World Bank to mitigate such fiduciary risks. The state budget for the sector (6% on average of the 2005 to 2008 national budget, Medium Term Expenditure Framework or MTEF, 2010- 2013) is far from meeting the commitment of 15% made through the Abuja Declaration.[3] The Ministry of Health has developed an MTEF that provides information on the sector's financing requirements over the period of 2010-2013.

- ***Pooling:***

The National Health Policy 2009-2013 includes the development of different solidarity mechanisms to extend health insurance and access to community-based health insurance, or *mutuelles*, and for better management of health subsidies. An estimated 6% of the population is covered by some type of health insurance.[4] Social insurance programs in Togo include agencies that cover old age pensions, disability, family allocations and health insurance to workers in the public and formal private sectors. In 2011, legislation calling for the establishment of a national health insurance scheme targeting civil servants, central administration staff, local collectivities, para-public agencies, and retired public sector workers was passed. The same year, fees for caesarian sections were waived.[4]

In 2012, the national health insurance scheme, (Institut National d'Assurance Maladie or INAM) began paying for the health services included in its benefit package, covering approximately 300,000 people. Coverage of the informal sector through INAM has not begun yet, and a marginal number of these individuals (almost 2% of the population) are covered through other forms of private health insurance.

- ***Purchasing:***

Allocation of financial resources to providers and health facilities needs to take into account various elements that can improve service quality, efficiency, and equity. To ensure the financial sustainability of INAM and sufficient resource flow to health services, premiums and cost structures must be re-evaluated taking into consideration the availability of health services and the needs of the population. Staff performance is currently evaluated; however, provider compensation is salary-based.

Meeting the Goals of Universal Health Coverage (UHC)

UHC can only be achieved when access to health services and financial risk protection are equitably addressed. Equitable financial protection means that everyone, irrespective of their level of income, is free from financial hardship caused by using needed health services.

Financial protection and equity in financing and utilization

At 26%, overall access and utilization of services among targeted populations in Togo remain low.[5] Further, nearly 12% of the population in urban and rural zones cannot access health care services for financial reasons. This rate ranges from 4.8% to13.8% across regions. More than 15% of women have no access to health care services due to financial reasons, compared with 10% of men.[5,6]

Despite reforms to the contributory system covering the formal sector and improvements to the system supporting the poor, the majority of the population remain at risk of the financial implications of health shocks. A significant portion of this population could provide some form of premium payments. *Mutuelles* are being developed on the basis of professional organizations or local entities sharing geographic proximity.[4]

Redefinition of the criteria that determine which citizens qualify for enrollment in a contributory mechanism of health insurance could accelerate progress towards achievement of the goals of UHC.

Endnotes

1. Togo: Country Cooperation Strategy. World Health Organization. Geneva, Switzerland. May 2014.
2. Pande, A, Leive A, Smitz M, Eozenou P and E Ozcelik. Macro fiscal context and health financing fact sheet. World Bank: Washington DC, 2013.
3. Togo: African Health Observatory. World Health Organization. Geneva, Switzerland.
4. Togo: Towards a national social protection policy and strategy. Human Development Department, Social Protection Unit, Africa Region. The World Bank Group. Washington, DC. June 29, 2012.
5. Togo's application for GAVI Alliance support for health systems strengthening (HSS). Gavi Alliance Secretariat. Geneva, Switzerland. April 2010.
6. Analytical Summary- Health Financing System for Togo. African Health Observatory. World Health Organization. Geneva, Switzerland.

Additional information can be obtained from:
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