

### Context: Macroeconomic situation

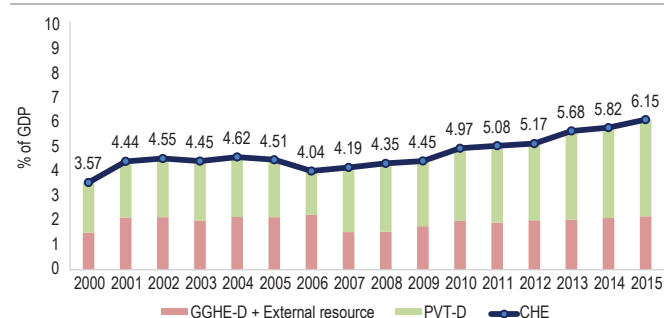
Population (million)	2016	28.98
<b>General financing</b>		
GDP (billion current US\$)	2016	21.14
GDP per capita (current US\$)	2016	729.53
GDP annual growth (%)	2016	0.6
Total government revenue* as % of GDP	2016	18.7
Population living below poverty line at \$1.90 a day (2011 PPP) (% of population)	2010	14.99
<b>Health financing</b>		
CHE as % of GDP	2015	6.15
CHE per capita (current US\$)	2015	44.42
GGHE-D as % of GDP	2015	1.11
GGHE-D per capita (current US\$)	2015	8.05
Out-of-pocket payment as % of CHE	2015	60.41

CHE: current expenditure on health; GDP: gross domestic product; GGHE-D: domestic general government health expenditure  
\* Total taxes and other revenues received by the national government (excluding grants)

### Since 2000, how has health financing changed?

#### Overall spending on health

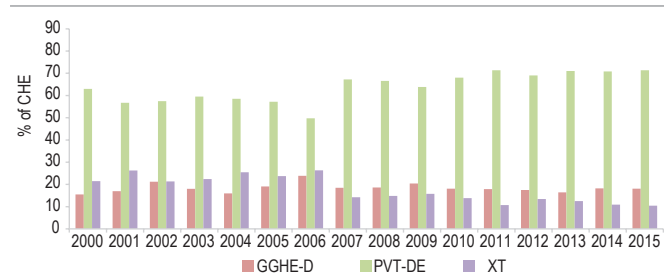
Fig. 1: Current expenditure on health as a % of GDP, 2000–2015



CHE: current expenditure on health; GDP: gross domestic product; GGHE-D: domestic general government health expenditure; PVT-D: domestic private health expenditure  
\*PVT-D refers to spending on health including voluntary health insurance schemes, enterprise financing schemes and household out-of-pocket payment

#### Sources of health revenue

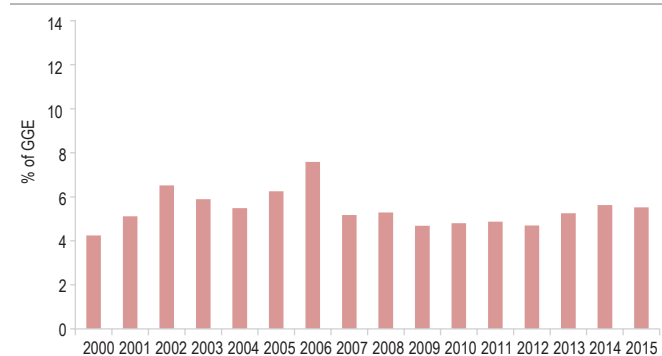
Fig. 2: Share of revenues for health as a % of current expenditure on health, 2000–2015



CHE: current expenditure on health; GGHE-D: domestic general government health expenditure; PVT-D: domestic private health expenditure; EXT: external health expenditure

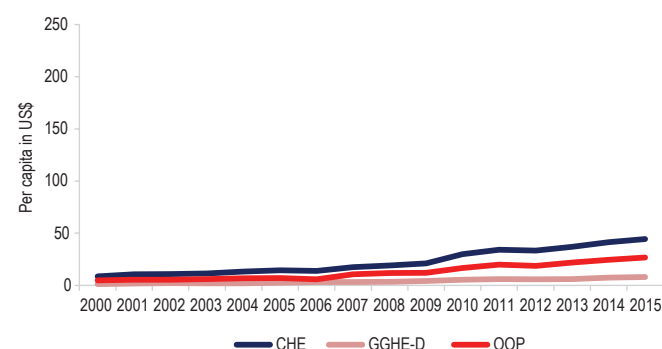
### Government spending on health

Fig. 3: Domestic general government health expenditure on health (GGHE-D) as a % of general government expenditure (GGE), 2002–2015



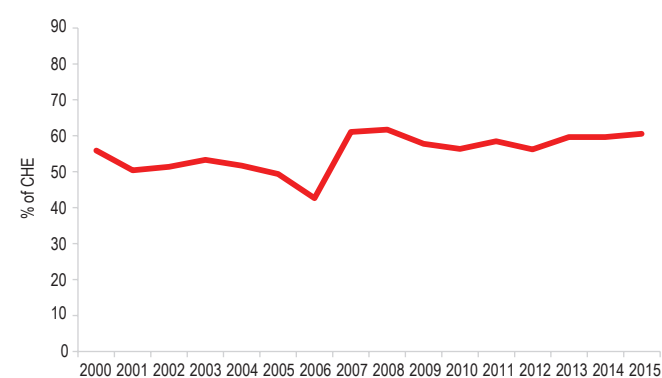
### Spending per person on health (\$), by source

Fig. 4: Current health expenditure (CHE), domestic general government health expenditure (GGHE-D), out-of-pocket (OOP) payment, per capita US\$, 2000–2015



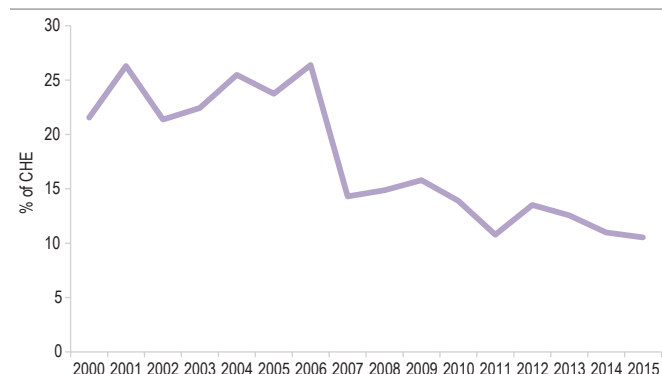
### Share of OOP expenditure (%)

Fig. 5: OOP payment as a % of current expenditure on health, 2000–2015



## Funding for health by donors

Fig. 6: External health expenditure (EXT) as a % of current health expenditure (CHE), 2000–2015



## How many households experience financial hardship from health-care expenditure?

Table 1 Catastrophic health expenditure and impoverishment due to health spending, Nepal, 2014–2015

Population	Catastrophic expenditure		Impoverishment due to OOP	
	Threshold = 10%	Threshold = 25%	Poverty line = PPP\$ 1.90	Poverty line = PPP\$ 3.10
%	10.71	2.41	1.67	3.44
Headcount (million)	3.03	0.68	0.47	0.97

Source: Nepal: Living Standards Measurement Survey (LSMS) (annual household survey), 2014–15. Calculations by staff of the WHO Regional Office for South-East Asia.

## Key messages

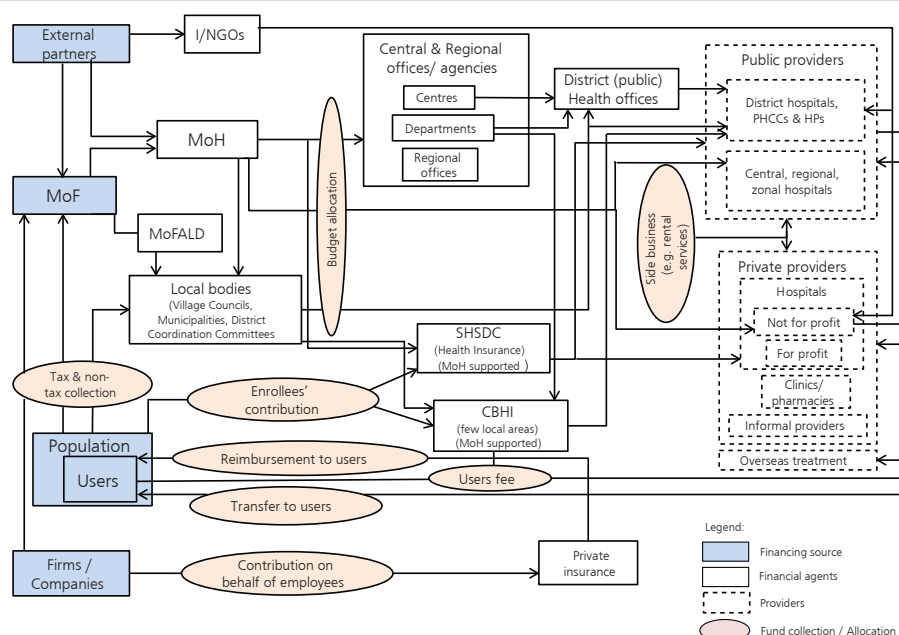
- **Current health expenditure (CHE)** as a share of gross domestic product (GDP) has continuously increased from 2006 to 2016, mostly driven by out-of-pocket (OOP) spending.
- **Government spending on health** has remained low during the entire period.
- **Out-of-pocket (OOP) expenditure** has remained almost flat in the past decade.
- **External funds for health**, have been decreasing in relative terms, in the recent years
- **Financial hardship**, more than 10.7% of people, or a total of more than 3 million people, had a burden expenditure on health larger than 10% of their total expenses. Additionally, 1.67% of the population was pushed below the poverty line of PPP\$ 1.90 per capita per day.

## Sources

1. Economic Survey, Ministry of Finance, Nepal; 2016
2. World Development Indicators, World Bank website, 2017 Global development indicators. In: The World Bank [website]; 2017 (<https://data.worldbank.org/indicator/>, accessed 23 November 2017).
3. Indicators and data: In: WHO Global Health Expenditure database [online database] updated 20 November 2017 (<http://apps.who.int/nha/database/Select/Indicators/en>, accessed 23 November 2017).
4. Vinyals i Torres, L. et al. Assessment of the Government Health Financing System in Nepal: Suggestion for Reform. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH; 2014, page 6

## Health financing flows

Fig. 7: Health financing flow



Source: Adapted from Vinyals i Torres, L. et al; 2014, page 6; updated based on recent structure by WHO SEARO and WCO Nepal.