We do not have any numerical target, but we believe through the reporting, using this indicator, if agreed by IAEG will allow documenting this figure and portraying the variation across countries, and more importantly changes over time. Because it is not a simple spending measure but rather will capture a type of spending (i.e. for PHC), the interpretation of changes over time will reflect both routine public spending level considerations, as well as allocative efficiency considerations. As such, It also has a resonance for all country income groups because:

- for LICs and LMICs, increases/changes over time can come from expanded fiscal capacity (overall public spending as a % of GDP) and/or increased prioritization for health in public spending, as well as changes in the priority for PHC within health sector allocations. The expectation is that the main driver of change would be the factors that influence overall public spending on health (fiscal capacity and prioritization), so that it will reflect the "substantially increase health financing" part of 3.c.

- for middle and higher income countries, it may be more a mix of re-prioritization within the health sector (from non-PHC to PHC) as well as increases in overall public spending on health. While understanding the wording of 3.c, it is just not the case that ALL countries need to increase, and so we propose an approach that can accommodate all countries, and keep in mind the end of 3.c where the "substantially increase" part is mainly for LICs.

A few things to convey to the IAEG

- reminder that there is no specific target percent or level of public spending on PHC, but tracking the percentage over time and across countries gives useful information. In particular, tracking over time will enable us to capture the extent to which such spending is increasing – the aim of target 3.c.

- public spending in particular is a subject for policy and it is what we care about increasing. Private spending will increase with income growth, but in many cases, the aim of policy is to try and reduce private spending (e.g. to reduce out-of-pocket payments).

- WHO recently produced estimates of PHC spending for more than 50 countries, and we are working with all MSs to generate this information on a regular basis as part of the annual health expenditure production and dissemination process on the Global Health Expenditure Database. Having it as an SDG indicator will create more momentum and hopefully more resources to support this production. We will only produce these estimates based on real, verifiable data, with the data sources and methods presented transparently to the world. As with anything we put on our website, all estimates will be verified with Member States. Attached you will find a country data spreadsheet as well as how to find PHC indicators on Global Health Expenditure Database.