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International Health Insights

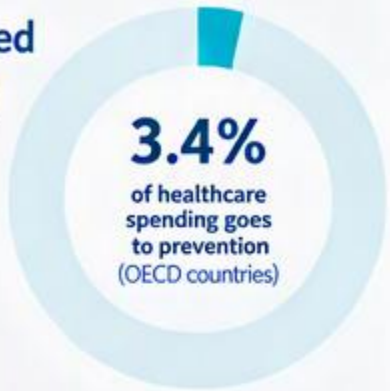
Approaches to Measuring and Growing Prevention Spend and Investment

Learning from around the world to build a healthier, fairer Wales

October 2026

1. Why this matters

Prevention remains underfunded despite delivering substantial health, social and economic benefits.



Growing challenges make prevention more urgent:

- Ageing populations
- Rising long-term conditions
- Widening health inequalities
- Climate-related health impacts
- Increasing pressure on health and public services

2. Aim of this review

To identify international approaches to:

- Measuring prevention spending
- Protecting prevention budgets
- Increasing investment in prevention
- Informing future policy and practice in Wales

3. Key findings

Measuring prevention spend

- No universally agreed definition of prevention.
- The System of Health Accounts (SHA) 2011 is the main framework, but applied inconsistently across countries.
- Investment outside healthcare (e.g. education, housing, transport and social protection) is often excluded.
- Current approaches likely underestimate the true level of prevention investment.

Why prevention remains underfunded

- Short political and budget cycles drive short-term thinking.
- Prevention is vulnerable during fiscal austerity and spending cuts.
- Prevention benefits are often realised over longer timescales than political cycles.
- Limited cross-sector buy-in and recognition of wider societal and economic returns.

Mechanisms that support prevention investment

- **Hypothecated (earmarked) taxation** – dedicating the revenue from a specific tax for a particular purpose.
- **Ring-fenced budgets** – dedicated or protected budget lines for prevention.
- **Outcome-based financing and impact investment** – pay-for-success models and social impact bonds.
- **Supranational mandatory allocations** – fixing minimum spend at a donor or legislated level.

4. International country insights

Finland

- Over 30 years of ring-fenced funding for health promotion through dedicated revenues and long-term planning.
- Uses broad indicators to monitor prevention investment.

Germany

- Legislation requires sickness funds to commit minimum spending to prevention, helping to protect investment levels.
- Prevention is embedded within statutory health insurance.

Estonia

- Cross-sector advocacy led to legislative changes expanding prevention funding through the Health Insurance Fund.
- A joined-up approach across government helped drive change.

South Korea

- Municipal tobacco taxation provides a stable, earmarked funding stream for health promotion activities.
- Demonstrates how a specific tax can generate sustained prevention investment.

5. What this means for Wales

- Establish a consistent **national prevention** spending framework.
- Capture prevention investment across government sectors.
- Protect prevention funding through dedicated budget mechanisms.
- Adopt broader approaches to assessing value and return on investment.
- Explore innovative financing models and partnerships.
- Prioritise evidence-based interventions with proven impact and value for money.

Key message

Investing in prevention improves health, reduces inequalities, strengthens public service sustainability and delivers wider economic and societal benefits.
Long-term, protected investment is essential for achieving these outcomes.

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