



Sustainable Financing for Health:

A User Guide for African Governments

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Chapter 1: Setting the Scene

Health is central to sustainable development. Across Africa, governments face the dual challenge of improving health outcomes and access to healthcare while preserving fiscal sustainability. Historically, African countries have relied heavily on Official Development Assistance (ODA) to finance their health objectives, with ODA accounting for 30-50% of Total Health Expenditure (THE) in low-income settings. Yet, global aid is contracting and health support is declining even faster, reaching its lowest level in over a decade.

This comes at a time when public health emergencies are on the rise (a report by Africa CDC: Africa's Health Financing in a New Era - April 2025, reports a 41% increase, from 152 in 2022 to 213 in 2024), exposing chronic underinvestment in health infrastructure and in healthcare workers (HCWs). The COVID-19 pandemic highlighted that health is not only a social priority but also a foundation of economic resilience and national security. Meanwhile, global health institutions such as the World Health Organisation (WHO), the Global Fund to Fight Aids, tuberculosis and malaria (Global Fund), Gavi and the World Bank continue to play a pivotal role in financing and technical assistance. Still, their focus is shifting toward catalytic funding models (a type of financing that seeks to create positive social and environmental impacts in addition to generating financial returns), co-financing requirements and greater country ownership, underscoring the need for governments to mobilise sustainable domestic resources and to leverage innovative financing instruments.

Objectives of the User Guide

This User Guide is a practical, action-oriented resource for African governments, particularly for ministries of health and finance, on designing, negotiating and implementing sustainable health financing solutions - in particular sustainable financing instruments, debt swaps and public-private partnerships. It simplifies these complex tools and provides clear frameworks for assessing readiness, structuring transactions and ensuring long-term value for health systems. While the Ministry of Finance (MoF) leads on fiscal and debt-related engagements, the Ministry of Health plays a critical role in defining the investment case, aligning interventions with national priorities and ensuring that the proceeds of innovative financing directly strengthen health outcomes and systems. The User Guide promotes a shared understanding of how finance and health authorities can collaborate to leverage financial innovation for tangible benefits to population health and resilience.

Note on One Health and Cross-Sectoral Collaboration

Throughout this Guide, references to the “Ministry of Health” should be understood in a broader context that aligns with the *One Health* approach. In many countries, the health sector includes several line ministries and government agencies working across human, animal, and environmental health. While the Ministry of Health is typically the lead actor, successful health financing strategies often require coordination with other relevant ministries, including those responsible for agriculture, environment, social protection, and infrastructure. This Guide encourages governments to adopt inclusive approaches that reflect their national institutional arrangements and health priorities.

For more details on the One Health approach and its implications for health financing and cross-sectoral coordination, the reader is referred to the World Health Organization (WHO), Food and Agriculture Organization (FAO), and World Organisation for Animal Health (WOAH) joint One Health framework, which highlights the interdependence of human, animal, and environmental health sectors and the importance of integrated planning and resource mobilisation at <https://www.who.int/health-topics/one-health>

How the User Guide Complements Existing Tools

While several frameworks and publications exist on health financing, this User Guide provides an African-led perspective on health systems and their funding challenges. It also suggests frameworks for undertaking transactions with deliverable financing instruments that are grounded in legal and institutional realities. It builds on existing strategies and tools by bridging the gap between planning and execution, offering practical guidance on additional options for revenue mobilisation, deal structuring and legal considerations. It complements national health financing strategies, expenditure frameworks and toolkits developed by the WHO, Gavi, the Global Fund and other partners.

How to Use It

Rather than being read from cover to cover, the User Guide is organised in a modular format. Users can engage with specific instruments or tools based on their needs, stage of the financing process or institutional role. The resource can be used in several ways:

- As a capacity-building tool, it aims to deepen understanding of instruments like thematic and sustainability-linked bonds, debt-for-health swaps and health-related public-private partnerships (PPPs).
- As a readiness assessment tool, it guides policymakers in understanding and evaluating the enabling conditions, fiscal space and institutional preparedness required to obtain such financing.
- As a legal and negotiation reference, with model clauses and checklists to support transaction teams.
- As a decision-support guide, it helps policymakers assess the appropriateness of different instruments in light of fiscal realities and health priorities.
- As a coordination guide, supporting joint planning between MoHs and MoFs, other government departments and agencies and other stakeholders.

Throughout, the User Guide draws on real-world examples. Importantly, however, it is intended to complement, not replace, national policies, legal frameworks or planning processes.

Users are also encouraged to consult related resources such as the [ALSF Sovereign Debt Handbook](#) and *ALSF Debt Document Commentaries* for technical insights into legal structuring and compliance, in particular, the [ALSF Sustainability Financing Debt Guide](#) and the [ALSF Debt Swaps Guide](#).

What This User Guide Is Not

While this User Guide provides a robust foundation for understanding and applying health financing instruments, it does not purport to contain all the information each user may require on such instruments. It is also not a substitute for professional legal, financial or technical advice. The design and execution of complex transactions, especially those involving PPPs or sovereign borrowing, require the expertise of qualified professionals. Governments are strongly encouraged to seek such support in all phases of implementation.