



# Sustainable Financing for Health:

A User Guide for African Governments

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# Chapter 9: Recommendations

# Call to Action

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At a time when drastic aid cuts and debt challenges are significantly impacting health spending in Africa, there is a need to consider sustainable financing alternatives to support public health initiatives and improve public health provisioning. Health is not only essential for individual well-being but also for economic growth and societal resilience. Investing in strong health systems remains a top priority for both citizens and governments in Africa. As some African countries pursue short-term responses to health aid cuts, there is a need to think of long-term financial solutions to support health investments and programmes.

Concurrently, there is an excellent opportunity to leverage innovative financial tools that have been broadly deployed outside of the health sector. These tools have evident financial benefits, including reduced costs of finance and the delivery of critical development outcomes. This is even more true when catalysing the participation of development finance institutions (DFIs) and donors, who are highly interested in supporting global health. To capitalise on these opportunities, both the Ministry of Finance (MoF) and Ministry of Health (MoH) must collaborate to achieve better financial and health outcomes for their country.

## Recommendations for Ministries of Health

### **1. Advocate for fair and realistic allocations to health.**

MoHs will need to regularly make the case for debt-raising resources to be allocated to health financing and to ensure that allocated budgets and resources are sufficient to deliver the agreed outcomes or ambitions. This requires balancing ambition with realism - setting achievable targets while using the visibility of debt-linked commitments to advocate for greater budget allocations

over time. It also requires annual advocacy during the budget cycle to ensure relevant activities continue to be prioritised.

## **2. Take a long-term, strategic view in financing health priorities.**

To engage effectively with MoFs on budget allocation, debt instruments and public-private partnership (PPP) arrangements, MoHs must first define where additional resources are most needed and how these align with national development goals and national health plans. This means articulating clear long-term priorities and identifying specific, well-scoped projects or programmes that could be financed through mechanisms such as PPPs, debt swaps or sustainable finance instruments. A forward-looking investment plan gives MoFs confidence that health proposals are not short-term or *ad hoc*, but part of a coherent national strategy. In the case of PPPs for hospitals or health facilities, this includes developing a health master plan, as described in [Chapter 6: Debt-for-Health Swaps](#), to anticipate and address gaps in health service availability.

## **3. Build credible execution capacity and data-driven delivery.**

The instruments and mechanisms described herein rely on measurable results. If health-related indicators are perceived as weak or unreliable, debt management offices (DMOs) and PPP units will be reluctant to include them in new financing agreements. MoHs can strengthen their credibility by improving data systems, consistently tracking performance and publishing transparent results. Collaboration with technical and financial partners such as the Global Fund or Gavi can help demonstrate accountability and provide assurance to finance counterparts during negotiations. Similarly, MoHs need to build PPP project preparation capacity to prepare, appraise and monitor projects.

## **4. Collaborate closely with the MoF to design and execute health financing instruments.**

Health leaders should advocate for establishing regular coordination with the appropriate MoF departments. In working with the DMOs, PPP units or other responsible departments at the MoF, they can help identify indicators and project/programme pipelines that could underpin health-related finance instruments. Developing a joint communication and investor outreach strategy can be a concrete joint action by both ministries. By taking a proactive and propositional role, MoHs can help shape new instruments so that health priorities are

integrated from the start and ensure that potential gaps can be addressed early on.

## Recommendations for Ministries of Finance

### **1. Put blended finance tools at the centre of national borrowing plans.**

African governments have increasingly utilised blended finance to fund development projects, thereby lowering the cost of funding and ensuring market access. To maximise impact, the MoF could leverage health priorities established by the government to deepen and broaden credit enhancement opportunities beyond traditional guarantors and insurers, diversifying towards global health donors. Bespoke health-related structures that combine multiple credit-enhancement schemes could therefore be developed. Additionally, the MoH could identify PPP options that could benefit from specific debt instruments that increase fiscal space for long-term PPP commitments.

### **2. Establish an interministerial sustainable finance committee.**

Establishing a cross-government committee or task force will foster early collaboration among relevant line ministries directly involved in mobilising sustainable finance. This platform will help MoFs coordinate efforts across sectors, reduce bottlenecks and streamline the entire process of structuring and implementing sustainable finance initiatives. The committee will identify/oversee project identification (building on the budget tagging system), elaborate on government commitments if required in potential debt swaps, formulate any necessary key performance indicators (KPIs), collect data and prepare annual reports as required by financing agreements. In the case of PPPs, cross-governmental cooperation ensures alignment of policy objectives, accelerates approvals and harmonises technical standards. By creating structured mechanisms for information sharing, joint decision-making and coordinated oversight, governments can streamline project development, enhance risk allocation and provide more explicit guidance to private partners.

### **3. Ensure visibility over budget execution for the health sector.**

The MoF - or the ministry responsible for the budget, if relevant - should strengthen oversight of health sector expenditures at the national and sub-national levels of government to ensure transparency and accountability. Regular

monitoring and reporting of budget execution will identify discrepancies early on. Implementing integrated data systems with support from technical partners (e.g. the United Nations Development Programme (UNDP) and global health institutions) can enhance visibility and facilitate funds allocation reporting, where this is relevant. Clear dissemination of expenditure data will also build trust with stakeholders and development partners. Ultimately, this approach will optimise health funding use and support improved health outcomes.

#### **4. Strengthen Accountability and Reporting Capacity.**

Given the legally binding nature of reporting obligations in financing contracts, MoFs should ensure the MoH has adequate capacity - internally or through technical assistance - to monitor compliance with KPIs and/or commitments required to be given in the context of the proposed transactions and report on funding allocation on a timely basis. This safeguards compliance and builds investor confidence. In the case of a PPP, the MoH and MoF should build capacity to monitor the PPP's execution and ensure continued value for money, as well as substantial health impacts from the contract.

## Recommendations for the International Finance Community

While national authorities (MoFs and MoHs in particular) have a primary role to play in identifying the health-financing gap and mobilising the relevant financing to fill it, international organisations (such as multilateral development banks (MDBs), DFIs, health-related institutions and private institutions) can play an enabling role.

The following recommendations aim to transform health-financing projects into realities and scale them up. African MoFs and MoHs should also seize the opportunity to advocate for the following recommendations to enhance sustainable financial flows and support improved health outcomes.

## **1. Standardise and improve health finance data.**

*Addressed to: International Capital Market Association (ICMA), Loan Market Association (LMA), the World Health Organisation (WHO), World Bank, other MDBs and regional development banks.*

International standard setters (such as ICMA and LMA) and development partners should collaborate to standardise health-related debt instruments and enhance the quality of data underlying them. Strengthening the existing social sustainability-linked bond and loan principles with clearer, health-specific taxonomies of eligible expenditures and KPIs (aligned with both global health priorities and national health budget structures) would provide greater clarity and comparability across issuances. These efforts should be supported by the creation of an open-access platform that collects and updates health-related indicators for African countries, along with additional guidance on reporting and monitoring health impacts.

## **2. Establish a task force to mobilise credit enhancement for health funding.**

*Addressed to: MDBs, DFIs, global health institutions (WHO, Gavi, Global Fund), donors.*

Major credit enhancers should establish an action-oriented taskforce to coordinate and bolster credit enhancement for health funding. A structured dialogue among credit enhancers (ideally leveraging existing initiatives, such as the Task Force for Credit Enhancement for Sustainability-Linked Sovereign Financing), global health institutions and donors could explore a joint offering to governments and investors. The goal is to define a straightforward menu of credit enhancement options, reduce deal-by-deal uncertainty and build investor and issuer/borrower confidence in the viability of health swaps and sustainability-linked financing. Based on concrete cases and requests, the task force could seek to identify potential synergies among credit enhancers to co-guarantee debt instruments for healthcare. Given the lack of credit enhancement mobilisation in health, the task force could initially focus on initiating pilot transactions and drawing lessons from those experiences.

### **3. Build the capacity of the MoF and the MoH to engage in innovative financing instruments jointly.**

*Addressed to: Capacity building institutions (e.g. African Development Bank (AfDB), African Legal Support Facility (ALSF), Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), West African Institute for Financial and Economic Management (WAIFEM), International Monetary Fund (IMF), World Bank).*

Development partners should build capacities to bridge the technical gap between MoFs and MoHs. Regional and national training programmes targeting mid-level officials in debt management offices, budget directorates, PPP units and MoHs would help participants identify the right instruments for the right policies and initiate collaborations. This User Guide can serve as a core training material. These initiatives should also include in-country missions aimed at stimulating coordination between MoFs and MoHs. Over time, such programmes would strengthen technical understanding, promote joint ownership of financing solutions and foster national champions capable of driving technical efforts and political buy-in. Beyond training, institutions could help establish the necessary frameworks to facilitate a more substantial uptake of debt or PPP instruments.