



Independent observer
of the Global Fund

Are African countries ready for the Global Fund's Sixth Replenishment's push toward greater domestic financing to end HIV, TB and malaria?

This year (2019) is a replenishment year for the Global Fund. With every replenishment comes a greater push for more domestic financing. Are the African countries ready?

This time around, the Global Fund Secretariat has set a \$14.0 billion target for its next three-year funding cycle (2020–2022). This is \$1.8 billion higher than its last replenishment cycle when it raised \$12.2 billion. It is expected that overall resources invested in fighting HIV, TB, malaria and health system strengthening will continue to grow, even as total resource needs are expected to peak in 2020, and then begin to decline.

The Global Fund is projecting that domestic resources will contribute \$46.0 billion for the grant implementation period 2021–2023, an increase of 48% over the current period. Increasing domestic resources for health remains a tall order for countries that continue to experience daunting gaps in financing, with health competing with basic social needs such as education and nutrition. Country domestic financing faces a “triple transition” challenge: replacing donor funding; closing the resource gap that would exist even with donor funding; and more efficiently delivering on universal health care objectives. Strong political commitment and leadership is critical to driving further progress in domestic financing.

Two meetings in the coming weeks have the potential to influence the domestic financing trajectory. The first is the Preparatory Meeting of the Global Fund's Sixth Replenishment (2020–2022), hosted by the Government of India in New Delhi on 7–8 February 2019. The African Leadership Meeting on Investing in

Health (ALM) is strategically scheduled for the following day, 9 February, a day before the summit where African Union (AU) Heads of State and Government will meet in Addis Ababa on 10–11 February. The ALM has set its sights on securing the commitments of Heads of State, the private sector and participating organizations to increase domestic financing, strengthen health systems and achieve universal health coverage.

The [2018 Africa Scorecard on Domestic Financing for Health](#) demonstrated that 36 of the 55 AU Member States (65.5%) increased the percentage of GDP invested in health over the previous financial year. Although domestic contributions by low-income and lower-middle-income countries to their HIV, TB and malaria responses accounted for around one-third or less of their funding to tackle these diseases between 2015 and 2017 (see [GFO article](#)), this still represents an improvement because countries face so many competing priorities. Despite this increased investment in health, only two (3.6%) of the 55 AU Member States meet the target of dedicating at least 5% of their government budget to health to a level exceeding \$86.30 per capita.

The African Leadership Meeting on Investing in Health is therefore well-placed to call for partnerships to ensure that strategies are in place for diversified, balanced and sustainable financing for health through the development of strategic health investment plans and strategies, including from the private sector. This will require working with partners to create regional platforms to support relevant ministries including Finance and Health to catalyze, capture and scale innovations, best practices and gaps.

The Heads of State that signed onto the 2016–2030 Africa Health Strategy requested multilateral, bilateral and private sector partners to support the platforms and to use them to align their efforts to those of Member States in order to increase domestic financing, including through improved taxation and health insurance efforts. An important catalyst that will require partnership is improving the monitoring of health financing through greater annual implementation of National Health Accounts and wider dissemination. In addition, countries must redouble efforts to promote national health insurance systems, including greater coordination with, and access to the resources of, the Global Fund; Gavi, the Vaccine Alliance; and the African Development Bank.

The Global Fund's Executive Director, Peter Sands, has famously referred to [the false dichotomy](#) between ending the epidemics and building health systems. Sands argued for a country-by-country approach to shifting resources from disease-specific priorities to building health systems as whole. The countries' domestic financing investments must be valued even as the call for increased domestic financing is stepped up. After all, in making these health system investments, countries are seeking the highest value for money, outcomes and impact.

And although we recognize that domestic funding has increased in recent years, the available funds are not enough to meet the needs laid out in the national strategic plans for health and for HIV, TB and malaria. Countries will need to raise and allocate more funding towards the health sector and to the three diseases. Countries can raise additional health financing by increasing tax revenues, budgetary reallocation (from low-priority expenditures) and debt relief (which frees up additional domestic resources that can be invested in health). All these depend on political will, hence the need for increased advocacy at the upcoming meetings in New Delhi and Addis Ababa.

Domestic financing remains a vision that we must support.

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