



Charting the future of financial sustainability in African health systems

On May 28, 2024, the Global Fund, in collaboration with the African Union (AU), Gavi, the Global Financing Facility for Women, Children and Adolescents (GFF), and the President’s Emergency Plan for AIDS Relief (PEPFAR), the African Union Development Agency-NEPAD (AUDA-NEPAD), the Southern African Development Community (SADC), the East African Community (EAC), the Bill & Melinda Gates Foundation (BMGF), and [ODI](#), co-hosted a side event at the Seventy-seventh World Health Assembly focused on financial sustainability.

The event featured a panel of representatives from government authorities in health and finance from several African countries, (Figure 1) including Côte d’Ivoire, Kenya, Nigeria, and Rwanda, who discussed their strategies for achieving long-term sustainability and managing transitions in their health systems. These discussions highlight the importance of innovative strategies, robust inter-ministerial collaborations, and the need for both donor and domestic resource mobilization.

Figure 1: Panel discussion of representative of African government bodies in health & finance



Earlier, we highlighted the [role of civil society](#) in advancing health financing and universal health coverage in Africa. In this article, we cover financial sustainability in health systems over two sections. In the first, we highlight the keynote address followed by the perspectives of donors. In the second, we focus on the key event of the panel discussion featuring representatives from various African government authorities in health and finance.

I. Charting the future of financial sustainability in health: A call to action

Opening Remarks by Her Excellency Minata Samate Cessouma



Her Excellency Minata Samate Cessouma, Commissioner for Health, Humanitarian Affairs, and Social Development at the African Union Commission, opened the session on the future of financial sustainability in health. She emphasized that robust health systems are crucial for achieving Africa's development goals as outlined in Agenda 2063. "Human resources are the key for development, and it is with this in mind that African leaders have adopted Agenda 2063 with aspirations that place the human being at the very heart of this particular reaction," Cessouma said.

Reflecting on the Abuja Declaration of 2001, where African leaders pledged to allocate 15% of their national budgets to health care, Cessouma noted the varying progress among countries. "Some countries have progressed in the right direction, yet some are lagging behind because they have not yet honored these commitments," she pointed out.

Cessouma also highlighted the establishment of the Africa Leaders Meeting (ALM) as "a renewed commitment from the heads of state and government of the union to prioritize health financing." This initiative aims to mobilize resources and ensure accountability in health investments.

Donor Perspectives: Supporting the transition

Representatives from major donor organizations provided their perspectives on supporting Africa's journey towards health financing sustainability.



Dr. Mamadi Yilla, Deputy Assistant Secretary for Health Diplomacy at the US State Department, highlighted the importance of sustainable health financing. "HIV/AIDS is not just a health threat; it is an economic and security threat," Yilla noted, urging that the successes in combating HIV/AIDS must not be forgotten. He emphasized that transitioning from donor financing should be seen as transforming and institutionalizing efforts within countries' health systems. "We are committed to ensuring sufficient and efficient financing for health critical to economic development, achieved incrementally and sustainably," he added.



Peter Sands, Executive Director of the Global Fund, stressed the need for African countries to gain control over their health destinies. "The key to sustainability and health sovereignty is having control of the money, and you control the money best when it's your own," Sands asserted. He noted that donor support cannot last forever and that African nations must develop long-term strategies for transitioning funding responsibilities. "There is no single solution that works for everyone, but together, we have to make this work," Sands concluded.



Dr. Juan Pablo Uribe, Global Director for Health, Nutrition, and Population at the World Bank emphasized the bank's commitment to universal health coverage (UHC) and the importance of political priority in health investments. "Investing in health is one of the most effective ways of building human capital," he said, underscoring the need for efficient, effective, and sustainable health financing. He acknowledged the complex challenges faced by health systems and reiterated the World Bank's support for structural health system reforms to achieve UHC.

II. Perspectives of African government representatives on transitioning from donor support

Kenya – legislative anchors and community health initiatives

Susan Nakhumicha Wafula, Kenya's Cabinet Secretary for Health, noted, "Kenya is on a transition path." While acknowledging that the process, while beneficial, comes with its challenges, she noted that "the process to transition is not as good or as smooth as a country would want it to be." Legislative reforms are central to this transition, with new laws anchoring healthcare operations. The Cabinet Secretary highlighted, "We have come up with legislation to anchor all operations into law." This has led to four new Acts of Parliament—the [Primary Health Care Act](#), [Digital Health Act](#), [Facilities Improvement Financing Act](#), and [Social Health Insurance Act](#)—aimed at transforming the healthcare sector.



"By empowering community health promoters with technology and basic medical tools, we are fostering a culture of prevention rather than cure."

- Susan Nakhumicha Wafula
Kenya's Cabinet Secretary for Health

Kenya is committed to bringing services closer to marginalized communities. Over 100,000 community health promoters, equipped with smartphones and basic testing kits, promote healthy living and disease prevention at the community level. This preventive care approach is crucial for managing costs and improving health outcomes.

Historically, Kenya's healthcare financing has been fragmented by vertical programs and siloed investments. To address this, Kenya is moving towards a more integrated healthcare model. This involves establishing three funds under the Social Health Authority: The Primary Health Care Fund for free primary services, the Social Health Insurance Fund for contributory secondary services, and the Emergency Chronic and Critical Illness Fund for critical illnesses. The goal is to optimize resource utilization and achieve comprehensive healthcare coverage by breaking down silos and fostering collaboration.

Rwanda – a success story in community-based health insurance

Dr. Sabin Nsanzimana, Rwandan Minister of Health, shared critical insights on health financing sustainability. He emphasized the need for swift action to reduce disease burdens. “The best way to sustain our health systems is to act quickly to reduce the burden of diseases,” he said. Using malaria as an example, he noted, “Three days delay can cost a life just because you haven’t prevented the case or delayed treatment.”

Dr. Nsanzimana criticized the imbalance between policy discussions and implementation, suggesting a shift in focus.



"We spend a lot of time on policy discussions—maybe 80%—and only 20% on implementation. We should reverse this, maybe spend 10% on policies and 90% on implementation."

- Dr. Sabin Nsanzimana
Rwandan Minister of Health

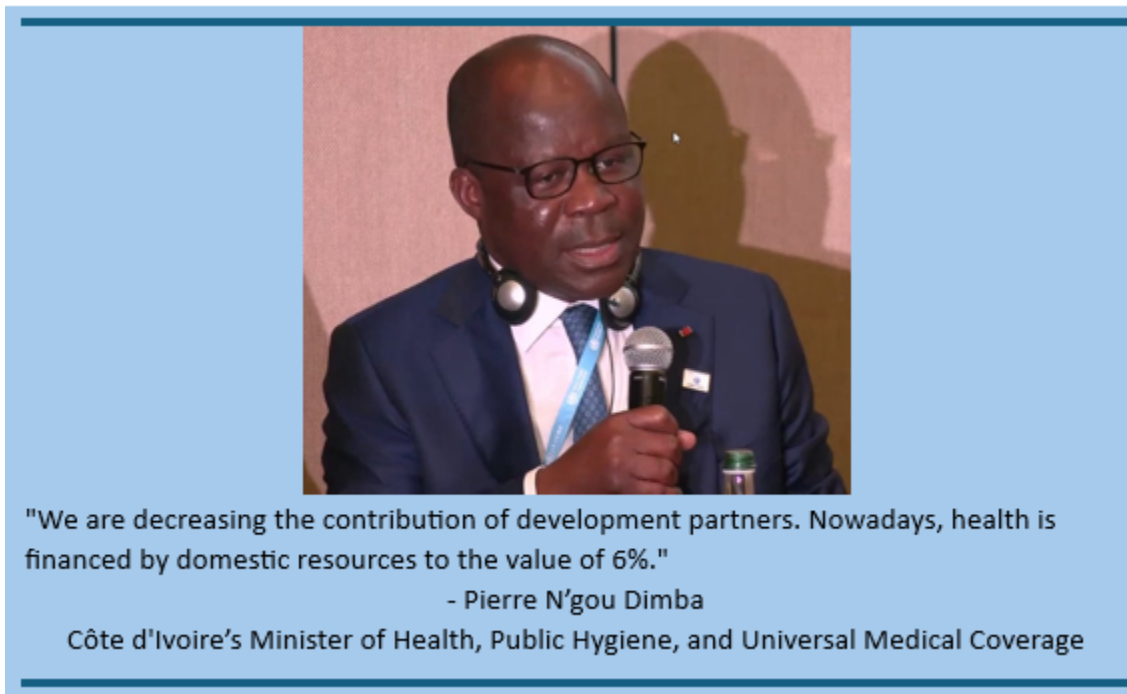
He highlighted Rwanda’s National Health Insurance Scheme as a success story. Reflecting on its 25-year evolution, he said, “It started as a post-genocide pilot model and has become a positive force for our healthcare system and economy.” The scheme addresses geographic and financial barriers to healthcare, ensuring even the poorest have access to essential services, supported by government and donors.

Dr. Nsanzimana concluded by stressing the importance of shared experiences and continuous improvement. “We are curious to learn from anyone and share our experiences. Our President Paul Kagame has championed this at the African Union, and we will continue to support this initiative.” His remarks underscored the need for swift action, comprehensive insurance models, and adaptive strategies to achieve sustainable health financing.

Côte d’Ivoire – progress and challenges in health financing

Côte d'Ivoire is making strides towards sustainable health financing, according to Pierre N'gou Dimba, Minister of Health, Public Hygiene, and Universal Medical Coverage. He highlighted the challenge of mobilizing more resources for healthcare, noting, "The difficulty lies in convincing decision-makers that we must do more for health." Despite nearly 15 years of strong economic growth, Côte d'Ivoire faces significant challenges, including climate change. The Abuja Declaration targets 15% of the national budget for health. "Each year, our health budget rises by 3% to keep up with population growth. We're not yet at 15%, but it's growing steadily."

Minister Dimba noted a shift towards domestic financing, which aims to reduce reliance on external partners and increase domestic investment.



To coordinate health financing, Côte d'Ivoire has established a national platform with partners like GFF, the World Bank, and the World Health Organization. "This platform allows us to coordinate various financing and funding sources effectively," said Dimba. The government has also adopted performance-based financing to improve health outcomes. "We have a strategy to reduce pressure on public spending and achieve the right results," he added.

Since 2014, Côte d'Ivoire has adopted universal health coverage to increase solidarity and ensure inclusivity, especially for vulnerable populations. "Universal health coverage concerns everyone and necessitates more solidarity," said Dimba. The goal is to reduce the financial burden on households, targeting a 20% contribution by 2030.

Minister Dimba emphasized the importance of governance and innovation in healthcare, particularly

through digitalization. “The digitalization of our hospitals has substantially increased resources, showing that we are on the right path,” he affirmed. His remarks underscored the need for innovative solutions and effective resource management to achieve sustainable health financing.

Tanzania – enhancing inter-ministerial collaboration

Rished Bade, Commissioner for External Finance at Tanzania’s Ministry of Finance and Planning, highlighted the country’s collaborative approach to health financing. He emphasized the critical cooperation between the Ministry of Health and the Ministry of Finance to ensure sustainable financing mechanisms. “We need to have a sustainable financing mechanism for the health sector,” he stated.

Tanzania is transitioning from donor-funded budgets to domestic resource financing as it moves from low-income to middle-income status. “Our budget was significantly funded by donors, but now we’re shifting towards domestic resource financing,” Bade explained. This shift is supported by Public Finance Management (PFM) systems, aiding in resource forecasting and budget allocations. A key area of collaboration is policy formulation, especially for universal health insurance.



"We work closely on budgeting processes and prioritizations to ensure the health budget is funded."

"The Ministry of Finance was crucial in identifying the resource envelope and tax policies to make universal health insurance a success."

- Rished Bade

Commissioner for External Finance at Tanzania's Ministry of Finance and Planning

Monitoring and evaluation are also central to Tanzania’s strategy. “We have quarterly and semi-annual meetings to review budget implementation and ensure efficient use of resources,” he said. This system supports the Ministry of Health in its initiatives and involves global partners like the Global Fund and Global Financing Facility (GFF).

Digitalization has significantly improved treasury management within the health sector. “We’ve digitalized the health sector, connecting grassroots information to the Ministry of Health,” Bade stated. This integration allows for better monitoring of payments and financial flows, ensuring transparency and efficiency. “We can now monitor the payment system and share financing between the Ministry of Health and local governments,” he added.

Bade concluded by highlighting the success of Tanzania’s collaborative efforts in health financing. “Through this interaction, we’ve agreed on how to share financing effectively,” he affirmed. Tanzania’s experience underscores the importance of collaboration, digitalization, and strategic policy formulation in achieving sustainable health financing.

Nigeria – the journey towards Universal Health Coverage

Nigeria is currently undergoing significant reforms in its health financing landscape, with the aim of reducing the high out-of-pocket expenditure on healthcare. Dr. Kelechi Ohiri, the Director General of the National Health Insurance Authority, highlighted the data, “Nigeria faces a challenge with high out-of-pocket expenditure, accounting for about 70% to 80% of healthcare spending, leading to health poverty.” The transition to a national health insurance model is a strategic response to address this issue by pooling risks and resources.

At the core of this transformation is the National Health Insurance Authority (NHIA), which was established in 1999 and revamped in 2022. The NHIA now mandates insurance coverage and seeks to integrate various schemes across the federal system to enhance financial protection. The government’s commitment includes allocating 1% of consolidated revenue to primary care, equivalent to roughly \$100 million annually. This funding has already extended coverage to over two million people, with plans to include another one or two million in the upcoming years.

Sustaining these health reforms depends on effective legislation. This legal framework ensures the durability and scalability of health initiatives, irrespective of political changes.



"We have adopted a coherent, programmatic approach anchored in legislation that establishes the Basic Health Care Provision Fund, ensuring its continuity regardless of changes in leadership."

- Dr. Kelechi Ohiri

Director General of the National Health Insurance Authority of Nigeria

Moreover, Nigeria is exploring innovative financing mechanisms such as the “debt for health swap” and blended financing instruments to mobilize additional resources. This strategy not only addresses immediate financial needs but also aims to foster long-term sustainability by involving the private sector in healthcare investments.

Mozambique – taxation and social insurance

Mozambique is embarking on ambitious endeavors to bolster its healthcare financing, as discussed by Dr. Sérgio Seni, Deputy National Director for Medical Assistance at Mozambique’s Ministry of Health. He outlined the government’s proposal to introduce specific taxes and health insurance to augment health financing. He noted, “Yes, it’s true that Mozambique health financing strategies propose tax on unhealthy product and a social health insurance as option to increase health financing.” Dr. Seni stressed the importance of collaboration between the Ministry of Health and the Ministry of Economy and Finance for effective allocation of these resources. This collaboration aims to achieve a dual benefit: reducing the disease burden and generating additional resources for the health sector.

Another significant initiative is the proposal to launch a social health insurance scheme. Dr. Seni stressed the importance of careful planning in this endeavor.



"Successful social health insurance requires careful planning to ensure that the scheme is able to provide wide coverage to the population."

- Dr. Sérgio Seni

Deputy National Director for Medical Assistance at Mozambique's Ministry of Health

This is particularly challenging given that “7% of the Mozambicans labor force work in the informal sector.” He underscored the need to involve all relevant stakeholders in developing a roadmap for the design and implementation of social health insurance. Dr. Seni’s insights reflect Mozambique’s commitment to enhancing healthcare financing through innovative taxation and social health insurance strategies, aiming to ensure improved healthcare access and quality for all citizens.

Conclusion

The discussions among these African nations reveal a common thread: the need for innovative, integrated approaches to health financing. By leveraging legislative frameworks, community-based initiatives, and strong inter-ministerial collaborations, countries like Côte d'Ivoire, Kenya, Mozambique, Nigeria, Rwanda, and Tanzania, are making significant strides towards sustainable health financing. These efforts not only improve healthcare delivery but also ensure that resources are used efficiently, ultimately leading to better health outcomes for their populations. The shared experiences and strategies highlight the potential for African nations to achieve financial sustainability in health, providing a model for other regions facing similar challenges.

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