



CONCEPT NOTE

High Level Meeting on Domestic Financing on the margins of the AU Summit Sheraton Hotel, Addis Ababa, Ethiopia

Friday, February 14, 2025 [Sheraton Hotel]

1. Background

Africa stands at a pivotal moment in its development journey, where prioritizing health financing can unlock immense potential for growth and resilience. The global economic landscape has evolved significantly, influencing not only international markets but also the prospects for health financing in Africa. As traditional donor countries recalibrate their financial commitments, often prioritizing climate action and global public goods, the need for a robust and self-sufficient health financing model in Africa has become more urgent than ever. The Africa Centres for Disease Control and Prevention (Africa CDC), AUDA-NEPAD, and the Africa Medicines Agency (AMA) are central to advancing Africa's health financing agenda.

Amid these global shifts, the Africa Centres for Disease Control and Prevention (Africa CDC) is stepping up as a pivotal player advocating for Africa's active participation in global health financing reforms. As high-income countries grapple with their own financial dilemmas, there's a resulting dip in their health spending abroad, including African nations. This downturn places a spotlight on the importance of domestic financing as a reliable pillar to sustain health initiatives within the continent.

Africa CDC supports Member States to unlock and optimize locally available resources for health. These initiatives include technical assistance to strengthen fiscal systems, mobilize new domestic resources, and improve their allocation for health priorities. Additionally, the Africa Epidemic Fund serves as a critical mechanism for mobilising domestic resources to enhance the continent's preparedness and response to health emergencies. By engaging Member States and promoting collective action, the Fund aims to ensure sustainable financing for pandemic prevention and response efforts.

While Africa CDC advocates for Africa's active participation in global health reforms, AUDA-NEPAD, under the mandate entrusted by the AU Champion on Domestic Health Financing, H.E. President Paul Kagame, plays a central role in advancing the implementation of ALM-Investing in Health Declaration. As the lead agency for its technical implementation, AUDA-NEPAD has spearheaded two transformative interventions:

- i. **Operationalizing Regional Health Financing Hubs across the continent, which are now functional in three regions** (EAC, SADC, WAHO) and under development in two additional regions (IGAD, ECCAS).
- ii. **Coordinating private sector engagement and investment in health financing**, fostering sustainable partnerships to drive innovation, investment, and transform Africa's Health Economy.



The ALM Declaration provides a comprehensive framework for advancing health financing reforms in Africa. It aims to strengthen domestic health financing by establishing political and technical mechanisms, encouraging countries to increase investments annually while ensuring mutual accountability in achieving shared goals.

Drawing on lessons from implementing the ALM agenda in nine ALM countries (**Rwanda, Malawi, Zambia, Mozambique, Mauritius, Burundi, Kenya, Tanzania, and Zimbabwe**), a critical need emerged for a comprehensive mechanism to attract investments in Africa's health sector. In response, AUDA-NEPAD launched the Programme for Investment and Financing in Africa's Health Sector (PIFAH) during the inaugural BOMA@UNGA, held alongside the September 2024 UN General Assembly.

The global health financing agenda, particularly the G20 "Debt for Health Swap" mechanism, will also be explored as a strategic opportunity for African countries. This initiative offers a dual advantage by reducing debt burdens while increasing resources dedicated to health system financing. Integrating this mechanism into the discussions will align Africa's domestic priorities with global health financing trends. AUDA-NEPAD's **Programme for Investment and Financing in Africa's Health (PIFAH)** builds on the ALM Declaration, underscoring the urgency of sustainable and innovative domestic health financing. It focuses on attracting private capital and aligning development partners and the private sector to achieve Universal Health Coverage (UHC). PIFAH's mission is to **Transform Africa's Health Economy** by mobilising investments, diversifying financing streams, fostering and enabling national policy reforms. The programme facilitates capacity building and transaction advisory to implement priority health investment projects that enhance healthcare delivery, expand the tax base, and increase fiscal space for sustainable health financing.

Furthermore, the status of implementation of the Abuja Declaration, where AU Member States pledged to allocate at least 15% of their national budgets to healthcare annually, will be reviewed. This discussion will highlight gaps, challenges, and opportunities to reinvigorate commitments toward achieving this target.

Similarly, Africa CDC continues to play a leadership role in the mobilisation of local resources to support national health systems. Special attention will be given to evaluating current trends in Official Development Assistance (ODA) for African countries. This evaluation will include recommendations to enhance its alignment with domestic priorities and explore strategies to make ODA a complementary resource for unlocking local investments.

The African Medicines Agency has recently been established and their full operationalization will ensure that Africa has the adequate regulatory framework for medicines, vaccines and technology.

Therefore, as global dynamics push for reform and innovation, the spotlight falls on Africa to redefine its health financing strategies - embracing adaptability, regional collaboration, and self-reliance as guiding principles for a healthier, economically stronger future.



2. Need for domestic financing

The experience from the COVID-19 pandemic highlights the importance of adopting flexible health systems ready to respond to unforeseen crises. Countries must build on this experience, investing in domestic health infrastructure and capacity building to ensure rapid and effective responses to future health challenges. Strengthening the skills and resilience of health workers becomes a cornerstone in this effort. In addition, the ongoing Mpox epidemic underscores the urgency of creating robust, sustainable funding mechanisms to address persistent and emerging health threats.

The fluctuating availability of external funding—whether due to shifting donor priorities or global economic contractions—further emphasizes the need for domestic financing as a reliable alternative. Mechanisms like the G20 "Debt for Health Swap" provide strategic opportunities to alleviate fiscal constraints while unlocking resources for critical health investments

The fluctuating availability of funding - either as a result of shifting donor priorities or economic contractions - can hinder efforts to build effective responses against pressing health threats, including the ongoing Mpox epidemic. Consequently, Africa CDC must innovate and adapt, leaning heavily on domestic resources to secure the foundation for future health security.

Domestic financing can truly reshape health institutions in Africa. It goes beyond just monetary support; it's about crafting a resilient infrastructure capable of withstanding future challenges. Local investments not only provide the necessary financial lifeline but also leverage local insights to tailor health systems more effectively. For example, the Africa Epidemic Fund serves as a critical platform for mobilizing domestic resources and ensuring preparedness for pandemics through collaborative efforts across the continent. This dual approach ensures that external shocks, like economic downturns or global health crises, find a continent that is both prepared and proactive.

By emphasizing the importance of self-reliance, Africa CDC, AUDA-NEPAD and AMA encourages AU member states to increase domestic investments in health sectors, transforming challenges into opportunities for growth. Reinvigorating commitments to the Abuja Declaration, particularly the pledge to allocate at least 15% of national budgets to health, is central to this effort. These strategic adaptations are vital for maintaining agility and responsiveness, enabling the Africa CDC to navigate both current and future economic uncertainties with a resilient health strategy framework. It is also important to leverage the emerging trend of partnerships between governments and the private sector. These collaborations often involve innovative financing mechanisms that create sustainable funding streams and foster investments in health systems. Private sector engagement, particularly through public-private partnerships (PPPs), has shown potential to mobilize capital and drive innovations that improve health outcomes.



As AU health institutions continue to evolve and adapt, the emphasis is on tapping into local resources to serve as catalytic funding to unlock external support for comprehensive, continent-wide health advancements. Harnessing the power of local resources involves a shift in perspective - from predominantly relying on foreign aid to generating and managing funds within the continent itself with external funding serving as complementary resources. This paradigm shift ensures that Africa's health systems are not only surviving but thriving, paving the way for self-reliance and resilience in the face of future global and regional health challenges.

3. The High-Level Meeting on domestic financing

The High-Level meeting will bring together Heads of State, Health Ministers, Finance Ministers, African and Global Philanthropies, Financiers and Investors, Partners, Privet Sector and other key stakeholders to discuss actionable strategies to enhance domestic investment in health systems and align partner investment in the health sector with continental priorities. In addition to fostering commitments from stakeholders, the meeting will also provide a platform to evaluate the implementation status of the Abuja Declaration, reigniting the pledge by AU Member States to allocate at least 15% of their national budgets to health. The event also aims to build momentum for greater commitments from African leaders, the private sector, and international partners. Discussions will explore opportunities to mobilize resources through innovative mechanisms such as the Africa Epidemic Fund and promote public-private partnerships (PPPs) to drive sustainable investments in health systems.

The **High-Level Meeting** will take place in **Addis Ababa at the Sheraton Hotel** on the **14th of February 2025**. To ensure inclusivity and effectiveness, provisions have been made to facilitate the participation of key stakeholders, including support for travel and daily subsistence allowances (DSA) for special assistants of Ministers of Finance and Health.

4. Structure of the High-Level Meeting

The High-level meeting is structured into two sessions.

Session1 [14:00 – 14:45]: The first will be a closed session for Heads of State and Government along with selected partners. The meeting will be chaired by the President of Rwanda and the list of participants will be handled by the Government of Rwanda. This session will last no more than 45 minutes. Heads of State and Government will make commitments toward ensuring sustainable financing for Health and invite selected partners to also show commitment to complement member states' contribution toward health care in Africa and financing Africa CDC, AUDA-NEPAD and AMA. The agenda for this closed meeting will be determined by the Government of Rwanda.

Session 2 [14:50 – 16:20]: The second session will be open to all Minister of Health and Finance from AU member states. In addition, this session will be open to all partners of Africa CDC, AUDA-NEPAD and AMA. Heads of State and Government will grace this meeting, but only for the first 20 minutes, and the agenda will continue after they have been excused. The agenda for this meeting will be determined by Africa CDC, AUDA-NEPAD and AMA. The second session is anticipated to last 90 minutes and will take place right after the closed door meeting ends.



5. General Objective

To strengthen domestic health financing mechanisms in Africa by fostering high-level political commitment, driving country-led investments, aligning partner contributions with continental health priorities, and mobilizing diverse resources to build sustainable, resilient, and innovative health systems across the continent.

6. Specific Objectives

- a) To present to African Heads of State, Government representatives, and stakeholders the first investment case for Africa CDC, alongside AUDA-NEPAD's targeted interventions through PIFAH and Regional Health Financing Hubs, and AMA's strategic priorities.
- b) To secure commitments from African leaders and partners for increased investment and funding to Africa CDC, AUDA-NEPAD, and AMA, advancing sustainable health financing across the continent.
- c) To align member state and partner investments, including private sector and philanthropic contributions, with Africa's health priorities to achieve transformative outcomes.
- d) To launch the Africa CDC scorecard as a key monitoring and accountability tool for health outcomes in the continent, providing progress updates to African Heads of State, Government representatives, and donors.

Expected Outcomes

1. Strengthened political commitment from AU Member States to increase domestic health financing and support African Union health institutions.
2. Defined and actionable commitments from stakeholders to advance the strategic objectives of Africa CDC, AUDA-NEPAD, and AMA.
3. Enhanced partnerships between governments, the private sector, philanthropies, and development partners to drive sustainable and innovative health financing solutions across the continent.

Annexes

- Agenda
- List of participants