

# Financial Sustainability in Healthcare in Sub-Saharan Africa: A Perspective on Achieving Financial Sustainability for HIV/AIDS Response

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# 1. Executive Summary

The challenge of achieving financial sustainability for healthcare in Sub-Saharan Africa is at a critical juncture, especially in the context of the HIV/AIDS response. The region faces limited domestic resources, fluctuating international aid, and a heavy burden of HIV. This report focuses on actionable strategies to build resilient healthcare systems that can sustain progress in HIV prevention and treatment. Despite significant advancements, Sub-Saharan Africa remains the epicenter of the global HIV epidemic, requiring a continuous, comprehensive approach to care. The report highlights the urgent need for diversified funding sources, innovative financing mechanisms, and greater community involvement to overcome the financial challenges facing healthcare systems in the region.

Currently, health expenditure in most Sub-Saharan countries lags the Abuja Declaration target of 15% of GDP, with out-of-pocket payments constituting a large portion of health financing and a heavy reliance on donor funding. While some countries, like Kenya, have made strides in increasing domestic financing for HIV programs, others, such as Ghana, continue to depend heavily on external support. The report identifies several challenges to financial sustainability, including insufficient domestic resources, a declining trend in donor funding, inadequate healthcare infrastructure and workforce capacity, and a fragmented policy and regulatory environment that hinders efficient resource allocation.

To address these challenges, the report proposes several key policy recommendations. First, it calls for the diversification of funding sources through public-private partnerships, social impact bonds, and levies on luxury goods to increase domestic resource mobilization. It also advocates for the integration of HIV services into primary healthcare to maximize resource utilization and improve service delivery. Strengthening healthcare infrastructure and workforce capacity is another priority, with a focus on enhancing healthcare facilities, providing training for healthcare workers, and improving data management systems for efficient resource allocation. Additionally, the report emphasizes the importance of regional collaboration to foster shared learning, resource sharing, and pooled procurement initiatives.

Innovative financing mechanisms are also explored, including bond sales in capital markets, international transaction taxes, diaspora bonds, and trademark-based fundraising to supplement traditional funding sources. The report advocates for pooled procurement to increase purchasing power and efficiency in acquiring health products. Localization policies are encouraged to promote greater ownership of healthcare programs by local communities through tailored local policies and enhanced local capacity for HIV prevention and treatment initiatives.

The report outlines a comprehensive theory of change, detailing short-term, medium-term, and long-term outcomes necessary to achieve a fully sustainable healthcare system that meets both current and future health needs. The conclusion is clear: achieving financial sustainability for HIV/AIDS response in Sub-Saharan Africa requires a multi-faceted approach. By diversifying funding sources, strengthening healthcare infrastructure, integrating HIV services into primary healthcare, and enhancing regional collaboration, Sub-Saharan countries can build more resilient healthcare systems, reduce dependency on external funding, and improve health outcomes for their populations. These recommendations are intended to guide policymakers, stakeholders, and healthcare leaders in developing sustainable financing solutions that support long-term health and development goals in the region.

## 2. Introduction

Achieving financial sustainability in healthcare systems is a critical challenge for Sub-Saharan countries, particularly in the realm of HIV prevention and treatment. Despite significant progress over the past few decades, the HIV epidemic remains a persistent public health issue in this region, which bears the highest burden of HIV infections globally. The financial strain on healthcare systems is exacerbated by limited domestic resources, fluctuating international aid, and the need for continuous, comprehensive care for individuals living with HIV.

This policy brief outlines a set of comprehensive recommendations aimed at enhancing the financial sustainability of healthcare systems in Sub-Saharan Africa. The strategies proposed include diversifying funding sources through increased domestic resource mobilization, leveraging public-private partnerships, and optimizing the use of international aid. Furthermore, increasing localization of intervention for greater ownership and community involvement, implementing cost-effective interventions, such as integrating HIV services into primary healthcare, maximizing resource utilization, and improving service delivery.

Strengthening healthcare infrastructure, enhancing workforce capacity, and improving data management systems are also crucial components of a financially sustainable healthcare framework. Efficient resource allocation and effective service delivery depend on robust infrastructure and a well-trained workforce. Additionally, promoting policy coherence and fostering regional collaboration can enhance shared learning and resource sharing among countries, creating a more resilient and integrated approach to tackling the HIV epidemic.

By adopting these multi-faceted recommendations, Sub-Saharan countries can build more resilient and financially sustainable healthcare systems. These improvements will ultimately lead to better quality and accessibility of HIV prevention and treatment services, significantly impacting public health outcomes in the continent. This policy brief aims to provide evidence-based strategies that policymakers and stakeholders can utilize to address the ongoing challenges in financing HIV-related healthcare services and ensure long-term sustainability and effectiveness.

## 3. Why focus on HIV/AIDS?

The study chose to focus on HIV/AIDS prevention because of the multifaceted effects of this disease on society, economy, and development. Below are some significant ways in which HIV/AIDS impacts development.

### Social Impact

HIV/AIDS-related deaths often result in orphaned children who face challenges such as the loss of parental care, education disruption, and increased vulnerability to poverty and exploitation. People living with HIV/AIDS frequently encounter stigma and discrimination, leading to social exclusion, reduced access to healthcare and employment opportunities, and hindering efforts to prevent and treat the disease effectively. Additionally, HIV/AIDS can disrupt social networks and community structures, weakening social cohesion and support systems (Boutayeb, 2009).

## Health Impact

The high prevalence of HIV/AIDS can overwhelm healthcare systems, leading to increased strain on resources, longer waiting times, and decreased quality of care for both HIV/AIDS patients and those with other health conditions. HIV/AIDS is often accompanied by other infections and diseases, such as tuberculosis and opportunistic infections, further burdening healthcare systems and exacerbating health disparities. Furthermore, HIV/AIDS can lead to inter-generational health effects, with children born to HIV-positive mothers at risk of being infected themselves or experiencing health complications due to HIV exposure (Iwelunmor & Grigsby-Toussaint, 2018; Boutayeb, 2009).

## Economic Impact

HIV/AIDS can lead to a significant loss of productivity as individuals become ill, unable to work, or die prematurely. This loss affects the workforce and household income, thereby decreasing overall economic output. Additionally, both governments and households often must allocate a substantial portion of their budgets to healthcare expenses related to HIV/AIDS treatment and care, diverting funds away from other critical development priorities. Certain industries, such as agriculture and tourism, may be particularly affected by HIV/AIDS due to the high prevalence of the disease in rural areas and its impact on labor availability and productivity (Iwelunmor & Grigsby-Toussaint, 2018).

## Development Goals

HIV/AIDS can impede progress toward achieving various development goals, including those related to poverty reduction, education, gender equality, and healthcare access. The disease can also exacerbate existing inequalities, disproportionately affecting marginalized populations such as women, children, and key populations including sex workers, men who have sex with men, and injecting drug users (Boutayeb, 2009).

Overall, HIV/AIDS poses significant challenges to development efforts, requiring comprehensive strategies that address both the health and socio-economic aspects of the epidemic. Efforts to combat HIV/AIDS must include prevention, treatment, care, and support interventions, as well as broader initiatives aimed at addressing the underlying social determinants of health and promoting sustainable development.

## An evidence-based approach to reducing HIV/AIDS prevalence rates.

Despite governments allocating funding for HIV/AIDS, it remains low. There is an overreliance on donor funding, which is declining due to transition issues for some countries related to changes in income status and the global funding landscape (WHO, 2019a: 2023; Gruener et al, 2019) HIV/AIDS is yet to be fully integrated into Domestic Resource Mobilisation and financing mechanisms, such as government budgets and health insurance schemes, including social health insurance and private insurance. Additionally, advances in treatment have changed the nature and longevity of people with AIDS, necessitating both low-end and more complicated, expensive treatments. This creates a dilemma about which services and treatments to include in health benefits packages, especially for health insurance coverage, and how to pay providers.

The multifaceted response to HIV/AIDS requires coordination, including considerations on funding services and interventions at the community level. There is often reluctance to use government funding to finance community and civil society organisation (CSO)- led interventions. Government finance regulations may not permit the use of public funds to support the outsourcing of services through CSOs, especially in the wake of donor funding transition or decline. The World Health Organization (WHO) advocates for a comprehensive approach to reducing the prevalence of HIV/AIDS in countries in Africa. Some key strategies recommended by WHO include:

1. **Prevention programmes:** Implementing comprehensive prevention programmes that target key populations at higher risk of HIV transmission, including sex workers, men who have sex with men, injecting drug users, and transgender individuals. These programmes may include promoting condom use, promoting access to HIV testing, and counselling services, providing harm reduction services for injecting drug users, and offering pre-exposure prophylaxis (PrEP) for individuals at high risk of HIV infection.
2. **Scaling up Testing and Treatment:** Expanding access to HIV testing and counselling services to ensure that people living with HIV are aware of their status and can access treatment and care services. This includes implementing routine HIV testing as part of healthcare services and offering provider-initiated testing and counselling in various settings. Additionally, scaling up access to antiretroviral therapy (ART) for all people living with HIV, regardless of CD4 count, is crucial to achieving viral suppression and reducing transmission.
3. **Promoting Behaviour Change:** Implementing behaviour change interventions aimed at reducing risky sexual behaviours, such as multiple sexual partners and inconsistent condom use. These interventions may include community-based education and awareness campaigns, peer-led outreach programmes, and promoting gender equality and empowerment of women and girls.
4. **Addressing Social and Structural Determinants:** Addressing social and structural factors that contribute to the spread of HIV, including poverty, gender inequality, stigma and discrimination, and barriers to accessing healthcare services. This may involve implementing policies and programmes that promote social justice, and human rights, legalising and regulating prostitution, and access to education and economic opportunities for vulnerable populations.
5. **Ensuring Access to Integrated Services:** Strengthening health systems to ensure that people living with HIV have access to comprehensive and integrated HIV services, including HIV testing and counselling, ART, tuberculosis (TB) screening and treatment, sexual and reproductive health services, mental health support, and other essential healthcare services.
6. **Community Engagement and Empowerment:** Engaging communities and involving people living with HIV in the design, implementation, and monitoring of HIV programmes. This includes promoting community-led initiatives, supporting peer support networks, and empowering communities to advocate for their rights and access to services.

By adopting a combination of these strategies and tailoring them to the specific context and needs of each country, WHO believes that countries in Africa can make significant progress in reducing the prevalence of HIV/AIDS and achieving the goals outlined in the global HIV/AIDS response. Development donors employ various indicators and criteria to assess whether a country or programme is ready to graduate from donor

financial support. These indicators typically focus on the country's economic, social, and institutional capacities, as well as the sustainability of development outcomes.

## 4. Methodology

The paper at hand is a mixed methods approach, it used secondary data collected from various sources to ensure a comprehensive analysis. These sources included reports and datasets from international organisations such as the World Health Organization (WHO), USAID, the United Nations Programme on HIV/AIDS (UNAIDS), and the World Bank. Additionally, national health and finance ministry publications from the Sub-Saharan countries were examined to gain insights into local contexts and strategies. Publications and reports from NGOs actively working in HIV prevention and treatment in the region were also included to provide a diverse perspective. Furthermore, peer-reviewed articles from academic journals specialising in public health, health economics, and HIV/AIDS research were reviewed to ensure the latest research findings and theoretical perspectives were included.

A thorough literature review was conducted using academic databases such as PubMed, JSTOR, and Google Scholar to supplement the secondary data. The literature search focused on topics such as financial sustainability in healthcare systems, effective HIV prevention and treatment strategies, funding mechanisms, and resource allocation in healthcare. Additionally, case studies and best practices from Sub-Saharan Africa were reviewed to identify successful models and innovative approaches that could be adapted or scaled up.

The collected data were analysed using thematic analysis to identify key themes and patterns relevant to financial sustainability and HIV prevention and treatment. Major emerging themes included funding sources, cost-effective interventions, healthcare infrastructure, policy coherence and regional collaboration. Specifically, the analysis examined different funding mechanisms such as domestic resource mobilisation, public-private partnerships, and international aid. It also evaluated strategies for integrating HIV services into primary healthcare and utilising innovative technologies to enhance efficiency and effectiveness.

A comparative analysis was conducted to compare different funding models and financial sustainability strategies across Sub-Saharan countries. This analysis aimed to identify successful case studies and best practices that could serve as models for other countries in the region. By comparing various approaches, the analysis highlighted the strengths and weaknesses of different strategies and provided insights into factors that contribute to their success or failure.

The findings from the thematic and comparative analyses were synthesised to develop comprehensive recommendations aimed at enhancing financial sustainability in healthcare systems in Sub-Saharan countries. These recommendations focused on diversifying funding sources through increased domestic resource mobilisation and public-private partnerships, optimising the use of financial resources, and implementing cost-effective interventions. Specific strategies included integrating HIV services into primary healthcare, utilising innovative technologies, strengthening healthcare infrastructure and workforce capacity, and improving data management systems for efficient resource allocation. Additionally, the recommendations emphasised the importance of promoting policy coherence and fostering regional collaboration to enhance shared learning and resource sharing among countries.

## 5. Current State of Health Financing

### Trends in global funding

Trends in health funding by income group reveal that out-of-pocket payments constitute a considerable portion of total health financing in low and lower-middle-income countries and to a lesser degree in upper-middle-income countries, 41% and 40% respectively (WHO, 2019a). The proportion of out-of-pocket spending within total current health expenditure indicates the extent to which a health system depends on household out-of-pocket payments for its financing (WHO, 2019a; 2019b). Out-of-pocket spending (OOPS) includes payments made directly by households to healthcare providers for health-related services and products. This encompasses private transactions (individual payments to private doctors and pharmacies), official patient cost-sharing (user fees or co-payments), and informal payments. OOPS can occur as an explicit part of policy, through market transactions, or both (WHO, 2019a).

In lower-income countries donor financing is another significant pillar of health revenue at approximately 28% of total health spending, however, this already drastically drops in lower-middle-income countries to 12% (WHO, 2019a). Countries defined as experiencing fast economic growth are those whose World Bank country income classification changed from low to lower middle or from lower middle to upper middle income and had a GDP per capita cumulative growth rate greater than 1.3 times, in real terms from 2000 to 2017 (WHO, 2019b).

In all 42 fast-growing economy countries, health spending increased in real per capita terms. On average across these countries, real health spending per capita grew by 2.2 x times and increased by 0.6 percentage points as a share of GDP from 2000 to 2017. For most, the growth of health spending was faster than that of GDP (WHO, 2019a).

### Health Expenditure in Sub-Saharan African countries:

Health expenditure in most Sub-Saharan African countries is below the threshold of 15% of their respective GDPs except South Africa. The brackets that were.

Year	2 % - 3 %	3 % - 4 %	4 % - 5 %	5 % - 6 %	> 6 %

2020	Djibouti, Benin, Angola	Sudan, Nigeria, Zimbabwe, Gabon, Ethiopia, Cote d'Ivoire, Tanzania, Cameroon, Equatorial Guinea, Madagascar, Uganda, Ghana	Guinea, DRC, Kenya, Mali, Rep. Congo, São Tomé and Príncipe	Senegal, S. Sudan, Comoros, Chad, Malawi, Zambia, Togo	Botswana, Niger, Seychelles, Burundi, Eswatini, Mauritius, Burkina Faso, Rwanda, Mozambique, Guinea-Bissau, South Africa, Sierra Leone, Namibia, Central African Republic, Liberia
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Source: World Health Organisation (2023)

According to the WHO (2010), the Abuja Declaration on Health is a commitment made by African Union (AU) member states in April 2001 to address the HIV/AIDS, tuberculosis, and other related infectious diseases crisis. It was made at a special summit in Abuja, Nigeria. The declaration's most notable aspect is the commitment by African governments to allocate at least 15% of their annual national budgets to improving the health sector. This was intended to ensure adequate resources for combating major health challenges, particularly HIV/AIDS, tuberculosis, and malaria. Moreover, it called for increased international assistance and collaboration in fighting these diseases, emphasising the need for global partnerships and support from developed countries and international organisations (Mburu et al., 2014). The declaration stressed the importance of making essential medicines more accessible and affordable for the populations affected by these diseases. The need to strengthen health systems, improve health infrastructure, and enhance the training and retention of healthcare professionals was emphasised. It included provisions for regular monitoring and evaluation of progress in achieving the set goals, ensuring transparency and accountability. The Abuja Declaration represents a significant political commitment to improving health outcomes across Africa, highlighting the importance of health in the continent's development agenda. However, the implementation of these commitments has varied across countries, with some making substantial progress and others facing challenges in meeting the 15% budget allocation target and improving health outcomes (WHO, 2010; Mburu et al., 2014).

## 6. Perspectives on Health-Programme Sustainability:

Gruen et al. (2008) delineated key aspects of sustainability, encompassing normative definitions, factors influencing sustainability, and targeted interventions.

### Normative Definitions of Sustainability:

Normative definitions of sustainability include the maintenance of health benefits, the continuation of health programmes, and the institutionalisation of these programmes within organisational systems. Additionally, they

encompass community capacity. Multidimensional definitions emphasise effective functioning, treatment coverage, integration into existing healthcare services, strong community ownership, and resource mobilisation by both the community and the government (Gruen et al., 2008)

## Factors Affecting Sustainability

Factors affecting sustainability encompass various aspects of programme design and implementation, including goals, duration, governance, financial arrangements, delivery mechanisms, and the involvement of local stakeholders. Additionally, attributes of the organisational setting, such as institutional effectiveness, integration with existing programs, leadership, and the presence of program champions, play a significant role. Broader environmental factors, including socioeconomic and political stability, community participation, market forces, and relevant laws, also influence sustainability (Gruen et al., 2008).

## Targets and Interventions to Promote Sustainability

To promote sustainability, interventions can be targeted at different levels. Individual-level interventions, such as education and training, aim to promote changes in knowledge, attitudes, beliefs, and behaviour. Organisational-level interventions involve changes in policies and practices to improve access and quality. Community action includes social initiatives to create partnerships and redistribute resources. System-level interventions focus on advocacy for legislative changes that affect the community, organisational, and individual levels of social organisation (Gruen et al., 2008; USAID, 2013).

## Planning for Financial Sustainability

Sustainability is the capacity of a system, organisation, or sector to endure and withstand changing circumstances over time while continuing its normal activities and fulfilling its mission. It encompasses self-sufficiency and the ability to maintain required economic growth and development resources. In specific contexts like health systems, sustainability involves managing the balance between unlimited needs and limited financial resources to ensure efficient and effective operations despite rising costs (Birch, 2014; Abuor, 2012; Klaus, 2010; Gruen et al., 2008; Göktan, 2008; Wang, 2010; Prada et al., 2014). Furthermore, sustainability in health systems refers to maintaining a dynamic balance of core values such as affordability, accessibility, acceptability, and quality. It ensures that adequate resources are available over the long term to provide timely access to quality health services that meet both current and future healthcare needs (Essink, 2012; BASYS et al., 2005).

Gruen et al. (2008) emphasise the importance of defining the components of a health programme and understanding their interactions in sustainability. Key considerations in planning for financial sustainability include defining the current and potential health concerns addressed by the programme, along with its design and implementation strategies. It is crucial to identify influential factors and stakeholders, such as funders, managers, policymakers, and community leaders, and to assess their motivations (USAID, 2013). Additionally, recognising the constraints and opportunities posed by the organisational setting, broader context, and resource availability is essential.

The interactions between components are crucial, and three key aspects are highlighted:

1. **Problem Definition:** Ensuring alignment between programme drivers and health concerns by documenting health issues, acknowledging them, incorporating beneficiary perspectives, and collecting data on health needs and programme effectiveness.
2. **Quality Cycle:** Aligning the programme with health concerns by ensuring evidence- based design, comprehensive programme indicators, mechanisms for capturing emerging knowledge, and programme flexibility to adapt to changes in health concerns or barriers.
3. **Political Economy:** Aligning the programme with its drivers by understanding stakeholder influence, assessing overall support for programme development, addressing negative influences, and establishing communication channels for informing stakeholders of changes and engaging them in necessary adjustments.

Furthermore, other important dimensions to consider are that of fiscal and economic sustainability, as resource constraints inhibit adequate financing due to government reluctance or inability to allocate sufficient resources to independently fund health initiatives. It is crucial to maintain a balance to prevent health expenditures from increasing as a proportion of GDP in a way that displaces spending in other sectors. While the current situation in many countries might differ, it is important to consider this issue in discussions and as a guiding principle for sustainable financing.

## 7. Comparative analysis of various country profiles

	Kenya	Ghana	Botswana	Namibia
Disease burden:	-	-	-	-
HIV prevalence	4.9%	1.67%	16.4%	8.3%
Number of newly infected	40,825	16,574	4,300	11,000
No of AIDS-related deaths	20,374	14,000	26,000	2,800

% of people who know their status	94%	63%	98%	95%
Economic indicators:	-	-	-	-
GDP	\$114.3 billion	\$67.5 billion	\$20.36 billion	\$12.91billion
Debt	56.4% to 68.4%	66.4%	18.5%	43%
Health insurance coverage	8.4% (statista, 2023)	70% (Statista, 2023)	17% (BMC health services, 2016)	80% (LHSS Project, 2023)
Government spending on:	-	-	-	-
Health	4.29%	3.99%	6.19%	8.9%
HIV/AIDS	36.4%	20%	74%	52%
Donor spending on	-	-	-	-
HIV	49.4%	53%	24%	30%

Assessing the preparedness of countries to fund their own HIV/AIDS programmes involves considering various factors such as economic indicators, fiscal policies, domestic resource mobilisation efforts, and the availability of external support. Based on the information provided, Kenya and Ghana demonstrate different levels of readiness to fund their HIV/AIDS programmes domestically.

Kenya has made significant strides in increasing domestic financing for HIV/AIDS programs, with a commitment to allocate 50% of the resource needs from domestic sources by 2025. Efforts such as program-based budgeting and capacity-building initiatives have contributed to increased budget allocations for health, including HIV care. While donor support remains significant, Kenya's initiatives to improve fiscal management and increase domestic funding indicate a growing readiness to fund its HIV/AIDS programs independently.

Ghana relies heavily on donor support for HIV/AIDS initiatives, with limited domestic resource mobilization efforts. Despite having a growing population and experiencing significant nominal GDP growth, Ghana faces challenges such as persistent fiscal deficits, high public debt levels, and inflationary pressures. The country's dependence on external financing to support healthcare, coupled with deficiencies in data collection and management for informed decision-making, suggests limited preparedness to fund its HIV/AIDS programs independently in the short to medium term.

Botswana has a relatively high GDP per capita compared to many other countries in sub-Saharan Africa, which could provide a stronger economic foundation for funding HIV/AIDS programs. The country has demonstrated political commitment to combating HIV/AIDS, and significant progress has been made in expanding access to HIV testing and treatment. However, Botswana still faces challenges such as limited domestic resources, high HIV prevalence rates, and historical dependence on donor funding for HIV/AIDS programs. Efforts to transition towards greater domestic financing for HIV/AIDS programs have been initiated, but the scale of the epidemic and capacity constraints in healthcare systems pose ongoing challenges.

Namibia also benefits from relatively higher GDP per capita compared to some neighbouring countries, providing a potentially stronger economic base for funding HIV/AIDS programs. The country has shown political will and commitment to addressing HIV/AIDS, and efforts have been made to expand access to HIV testing and treatment services. Like Botswana, Namibia faces limitations in domestic resources, high HIV

prevalence rates, and historical reliance on donor support for HIV/AIDS programs. Transitioning towards greater domestic financing for HIV/AIDS programs is challenging, particularly due to capacity constraints and competing priorities for government budgets.

Overall, Kenya appears to be more prepared to fund its own HIV/AIDS programs than Ghana, given its efforts to increase domestic financing and improve fiscal management. However, both countries may require continued support from development partners to address funding gaps and strengthen their healthcare systems for sustained HIV/AIDS response. Moreover, both Botswana and Namibia have made progress in addressing HIV/AIDS but still rely on donor support to some extent. While they have similar economic profiles, factors such as political commitment, healthcare infrastructure, and capacity to mobilise domestic resources may vary between the two countries. As such, it is essential to continue supporting efforts to strengthen healthcare systems and increase domestic financing for sustainable HIV/AIDS responses in both Botswana and Namibia.

## 8. Policy recommendations for achieving sustainability in health financing.

For countries in Sub-Saharan Africa to achieve greater sustainability in their HIV/AIDS healthcare initiatives, the following recommendations have been created for individual governments in the format of activity, output, and outcome.

### Financial Policy Recommendations

#### 1. Activities

- Engage with policymakers to highlight the importance of increased funding for HIV/AIDS prevention.
- Provide evidence-based arguments showcasing the cost-effectiveness of prevention programs in reducing the burden of HIV/AIDS.
- Mobilise civil society organisations, advocacy groups, and affected communities to advocate for budgetary increases through campaigns and lobbying efforts.

#### Output

- Increased awareness with evidence-based reasoning for the need for increased government spending on HIV/AIDS.
- Increased government ownership of HIV/AIDS preventative care and treatment.
- Increased government budget allocation.

#### Outcome

- Increased government spending on HIV/AIDS preventative programmes.

#### 2. Activities

- Conduct feasibility studies to assess the viability and potential impact of introducing health insurance schemes for HIV/AIDS prevention.
- Collaborate with insurance companies to design tailored insurance packages that include coverage for HIV testing, counselling, antiretroviral therapy, and preventive interventions.

- Advocate for policy reforms and regulatory changes to mandate or incentivise private insurers to offer comprehensive coverage for HIV/AIDS services.

#### **Output**

- Increase in services and treatments covered by health insurance.

#### **Outcome**

- Reduced out-of-pocket spending on HIV/AIDS-related treatments.
- Increased private sector involvement in preventive care and treatments.
- Increased equity in healthcare access.

### **3. Activities**

- Review existing tax policies to identify opportunities for earmarking specific revenue streams for HIV/AIDS prevention.
- Introduce levies on luxury goods, alcohol, or tobacco products, with proceeds directed towards HIV/AIDS programmes.
- Explore innovative financing mechanisms such as social impact bonds, debt swaps, or diaspora contributions to supplement government funding.

#### **Output**

- New streams of revenue for HIV/AIDS programme funding.

#### **Outcome**

- Optimized domestic resource mobilization.

### **4. Activities**

- Strengthen monitoring and evaluation systems to track expenditure, programme performance, and outcomes in real-time.
- Conduct regular audits and reviews of HIV/AIDS prevention programmes to identify inefficiencies, gaps, and areas for improvement.
- Promote stakeholder engagement and community participation in budget planning, implementation, and oversight processes to ensure transparency and accountability.

#### **Output**

- Reduced wastage or misappropriation of funding.
- Strengthened transparency and accountability mechanisms in money allocation and use.

#### **Outcome**

- Enhanced efficiency and accountability in resource use.

## **Recommendations for Innovative Health Financing Mechanisms**

There are several challenges in creating sufficient funds to finance health initiatives on behalf of the low and lower-middle-income countries. This has led to a historical dependency on donors, however, as donors reduce funding there has been a rise in innovative financing mechanisms. Though many of these mechanisms were poorly developed, particularly how to attract private sector funding. There is constrained fiscal space for health

in most Sub-Saharan African countries. Health taxes are not well developed, nor is the viability of private financing for HIV/AIDS initiatives.

### **1. Bond sales in capital markets and international transaction taxes:**

This mechanism involves issuing bonds in capital markets or imposing taxes on international transactions to generate revenue for healthcare financing. These bonds and taxes can provide sustained and predictable long-term funding streams. Bond sales and transaction taxes have been effective in financing healthcare initiatives, particularly for infectious diseases. However, they are also seen as promising for non-communicable diseases (NCDs) due to their ability to generate stable funding streams. They have helped reduce procurement prices of health products and improve access to treatments for chronic NCDs like hypertension and diabetes.

### **2. Diaspora bonds and debt reduction programmes:**

Diaspora bonds involve raising funds from citizens living abroad, typically through the issuance of bonds targeted at diaspora communities. Debt reduction programmes aim to alleviate the debt burden of low-income countries by providing financial relief or restructuring debt. While diaspora bonds and debt reduction programmes have been used for various development purposes, they are deemed less applicable to financing NCD prevention and control efforts. They may not provide long-term, recurrent funding, which is essential for sustained healthcare interventions.

### **3. Pooled funding mechanisms (e.g., the Global Fund for AIDS, Tuberculosis, and Malaria):**

Pooled funding mechanisms involve collecting financial contributions from multiple sources and channelling them into a common fund. This fund is then used to support specific healthcare initiatives, such as research, prevention, and treatment. Pooled funding mechanisms, such as the Global Fund for AIDS, Tuberculosis, and Malaria, have shown robust evidence of support for addressing market failures in research and development and sustaining prevention and treatment initiatives. While initially focused on infectious diseases, these mechanisms have the potential to be adapted for NCDs as well.

### **4. Trademark-based fundraising:**

Trademark-based fundraising involves leveraging the popularity and recognition of brands to raise funds for specific causes, such as healthcare. Companies may donate a portion of their sales revenue or profits from branded products to support NCD prevention and control efforts. Trademark-based fundraising has the potential to align socially concerned consumers with NCD funding. However, it requires significant policy, advocacy, and a shift in consumer perception to be effective. Strong governance structures, often international ones, are essential for ensuring the success and transparency of these fundraising efforts.

### **5. Country-level mechanisms like levies on tobacco and alcohol:**

These mechanisms involve imposing taxes or levies on products known to contribute to NCDs, such as tobacco and alcohol. The revenue generated from these levies can be earmarked for healthcare initiatives aimed at preventing and controlling NCDs.

## Recommendation for Pooled procurements

Pooled procurement is a formal arrangement where financial and non-financial resources from various purchasing authorities are combined to form a single entity responsible for purchasing health products, such as medicines, on behalf of the individual purchasing authorities. This cooperative approach enhances efficiency and increases purchasing power by uniting the financial and other resources of the purchasing authorities.

When engaging in pooled procurement, it is crucial to understand the participating purchasing authorities' relevant regulatory policies, legal requirements, and financing processes. Pooled procurement boosts buying power by spreading procurement costs over a larger volume and variety of products. It also achieves greater efficiency by sharing the workload, expertise, and human resources. However, pooled procurement typically requires significant political commitment, alignment of legal, regulatory, and policy requirements, and the ability to address local needs.

### 1. Activities

- Engage with policymakers, healthcare providers, and procurement experts to discuss the benefits and implementation strategies of pooled procurement.

#### Output

- Increased stakeholders' buy-in and collaboration.

#### Outcome

- Enhanced alignment and commitment across jurisdictions for pooled procurement initiatives.

### 2. Activities

- Conduct feasibility studies to assess the viability and potential impact of pooled procurement.

#### Output

- Detailed reports on the feasibility and impact of pooled procurement.

#### Outcome

- Informed decision-making and strategic planning for implementation.

### 3. Activities

- Develop best practice guidelines and share them through cross-training, study tours, and workshops.

#### Output

- Comprehensive best practice guidelines and increased knowledge sharing.
- Increased expertise in how to conduct pooled procurement.

#### Outcome

- Improved implementation efficiency and effectiveness through shared knowledge.

### 4. Activities

- Align common values, compatible legislation, and administrative structures among participating jurisdictions.

#### Output

- Harmonised legal and administrative frameworks.

#### **Outcome**

- Smooth operational integration and enhanced cooperation among jurisdictions.

### **5. Activities**

- Ensure procurement processes are transparent and governed by high standards.

#### **Output**

- Transparent procurement protocols and practices.

#### **Outcome**

- Increased trust and accountability in procurement processes.
- Transparent Procurement Processes:

### **6. Activities**

- Secure sustainable, predictable, and timely financing with dedicated resources for a capitalisation fund.

#### **Output**

- Stable and reliable funding for pooled procurement.

#### **Outcome**

- Consistent and effective procurement operations.
- Sustainable financing.

### **7. Activities**

- Develop databases on price, patent status, prequalification of suppliers, and medicines registration.

#### **Output**

- Comprehensive and accessible procurement databases.

#### **Outcome**

- Improved data-driven decision-making and procurement efficiency.
- Database development.

### **8. Activities**

- Utilise collective bargaining power and shared administrative resources.

#### **Output**

- Favourable pricing and reduced administrative burden.

#### **Outcome**

- Lower medicine costs and more efficient procurement processes.
- Bargaining Power and Administrative Efficiencies.

### **9. Activities**

- Implement capacity-building initiatives based on best practices at country and regional levels.

#### **Output**

- Enhanced procurement skills and knowledge among stakeholders.

### **Outcome**

- Strengthened procurement capabilities and improved health outcomes.
- Capacity building.

### **10. Activities**

- Support local manufacturing through fair competition principles and good manufacturing practices.

### **Output**

- Increased local manufacturing capacity and compliance with standards.

### **Outcome**

- Sustainable local manufacturing.
- Sustainable local production and supply security.

## **Localisation Policy Recommendation**

### **Activities**

- Provide specialised training to healthcare workers on HIV prevention strategies, treatment, and care.
- Improving infrastructure by upgrading clinics and health centres to ensure they are equipped to provide comprehensive HIV services.
- Enhance healthcare management systems by implementing robust data collection and monitoring mechanisms to track HIV prevalence, treatment adherence, and outcomes.
- Support the MOHs in developing and implementing evidence-based HIV prevention policies and guidelines tailored to the local context. Collaborating with local universities and research institutions to conduct studies on HIV epidemiology and intervention effectiveness, informing programmatic decisions.

### **Output**

- Strengthened local institutions.

### **Outcome**

- Increased local capacity and ownership over HIV/AIDS preventative care initiatives.

### **Activities**

- Promote Community Engagement: Governments and donors should prioritise community engagement in healthcare decision-making processes. This can be done through community health committees, town hall meetings, and other participatory mechanisms. By involving communities in decision-making, healthcare interventions can be tailored to local needs and priorities, increasing their effectiveness and sustainability.
- Establishing Community Health Committees: These committees could consist of representatives from local communities, including community leaders, healthcare workers, and people living with HIV/AIDS. These committees could meet regularly to discuss HIV prevention strategies, identify community needs, and provide feedback on existing programmes.

- Conducting Town Hall Meetings: Organising town hall meetings where community members can voice their concerns, ask questions, and provide input on HIV prevention initiatives. These meetings could be led by local healthcare officials or community leaders and could focus on topics such as HIV education, stigma reduction, and access to testing and treatment services.
- Implementing Participatory Workshops and Trainings: Hosting workshops and training sessions to empower community members with knowledge and skills related to HIV prevention. These sessions could cover topics such as condom use, HIV testing, and adherence to antiretroviral therapy. By involving community members in the planning and delivery of these workshops, their effectiveness and relevance can be enhanced.
- Engaging with Key Population Groups: Targeting key population groups most affected by HIV, such as sex workers, men who have sex with men, and transgender individuals, through community-led outreach programs and support services. By actively involving these populations in the design and implementation of HIV prevention efforts, interventions can be better tailored to their specific needs and contexts.

### **Outcome**

- Promote community engagements.

### **Output**

- Increased local ownership, knowledge, and capabilities to take greater responsibility of HIV/AIDS prevention programmes.

## 9. Theory of Change

### **Under the assumptions that:**

- There is political will and policy support for healthcare sustainability.
- Adequate funding and resources are available and effectively allocated.
- Stakeholders are engaged and committed to the sustainability goals.
- Technical expertise and best practices are accessible and applied.
- Communities are receptive to and supportive of sustainability initiatives.

#### **1. Short-term Outcomes:**

- Improved efficiency in healthcare service delivery.
- Enhanced public trust and satisfaction with the healthcare system.
- Better health outcomes through preventative care and timely interventions.

#### **2. Medium-term Outcomes:**

- Increased resilience of healthcare facilities to environmental and economic shocks.

- Sustainable funding streams ensure the continuity of healthcare services.
- Equitable healthcare access and reduced health disparities.

### **3. Long-term Outcomes:**

- A fully sustainable healthcare system that meets current and future health needs.
- Improved overall population health and well-being.
- Positive environmental impact through sustainable healthcare practices.

## **10. Conclusion**

In conclusion, ensuring financial sustainability in healthcare, particularly for HIV prevention and treatment, is paramount for the long-term health and development of Sub-Saharan countries. By diversifying funding sources, enhancing domestic resource mobilisation, and fostering public-private partnerships, these nations can secure more stable and reliable financial foundations. The integration of HIV services into primary healthcare, the adoption of cost-effective and innovative technologies, and the strengthening of healthcare infrastructure and workforce capacity are critical steps toward optimising resource use and improving service delivery. Furthermore, improved data management systems and regional collaboration can enhance efficiency and effectiveness, promoting policy coherence and resource sharing. By implementing these comprehensive policy recommendations, Sub-Saharan countries can build a resilient healthcare system capable of sustainably managing HIV prevention and treatment, ultimately leading to better health outcomes and enhanced quality of life for their populations.

However, there must be community engagement, localisation, and increased ownership of HIV/AIDS prevention and treatment initiatives. Governments need to be highly engaged and committed to reducing the disease burden and allocating sufficient funding, which is properly used with limited wastage.

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