

# Fiscal space options for sustainable immunization financing in Gavi's accelerated transition phase countries: Evidence from the Republic of Congo and Sao Tome & Principe

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By

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What are the fiscal space needs in the Republic of Congo (RoC) and Sao Tome and Principe (STP)?

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Both RoC and STP are Sub Saharan African Lower Middle Income Countries (LMICs) currently in the GAVI Accelerated Transition Phase (ACT);

In the Republic of Congo (RoC), to sustainably finance immunization and vaccines through 2030, the government should devote **0.8%** of state budget and **25.6%** of total government health expenditures annually;

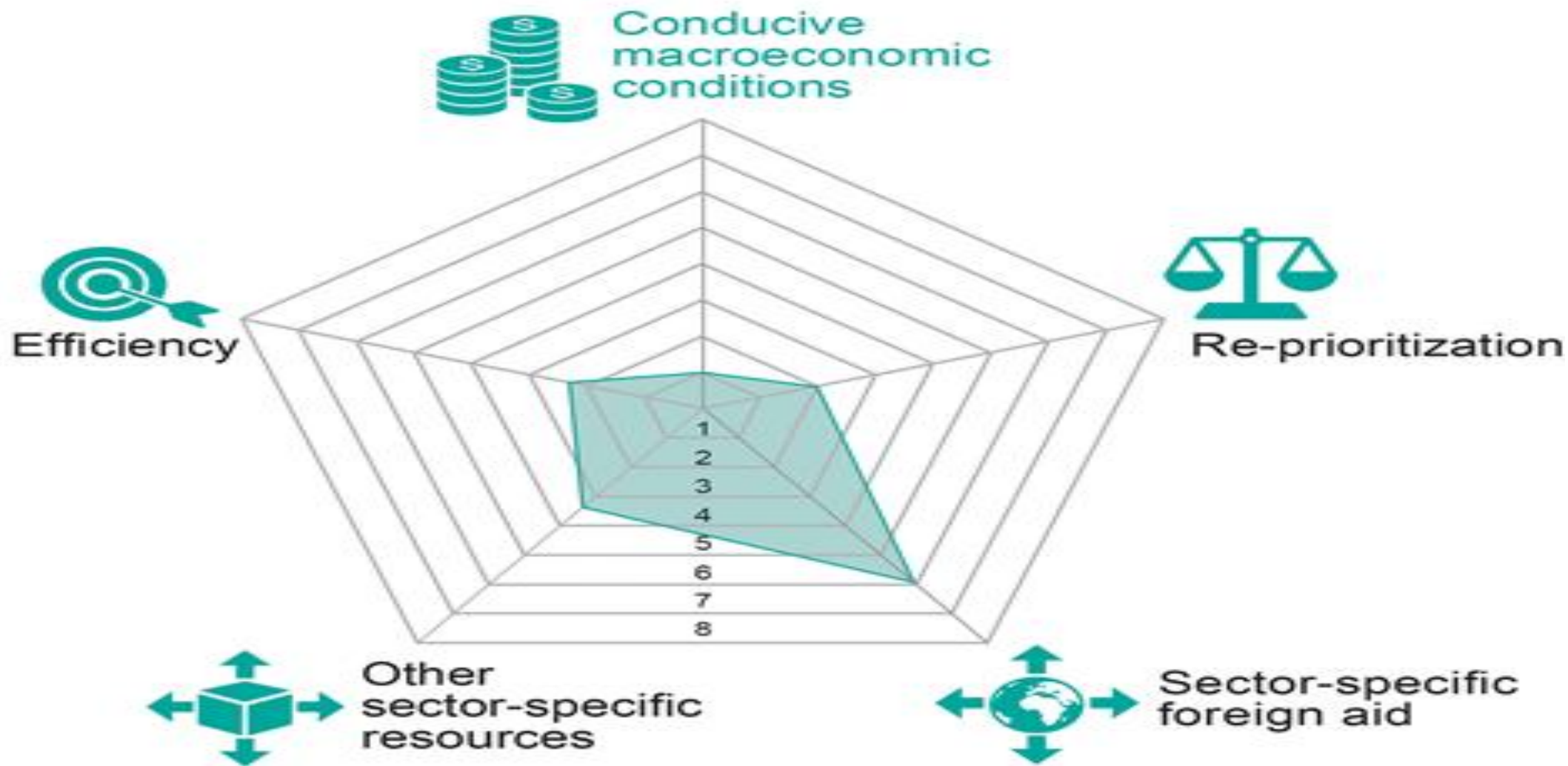
In Sao Tome and Principe (STP), to sustainably finance immunization and vaccines through 2030, the government should devote **1.5%** of state budget and **9.9%** of total government health expenditures annually.

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What are the core fiscal space options to sustainably finance immunization and vaccines upon GAVI country's graduation?

# Fiscal Space for PHC and Immunization financing: Assess the budgetary capacity and identify potential funding sources for PHC and immunization programs in the long term

*Real and nominal domestic GGHE and as a percentage (%) of GDP*

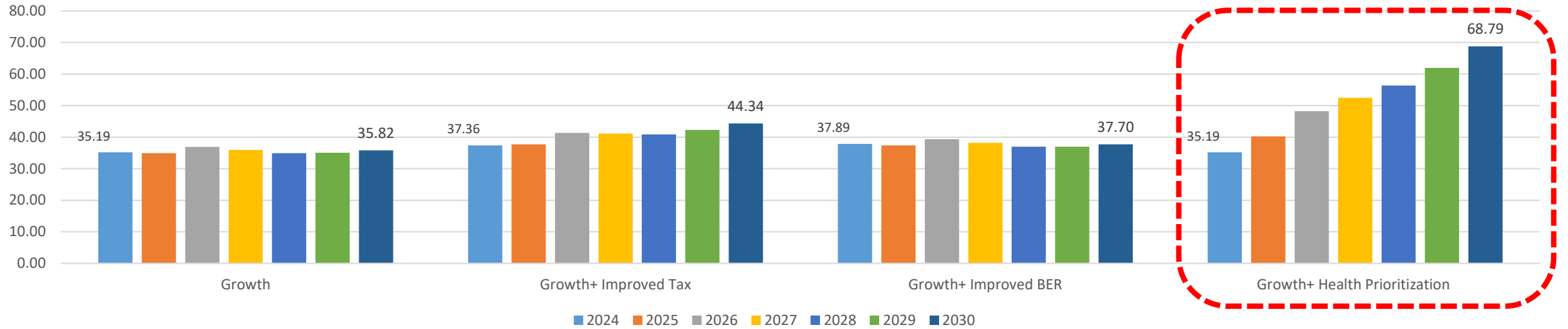


## *DIFFERENT SCENARIOS for real and nominal GGHE and GGHE %GDP in RoC and STP*

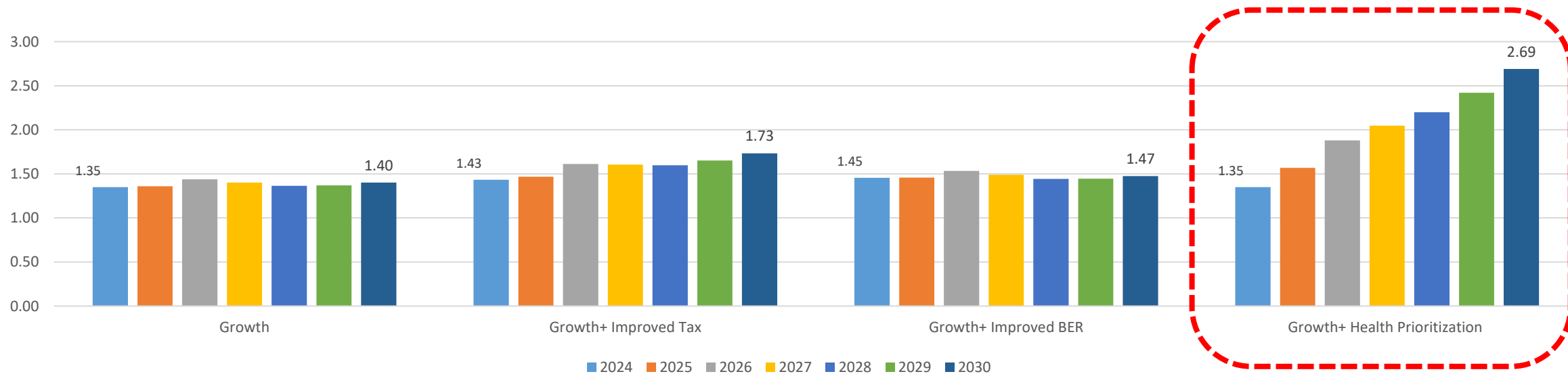
- **The baseline scenario** relies on the latest 2024 IMF macro fiscal-projections (World Economic Outlook, WEO) for GDP growth
- **Scenario 2** investigates the potential for additional fiscal space in health not only through economic growth but also by improving tax collection efforts
- **Scenario 3** considers how additional fiscal space can be generated by improving budget execution rates, in addition to increasing GDP growth.
- **Scenario 4** assumes an increased prioritization of health in the general government budget on top of GDP growth to create additional fiscal space in health.

# Fiscal Space options for health (top panel) and immunization (bottom panel) in the Republic of Congo

Projected Domestic General Government Spending of Health  
(in Real billion XAF)

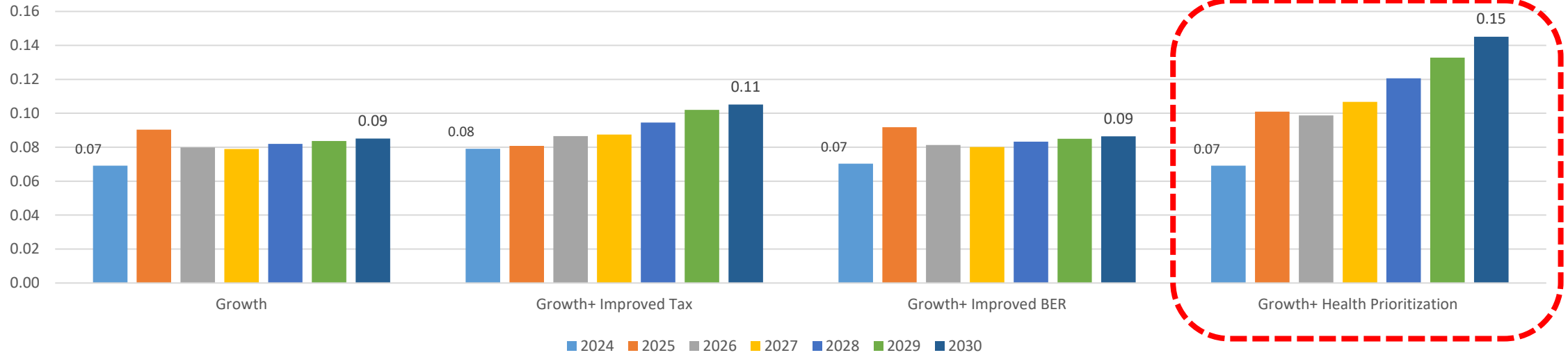


Projected Domestic General Government Spending of Immunization (in Real billion XAF)

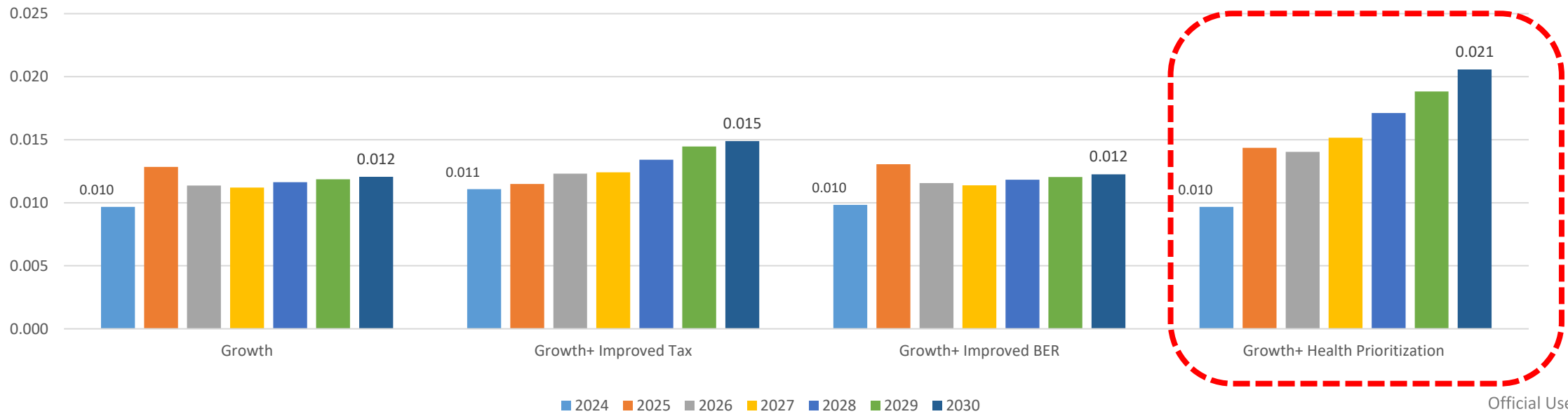


# Fiscal Space options for health (top panel) and immunization (bottom panel) in Sao Tome and Principe

## Projected Domestic General Government Spending of Health (in Real billion Dobra)



## Projected Domestic General Government Spending of Immunization (in Real billion Dobra)



# What room for fiscal space in health?



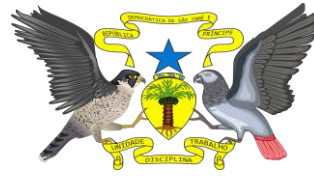
FS pillars	Contexts and options for budgetary expansion	Potential for broadening the strategic options studied
1. GDP Growth	<ul style="list-style-type: none"> <li>➤ Unfavourable macroeconomic framework despite signs of recovery</li> <li>➤ Significant debt and risk of insolvency</li> </ul>	Very low leverage
<b>2. Health re-prioritization</b>	<ul style="list-style-type: none"> <li>➤ <b>Health reprioritization (pre-2015 level and targets)</b></li> <li>➤ <b>Maintaining the priority level</b></li> </ul>	<b>Relatively large leverage</b>
<b>3. Additional domestic resources through tax revenues</b>	<ul style="list-style-type: none"> <li>➤ <b>Favorable tax strategy ( sustained growth forecast )</b></li> <li>➤ <b>Fungibility of revenue (lump sum reallocation possible)</b></li> <li>➤ <b>Other avenues : unexplored tax loopholes?, earmarked funds? Basket Funds? targeted revisions of existing exemptions?, parafiscality</b></li> </ul>	<b>Important lever (short and long term)</b>
4. Additional external resources	<ul style="list-style-type: none"> <li>➤ Context of external disengagement and weakened political dialogue</li> <li>➤ Risk of non-sustainability</li> </ul>	Limited leverage
<b>5. Efficiency of health expenditure</b>	<ul style="list-style-type: none"> <li>➤ <b>Room for improvement in health system performance</b></li> <li>➤ <b>Technical and allocative inefficiencies in health financing</b></li> </ul>	<b>Substantial leverage (medium and long term)</b>

## Way forward and policy implications of the Fiscal Space Analysis in Sao Tome & Principe and the Republic of Congo

In Sao Tome and Principe, the core Domestic Resource Mobilization options (*Reprioritization, efficiency and increase in tax revenues*) were highlighted in the new health financing strategy unveiled by the government on July 4th.

In the Republic of Congo, the joint health and immunization financing strategy is currently being finalized by the WHO, UNICEF, and the World Bank with an expected completion date of August 31<sup>st</sup>. The strategy draws on this World Bank Fiscal Space analysis to identify sustainable financing solutions for health and immunization.

A high-level advocacy event convening key policy makers from the MoF, budget and planning is also planned for the end of August.



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