G20 & G7 HEALTH & DEVELOPMENT PARTNERSHIP

Escuela de Gobierno y Transformación Pública Tecnológico de Monterrey

WiFOR INSTITUTE

The Health Taxonomy

The Need for a Common Investment Toolkit to Scale Up Future Investments in Health

"The taxonomy will be a very useful tool, it will create a common language. Policies will need to be addressed by policymakers, but we need to look at the investment aspect as well; bring in investors, or asset managers for example, to make health an investment opportunity."

Rakan Bin Dohaish
Deputy Minister, International Collaboration
Ministry of Health, Kingdom of Saudi Arabia

"While it is an increasing trend, many governments still rely on grants and technical assistance rather than considering loan programs for investing in their health systems. It can be challenging for MDBs to accommodate disease- or program-specific indicators or investment approaches requested by global health donors, as ministers of Finance may not be equipped to manage all the various health disease programs. Investment cases should be packaged as a benefit package instead of individual programmes. The taxonomy alone cannot solve the problem, but a common language will help streamline conversations between investors, MDBs, Health & Finance Ministries, and other agencies. It will provide clarity for MDBs on what we are aiming to invest in and streamline legal agreements or programme documents."

Dr. Akihito Watabe
Health Specialist, Human and Social Development Office, Asian Development Bank (ADB)

"Investing in health faces challenges such as high costs, regulatory hurdles, and the complexity of measuring outcomes. The taxonomy tool can be useful in addressing these issues by providing a structured framework to categorize and analyse health investments, making it easier to identify gaps and opportunities. For policymakers it should be underpinned by concrete examples of what the successes and barriers are to implement a taxonomy."

Dr. Peter Singer
Adjunct Professor of Medicine at the University of Toronto/Former Special Advisor to WHO Director General Dr Tedros Adhanom Ghebreyesus, University of Toronto/Former WHO

"Healthcare is an engine for inclusive economic growth, but the health sector has not convinced ministries of finance that investing in health is good for the economy and that they get a better return on investment from investing in health as compared to other sectors. A standardised taxonomy would allow us to know the type of finance and the need to scale up investments. The WHO can contribute as the global health norm-setting agency, in financing frameworks, and regulation for attracting good value private sector investments compatible with the vision of Universal Health Coverage."

Dr. Kalipso Chalkidou
Director of Health Financing and Economics, World Health Organization

"The taxonomy and agreed terms and definitions, no doubt, will help accelerate how health and care are funded, especially in Low and middle-income countries, where there are a lot of opportunities for innovation, especially with digital tools. Oftentimes, funding follows facilities or structures rather than following populations or individuals. We have to think about how to use the funds and the resources that are available to us in the best possible way to realize the best outcomes that we would like to see in our populations."

Dr. Reem Bunyan
MD MS MSHA, Executive Director, Global Innovation Hub

"A standardized taxonomy system or metrics is eminently useful in terms of determining how to proceed in terms of allocating resources. A better description is to classify the taxonomy as a rating system that guides you whether an investment is good or bad. Organisations like the World Health Organization could validate such a taxonomy. This would help bridge the gap in terms of financing projects that may have a higher social benefit."

Prof. Dr. Gabriel Sodhoffs
Managing Director, Blackstone

"Sustainable health financing uses current resources to secure future care, prioritizing equity, resilience, and responsibility. Establishing a shared health financing system hinges on aligning resource allocation, country priorities, and health themes among investors, governments, and partners. Multilateral Development Banks (MDBs) can champion a flexible, future-proof, and crisis-resilient health financing taxonomy across different boards."

Dr. Ammar Abdo
Manager, Human Development, Islamic Development Bank (IsDB)

"Scaling health investments faces challenges due to unclear pathways to return and systemic barriers hindering innovation. The issue is system management, not input. Creating value for diverse stakeholders with differing expectations is complex. While standardized value measurement can stifle innovation, a shared understanding of value is crucial. A health taxonomy can bridge these gaps and help stakeholders understand value creation from their perspectives."

Prof. Dr. Rifat Atun
Professor of Global Health Systems and Director of Health Systems Innovation Lab, Harvard T.H. Chan School of Public Health

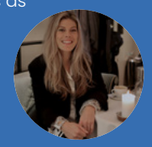
"Health investments were not prioritised by any of the institutional investors. To get institutional investors to put a focus on health investments, without increasing government spending, there is a need to provide an incentive within their investment regime. A health taxonomy would be effective if associated with an incentive. A tax deduction for social impact bonds could create an incentive that eases the investments, and it has a very important social component that is good for everyone."

Dr. Eduardo Flores
Partner, White & Case LLP

"The definition of a successful health financing system is to ensure Universal Health Coverage, whereby everyone gets the health services they need without suffering financial hardship. As populations age and wealth increases, health spending rises, ideally through public financing. Private health investments depend on anticipated increases in public financing. Clear terminology is important, and UHC is central, but avoid overly complex new terms."

Dr. Robert Yates
Visiting Professor in Practice, London School of Economics

"Despite global investment headwinds over the past years, we have seen that VC funding in European healthcare companies has been resilient, driven by a clear shift from reactive, symptom-focused care to proactive models that optimise for long-term health. But health is not just a human right, it is a cornerstone of economic resilience and long-term wealth of society that can create both ROI and ROV. The path to scaling digital health in Europe however remains complex, with rigid legacy systems that are very hard and costly to change and digitise, and regulatory inheritance slowing progress, which at times blocks the attractiveness of investing for an interested party. The West should peek into the GCC, who promote digital health strategies as part of broader national scopes."



Dr. Elsa Hyland
Angel Investor, YZL

"We need a taxonomy for sustainable investments in health, but we also need to avoid the risk of splintering the market. We may also want to look at KPI and linked bonds that are more outcome oriented and can help to avoid "health washing". For the taxonomy to be credible it must be market-driven so sovereigns know it is tested with investors and is grounded in market realities.

Jill Dauchy
Founder, Photomac-Group

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FOREWORD

Rakan Bin Dohaish

Deputy Minister, International Collaboration Ministry of Health, Kingdom of Saudi Arabia

The COVID-19 pandemic led to cumulative economic losses of US$13.8 trillion[1] surpassing those of the 2008 financial crisis and underlining the deep interdependence between health and economic stability. Ministries of Health and Finance have endured these challenging times, with the economic implications of health felt across every sector of the economy and throughout society.

With the changing landscape for health, projections for domestic health financing in the coming years appear bleak. An IMF study found that 41 countries are expected to remain below pre-pandemic levels through 2027, while 69 countries will experience "spending stagnation" in their real per capita general government expenditures—limiting health growth spending.[2]

To address these constraints, health investments must shift from reactive spending to strategic, long-term economic planning. Health financing plays a critical role in advancing Universal Health Coverage. Therefore, it is essential to engage policymakers, investors including asset managers, and innovators in a structured dialogue to promote investments in prevention, innovation, capacity building, supply chains, manufacturing, and the health workforce.

> "Health Investment is not only an obligation to achieve Universal Health Coverage, it is a catalyst for economic resilience, innovation and sustainable development."

Positioning healthcare as a driver of economic growth and diversification is not only strategic—it is essential. The Health Sector Transformation Program in Saudi Arabia, for example, focuses on key areas to grow the sector, including enhancing access to care, improving quality and efficiency of services, promoting preventive health measures, and strengthening health security and emergency preparedness. Given the evolving complexities in funding national and global health, a multifaceted financing approach is essential—mobilising and de-risking capital from financial markets, multilateral development banks, and philanthropic communities.

Consultations with asset managers will be vital to understand health policy needs. Collaborative engagements can help identify and address barriers to health investments. A clear taxonomy would assist policymakers in pinpointing areas requiring regulatory adaptation and foster stronger alignment between finance and health ministries. A well-defined investment framework will enhance dialogue and unlock better financing solutions.

This pivotal report paves the way for G20 and G7 policymakers to rethink health financing priorities and engage with the investor community on how health can become a more attractive investment opportunity. In this context, returns on investment may be humanitarian, impact-driven, or financial—depending on the investor's objectives. While taxonomies alone cannot close financing gaps, a shared understanding, supported by education and capacity-building, can empower ministries to use these tools more effectively.

In conclusion, health Investment is not only an obligation to achieve Universal Health Coverage, it is a catalyst for economic resilience, innovation and sustainable development. A well-structured investment framework—aligned with policy priorities, institutional insights, and market needs—can unlock significant capital, enhance collaboration, and keep health at the center of the global sustainable finance agenda, accelerating progress towards Universal Health Coverage and improved outcomes.

> "In economic crises, health investments are strategic drivers of economic growth and employment – particularly in regions facing recession. Demonstrating their impact is crucial to shaping financial decisions, as many investors remain unconvinced that health spending generates economic returns. A Health Taxonomy can address this issue by translating health investments into monetary terms to show their value, provide transparency, and enable comparisons of their effectiveness. This leads to informed decisions, especially in low- and middle-income countries. Yet, rating agencies still focus on demographics, overlooking health metrics, although they are well-positioned to validate such a taxonomy. A functioning taxonomy could therefore strengthen credit profiles, helping governments refinance old and new debt at lower interest rates."

Prof. Dr. Dennis Ostwald
Founder & CEO, WifOR Institute

> "Taxonomy defines words clearly and makes a vision achievable."

Dr. Hasbullah Thabrany
Chairman of the Indonesian Health Economic Association, Former T20 Co-Chair, Global Health Security and COVID-19 Task Force, T20 Indonesia

> "Public and private health sectors often differ in goals, sometimes unintentionally, leading to divergent priorities. A health taxonomy functions as a common language for the health ecosystem, helping stakeholders align resources and make equitable, health-positive decisions. It supports leaders in optimising and amplifying existing health assets. The World Health Organization is ideally positioned to lead and endorse the development of such a taxonomy."

Vanessa Huang
General Partner, BVCF Management

FOREWORD

Dr. Magda Robalo

Global Ambassador G20&G7HDP,Former Minister of Public Health, Guinea-Bissau

Globally, the future of our health and well-being for citizens has never been so uncertain due to the recent global budget cuts for multilateral organisations. This has particularly impacted Low- and Middle-Income Countries (LMICs) with wide reaching consequences due to the disruption in essential health services, healthcare delivery, and thus increasing the spread of infectious diseases.

With over 54 countries facing debt distress[3], it is difficult to continue to finance health at concessional rates. There needs to be a systems rethink enabled by the strongest and emerging economies within the G20, especially involving the G7.

A more strategic approach is key, combined with the right political will and with market-driven commitments recognising health investments as the driver for economic growth, productivity, and well-being. Whereas nearly a third of the funding for LMICs in the health space came from public and private donors (2019)[4], there needs to be a new surge for sustainable financing models. This calls for a shared language and investment principles that can align the diverse actors across the health ecosystem.

The G20 Presidency of South Africa (2025) has a unique opportunity to incentivise a new "health alignment guide" in domestic and global health, especially leading up to a new and 2nd cycle of the G20 Presidencies in 2026.

If we are to get closer to achieving the UN Sustainable Development- and UHC - Goals in the next five years, to leave no one behind, it is essential to rebuild public trust in our local, regional, and global health systems and work with our public and private sector actors, investors, and civil society organizations to rethink the concept of the so-called global health financing architecture. As domestic and global health financing discussions will increase over the coming months, it will be critical to act holistically and in partnerships, uniting everyone behind common priorities.

> "As domestic and global health financing discussions will increase over the coming months, it will be critical to act holistically and in partnerships, uniting everyone behind common priorities."

This report underscores the vital role of aligning financial investors with the principles of health investments. As health becomes an increasingly vital driver of economic growth and long-term sustainability, investing in societal well-being is essential, especially amid rising geopolitical, economic, environmental, and social challenges of wide-ranging consequences.

The term "health taxonomy" that is used in this report is merely referring to the alignment of health investment principles between policymakers, companies, and investors. If kept practical and comparable, the taxonomy should not only align the language between these different actors to incentivise investments, and give an indication of how a taxonomy can contribute to focusing, incentivising, and de-risking investments.

This report highlights above all that sustainable finance is a moral and economic imperative, a pathway to avoid "health washing" and ensure that no one is left or pushed behind in the pursuit of health for all. We invite G20 and G7 policymakers, investors, civil society and both global health and financial leaders to engage with the insights and recommendations presented in this report.

EXECUTIVE SUMMARY

Since the COVID-19 pandemic, financing for health from private investors and asset managers has increased dramatically between 2020 and 2024 and healthcare private equity reached USD 480 billion.[5] Yet many in the health sector remain unaware.[6] The G20, through the G20 Joint Health and Finance Taskforce (G20 JHFTF), has acknowledged the need to enhance health financing, particularly during the Italian (2021), Indonesian (2022), Brazilian (2024) and South African (2025) Presidencies. Recent efforts focused on innovative financing tools yet, broader systemic reforms are needed to reframe health not merely as a public sector concern, but as a core pillar of financial stability, economic resilience, and geopolitical security.

This paper draws on 27 qualitative interviews and further off-the record discussions conducted with key stakeholders from G20 government entities, institutional investors, including asset managers, venture capital and private investors, multilateral development banks, civil society, and academia to understand barriers and opportunities in aligning investments into health.

Based on these insights, the authors argue that, to effectively address debt sustainability issues of G20 economies, the G20 should endorse:

1) A joint definition on what sustainable finance for health means for the health and finance community in terms of delivering high societal and economic returns to improved health outcomes, save and drive productivity growth, create jobs, stabilise economies, and enhance long-term financial returns.

2) The authors also recommend that the G20, particularly through the Sustainable Finance Working Group (SFWG), shall encourage the development of a health taxonomy as a strategic investment tool to align the communication between policymakers, companies, and investors.

This innovative taxonomy functions as a tool for strategic boardroom discussions, investment committees, and policy planning sessions to evaluate how health can be consciously and consistently incorporated into current portfolios and strategies. The health taxonomy could support more systematic assessments of health-related risks and economic impacts, including through existing processes such as the IMF's Article IV consultations and other macroeconomic surveillance frameworks that are relevant to G20 Finance Ministries.

This report seeks to address a critical gap: the absence of a shared language, a common understanding and strategic tool or map to align health-related investments and principles across public and private actors. By proposing a voluntary health investment framework, underpinned by five principles for investments, we aim to support a coordinated approach that reflects diverse stakeholder incentives while avoiding new regulatory burden. If recognised by leading international agencies and financial institutions and driven by real-world demand, this tool can serve as a first step toward defining what sustainable finance for health means—unlocking the potential for health to become a foundational pillar of economic stability and long-term growth and development.

Keywords: health taxonomy, health investment framework/tool/map, classification tool, standards, sustainable finance in health, green finance, health funding, health washing

CHAPTER I

PART 1

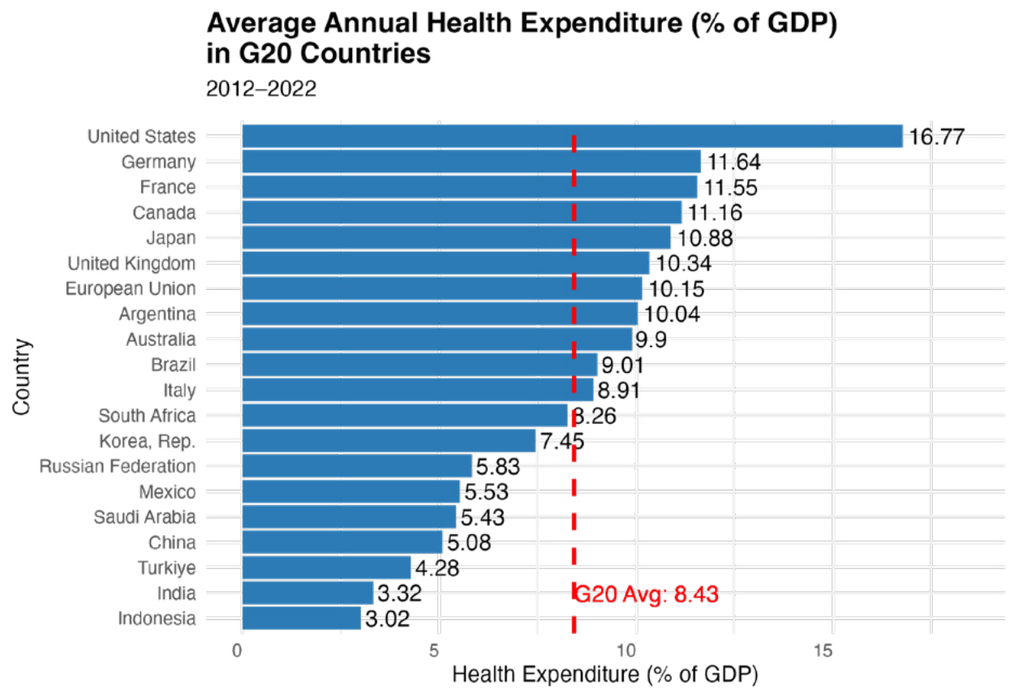
The Declining Health Spending Landscape within the G20

The COVID-19 pandemic triggered a sharp, though temporary, surge in the health sector spending across many countries, particularly in preventive measures and emergency responses. While this influx of funding highlighted the capacity of governments to mobilise resources in times of crisis, it also underscored underlying weaknesses in the sustainability of health financing models. Much of this increased expenditure has not translated into long-term investment in population health.[7]

Despite the short-term spike in spending, health systems remain under significant financial pressure. In 2022, health spending, as a share of GDP, declined in 33 out of 38 OECD countries, indicating a retraction from the elevated levels observed during the peak of the pandemic.[8] As illustrated in Graphic 1, the average annual healthcare expenditure in G20 countries between 2012 and 2022 was 8.34% of GDP. In 2022, health expenditure declined in 18 members of the G20 countries, with the exceptions of Japan and South Korea who have not decreased their health expenditure. For the 18 members, it appears health expenditure is reverting back to pre-pandemic norms. However, this decline points to a deeper issue–health is being deprioritised in government planning.[9]

> “In 2022, health expenditure declined in 18 members of the G20 countries”

Graphic 1: Average Annual Health Expenditure, as percentage of GDP, in G20 Countries (2012-2022)



Source: Data extracted from the World Bank via the World Development Indicators Package

Note for Graphic 1: Health Expenditure is a World Development Indicator by the World Bank, and refers to the spending of health-care goods and services consumed throughout the year, but excluding capital expenditures (e.g., buildings and medical equipment). The European Union, has been labeled as a country and is a GDP-weighted aggregate calculation.

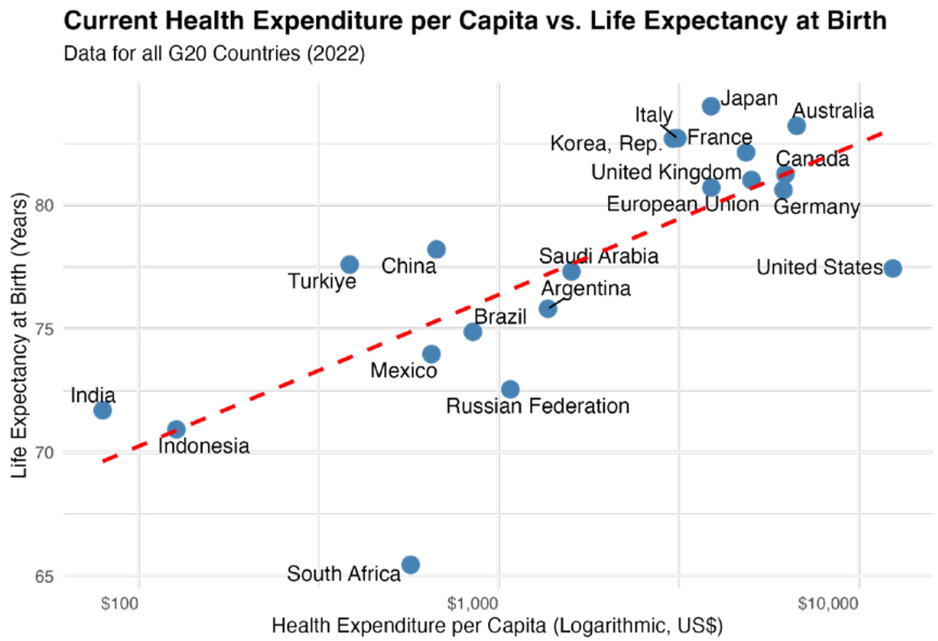
> A higher health expenditure does not necessarily mean it leads to a better health outcome.

What started as a post-crisis reduction has become a long-term trend, in which countries with less fiscal capacity are scaling back on health investments, thus creating growing disparities between income groups and undermining progress towards global health goals. This has the risk of disintegrating growth momentum in health investments.[10]

Graphic 2 highlights that amongst G20 countries, those with higher health expenditure per capita, such as Japan, Australia and Canada, tend to generally have higher life expectancy at birth. This positive correlation reflects broader improvements in health outcomes, caused by advancement in living conditions, access to healthcare , and the effectiveness of health interventions.[11]

However, interestingly, the relationship between spending and outcomes is not proportional. Nations such as Russia and South Africa exhibit lower life expectancies than might be anticipated based on their health spending levels. India, for example, despite more modest per capita health expenditure, achieves life expectancy at birth figures comparable to Russia. These variations suggest that factors beyond expenditure—such as the efficiency of resource allocation, access to affordable care, effectiveness of disease prevention and management,[12] and wider determinants of health like lifestyle, education, environmental and public behaviours—play a critical role in shaping health outcomes.

Graphic 2: Health Spending per Capita vs. Life Expectancy in G20 Countries



Source: Data extracted from the World Bank via the World Development Indicators Package

Note: The European Union, has been labeled as a country and is a GDP-weighted aggregate calculation.

Increasing geopolitical instability and ongoing conflict are resulting in governments facing tighter budgets and difficult trade-offs. The World Bank projects that countries contracting general government expenditure will see declines in per capita health spending by 2029.[13] These growing fiscal pressures on governments will not only constrain progress in poverty reduction, economic growth, and human capital development, as per the World Bank[14] but also risk undermining access to healthcare and efforts to achieve Universal Health Coverage (UHC). Financial barriers remain a critical challenge, particularly for vulnerable groups, who are up to three times more likely to delay or forgo needed care due to cost.[15] This underscores the fundamental importance of providing some form of health insurance coverage. High out-of-pocket healthcare costs can lead to significant financial strains and negatively impact individual and population health. Such costs often result in delayed or avoided necessary medical care, which worsens health outcomes and can drive higher overall healthcare expenditures in the long-run. This raises fundamental questions about the equity and sustainability of current healthcare financing arrangements. According to the OECD, countries that allocate more resources to health—particularly those with strong workforce capacity and service infrastructure—tend to achieve better outcomes, including longer life expectancy, lower avoidable mortality, and more equitable access to care.[16]

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These are essential determinants towards achieving Universal Health Coverage (UHC) which will affect high-income, mid-income countries with a further strain on low-income countries.

It is vital that G20 countries must prioritise the expansion and stabilisation of health financing to build more resilient systems and healthier populations. Scaled-up investments in health, guided by evidence-based reforms, can lead to long-term cost efficiencies. As outlined in graphic 2, the real impact of health spending does not only depend on the amount invested, but also on how effectively those resources are allocated. Smart health investments (evidence-based & outcome-oriented) and strategic budget allocations are key to maximising returns. A relevant indicator is Gross Value Added (GVA), which captures the contribution of a sector to the overall economy. Looking at the last four G20 Presidencies (2022-2025) smart investments in health are striking. Italy allocated 8.4% of its GDP to health expenditures, with the Health Economy accounting for 9.7% of GVA. Indonesia, despite spending only 3.7%, achieved a 6.5% GVA contribution. India invested 3.3% and attained a notable 8.7% return. Brazil allocated 9.6% to health and reached a nearly equivalent 9% share in GVA. (Data extracted from WifORs database).

These examples underscore a key insight: it is not about how much is spent, but how effectively. Health should not be viewed as a cost, but as a strategic investment that drives sustainable economic development. A broader analysis of all G20 countries would provide further evidence and highlight best practices for future Presidencies.

According to the OECD health-positive interventions—such as stronger primary healthcare, preventive services, and digital health integration—combined with transformative policy action, could contain total health spending to 10.6% of GDP by 2040. In the absence of such reforms, however, spending could rise to 11.8% of GDP, representing a missed opportunity for more effective and equitable resource allocation[17]

> G20 countries must prioritise the expansion and stabilisation of health financing to build more resilient systems and healthier populations.

For G20 policymakers, these trends highlight the urgent need to transition from reactive, crisis-driven health spending toward smart, proactive, strategic investments in healthcare, especially with a focus on digital health, primary care and prevention, pandemic recovery, and strengthening of the health workforce. [18] Doing so will be essential to ensuring universal access, protecting vulnerable populations, and securing long-term economic resilience.

The findings and graphics in Chapter I underscore a crucial message: without strategic reforms, health financing will remain fragmented and reactive—missing opportunities to improve outcomes and control costs. While the case for investing in health is stronger than ever, the current landscape is marked by fragmented approaches, politcal cycles, siloed incentives, and the absence of a shared investment language.

> it is not about how much is spent, but how effectively. Health should not be viewed as a cost, but as a strategic investment that drives sustainable economic development.

This fragmentation hampers coordination across public and private actors, ultimately limiting the scale and impact of health-related investments.

Despite the rising volume and complexity of health investments, there is still no shared framework that enables stakeholders to speak a common language. Governments and policymakers, Development Finance Institutes (DFIs), Multilateral Development Banks (MDBs), investors, companies, venture capitalists, startups, and civil society actors each approach health finance with different incentives—yet many of their goals align in practice. What remains missing is a simple, strategic tool that can help coordinate these efforts.

This report does not propose a new compliance mechanism or rigid set of standards. Instead, it introduces a framework that delineates the impact on health of different economic activities. The framework serves as a set of voluntary investment principles and a classification tool, presented in the form of a taxonomy, that can facilitate alignment across actors. By enhancing investment clarity, fostering cooperation, and guiding capital towards high-impact health outcomes, the taxonomy aims to contribute to more coordinated and effective financing. If supported by political leadership, the G20, G7 and the G20 JFHTF, informed by market demand, and recognised by trusted institutions, such a tool could play a meaningful role in positioning health investments as a driver of long-term economic stability and resilience.

> Despite the rising volume and complexity of health investments, there is still no shared framework that enables stakeholders to speak a common language.

PART 2

Who are the Stakeholders across the Health Ecosystem & What are Their Incentives for Investments in Health?

This report seeks to address the absence of a shared language and the need for a strategic investment tool and framework to align health investments and principles across public and private actors. The communication gap between policymakers, investors and companies is a stark reality. Before Chapter II which focuses on the methodology of a health investment framework - i.e. what is later referred to as a health taxonomy - this section aims to first understand and compare the responsibilities and incentives of the many actors involved in the health investment ecosystem and who would benefit from a common language and joint framework for future health financing. The following table (table 1) is suggesting three main categories of stakeholders that include 1) International & Public Sector Institutions, 2) The Investment Community & the Private Sector and 3) Philanthropic & Civil Society Organisations.

While there is not a one-size fits' all solution when it comes to defining incentives for investments, the various stakeholders listed in table 1 showcase that in order to achieve sustainable financing in health, the common understanding and interpretation of all stakeholders across the health and non-health ecosystem is required and underpinned by a shared strategic framework. A tool like a health taxonomy can align these diverse stakeholders around the common goal of financial health as a foundational pillar of economic stability. Table 1 outlines 3 main categories representing actors within the health ecosystem. While this list is not exhaustive, the authors of this report focused on some of the major stakeholders.

> "A tool like a health taxonomy can align these diverse stakeholders around the common goal of financial health as a foundational pillar of economic stability."

1) International & Public Sector Actors

This category includes national governments, relevant ministries, agencies, such as National Institutes of Health (NIH) that fund health innovation, international finance institutions (such as development banks and international financial institutions), and sovereign wealth funds. These actors are primarily responsible for shaping the policy, regulatory, and fiscal environments in which health investments occur.[19] Governments set health priorities, allocate public budgets, and create enabling conditions for private sector participation. Global development finance institutions provide concessional and conditional capital, policy advice, and technical assistance to integrate health into broader economic planning. National Development Banks and Sovereign Wealth Funds mobilise domestic resources for long-term investments, often blending public and private capital. Their incentives are both economic and societal: improving population health, enhancing productivity,

2) The Investment Community and the Private Sector

This group encompasses private sector companies, institutional investors, such as asset managers, and higher-risk, innovation-focused investors including venture capitalists and angel investors. These stakeholders play critical roles in driving innovation in the tools that are used to deliver health, scaling new technologies, and financing both health infrastructure and services. While their roles vary—from funding early-stage health start-ups to managing diversified investment portfolios—their responsibilities include aligning investment strategies with emerging health opportunities and supporting models that demonstrate both return on investment and measurable impact.[22] Incentives range from accessing new growth markets, securing long-term financial returns, enhancing brand reputation, to complying with Environmental Social Governance (ESG) mandates, and mitigating risks through clearer investment classifications and public-private collaboration.[23]

3) Philanthropic & Civil Society Organisations

This category brings together philanthropic foundations, civil society organisations, academic institutions, and research centres. These actors play a foundational role in shaping the normative, scientific, and equity-based dimensions of health investments. While they may not always provide direct capital, their contributions are essential through advocacy, evidence generation, implementation support, and strategic grant-making.[24] Civil Society groups advocate for vulnerable populations, ensure accountability, and often fill service gaps. Philanthropic foundations fund high-impact areas and de-risk innovation, while academic and research institutions generate data that can be used for policy and investment decisions. Their incentives are primarily mission-driven: achieving social impact, influencing health system reform, and promoting equity, transparency, and effectiveness in the allocation of resources.[25]

Table 1: Incentives for Investments for Stakeholders in the Health Ecosystem

Stakeholders	Responsibilities of Stakeholders	Incentives to Investing in Health
Category 1: International & Public Sector Actors		
Governments and Policymakers (e.g., Ministries of Health, Finance, Economy, Employment, and Education)	Set national health budgets and policy priorities.[26] Establish regulatory frameworks that support health investment. [27] Integrate health into macroeconomic and fiscal planning. [28] Foster an enabling environment for public-private collaboration. [29]	mprove population health and workforce productivity. Enhance long-term economic growth and stability. Align national policies across ministries.[30] Strengthen public investment planning and impact tracking.[31]
Global Development Finance Institutions (e.g., World Bank, Regional Development Banks, other International Financial Institutions)	Provide long-term capital, concessional lending, and financial guarantees. [32] Offer policy advice and technical assistance. [33] Structure blended finance to support health systems resilience. [34] Align financial instruments with national health priorities. [35]	Identify strategic, high-impact investment opportunities. [36] Deploy capital aligned with health and development goals. [37] Strengthen alignment between financing tools and national health strategies.
National Development Banks & Sovereign Wealth Funds (e.g., domestic development banks, public investment authorities, sovereign wealth funds)	Mobilize domestic capital for health infrastructure and innovation. [38] Co-invest with private and philanthropic partners. [39] Structure blended finance mechanisms tailored to national priorities. [40] Support long-term economic strategies through health-focused investment. [41]	Position health as a national investment priority. [42] Enable co-financing with private and philanthropic capital. [43] Expand investment in scalable, health-positive sectors. [44]

Stakeholders	Responsibilities of Stakeholders	Incentives to Investing in Health
Category 2: The Investment Community & Private Sector		
Private Health Sector Companies (e.g., pharmaceutical firms, biotech companies, medtech companies, digital health providers, private healthcare providers, and start-ups)	Develop scalable, sustainable health solutions. [45] Invest in infrastructure, innovation, and digital health technologies. [46] Adapt business models to improve access and system efficiency.[47] Integrate health into corporate risk and resilience strategies. [48] Partner with public stakeholders to advance innovation. [49]	Drive financial growth through expanding health markets.[50] Enhance reputation and align with social development goals.[51] Reduce risk through standardized investment categories and clearer data.[52] Improve access to early-stage and blended funding through alignment with national priorities.[53] Scale and replicate successful business models across regions.[54] Strengthen investor confidence through recognized frameworks and metrics. [55]
Institutional Investors (e.g., pension funds, asset managers, insurance funds, family offices)	Allocate capital to safe, evidence-based, and sustainable health investments. [56] Structure funds around long-term stability and impact. [57] Align portfolios with ESG goals and investor mandates.[58] Support health equity and resilience through responsible investing.[59] Engage with stakeholders to align investment with local health priorities. [60] Play a central role in national health financing and support the development and delivery of health infrastructure and services. [61]	Achieve stable financial returns and long-term portfolio growth. Diversify portfolios with recession-resilient health assets. [62] Align with social responsibility goals and impact mandates for social and reputational value. Benefit from government incentives and public-private partnerships. Use standardized metrics to assess impact and performance. [63] Identify clear, scalable opportunities aligned with investor priorities. [64] Enhance long-term system efficiency to reduce future health expenditures. [65]

Venture Capitalists & Angel Investors (e.g., early-stage health investors, impact-focused VCs, seed funders)	Fund early-stage health innovations with high growth and impact potential.[66] Provide capital, strategic guidance, and networks to health start-ups. [67] Accelerate market entry for disruptive health technologies. [68]	High Financial Returns. [69] Scalability in emerging markets.[70] Promote Innovation that has Growth Potential. [71] Promote social impact.[72] Public-private partnerships, grants, and tax incentives for health innovation reduce financial risks and boost returns. [73] Enable access to emerging markets through standardized health investment framework. [74] Attract co-investment through credibility and standardization of processes. [75]

Category 3: Philanthropic & Civil Society Organisations

Civil Society and Community-Based Organisations (e.g., NGOs, Product Development Partnerships, community health groups, and implementation partners)	Advocate for equity, transparency, and accountability in health investments. [76] (Advocate for health investment strategies that are inclusive, responsive to population needs, and aligned with community priorities) Deliver services and implementation support for underserved populations. [77] Contribute technical expertise, advocacy. [78] Serve as trusted intermediaries between communities, funders, and policymakers.[79]	Advance social justice and health equity for underserved populations. [80] Influence policy and funding decisions through evidence and advocacy. [81] Strengthen credibility and impact through measurable community outcomes. [82]
Philanthropic Foundations (e.g., private foundations, global health funders, impact-driven grantmakers)	Provide risk-tolerant, flexible capital for innovation and public goods. [83] Advance health equity through targeted, mission-aligned investments. [84] Strengthen coordination by funding research, convening stakeholders, and	Achieve high social return on investment (SROI) through targeted giving. Shape global and national agendas in alignment with mission-driven goals. [87] Build strategic partnerships across sectors to scale impact. [88]
	sharing knowledge. [85] Offer non-financial support such as technical assistance and partnerships. [86]	Use grant making and in-kind resources to de-risk innovation and reach high-need areas. [89]
Academic and Research Institutions (e.g., universities, think tanks, public health schools, and R&D centers)	Generate data on cost-effectiveness, health system performance, and ROI. [90] Conduct research to inform investment decisions and policy reforms. [91] Translate evidence into actionable insights for funders and governments. [92] Contribute in-kind through technical expertise, evaluation, and strategic guidance. [93]	Early stage research serves as a basis for further investment opportunities.[94] Support policy uptake through clear, actionable research.[95] Align research budgeting with strategic investment priorities using the taxonomy as a reference framework.

PART 3

Why is there General Confusion between Health Funding & Health Financing?

According to the World Health Organisation, health financing is a fundamental function of health systems as it supports effective healthcare coverage and financial protection, consequently, enabling progress towards Universal Health Coverage (UHC). Health financing refers to the system that manages a health investment with the sub-core functions of: revenue raising, pooling of funds, and purchasing of services. Investments in health include both the mechanism and policies for the management of money (health financing) and the sources of money (health funding) . However, without clear distinctions, both terminologies can create confusion amongst policymakers and investors about their specific roles and responsibilities.

Health financing is a public policy domain where the design of benefits is critical to achieving what the WHO calls the "final coverage goals": (1) utilisation relative to need, (2) financial protection and equity in finance, and (3) quality. Therefore, it is important to emphasise that increased health funding alone cannot guarantee better outcomes in health if the financing system is poorly designed and implemented. Conversely, a well-developed health financing policy without adequate health funding will not achieve good progress in its goals.

Table 2: Difference between Health Funding and Health Financing

ASPECT	HEALTH FUNDING	HEALTH FINANCING & INVESTMENT
DEFINITION	Health funding refers to the act of providing or allocating money for specific health-related activities, programs, or services, often without the broader systemic focus of financing.[99]	Health financing refers to the systems, mechanisms, & policies used to mobilise, allocate, & manage financial resources for healthcare to ensure access to health services. Investment in health often implies a strategic allocation of resources aimed at long-term improvements in health systems, infrastructure, or outcomes.[100]
FOCUS	Narrower, typically centered on the direct provision of funds for specific purposes, such as a project, program, or immediate healthcare need.[101]	Focuses on how funds are raised (e.g., taxes, insurance, out-of-pocket payments), pooled (e.g., through government budgets or insurance schemes), and used to purchase or provide health services.
SCOPE	More specific and often tied to particular initiatives, such as vaccination campaigns, disease control programs, or emergency health responses.[102]	Broader and systemic, encompassing the entire process of resource mobilization, risk pooling, and strategic purchasing to UHC or system sustainability.[103]
INVESTMENTS	Not applicable or incidental (e.g., donations for temporary infrastructure)	Emphasises long-term commitments, such as building hospitals, training healthcare workers, or developing new technologies, with an expectation of future benefits (e.g., improved health outcomes or system efficiency).[104]

> Fundamentally, health financing is about mobilising and distributing resources collectively to maximise health outcomes, a principle closely associated with Pareto Efficiency

There is a false dilemma that needs to be clarified—particularly in dialogues between both the health and finance communities.[105,106] There is no inherent harm in allowing private sector actors to invest in infrastructure such as hospitals or medical equipment. What matters is that public resources are then used to ensure that the services delivered through that infrastructure remain affordable, accessible, and aligned with public health goals. In such cases, governments do not need to fully finance the upfront capital costs; instead, they focus on making sure that the population—especially vulnerable groups—can access those services without financial hardship, and that quality and pricing are regulated in the public interest.[107]

In communication between public and private actors, it is essential to distinguish between two separate issues. One concerns investment in supply—how to mobilise private capital to fund health infrastructure and service delivery capacity. The other concerns health financing—how to design systems like insurance, pooling, and strategic purchasing that ensure people can afford and access those services, in line with the goals of UHC.

Health financing refers to the mechanisms and policies used to design insurance schemes, purchase services, and allocate public resources to make healthcare affordable and accessible for all. In contrast, investment relates to making privately delivered health services financially viable and attractive to investors—primarily through creating a favourable investment climate and risk-reward structures. Fundamentally, health financing is about mobilising and distributing resources collectively to maximise health outcomes, a principle closely associated with Pareto Efficiency. For this reason, it is essential to distinguish clearly between recurrent spending and capital investment in health financing discussions.[108]

> it is essential to distinguish clearly between recurrent spending and capital investment in health financing discussions.

While a taxonomy already exists for recurrent costs in the form of national health accounts, a similar framework is still missing for capital costs. A dedicated taxonomy for health investments—essentially a health investment map or a set of principles for investment in health—would be a natural and necessary extension of national health accounts. Currently, these accounts focus mainly on operational (recurrent) expenditure. However, with a complementary taxonomy that includes capital spending, it would be possible to better track how much governments invest, how much individuals contribute, and where long-term investment flows are going. Beyond improving visibility, such a taxonomy could help close persistent information gaps and foster greater coordination among public institutions, private investors, and other stakeholders. These are widely recognised as essential tools to address market failures and improve the efficiency of health systems. Additionally, by making investment data more transparent and structured, the taxonomy would support better risk management—helping stakeholders assess potential returns and make more informed, balanced decisions in health projects.

> A dedicated taxonomy for health investments—essentially a health investment map or a set of principles for investment in health—would be a natural and necessary extension of national health accounts.

PART 4

Why Do We Need a Common Definition for Sustainable Finance in Health?

Shrinking fiscal space and diminishing Overseas Development Assistance (ODA) mean that health financing can no longer be seen as only a public sector concern - it is a core component of economic productivity, stability, and resilience.[109] According to the IMF, the cost of the COVID-19 pandemic was approximately US$ 13.8 trillion.[110] However, do investors and policymakers recognise the risks of chronic underfunding?

The European Commission, The World Bank and the IMF define, "Sustainable finance as the process of taking due account of environmental, social and governance (ESG) considerations when making investment decisions leading to increased investment in longer-term and sustainable activities"[111] . "The Roadmap to Sustainable Finance in Health" [112] highlights the discrepancy and misalignment in definitions across sectors. While investors think in investment and impact terminologies, governments, International Organisations and the Civil Society do not.

A comparative analysis of 44 communiqués within the G20 and G7 (2017–2023) show that only in 18 of them, there is a mention of sustainable finance and health with a focus on pandemic preparedness, UHC, and Antimicrobial Resistances (Graphic 1). Notably, only during Japan's G7 Presidency in 2023 there was a direct appeal to private investors through the TRIPLE I initiative. [113] The G20 Presidency of South Africa has an opportunity to endorse a joint definition to strengthen the future global health architecture but also position health investments as a vital tool for risk mitigation, job creation, and long-term economic growth.

To make this definition operational, the health and finance communities must be better aligned through standardized frameworks, shared metrics, and sector-specific taxonomies. Some interviewees in this report have raised concerns that commonly used investment frameworks often prioritize indicators that do not necessarily translate into better or more impactful health investments. These approaches can sometimes obscure real value, misalign priorities, or encourage short-term thinking. There is therefore a growing call for a dedicated framework tailored to health—one that recognizes its role not only in promoting human well-being and global interconnectedness, but also in driving measurable social and economic impact.

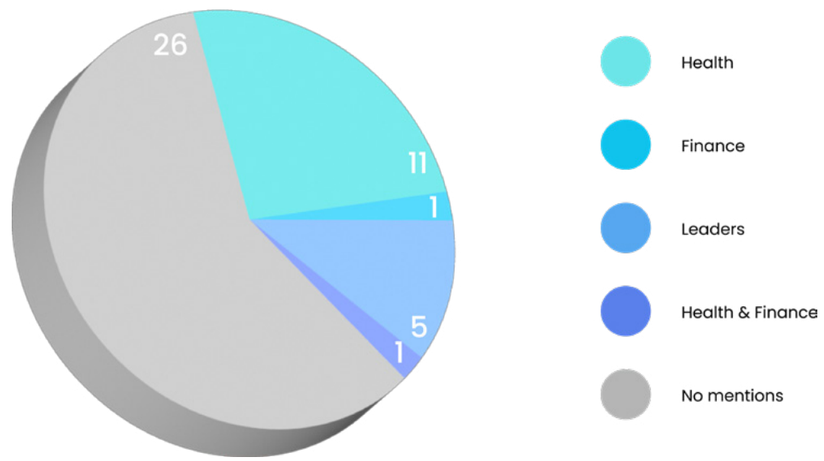
Thus a common definition of sustainable finance will help create a common language that bridges policymakers, institutional investors, venture capital, philanthropies, and sovereign wealth funds. Interviewees that represent the different sectors in the health economy agree that there is a lack of clear, shared terminology regarding health investments, particularly the use of "return on investment" (ROI). Without this, health will continue to be undervalued in investment decisions, sidelining its critical role in economic stability and societal wellbeing.

> "the process of taking due account of social, health and governance considerations when making investment decisions leading to increased investments in long-term and sustainable activities that promote health as a common public good and advance health equity and access at a local, national and international level."

Building on previous definitions, this paper recommends that sustainable finance in health is: "the process of taking due account of social, health and governance considerations when making investment decisions leading to increased investments in long-term and sustainable activities that promote health as a common public good and advance health equity and access at a local, national and international level."

Graphic 3: Analysing the mention of Sustainable Finance linked to health in 44 Communiqués of G20 Leaders, Health-, Finance and Joint Health and Finance Ministers, G7 Global Plan for UHC Action in G7 and G20 between 2017-2023

Number of Communiqués linking Sustainable Finance & Health in G20 & G7 Communiques



Source: Official G20 Health-, Finance-, Joint Health and Finance Ministers, Leaders and G7 Global Plan for UHC Action Communiqués of G20 and G7 Health, Finance, Leaders Communiqués (2017-2023). Please note that Health also includes the G7 Global Plan for UHC Action. (Beton et al., "The Roadmap to Sustainable Finance in Health)

CHAPTER II

PART 1

What is a Taxonomy and How can it be a Strategic Investment Tool for Companies, Governments and Investors?

> “classification system, an investment map that organises complex information into structured categories, enabling clarity, comparability, and informed decision-making.”

A taxonomy is a classification system, an investment map that organises complex information into structured categories, enabling clarity, comparability, and informed decision-making. In sustainable finance, taxonomies define which economic activities qualify as “sustainable,” “green,” or “impactful,” establishing a common language among investors, regulators, and policymakers[114]

In this context, a health taxonomy serves as a reference framework to guide investments aligned with public health priorities. By identifying health-related activities that generate measurable social and economic value, such a framework can reduce perceived risks and attract greater capital towards health.

The European Union’s Green Taxonomy offers a useful precedent.[115] Designed to help companies and investors identify environmentally sustainable activities, it provides a structured methodology for aligning markets with sustainability goals. A health taxonomy could adopt similar principles to define “health-positive” investments—those that advance health equity, system resilience, and long-term productivity.[116] This creates consistency and clarifies what qualifies as a sustainable health investment.

To be effective, a health taxonomy would need to be supported by targeted outreach, education, and transparent communication about the risks and benefits of different financing approaches. These efforts would foster shared understanding among investors, innovators, health leaders, and policymakers—enabling the identification of investment pathways, supporting evidence-based policy-making, and improving data availability.[117] It can also serve as a tool to evaluate the performance and impact of health interventions.

Comparable work by Harvard University provides theoretical foundations. Their framework on the intersection of climate change and health underscores the difficulty of coordinating strategies without global consensus on definitions and evaluation standards. This highlights the need for standardised approaches in health investment more broadly.[118]

> “A health taxonomy could adopt similar principles to define “health-positive” investments—those that advance health equity, system resilience, and long-term productivity”

“Critically, a strategic taxonomy focusing on health would move beyond traditional Corporate Social Responsibility (CSR), repositioning health as a driver of economic growth and geopolitical stability.”

Critically, a strategic taxonomy focusing on health would move beyond traditional Corporate Social Responsibility (CSR), repositioning health as a driver of economic growth and geopolitical stability. It would enable private capital to systematically support public health objectives while delivering measurable societal and financial returns. Evidence suggests that well-targeted investments of $2.9 trillion in health could generate as much as $12 trillion—or 8% of global GDP—by 2040.[119] Moreover, strategic investment in health systems and interventions could reduce the global disease burden by up to 40% over the next two decades. The next section will further analyse why a taxonomy is needed for health.

“well-targeted investments of $2.9 trillion in health could generate as much as $12 trillion—or 8% of global GDP—by 2040.”

Info Box 1: The European Union Green Taxonomy

Introduced in 2020, the European Union’s Green Taxonomy provides a standardised classification system to define which economic activities are considered environmentally sustainable. It enables both financial and non-financial companies to use a common framework, enhancing market transparency and consistency across the EU. The taxonomy plays a critical role in scaling up sustainable investments by directing capital towards activities aligned with the European Green Deal. It supports investor confidence, protects against greenwashing, helps companies transition to more climate-friendly operations, and reduces market fragmentation. Designed to align investments with a net-zero trajectory by 2050, the EU taxonomy advances broader environmental goals beyond climate, serving as a strategic tool for sustainable finance policy and practice.

Source: European Commission. (n.d.). EU taxonomy for sustainable activities.[120]

PART 2

Why Do We Need a Common Taxonomy for Health?

The development of a shared taxonomy has been transformative for green finance—scaling climate-aligned investments through greater transparency, comparability, and investor confidence. Health finance now requires a similar shift. In the absence of a structured framework defining what constitutes a sustainable, high-impact health investment, the sector remains underrepresented in sustainable finance strategies, despite the growing economic and societal risks of underinvestment.

Investors face significant barriers in the health sector as most of them are not health scientists. What health investors could benefit from to make their investment more productive is better knowledge in public health and the way to amplify their investments with the guidance of local/ global health needs to bridge challenges such as unclear risk-reward profiles, information asymmetries, and operational complexity. A health taxonomy would offer much-needed clarity, enabling investors, governments, and innovators to identify projects and technologies that contribute to public health and economic resilience. It would also reduce the risk of “health-washing”—the mislabelling of investments as health-positive without measurable outcomes—by establishing clear, evidence-based criteria.

“the sector remains underrepresented in sustainable finance strategies, despite the growing economic and societal risks of underinvestment.”

Unlike green finance, which relies on established metrics for emissions, biodiversity, and pollution, health lacks universally accepted standards. This disconnect between the finance and health communities limits the flow of private capital into health. A health taxonomy would bridge this divide by providing measurable indicators tied to prevention, access, system resilience, infrastructure development, equity, and productivity. A shared framework would also help governments integrate health investments into fiscal strategies and sustainability plans—paralleling the role of the EU Green Deal in advancing climate goals. It would enable the more systematic inclusion of health within mainstream sustainability-focused investment strategies and those that consider environmental, social, health, and governance dimensions.

Crucially, a strategic health taxonomy would reposition health investment as a driver of economic growth, not merely a form of social responsibility. Evidence from green finance shows returns of $2 to $10 for every dollar

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invested. Similarly, investments in health systems yield returns of $2 to $4 per dollar.[121] The G20 catalysed progress in green finance by launching the Sustainable Finance Study Group (SFWG) under China's 2016 G20 Presidency; a comparable global push is now needed to unlock private capital for health.[122]

> A health taxonomy would bridge this divide by providing measurable indicators tied to prevention, access, system resilience, infrastructure development, equity, and productivity.

A health taxonomy grounded in green finance principles would enhance transparency, promote blended finance, and expand public-private partnerships.[123] More importantly, it would provide a shared language to support informed, strategic investment decisions. Given the complexity of measuring health outcomes, such a framework is essential—not only to guide investments but also to solidify health as a foundation for economic resilience across the G20 and beyond.

> Unlike green finance, which relies on established metrics for emissions, biodiversity, and pollution, health lacks universally accepted standards.

PART 3

What is The Health Taxonomy?

The health taxonomy provides a practical reference to guide sustainable health investments. Rather than prescribing specific actions, it offers a non-binding framework that helps stakeholders evaluate which health-related activities qualify as "health-positive"—those that deliver measurable public health and development benefits across environmental, social, and governance dimensions.

A standardised health taxonomy is crucial for translating health investments into monetary terms and demonstrating the value of health investments compared to other sectors like education. In other words a health taxonomy can be described as a "health investment map, a health investment classification tool, or as principles for health investments," as per the suggestions of some of the interviewees for this report which will be discussed in Chapter III.

For simplicity and building awareness amongst non-financiers, table 3 outlines a short comparison of what a health taxonomy is and isn't.

Table 3: Comparison Table on What the Health Taxonomy Is and Is Not

What the Health Taxonomy is ✓	What the Health Taxonomy is not x
A voluntary, market-oriented and market led investment tool/ principles of investments that supports alignment around sustainable financing opportunities in health.	Not a mandatory requirement for investing in health.
A tool for cooperation and alignment between policymakers, companies & investors.	Not a directive or obligation for the private sector to increase health investments.
A guide for facilitating voluntary transitions toward health-positive activities that advance public health and give an indication to de-risk investments.	Not a rating or certification system for evaluating a company's health-related activities.
A mechanism to foster transparency through risk disclosures by financial market participants and large companies.	Activities not listed in the taxonomy are not necessarily considered negative/harmful.
A reflection of evolving technological & policy landscapes—designed to be updated regularly as new insights emerge.	Not a rigid framework; it is intended to remain practical, adaptable and responsive.
An encouragement to foster more resilient, equitable, and sustainable health systems.	Not a replacement for existing national health strategies or investment priorities.

> A health taxonomy is a strategic market-driven investment tool or health investment map that creates a common language and understanding between governments, companies & investors to facilitate financing initiatives for health positive activities at scale and based on measurable impact.”

This approach allows for adaptability to different national contexts while maintaining coherence through shared evaluation principles. Health-positive activities are defined based on alignment with at least one of the taxonomy’s core conditions and five foundational principles that will be outlined in PART 4 of this Chapter.

These criteria serve as a decision-making tool for governments, investors, and innovators to direct resources toward high-impact health initiatives. Importantly, the taxonomy addresses a long-standing barrier in health financing: the lack of a common evaluative standard. By offering a unified set of criteria, it facilitates clearer communication, greater trust, and more coordinated action across sectors. This helps unlock new financing pathways and supports stronger, more resilient health systems.

The health taxonomy helps to facilitate “the intersection of the private and public sectors to mobilise maximum financial resources, and to catalyse product innovations to enhance health system resilience and global health equity.”[124]

Following a comparative analysis of previous definitions (table 4) within the EU Commission[125], OECD[126] and the WHO,[127] we propose that a “A health taxonomy is a strategic market-driven investment tool or health investment map that creates a common language and understanding between governments, companies & investors to facilitate financing initiatives for health positive activities at scale and based on measurable impact.” Table 4 presents a comparative overview of how international institutions and academic bodies have conceptualised health taxonomies. The proposed definition in this report builds on that landscape, aiming to inform future standard-setting and practical application.

Table 4: Evolution of the Definition of a Health Taxonomy (2020-2025)

The EU Green Taxonomy (2020)	OECD Taxonomy (2020)	WHO Bulletin Health Taxonomy (2024)	Recommendation from this Paper (2025)
“A classification system that helps companies and investors identify “environmentally sustainable” economic activities to make sustainable investment decisions.”	“A comprehensive classification system that covers a diverse range of environmental, social, and governance objectives, which can be independent or interdependent.”	“A classification system of economic activities based on their impact against a set of common public health priorities. A health taxonomy can serve as a common language to educate stakeholders on health-positive and health-negative economic activities, and be a guide to steer public funding, private investments and policy decisions towards health-positive initiatives.”	“A health taxonomy is a strategic market-driven investment tool that creates a common language and understanding between governments, companies & investors to facilitate financing initiatives for health positive activities at scale and based on measurable impact.”

Source: (EU Commission, 2020)[128], (WHO, 2024)[129], (2020)[130], (Huang et al., 2024)[131], (2025).

PART 4

What is the Logic & Design of a Strategic Health Taxonomy?

A health taxonomy is a classification system, an investment map that organises complex information into structured categories, enabling clarity, comparability, and informed decision-making for investors, companies and governments. Its value lies in more than classification: it must guide financial decisions by linking broad aspirations to specific investment motivations, measurable indicators, and tangible outcomes.

At the core of this taxonomy are what we call, A) LAYER 1: positive qualifiers, i.e. principles that define what should be encouraged as investments. These principles, while aspirational in nature, must be actionable. Their purpose is to guide investment decisions across sectors, including those that go beyond traditional healthcare. According to Huang, Obrizan and Jardon-Pina, defining the health contribution of each industry enables private capital to extend into adjacent sectors—such as clean water provision or infrastructure—that significantly impact public health.[132] Importantly, they emphasise that indicators should reflect both individual and societal progress. This integrated view expands the range of investable opportunities and supports the use of standardised, cross-country metrics to ensure consistency, transparency, and accountability.[133]

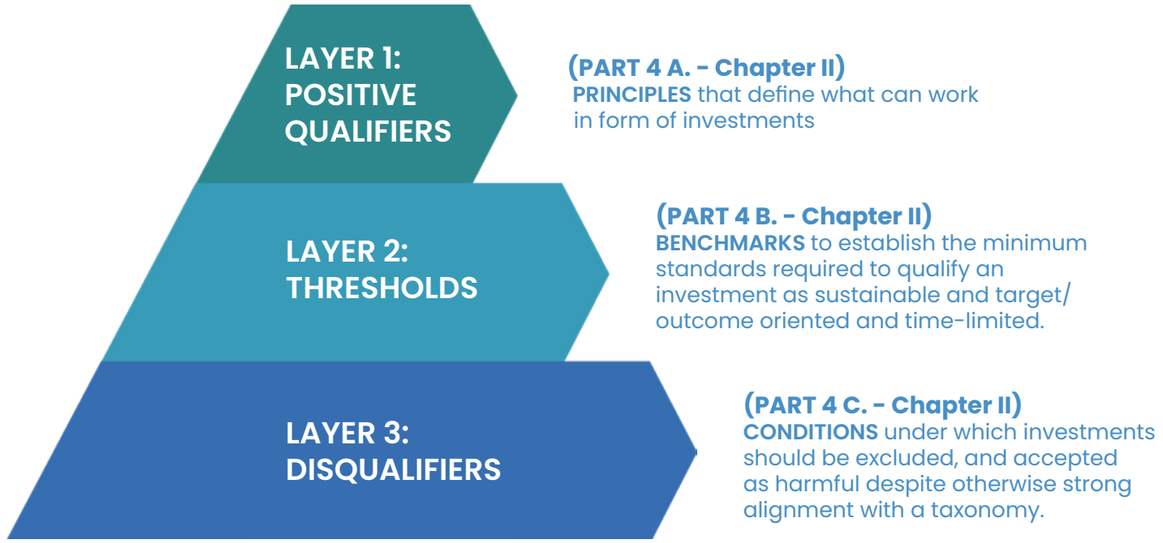
To move from intent to accountability, the taxonomy introduces B) LAYER 2: the thresholds which are benchmarks to establish the minimum standards required to qualify an investment as sustainable target/outcome oriented and time-limited. For example, a threshold might include a defined ratio of doctors per 10,000 population or target improvements in maternal mortality over time. Without these measurable goals, even well-aligned investments risk falling short in practice. Thresholds help ensure that classification leads to impact.

> “A health taxonomy is a classification system, an investment map that organises complex information into structured categories, enabling clarity, comparability, and informed decision-making for investors, companies and governments.”

Yet positive qualifiers alone are not sufficient. An investment may align with multiple principles but still have negative consequences elsewhere. For this reason, the taxonomy also incorporates C) LAYER 3: disqualifiers, i.e. specific conditions under which investments should be excluded and accepted as harmful despite otherwise strong alignment. For example, an investment that contributes to healthcare capacity building but causes environmental harm through pollution or deforestation would not meet the taxonomy’s full criteria. These disqualifiers protect the integrity of the framework and help avoid the risk of “health-washing,” where an investment is s uperficially labelled as health-positive without delivering holistic value.

> “Stakeholders need to interpret and apply the taxonomy in ways that align with their mandates, tools, and structures.”

Graphic 4: Logic and Design of a health taxonomy



> By linking financial decision-making with public health priorities, the health taxonomy turns complexity into actionable guidance—and offers a scalable framework to accelerate sustainable health investment globally.”

It is important to note that even a perfectly designed taxonomy cannot succeed in isolation. Implementation will depend on robust governance and the ability to adapt the taxonomy to institutional and national contexts. Stakeholders need to interpret and apply the taxonomy in ways that align with their mandates, tools, and structures. This demands what might be described as implementation intelligence—the capacity to maintain the integrity of the taxonomy while customising it for operational effectiveness across diverse systems.

The logic and design of the health taxonomy rests on three essential Layers: promoting what works through positive qualifiers or principles, preventing harm through disqualifiers, and ensuring progress through defined thresholds. But the three layers must be coupled with a governance approach that enables institutional uptake, stakeholder engagement, and continual adaptation. By linking financial decision-making with public health priorities, the health taxonomy turns complexity into actionable guidance—and offers a scalable framework to accelerate sustainable health investment globally.

A. LAYER 1 – POSITIVE QUALIFIERS

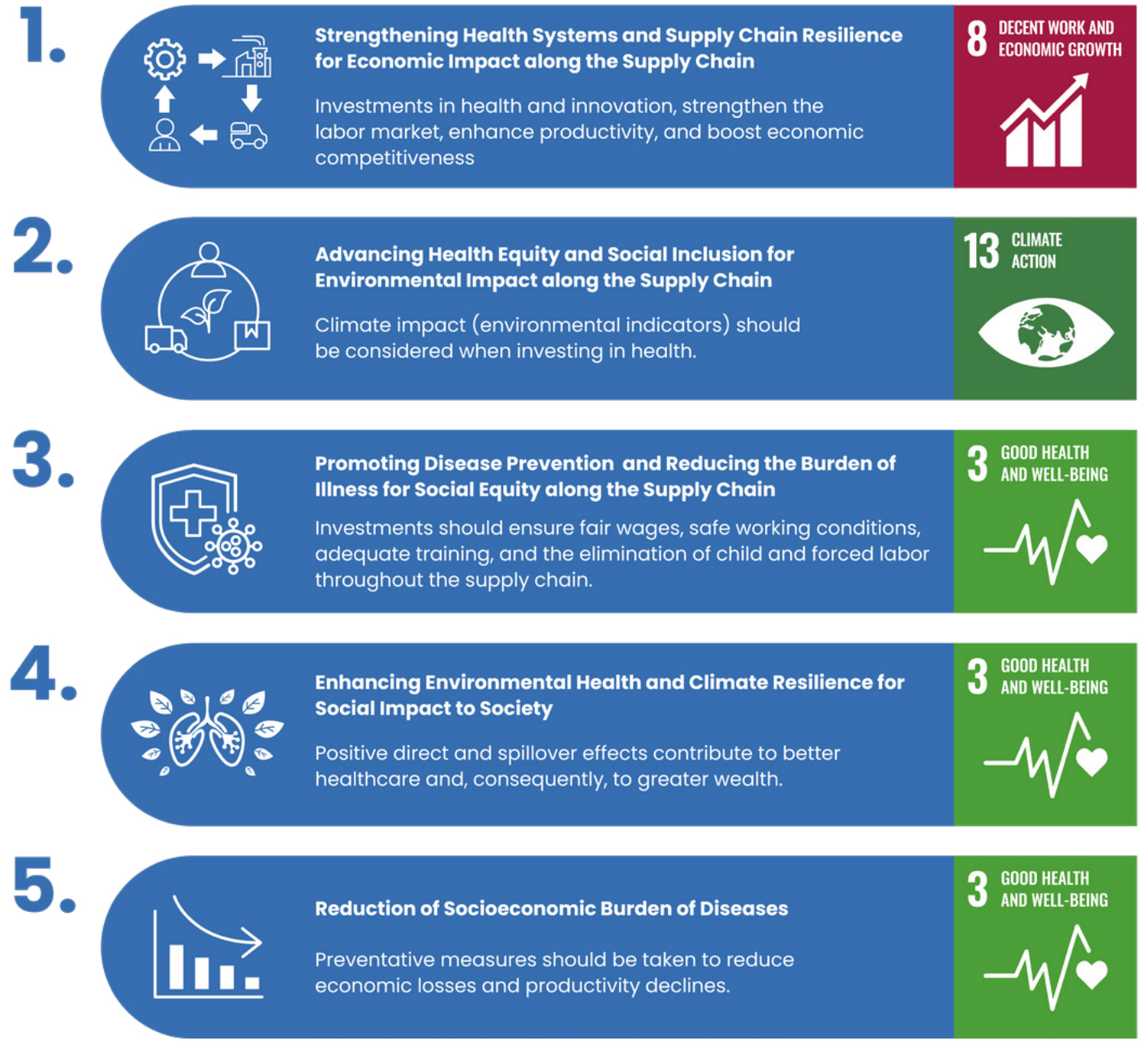
How Does the Health Taxonomy Define Impactful Health Investments?

Building on the taxonomy’s foundational structure, we propose a practical approach grounded in five investment principles. The health taxonomy classifies economic activities based on their contribution to health outcomes, system resilience, and social equity—guiding sustainable investments toward national and global health priorities.

To illustrate how a health investment taxonomy could function in practice, we propose five draft principles. These principles are not intended as final or exhaustive. Rather, they serve as a starting point—developed through initial interviews, expert consultations, and existing investment frameworks—to stimulate discussion and feedback. The aim is to test their relevance across health and finance stakeholders, and refine them through an inclusive, iterative process. This approach ensures the taxonomy remains grounded in real-world application while maintaining flexibility to evolve alongside stakeholder input.

Mirroring the four conditions of the EU Green Finance Taxonomy[134] we identify five conditions, here referred to as principles (Graphic 5), that an economic activity must meet to qualify as health-positive.[135] Each principle captures a distinct dimension of health’s broader developmental contribution. By principle we mean a specific area of value that a given investment can target—whether economic, environmental, social, or systemic. Depending on its scope and context, an investment may align with one or multiple principles.

Graphic 5: The Five Principles to set the Framework for the health taxonomy[136]



Source: WifOR Institute, Harvard University,[137] analysis of this report.

PRINCIPLE 1:

Strengthening Health Systems and Supply Chain Resilience for Economic Impact.

This principle refers to investments that enhance innovation, job creation, and productivity across health-related value chains. These may include infrastructure upgrades, local manufacturing capacity, or digital health tools that improve national competitiveness. For example, an investment can be assessed based on its contribution to GDP growth, using indicators such as the percentage of national GDP attributed to the health economy. The expected outcome would be a measurable increase in the sector's contribution to overall economic performance.

PRINCIPLE 2:

Advancing Health Equity and Social Inclusion for Environmental Impact.

This principle addresses environmental inefficiencies in health systems. It includes interventions that reduce emissions, improve waste management, and lower the environmental footprint of health production and delivery. Examples may include energy-efficient hospital design, sustainable procurement practices, or decarbonisation efforts across pharmaceutical supply chains.

PRINCIPLE 3:

Promoting Disease Prevention and Reducing the Burden of Illness for Social Equity.

This principle emphasises investments that support initiatives into better prevention policies, fair labour, decent work, and social protection across the health ecosystem. Activities may include upskilling frontline workers, eliminating child or forced labour in supply chains, or improving occupational safety. The goal is to ensure that the delivery of health goods and services supports dignity, fairness, and inclusivity at every level.

PRINCIPLE 4:

Enhancing Environmental Health and Climate Resilience for Social Impact.

Investments under this principle target upstream environmental factors—such as clean water, air quality, and climate adaptation—that affect population health. These interventions reduce exposure to health risks and disparities while strengthening the resilience of communities to environmental shocks. The result is improved well-being, reduced health system strain, and broader social benefits.

PRINCIPLE 5:

Reducing the Socioeconomic Burden of Disease.

This principle includes preventive and efficiency-enhancing interventions that reduce long-term healthcare costs and productivity losses. Examples include investments in early diagnostics, integrated care, telehealth, and public health infrastructure. The expected outcome is a reduction in avoidable mortality and morbidity, and a more efficient use of health system resources.

These five principles were adapted from a framework co-developed with the WifOR Institute.[138] They reflect the diverse forms of value that health investments can generate—not only within the healthcare system, but across labor markets, communities, and national economies. In doing so, they reposition health financing as a driver of resilience, productivity, and inclusive growth.

The authors argue that these principles have the potential to be further optimised in the future in consultations with governments, institutional investors, international organisations and multilateral development banks.

To translate these principles into practice, the health taxonomy introduces an evaluation framework that includes: clear investment criteria to assess alignment with health-positive objectives; indicators to track performance over time; and expected outcomes in terms of health, economic, and social return.

In table 5, this report introduces the first version of the health taxonomy Matrix, which maps investment categories to their potential Return on Investment (RoI) and Return on Value (RoV) for societies and economies.

> this report introduces the first version of the health taxonomy Matrix, which maps investment categories to their potential Return on Investment (RoI) and Return on Value (RoV) for societies and economies.

Table 5 provides a summary of the health taxonomy framework integrating LAYERS 1-3 introduced in this chapter.

According to Huang, Obrizan and Jardon-Pina[139], defining the health contribution of each industry allows private investments to move beyond health care to sectors that impact public health, such as clean water provision, and indicators should reflect individual and societal health progress. For each of the five principles, the authors have defined motivations to assess compliance and incentives for investments, indicators to track progress, and outcomes to measure success. For example, under principle 1), a specific investment would be assessed against its contribution to GDP growth (i.e. motivation/incentive), using indicators like the percentage of GDP spent into the Health Economy, with the expected outcome of a larger health sector contribution to the economy. The first concept for a health taxonomy, outlines the Return on Investment and -Value for societies and economies.

Table 5: The Health Taxonomy Framework & Incentives for Investment

LAYER 1: POSITIVE QUALIFIERS PRINCIPLES that define what can work in form of investments		LAYER 2: THRESHOLDS BENCHMARKS to establish the minimum standards required to qualify an investment as sustainable and target/outcome oriented and time-limited.	LAYER 3: DISQUALIFIERS CONDITIONS under which investments should be excluded, & accepted as harmful despite otherwise strong alignment with a taxonomy.
PRINCIPLE 1: Strengthening Healthy Systems & Supply Chain Resilience for Economic Impact along the Supply Chain *(GDP, Increased Productivity, Employment, Trade)*	Motivation/Incentive Indicator Outcome Examples of RoI, RoV	*BENCHMARK 1 *New Health Technologies/ AI for Faster Access to Treatments (WHO)* TARGET: Strengthen digital public infrastructure, promote data driven policy-making to allow for better patient access aligned with UHC goals by 2030 TIMELINE: by 2030	A) Access & Equity Limitations B) Risks to Public Health System Integrity C) Ethical & Labour Standards, Misalignment D) Environmental Sustainability Risks
PRINCIPLE 2: Advancing Health Equity and Social Inclusion for Environmental Impact along the Supply Chain *(Resource Consumption, Health Impact of Climate, Waste Management)*	Motivation/Incentive Indicator Outcome Examples of RoI, RoV	*BENCHMARK 2 *Reducing Air Pollution (SDG 3.9)* TARGET: Reduce by PM2.5 (by at least 55%) compared to 2005 TIMELINE: by 2005-2030	
PRINCIPLE 3: Promoting Disease Prevention and Reducing the Burden of Illness for Social Equity along the Supply Chain *(fair wages, safe working conditions., training, elimination forced labour)*	Motivation/Incentive Indicator Outcome Examples of RoI, RoV	*BENCHMARK 3 *Increased GDP spend for Primary HealthCare for UHC (WHO, SDG 3.8)* TARGET: 1% more of GDP spent on PHC TIMELINE: by 2019-2030	
PRINCIPLE 4: Enhancing Environmental Health and Climate Resilience for Social Impact to Society *(SROI, Invest in Prevention, Strengthen Health Workforce, No harmful Products)*	Motivation/Incentive Indicator Outcome Examples of RoI, RoV	*BENCHMARK 4 *Strengthening Health Workforce, Create Jobs (SDG 3.c)* TARGET: close 18 million shortfall in healthcare workers and increase by 29%; create 40 million jobs TIMELINE: by 2020-2030	
Principle 5: Reduction of Socioeconomic Burden of Diseases *(Prevalence NCDs, Productivity Loss, R&D Financing for Health Technologies)*	Motivation/Incentive Indicator Outcome Examples of RoI, RoV	*BENCHMARK 5 *Invest into Prevention led Health Initiatives (NCDs, Mental Health) (SDG 3.4.1; 3.4.2)* TARGET: Reduce Premature Mortality by a 1/3 by 2030 TIMELINE: by 2030	

*Benchmarks suggested are Examples

B. LAYER 2 - THRESHOLDS
What are the Benchmarks for a Taxonomy that an Investor can use?

A taxonomy is not just a classification tool—it must also offer clear benchmarks to assess whether investments are delivering meaningful results. While in LAYER 1: Positive Qualifiers describe what types of activities align with health goals, LAYER 2: Thresholds define the minimum standards, level of performance required for an investment to be considered health-positive, and in LAYER 3: Disqualifiers help prevent harm.

Thresholds move the taxonomy from intention to implementation. They provide reference points that enable governments, investors, and companies to determine whether an activity is achieving health outcomes in practice—not just in design. For investors, thresholds support comparability across sectors and countries, strengthen accountability, and build confidence that labeled investments are both credible and measurable.

Thresholds can take different forms. Some are quantitative, such as the percentage of GDP allocated to health or the ratio of doctors to population. Others are qualitative, such as the level of service integration or the inclusion of underserved groups in health delivery models. In all cases, thresholds must be clearly defined and grounded in evidence.

Where appropriate, thresholds should align with national health strategies and established global frameworks. Institutions such as the World Health Organization (WHO)[140], the Organisation for Economic Co-operation and Development (OECD)[141], the United Nations Sustainable Development Goals (SDGs)[142] and The Global Reporting Initiative (GRI)[143] provide valuable starting points. For example, SDG 3 outlines global health benchmarks that can inform taxonomy alignment. These include reducing maternal mortality to fewer than 70 per 100,000 live births by 2030, ending preventable deaths of newborns and children under five, and halving global deaths and injuries from road traffic accidents.[144]

Following the research conducted in this report and the outcome of the qualitative interviews, the following thematic areas were predominantly mentioned as opportunities for scaling up investments in health in the coming years. Based on this analysis, we have selected the top five benchmarks (Graphic 6) within the pressing thematic areas for health that classify as health positive investments aligned with the taxonomy framework narrative. If we were to integrate some of these accepted benchmarks by the reputable organisations mentioned above into our health taxonomy matrix/ framework the benchmarks could look like the following.

> “Thresholds move the taxonomy from intention to implementation.”

> “For investors, thresholds support comparability across sectors and countries, strengthen accountability, and build confidence that labeled investments are both credible and measurable.”

Graphic 6: Suggested Examples for Benchmarks aligned with Principles for Investments

Principle 1 > Benchmark 1: **New Health Technologies/ AI for Faster Access to Treatments** “Invest into the use and scale-up of Digital Technologies & AI to improve faster and equitable access to healthcare and help achieve UHC by 2030.”	a)	**Motivation:** Invest in new health technologies & AI for faster and equitable access to essential health services.
	b)	**Indicator (Measure):** WHO Global Strategy, Digital Health (2020–2025)[145]; HIMMSS [146]
	c)	**Outcome:** Strengthening digital public infrastructure, connectivity, literacy, reduce barriers to access for patients, improve publicly available health data for better data-driven decision-making
	d)	**Example:** i) AI-driven diagnostics have the potential to reduce treatment costs by up to 50%, improving health outcomes by 40%. [147] ii) The current maternal health (FemTech), i.e. consumer menstrual products, gynecological devices, and solutions in fertility market size ranges from $500 million to $1 billion and is expected to double in revenue. [148]
Principle 2 > Benchmark 2: **Reducing Air Pollution** “By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.”[149]	a)	**Motivation/ Intentive:** Employer to protect employees, reduce sick-leave days and boost productivity growth
	b)	**Indicator (Measure):** UNSDG 3.9, EU Green Deal
	c)	**Outcome:** Decreasing respiratory diseases, premature deaths & the cost of health damages by reducing air pollution by PM2.5 (by at least 55%) compared to 2005 levels. [150]
	d)	**Example:** i) Global: Cost of health damages associated with exposure to air pollution is $8.1 trillion and equivalent to 6.1% of global GDP.; [151] ii) United Kingdom: A target of 10 µg /m3 by 2030 include 20 fewer infant deaths, 388,000 fewer asthma symptom days in children, and 6,300 fewer respiratory and cardiovascular hospital admissions annually. [152]

Principle 3 >

Benchmark 3:

GDP spend for Primary Health Care to achieve Universal Health Coverage

"Increase public spending, i.e. on primary health care (PHC), in accordance with national contexts and priorities, while increasing the spend by 1% of GDP between 2019-2030." [153]

a) **Motivation/Incentive:** Create access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

b) **Indicator (Measure):** UNSDG 3.8, WHO target[154]

c) **Outcome:** Reduce out-of-pocket health spending; reduce morbidity/ mortality, increase life expectancy; reduce health inequities

d) **Example:**
i) Reduce out-of-pocket health spending for the population to less than 20% of total health expenditure.[155]
ii)Save over 60 million lives and increase average global life expectancy by 3.7 years by 2030.[156]
iii)US: Health inequities account for nearly $320 billion USD in annual healthcare spending. If unaddressed, it could increase to over $1 trillion USD by 2040. [157]

Principle 4 >

Benchmark 4:

Strengthening Health Workforce, Create Jobs

"Help close the global shortfall of 18 million health workers and support the creation of 40 million health worker jobs by 2030."[158]

a) **Motivation:**
i)Close global health workforce shortage (18 million 2030, mostly in low- and lower-middle-income countries).[159]
ii) The need for health care workers is 29% (2020-2030) > 3X times faster than the projected population growth rate of 9.7%.[160]

b) **Indicator (Measure):** UNSDG 3.c

c) **Outcome:** Health workers, including nurses, make up a big portion of the global labour market & stimulate broader economic growth.

d) **Example:**
i) $554 billion USD in remittances flowed into LMICs from employment (2019). [161]
ii) ROI in the health workforce in LMICs is at a ratio of 1:10. [162]

Principle 5 >

Benchmark 5:

Invest in Prevention-led Health Initiatives (NCDs, Mental Health)

"By 2030, reduce 1/3 premature mortality from Non-Communicable Diseases (NCDs) through prevention and treatment and promote mental health and well-being." [163]

a) **Motivation:**
i) Prevent economic loss of $47 trillion USD (2011-2030) due to absenteeism and presenteeism amongst workers.[164]
ii) Invest in mental health prevention and treatment that generates 1:4 & 1:5 ROI for improved health and productivity, workforce retention.[165]

b) **Indicator (Measure):** UNSDG 3.4.1; 3.4.2[166]

c) **Outcome:** Healthier population result in healthier workforce: workforce retention reduce strains on health and economic system

d) **Example:**
i) For every $1 USD invested in effective mental health prevention and treatment, there is a return of $4 USD to $5 USD.[167]
ii) An additional investment by countries and donors of $0.24 USD per patient per year in telemedicine, mobile messaging and chatbots now can help save 2 millions lives affected by NCDs and generate economic benefit of $199 USD billion over the next decade.[168]

> "the entities and stakeholders that are believed to validate the usability and credibility of such a taxonomy must launch a consultation and discuss the governance and implementation of such a health taxonomy framework that will serve governments, companies and investors."

These goals provide a useful foundation—but they are not without limitations. Many observers have noted that while the UN SDGs are global in ambition, some targets are overly broad, difficult to measure, or subject to political influence. Others question whether the goals adequately prioritise equity, human rights, or systemic root causes. Additional concerns include underfunding, vague language, inconsistent timelines, and the challenge of implementing 17 goals and 169 targets simultaneously.

Despite these critiques, the SDGs remain an important reference point. They highlight the need for thresholds that are ambitious but realistic, evidence-based yet adaptable, and politically legitimate as well as technically sound. Setting thresholds is not a neutral exercise—it involves normative and political decisions that must be made transparently and deliberately to ensure broad acceptance.

This paper proposes a classification framework for the health taxonomy, including investment principles and disqualifiers. Although this paper attempted to suggest some key thresholds based on the findings of this report, the setting of specific thresholds is a complex and context-dependent process that goes beyond technical analysis. It involves normative decisions about what society values, what outcomes are considered sufficient, and how trade-offs are managed. Establishing thresholds requires inclusive dialogue, alignment with national/global priorities, and recognition of political realities. While this paper does not define numerical thresholds, it lays the foundation for that essential work to follow. Without agreed and legitimate benchmarks, the taxonomy cannot fulfill its role as a credible and actionable guide for sustainable health investment. This is why the entities and stakeholders that are believed to validate the usability and credibility of such a taxonomy (Chapter III, section 3-5) must launch a consultation and discuss the governance and implementation of such a health taxonomy framework that will serve governments, companies and investors.

Using this investment framework in practice will introduce not only a classification system but an implicit prioritisation to make the taxonomy actionable and implementable, guiding investments whether investments are good or not. If investors use the taxonomy they will channel resources or investments into projects that contribute to meeting the threshold.

On the contrary, where the threshold for investments have already been met by countries, investors, companies and governments can refocus their investments to meet other priority thresholds, i.e. benchmarks.

The Benchmarks under LAYER 2: Thresholds, were selected based on interviewee responses and literature review. However, this concept will need further research, modifications following wider consultations on prioritisation of health investments nationally, regionally and globally. It is also important to note that if a benchmark under the threshold layer is being met, it can overlap and have a positive spill-over effect on other benchmarks, which can be reviewed in future research. There are some challenges in implementation that cannot be addressed at this point due to time limitations of this report.

C. LAYER 3: DISQUALIFIERS

What are the Disqualifiers for a Health Taxonomy?

As outlined in the taxonomy's core structure, positive qualifiers help identify which investments m eaningfully contribute to better health outcomes. However, equally important is the definition of what must be excluded to preserve the integrity of health-positive investments. These disqualifiers function as a second filter—ensuring that investments are not only impactful, but also responsible, ethical, not harmful and aligned with broader public health and sustainability goals.

The inclusion of disqualifiers is not intended to discourage innovation or private sector participation. On the contrary, it is meant to provide clarity, consistency, and confidence—for investors, companies, and policymakers alike—by defining the baseline conditions that safeguard public trust and health system coherence. These exclusion criteria help prevent two critical risks: first, misclassification of activities that do not deliver meaningful health value, and second, the risk of "health washing," where investments may use health language but fall short of ethical, environmental, or systemic standards.

> "health washing is where investments may use health language but fall short of ethical, environmental, or systemic standards."

Graphic 7: LAYER 3 –Four Disqualifying Conditions that can lead to Health Washing

Source: See footnotes in table.

The Taxonomy Organises Disqualifiers into four Key Categories:

a. **Access & Equity Limitations:** Health investments should contribute to more inclusive access. Activities that inadvertently reinforce exclusion—such as through pricing, service availability, or digital divides—may not align with the taxonomy's objectives. For instance, AI and digital health solutions that deliver efficiencies in rural/ urban settings are promising, but if not paired with strategies for broader outreach, regulatory approvals, and access entry points to a market, they risk failure, the deepening of geographic or socioeconomic gaps. The taxonomy encourages adaptive models that scale access equitably across different regions, nations and population groups.[173]

b. **Risks to Public Health System Integrity:** The taxonomy favours investments that strengthen and complement local, national and regional health systems. Projects that operate in siloes or unintentionally duplicate essential public functions may create inefficiencies or disconnects. For example, independent service providers offering specialised technical assistance, medical countermeasures, i.e. diagnostics or treatments, can bring innovation and responsiveness—but when introduced without integration into existing public referral pathways, they may weaken system-wide coordination. Aligning with national strategies and regulatory frameworks helps avoid such risks and promotes long-term sustainability.[174]

c. **Ethical & Labour Standards Misalignment:** Health investments are expected to uphold fundamental ethical norms and labour protections. This includes fair working conditions, compliance with clinical and research standards, and evidence-based practices. In some fast-growing segments—like remote care, AI-powered health platforms, or low-cost manufacturing—there may be risks of unintended gaps in labour rights or quality assurance. Embedding ethics-by-design and robust oversight mechanisms ensures these models remain both innovative and responsible.[175]

d. **Environmental Sustainability Risks:** Sustainable health systems depend on environmental stewardship. Investments that generate avoidable pollution, unsustainable resource use, or harm to ecosystem health are not aligned with the taxonomy. For example, pharmaceutical production processes that lack waste management safeguards or infrastructure projects with high carbon footprints may undercut health objectives over the long-term. Encouraging low-emission operations and circular solutions reinforces the health sector's broader alignment with climate and sustainability goals.[176]

These disqualifiers are not rigid barriers, but a guide for accountability. In practice, they help stakeholders distinguish between activities that generate long-lasting public value—and those that may pose reputational, systemic, or operational risks. By offering a clear view of both what qualifies and what does not, the health taxonomy aims to support public-private collaboration, increase market confidence, and ensure that the label of "health-positive" investment remains meaningful, measurable, and trusted.

CHAPTER III

Why is a Health Taxonomy Timely? Reflections from 27 Interviews with Stakeholders in the Health Ecosystem

> “In 90% of the interviews, it became inherent that the word “taxonomy” may bring negative connotations connected to green washing and ESG terminologies”

This report has gathered the valuable insights by over 27 experts in the form of a qualitative interview over a period 2 months. Interviewees match the 3 main categories in the health ecosystem (Chapter I) labelled under 1) International and Public Sector Institutions, 2) the Investment Community and the Private Sector and 3) Philanthropic and Civil Society Organisations. Almost all sectors have been interviewed apart from philanthropic organisations and insurance funders due to time limitations. Service delivery entities such as law-firms that advise on health financing initiatives and advisory firms who act between the sovereigns and the banks have been included in the interviews.

Following a set of 15 qualitative questions designed for the stakeholders interviewed, we have categorised the key take-aways from the interviews into 6 main themes, i.e. 1) Opportunities for scaling up future investments in health; 2) Barriers for future Investments in health; 3) Definition Models of a health taxonomy; 4) The role of Stakeholders Interviewed and how They can use the Taxonomy; 5) The validation needed for the credibility of a taxonomy; 6) examples where health investments can generate Return on Investment (ROI) and Socioeconomic Returns (SROI) to society to justify a taxonomy.

Before delving into the 6 thematic blocks, it is worthwhile to highlight that all stakeholders that have been interviewed agree that there is a significant misalignment of health investment priorities. Whereas investors want measurable returns, implementers, i.e. companies seek operational scale and governments and policymakers look for political and social impact. A taxonomy that benchmarks impact across financial, clinical and socioeconomic dimensions could create a common ground.

In 90% of the interviews, it became inherent that the word “taxonomy” may bring negative connotations connected to green washing and ESG terminologies and that a reframing and simplification of the terminology would benefit all actors involved. Dominated by responses from International Financial Institutions and Development Finance Institutions, Investors, Asset Managers, Companies and Venture Capitalists it has been recommended that health must be treated like defence, energy, or infrastructure, namely strategic, and not optional. Health investments according to most interviewees should be framed as strategic infrastructure, not only a charity.

> “stakeholders that have been interviewed agree that there is a significant misalignment of health investment priorities.”

While for some interviewees the true value of investing in health stems from the social protection effect, enabling a safety net from impoverishment due to illness, others view the value in health investments as a national resilience strategy to reduce the systemic economic and political risk that have been created for example by the COVID-19 pandemic. With the right strategic investments, workforce productivity can be supported, public trust re-established, innovation spillovers promoted and economic sustainability and continuity guaranteed.

> “health must be treated like defence, energy, or infrastructure, namely strategic, and not optional. Health investments according to most interviewees should be framed as strategic infrastructure, not only a charity.”

1) What are the Opportunities for Scaling up Future Investments in Health?

The opportunities, many interviewees believe, for scaling up investments in health is significantly growing in the last few months especially with the geopolitical changes away from focusing on climate change and ESG. According to asset managers and investors there is a growing desire to incorporate societal benefit and social impact into investment strategies. Health feels more strategic and concrete for many actors and one interviewee stressed that health investments should be viewed as “the art of securing tomorrow’s care with today’s opportunities.”
Healthcare in the views of many interviewees is recession-resistant, as the demand for medical services and products remains steady, reducing investment risks compared to cyclical industries. However, a recession can impact investor disengagement and can cause siloed thinking, if the right health investments are not put in place early on.

> “Healthcare in the views of many interviewees is recession-resistant, as the demand for medical services and products remains steady, reducing investment risks compared to cyclical industries.”

Some investors and asset managers highlighted that the trends with regards to health financing is shifting towards more domestic health investments with a potential global impact and health adoption and outlook. It seemed from the interviews that governments, investors and asset managers tend to localise economic returns recently, as they are in favour of building domestic capacity through jobs, manufacturing, and innovation. This comes with the understanding that health spending should be viewed as an integral part of a country’s industrial strategy, and not just welfare as in some developed G20 economies.

> “health financing is shifting towards more domestic health investments”

Looking ahead to the next few years of tight fiscal space for health, institutional investors believe governments could treat health budgets as sovereign capital allocations, not merely just as cost centres. This can be done via different models including by deploying blended finance at scale by using concessional finance from National, Regional or Multilateral Development Banks or Philanthropies to crowd in private capital.

> “governments could treat health budgets as sovereign capital allocations, not merely just as cost centres.”

Areas that are seen as opportunities for investments, as widely agreed are, digital health and AI, the use of telemedicine, building health infrastructure and facilities, the development of domestic manufacturing of vaccines, diagnostics and therapeutics and building clinical trial networks. Furthermore, harnessing innovation and AI and Machine Learning care provision, investing into wellness, prevention, selfcare, gene therapy and longevity are seen as key sectors for future health funding and financing.

> “health spending should be viewed as an integral part of a country’s industrial strategy, and not just welfare”

2) What are the Barriers for Future Investments in Health?

The decreasing fiscal space for health spending as outlined in Chapter I indicates the tight fiscal space countries are facing due to the many multifaceted challenges they are facing nationally and globally. Consequently, the high costs of debt in many countries make it difficult to finance health at concessional rates.[177]

The short-termism in the investor community for quick returns makes it difficult to attract investments while health investments are typically long-term with delayed outputs. However, some interviewees emphasise the need to rebuild trust in health systems to boost investments via localising investments and reconfigure public funding as it is done in Mexico. Some institutional investors and VCs believe that the private sector may need to lead change to rebuild the trust.

The lack of political will, changing political electoral cycles, sustained political instability and regulatory burden especially in low-income and emerging economies, is off-putting for institutional investors. Hence why a health taxonomy could also provide guidance on how to de-risk investments to scale them up sustainably. A trustworthy regulatory and investment environment is crucial for attracting private sector investment. More transparent and improved data availability from governments would help to identify the gaps and have more evidence-based policies and actions. The general message coming from the investor community and companies is that a taxonomy must be market-driven to be operational but also that private investors need to be brought into investments as incentivised by governments.

3) Definition & Usability of a Health Taxonomy

According to the investment community and companies, the health sector can learn from green financing, especially in communication with asset managers and investors where the right public policy is crucial. For a taxonomy to be operational, investors need to see what returns they will get and how it compares to other areas/sectors they invest in. This is why interviewees emphasised that a taxonomy must meet these characteristics. It must be a) comparable and b) give an indication to de-risking investments c) have unbiased metrics in place that are measurable, and goal oriented, d) resilient, e) and adaptable for future changes. It should also look into f) ROI and ROV benchmarks for different country tiers, g) Milestone-triggered finance tools (convertibles, step-in rights, co-investments) h) tiered KPIs by development stage and geography, and have i) outcome-based finance triggers, j) and optionality for government co-investment.

Generally, investors believe that an investment framework like a health taxonomy would enable transparency to direct capital flow into the health space. Especially as some of the main reasons to invest in health include financial returns, societal benefits, and controlling macro risks, investors need more clarity. Ideally, for a taxonomy to be practical and implementable, it should not only be considered as a classification system but evaluate the investment outcome and impact. The suggested taxonomy framework in table 5 (Chapter II) can help close the disconnect between SROI and Private ROI.

3.1 Definition - Simplification of the Terminology

Assessing the various terminologies to describe a taxonomy, interviewees advised that the taxonomy should be kept simple and flexible, agile enough to reflect local realities while providing globally comparable data. Some actors described the taxonomy as an "investment tool," others referred to it as "principles of investments," "impact pull investments," "a framework and methodology to measure impact," or a "classification system," or "guard rails," for investments. Public sector actors preferred to use terminologies such as "health investment guide," and "health investment mapping."

> "Public sector actors preferred to use terminologies such as "health investment guide," and "health investment mapping."

3.2 Usability of a Health Taxonomy in the Real World

Interviewees widely agree that the taxonomy is timely and should be implemented as long as it is embedded in real-world outcomes. A standardised taxonomy, if done correctly, can serve as a shared framework across investors, ministries, and delivery partners. The taxonomy could become "a universal translator" that aligns everyone on return on investment (ROI) and return on value (ROV).

Despite creating an investment framework, in the form of a taxonomy, all interviewees agree that there shouldn't be any illusion that the taxonomy alone will close the funding problems in national and global health. However, all interviewees acknowledge that the taxonomy is a pre-step for a joint classification to be able to prioritise and compare investments in health to channel new investments.

By diluting from ESG terminologies and showing real impact, respondents suggested embedding the following linkages to the taxonomy such as GDP protections, supply chain growth, job creation, data sovereignty, increase national productivity, future proof economies. On the upside, public sector interviewees stressed that a taxonomy will help facilitate the dialogue between health and finance ministries, and ensure health is seen as an investable sector.

> "public sector interviewees stressed that a taxonomy will help facilitate the dialogue between Health and Finance Ministries, and ensure health is seen as an investable sector."

If a standardised taxonomy, combined with concrete examples, can be presented to policymakers, public sector actors believe that it will help bridge the gaps between investors, governments, and implementers.

Institutional Investors also emphasised that standardising evaluation methodologies would benefit them and that the health taxonomy would provide clarity and transparency.

As outlined in Chapter II, a taxonomy alone will not solve the funding gaps in health and as compared to the green taxonomy, where carbon emissions can be quantified, it is difficult to measure the impact of health investments. This is why the framework needs to be clearer about what is measured, what is important and what are the disqualifiers for an investment.

> "The taxonomy could become "a universal translator" that aligns everyone on return on investment (ROI) and return on value (ROV)."

4) The Role of Stakeholders Interviewed and How They can use the Taxonomy

An encouraging outcome from the interviews is the willingness of all actors to learn more about a health taxonomy. There is a wide agreement that a health taxonomy is a timely tool to change the health financing discourse. In addition, it was equally encouraging listening to interviewees who would be keen to play an active role in shaping the concept of a taxonomy and help to pull it into the market long-term. Having asked them what role they can play in utilising or endorsing a taxonomy, the following responses were provided.

Asset managers believe they can use a taxonomy and raise awareness between different financial stakeholders.

Advisory and Law Firms see their role in educating investors on the taxonomy and evaluating fund management activities. They can incentivise organisations to promote transparency in health businesses.

MDBs on the other hand see their role as educators for the public sector and as early and standard-setters. They see their role in working with governments and private sectors to use the framework of a taxonomy. Moreover, acting as ambassadors for the implementation of a health taxonomy, MDBs together with rating agencies can validate usability and educate member countries.

Impact investors on the other hand can guide on what good investments are by also providing best practice for impact investments and accounting.

Bankers believe they can co-develop financial instruments such as milestone-tied convertible grants, public-private step-in rights, or structured exits that bring investors and governments into more coordinated, capital-efficient partnerships.

Lastly, **academic or economic institutions** believe they can help measure the effects of using the taxonomy, execute the taxonomy mission and vision.

5) The Validation Needed for the Credibility of a Taxonomy

As with many standards and new tools introduced to the market, the health taxonomy needs scientific and market validation and support from reputable organisations to be credible and implementable. Some public sector stakeholders believe that a taxonomy should be validated by International Organisations such as the WHO, that can contribute as a norm setting agency for health, and can do more on norm setting in financing frameworks and regulation for attracting good value in private sector investment. Some academic institutional representatives and MDBs believe that Organisations such as the OECD or the OECDs tracking of external donor support could incorporate the taxonomy. Development Finance Institutions and MDBs also believe that the World Bank or IFC would make the use of a taxonomy credible. The adoption of a taxonomy by a group of Multilateral Development Banks supported by the World Bank, could help Health Ministries to adopt, build capacities when implementing a taxonomy. Some interviewed MDB representatives also believe that if a rating agency endorses this taxonomy, it makes it helpful for MDBs to look into new investments including on traditional bonds and bonds such as sukuk (represent ownership or beneficial ownership of assets, and investors receive returns from the asset's performance), and to leverage capital finance. A precondition for MDBs is the political will of countries in bringing in a new culture of health finance beyond grant resources.

> "The adoption of a Taxonomy by a group of MDBs could help Health Ministries to adopt, built capacities when implementing a Health Taxonomy"

International Financial Institutions on the other hand confirmed that if Development Finance Institutions such as the World Bank and other MDBs would validate its usage, they would be more inclined to use and implement a taxonomy. Some asset managers, VCs and economic institutional actors believe that established rating agencies can play a significant role by incorporating health investment impacts into their assessments for the future for the performance of Sovereigns. It is believed that rating agencies could also encourage banks to use the health taxonomy more widely in their ratings and investments. For usability and validation of a taxonomy some asset management representatives have recommended that the International Sustainability Standards Board (ISSB) could include health metrics. The ISSB is an independent standard-setting body within the IFRS Foundation.[178]

> "a G20-endorsed taxonomy could drive global adoption, provided it is integrated into the right working groups, like the Sustainable Finance Working Group (SFWG) or the G20 Joint Finance and Health Task Force (G20 JFHTF)."

With regards to the role of the G20, interviewees believe that a G20-endorsed taxonomy could drive global adoption, provided it is integrated into the right working groups, like the Sustainable Finance Working Group (SFWG) or the G20 Joint Finance and Health Task Force (G20 JFHTF). If the G20 JFHTF could refocus on broader health investment issues, not just pandemics, with a review of its mandate to support the health taxonomy framework.

6) Examples where Health Investments can Generate Return on Investment (ROI) and Socioeconomic Returns (SROI)

As highlighted by some interviewees, taxonomies should be accompanied by concrete examples and stories to make them impactful but they should also be real life oriented. This section will outlines a few health investment examples that respondents referred to that justifies why there should be more strategic investments into health for the future.

Starting with examples on early stage investments, Angels and VCs have highlighted that investing into digital health technologies and developing a new vaccine or therapeutics has brought in the returns they were hoping for. The investments into telemedicine and manufacturing seem equally beneficial, albeit risky, for institutional investors. A concrete example is in HPV vaccination. By investing $1 in HPV vaccination in the UK creates an economic return of $2 immediately, making a compelling case for preventative health measures.[179]

Info Box 2: Ellavi Uterine Balloon Tamponade to stop postpartum maternal deaths

WHAT IT IS: The Ellavi UBT, developed by PATH and Sinapi Biomedical, is an affordable device designed to manage postpartum hemorrhage (PPH)—a leading cause of maternal death in LMICs. Costing just $7.50 for public health systems, it offers a high-quality alternative to costly balloon tamponade devices used in high-income countries. The project was supported through global health innovation funds using a concessional funding model, blending donor and philanthropic investment to advance development, testing, and early implementation in African countries.

ROI & SROI: Ellavi UBT prevents maternal deaths at a fraction of the cost of traditional interventions, reducing emergency care needs and long-term complications. Priced at $7.50 for LMIC public sectors, it is dramatically more affordable than standard UBTs, which can cost hundreds of dollars. The South African regional manufacturing base contributes to local economic development and supply chain resilience. Key enablers of success include local manufacturing, ease of use, and clinical training integration. Every maternal life saved through timely PPH intervention avoids significant healthcare costs and preserves the economic and social contributions of women in their households and communities.

Source: Ellavi Uterine Balloon Tamponade[180]

From a Macro-political perspective strengthening UHC has generated significant returns for governments such as the universal free health services implemented by the President of Indonesia, leading to increased demand and private sector involvement as outlined by Professor Robert Yates, LSE. Similarly Yates referred to reforms in Ukraine that focused on investing in GP services and tackling corruption in pharmaceutical procurement which has generated significant returns for the government and society. Generally on UHC Governments can create demand and attract private sector investment by guaranteeing service coverage Prof. Yates and some MDBs argued. A successful Asian Development Bank (ADB) led initiative is on building UHC in the Philippines. According to Dr Akihito Watabe, ADB, the policy loan of around $500 million for the Ministry of Finance, enables 3 programmes. This direct investment into the Philippines is being leveraged by the 40 policy actions for UHC reforms that have involved financiers such as JICA and the Asian who directly invest into the measurable policy actions. [181]

Info Box 3: Medical Credit Fund- Financing Women's Health Enterprises with Impact

WHAT IT IS: Medical Credit Fund (MCF), part of PharmAccess, is championing a health financing model by unlocking capital for health SMEs in Kenya, Ghana, Nigeria, Tanzania, and Uganda through innovative loan products.

ROI & SROI: In 2024, MCF disbursed a record 1,664 loans, 31% of which went to women entrepreneurs, totaling €180 million across 10,000 loans since inception (2009). The model is successful and has a 95% pay-back rate. MCF's blended finance model combines public investment (e.g. Dutch Ministry of Foreign Affairs) including private and development capital from Philips, BII, FMO, Swedfund, alongside risk mitigation by DFC. Investors are drawn by MCF's data-driven impact, strong performance, and its ability to expand access to essential services for low-income communities.

Source: Medical Credit Fund [182]

The findings and analysis in Chapter III indicate the willingness of the companies, governments and investors to find a new investment language and alignment for which the health taxonomy is believed to provide a helpful framework for. It has been widely suggested that the terminology "health taxonomy" could be replaced by a simplified and practical wording resonating with all actors involved.

Findings in Chapter II and III highlight that even with the most technically robust taxonomy—with sound classification and clearly defined thresholds— health washing cannot be prevented. Literature review shows and interviewees validate that the real safeguard lies in how the taxonomy is applied, interpreted, and governed. Without accountability and transparent oversight, there is a risk that investments may be labeled "health-promoting" despite having limited or no

"It has been widely suggested that the terminology "health taxonomy" could be replaced by a simplified and practical wording resonating with all actors involved."

Info Box 4: The Socioeconomic Value of Self-care

WHAT IS IT: Self-care is the ability of individuals, families and communities to promote health, prevent disease, maintain health[183], and cope with illness and disability with or without the support of a health care provider. It plays a critical role in public health – supporting health outcomes, contributes to productivity gains, and provides savings to the healthcare system

ROI & SROI: Globally self-care has a strong ROI argument. It contributes to savings of nearly $120 billion each year for global healthcare systems and, therefore, national economies. It also contributes to savings of 40.8 billion productive days for both health practitioners and individuals, which translates to an average of 11.83 work days per person per year. Self-care corresponds to a value of $1,879 billion in welfare effects. Globally it contributes to a gain of 22 million quality-adjusted life years (QALYs), the standard measurement for the value of health outcomes.

As an example In Argentina, Brazil, Chile, Colombia and Mexico, nearly US$ 3 billion dollars are spent on healthcare, with the common cold being the illness that causes the most care costs, with 45% of the annual total. If 50% of cases were treated through over-the-counter medications (OTC), substantial savings of about $1.5 billion could be achieved. Low back pain and the common cold cause losses from work absenteeism of about US$ 4 billion dollars annually. [184]

Source: Sources from different publications (see Bibliography)

CONCLUSION

How can We Utilise a Health Taxonomy within the G20 and for Future Health Investments?

This report aimed to address a critical gap in current health financing debates between investors, governments and companies. Throughout the literature review and the 27 qualitative interviews, the absence of a shared language and a strategic investment framework to align health-related investments became apparent.

Through an indepth comparative analysis of existing frameworks, this report has proposed a voluntary health investment framework "the health taxonomy" comprising of three Layers, i.e. 1) Positive Qualifiers (Principles of investments); 2) Thresholds (Benchmarks to establish the minimum standards required to qualify an investment as sustainable) and 3) Disqualifiers (Conditions under which investments should be excluded).

The health taxonomy provides a strategic framework that classifies economic activities based on their contribution to improved health outcomes and health equity. It is designed to help policymakers, companies, and investors align capital flows with public health goals, reduce the burden of disease, and build resilient, inclusive systems to improve population well-being. A shared language enables strategies that deliver returns while improving productivity, resilience, and economic stability. This is not a radical shift: investors already apply investment factors to assess long-term value, particularly in climate finance. Extending this logic to health is a necessary evolution.

Interviewees widely agreed, health financing is a strategic choice for economic resilience and long-term development. However, a taxonomy framework alone is not a solution. A taxonomy, combined with credible governance and a collective commitment to health as a foundation of economic stability and resilience, can make a measurable difference. The taxonomy can help direct capital to where it matters most—into prevention, preparedness, equity, and innovation—while ensuring that health investments remain accountable to the public interest.

Findings have shown that it is not sufficient for a project to operate in the health sector—it must contribute meaningfully to access, equity, affordability, or quality. To be operational, taxonomy-aligned activities must be verifiable, measurable, and clearly disclose outcomes and risks. Independent validation—via third-party review or light-touch registries—is essential to prevent the taxonomy from becoming merely a reputational tool. Lessons learnt from ESG and green finance are instructive: despite having detailed taxonomies, the lack of consistent verification and the overreliance on self-reporting led to widespread greenwashing. In response, leading frameworks introduced clearer exclusion lists, third-party certifications, and public disclosure systems. Health finance according to interviewees can and should do better from the outset—by embedding these governance mechanisms early. In this sense, avoiding "health washing" is not just a technical or regulatory challenge. It is a test of whether the global financial system can recognise health as a nice to have, but as an essential core strategy. And it is a reminder that good intentions must be matched by structures of trust, transparency, and positive action.

> "This report emphasises that without credible governance—anchored in transparency, accountability, and verifiability—even the best-designed taxonomy risks enabling health washing rather than preventing it."

This report emphasises that without credible governance—anchored in transparency, accountability, and verifiability—even the best-designed taxonomy risks enabling health washing rather than preventing it. Just as thresholds must be politically legitimate and technically sound, governance must be deliberate, inclusive, and equipped to manage the practical realities of how investment decisions are made and monitored. Defining this structure is the next critical step toward operationalising the taxonomy and realising its full potential as a tool for impactful, trustworthy health investment. For the health taxonomy framework to be recognised by leading international agencies and financial institutions such as the WHO, MDBs, the OECD etc. and driven by real-world demand, this tool can serve as a first step towards defining what sustainable finance for health means—unlocking the potential for health to become a foundational pillar of economic stability and long-term development.

Looking ahead, the health taxonomy framework can help identify, classify and guide specific economic activities that increase/ decrease health outcomes and equity. It could support more systematic assessments of health-related risks and economic impacts, including through existing processes such as the IMF's Article IV[187] consultations. The taxonomy can inform the G20 SFWG and G20 JFHTF dialogue by linking investment decisions to public health resilience and enhance transparency, guide capital flows, support credit evaluations. Consequently, the G20 can position health not as a cost, but as a foundation for economic resilience, growth, and sustainable development across all sectors.

While this report puts forward a draft taxonomy for sustainable health investments, it is not a prescriptive or finalised framework. The design of a full governance and verification system for the health taxonomy—while essential—is beyond the scope of this paper. The implementation of a health taxonomy involves institutional mandates, legal frameworks, financial oversight, and political negotiation, all of which require broad stakeholder consultation, engagement and sustained policy coordination. The five proposed principles should be seen as a first iteration—a tool designed to invite feedback, adaptation, and validation by ministries of health and finance, international financial institutions, and global health bodies such as the WHO, MDBs, the World Bank and the OECD. To ensure broad utility and credibility, the next phase must focus on structured co-creation with these actors.

It is critical to remember that any framework or tool will fall short without the political and financial will to invest in health at scale. The COVID-19 pandemic was not only a public health crisis—it was a macroeconomic shock that destabilised supply chains, deepened inequality, and triggered lasting geopolitical tensions. The next pandemic may be more severe, more persistent, and more costly. A failure to channel adequate investment into health—before the next crisis—represents not just a missed opportunity, but a systemic risk.

RECOMMENDATIONS

To G20 & G7 Leaders, Ministries of Health and Finance

Based on recent realities for decreasing funding capacities in national and global health coupled with tighter fiscal space for future health investments especially in low-income and emerging economies, the G20 and G7 has a pivotal responsibility to rethink health financing priorities to understand the needs of the investor community and companies on how health is a more appealing investment opportunity.

Ahead of a complete new G20 cycle starting in 2026 following the current G20 Presidency of South Africa (2025), the G7 & G20 Presidencies can position investing in health as a strategic choice for economic resilience and long-term development. Following the support and findings in this report, the authors and supporters call on G20 & G7 Leaders, Health- and Finance Ministers that:

1

DEVELOP A COMMON DEFINITION OF SUSTAINABLE HEALTH FINANCE

The G20 Joint Health and Finance Taskforce (JFHTF) should discuss, define and endorse a clear, shared understanding of sustainable health financing. This should distinguish it from traditional health funding, drawing lessons from ESG and green finance to avoid ambiguity and ensure policy coherence.

2

MANDATE THE DESIGN OF A HEALTH TAXONOMY FRAMEWORK

The G20 Sustainable Finance Working Group (SFWG) shall endorse and initiate discussions on the feasibility and structure of a health taxonomy. This taxonomy would serve as a strategic investment tool to guide capital toward impactful, verifiable health outcomes—helping stakeholders overcome barriers to scaling health-enhancing innovations. These recommendations shall promote wider understanding across G20 ministries and the health and finance ecosystem that health investments are integral to socio-economic well-being and growth.

3

ENGAGE MULTILATERAL DEVELOPMENT BANKS FOR TECHNICAL EVALUATION

A working group of Multilateral Development Banks, currently led by the Council of Europe Development Bank (CEB), should be tasked with launching a consultation, assessing the technical feasibility, governance, and implementation pathways for a health taxonomy. The group shall consult across public & private sectors to ensure the framework is credible and practical.

4

SECURE VALIDATION BY INTERNATIONAL STANDARD-SETTING INSTITUTIONS

A health taxonomy framework must be validated by globally recognised standard-setting institutions to ensure credibility and broad acceptance. The WHO should serve as the normative authority, providing health-specific benchmarks and impact criteria. In parallel, the OECD and/or the World Bank should act as analytical and descriptive partners, offering economic validation, technical evaluation, and guidance on indicators, thresholds, and governance structures. This dual-track validation approach will ensure that the taxonomy is grounded in both public health priorities and financial system realities.

5

PROMOTE MARKET-DRIVEN INCENTIVES FOR ADOPTION

Governments must recognise that successful uptake depends on private sector alignment. Therefore, taxonomies should be market-driven and supported by incentives (e.g., fiscal benefits, investment guarantees) to attract capital and shift the health financing paradigm.

6

COMMIT TO FURTHER RESEARCH AND STAKEHOLDER CONSULTATION

The proposed taxonomy is a first draft. A coordinated process of co-creation—with support by the authors of this report, input from ministries of health and finance, investors, industry, civil society, and academia—is essential to refine the framework, ensure legitimacy, and scale adoption across different economic contexts.

“A Health Taxonomy would enable better communication amongst the different actors and could assist governments in articulating national healthcare priorities for investors. However, it is an initial step and not a complete solution, and should be considered alongside structural and political barriers. It is important the taxonomy must remain flexible and be updated regularly to ensure its continued relevance in a rapidly changing world.”

Joshua Ford
Managing Director, Global Head, Redesign Health

“Many countries have a significant debt burden right now, and a substantial portion of their revenue is going to service their debt rather than to fund their social priorities, including health. Countries are borrowing just to pay back debt. The biggest opportunity in scaling up investments into health is an increasing focus in the financial community to look for alternative sources of financing to supplement the foreign aid funds. MdBs are increasingly identifying financing for these types of needs as aligned to their core remit to provide and fill the financing gap that we're seeing. The Health Taxonomy can be used to go to MDBs and provide structure, terminology, and a toolbox for strategic investments. The taxonomy will not drive the financing alone, but it does give people a common language, and it does create some space for transparency.”

Dr. Melissa Butler
Partner, White & Case LLP

“Without health, there is no economic flourishing. The better we treat and prevent diseases, the better it is for employment and productivity. There is a significant global opportunity in addressing disease burdens. However, the increasing stress on current health systems presents a major barrier. A taxonomy should help remove such barriers and make clear that health is an investment. It needs to be a framework inclusive of all health actors, demonstrating the benefits of collaboration amongst them.”

Dr. Sonja Haut
Author of, The Case for Impact

“Where available, data should be the first port of call when designing strategies to optimise health budgets. Data helps policymakers understand where disease incidence/prevalence is highest and identify areas where outcomes are poorest, pinpointing unmet need, whether by geography or other demographic factors. Beyond traditional methods such as cost-effectiveness and budget impact analysis, emerging approaches like distributional cost-effectiveness analysis are increasingly used to help policymakers understand not only the overall population benefit but also who specifically stands to gain (or lose). Together, these methods help target limited resources toward areas of greatest impact, supporting decisions that aim to ensure spending is both affordable and delivers value for money.”

Dr. Catrin Treharne
Partner and Head of Responsible Investment, Lane Clark & Peacock

“The biggest barriers to investing in health are often that the investor wants to see short-term returns, while sustainable topics, especially health, have long-term goals. AI and health are a powerful combination for unlocking future financing opportunities. AI will help to measure outcomes and opportunities, and provide an overview that is more tangible for investors. A Health Taxonomy is a first step for having a clearer, tangible, standardized definition and the same language worldwide, supported by data that demonstrates why investing in health makes sense.”

Liza Schlatter
(CESGA), Strategic Product Developer & Investment Advisor, EMBA Candidate IMD

“For over nine years, we've worked to break down silos in the health community, uniting G20 health and finance ministers to rethink health finance beyond 2030. While health prioritization can be swayed by political cycles, we must recognise that health is largely recession-resistant. The steady demand for medical services and products reduces investment risks compared to cyclical industries.”

Alan Donnelly
Executive Chairman and Founder, The G20&G7 Health and Development Partnership

“The healthcare industry's complexity and inconsistency in demonstrating value hinders investment. A Health Taxonomy will help standardise methodologies for measuring and demonstrating value within the healthcare system by linking it with quantifiable outcomes. Standardised measurements, provide clarity to investors regarding impact and facilitating directed capital flow to this sector.”

Dr. Clay Lambiotte
Partner and Head of Health, Lane Clark & Peacock

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107.Note: There are several instruments available to governments to ensure affordability and access to health services. These include direct subsidies, but also regulatory frameworks, price controls, and the use of conditionalities in public-private partnerships with healthcare providers. Governments can, for example, negotiate service coverage, pricing models, or equity targets as part of infrastructure investment agreements.
108.Note: In health financing, recurrent spending refers to operational expenditure (OPEX)—the ongoing costs required to run health services, such as salaries, consumables, or maintenance. Capital investment, by contrast, refers to capital expenditure (CAPEX)—long-term spending on physical infrastructure, equipment, or capacity-building initiatives that are intended to generate lasting system value.
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