National Council for Population and Development

Unlocking Demographic Dividends Through South–South and Triangular Cooperation (SSTC), Innovative Financing, and Catalytic Investments in Sexual and Reproductive Health

By

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A DEFINING DEMOGRAPHIC MOMENT FOR THE GLOBAL SOUTH

- *The global demographic landscape in 2025 is undergoing profound transformation at a speed and scale unprecedented in modern history.*

- *While economic cycles fluctuate and geopolitical alliances shift, demographic change is long-wave, structural, and irreversible over short time horizons.*

- *These dynamics marked by rapid population growth in parts of Africa, declining fertility across Asia and Latin America, and accelerating population aging in several middle-income countries shape national development trajectories and cross-border cooperation patterns in durable and powerful ways.*

A DEFINING DEMOGRAPHIC MOMENT FOR THE GLOBAL SOUTH

- ***Partners in Population and Development (PPD) differentiates itself by being the only*** *intergovernmental organisation (alliance of 28 Global South nations) of the Global South mandated to promote South–South and Triangular Cooperation (SSTC) in the area of family planning and reproductive health.*

- *PPD was created in recognition of this reality. For three decades, PPD has championed South–South and Triangular Cooperation (SSTC) as a strategic mechanism for building resilience, sharing innovations, and addressing shared population and development challenges through solidarity, mutual learning, and co-financing arrangements.*

A DEFINING DEMOGRAPHIC MOMENT FOR THE GLOBAL SOUTH

- *Many PPD member countries are entering a demographic window of opportunity, characterized by rising working-age populations and declining dependency ratios. Others are preparing for second demographic dividends through investments in productivity, healthy aging, and knowledge-intensive economies.*

- *However, in both contexts,* ***sexual and reproductive health (SRH)*** *remains a foundational determinant of demographic outcomes.*

- *Without strong SRH systems including family planning (FP), adolescent and youth SRH, maternal and new born health (MNBH), and integrated primary care, the demographic dividend cannot be realized.*

- *At the same time, persistent financing constraints threaten essential SRH services.*

A DEFINING DEMOGRAPHIC MOMENT FOR THE GLOBAL SOUTH

- *Countries across the Global South face shrinking donor support for FP commodities, rising demand for SRH services due to population growth, and shrinking fiscal space exacerbated by debt burdens, climate shocks, and the economic impacts of global disruptions. As a result, innovative financing is no longer optional. it is indispensable*

- ***The key message is simple yet urgent:*** *Demographic dividends are not automatic. They must be earned through deliberate, sustained investments in SRH supported by political commitment, financing innovation, and international cooperation.*

A DEFINING DEMOGRAPHIC MOMENT FOR THE GLOBAL SOUTH

This presentation therefore offers a comprehensive architecture for:

1. ***Unlocking demographic dividends*** *through integrated SRH, economic, and governance reforms.*
2. ***Scaling SSTC mechanisms*** *to share best practices, technologies, and policy models within and between Africa, Asia, the Middle East, and Latin America.*
3. ***Mobilizing innovative financing****, including blended finance, catalytic capital, results-based financing, and domestic resource mobilization strategies.*
4. ***Providing a structured implementation framework*** *for policymakers, development partners, and financing institutions.*

DEMOGRAPHIC DIVIDEND: CONCEPT AND RELEVANCE TO PPD MEMBER STATES

- *The **demographic dividend** is the accelerated economic growth that becomes possible when a country's population structure shifts from predominantly young to one with a larger share in the working ages (15–64).*
- *This shift reduces the dependency ratio, enabling households and governments to invest more in productivity, human capital, and savings. The dividend typically unfolds in **four phases**:*

***1. First Dividend: Labour Supply Boost: (a)** More workers per dependent.(b) Requires job creation, skills alignment, and health investments*

DEMOGRAPHIC DIVIDEND: CONCEPT AND RELEVANCE TO PPD MEMBER STATES

2. Second Dividend: Human Capital Accumulation (a) *Families invest more in each child. (b) SRH policies influence fertility timing and spacing.*

3. Third Dividend: Savings and Capital Formation (a) *Lower dependency allows households to save more.(b) Macro stability and financial inclusion amplify this effect*

4. Fourth Dividend: Gender Dividend (a) *Women's economic participation expands (b) SRH access is a primary determinant.*

WHY SEXUAL AND REPRODUCTIVE HEALTH IS FOUNDATIONAL

- ***There is no demographic dividend without reproductive health. Fertility decline, the trigger of demographic transition is principally driven by:***

- *Access to modern contraception*
- *Reduction of adolescent pregnancy*
- *Higher education for girls*
- *Skilled maternal healthcare*
- *Economic opportunities for women*
- *Legal and policy frameworks enabling reproductive autonomy*

SOUTH–SOUTH AND TRIANGULAR COOPERATION (SSTC): A STRATEGIC LEVER FOR DEMOGRAPHIC GAINS

- *SSTC is a central mechanism in this presentation because PPD is the world's largest institutional platform for population-related South–South and triangular cooperation*

Why SSTC Matters in SRH and Demographic Transformation

1. **Shared Challenges, Shared Solutions**
   - Many PPD member countries face similar SRH service gaps, commodity insecurity, and financing constraints.
2. **Comparable Contexts**
   - Solutions developed in Bangladesh, China, Tunisia, Mexico, or Thailand are often more adaptable to African contexts than those from high-income countries.
3. **Cost-effectiveness**
   - SSTC exchanges are typically lower-cost and more scalable.

SOUTH–SOUTH AND TRIANGULAR COOPERATION (SSTC): A STRATEGIC LEVER FOR DEMOGRAPHIC GAINS

4. Stronger political ownership

- Governments are more likely to adopt policies proven effective in peer countries.

5. Catalytic partnerships

- Triangular cooperation (e.g., China-Africa-UN agencies; India-Africa-Japan) brings additional financing and technology.

SOUTH–SOUTH AND TRIANGULAR COOPERATION (SSTC): A STRATEGIC LEVER FOR DEMOGRAPHIC GAINS

PPD has demonstrated leadership in this arena through:

- *Capacity-building fellowships*
- *High-level ministerial exchange forums*
- *Best-practice documentation*
- *South-originated innovations in SRH*
- *and Co-financing mechanisms for FP commodities.*

THE FINANCING CHALLENGE: WHY NEW MODELS ARE NEEDED

Public financing remains insufficient to meet the SRH needs of rapidly growing populations. Many PPD member states face:

- *limited fiscal space due to debt pressures,*
- *rising commodity costs,*
- *donor transitions away from middle-income countries,*
- *pressure on health budgets from climate shocks, pandemics, and economic downturns,*
- *and growing demand for adolescent and youth SRH services.*

THE FINANCING CHALLENGE: WHY NEW MODELS ARE NEEDED

The **funding gap in SRH commodities alone** is projected to grow significantly between 2025 and 2030. **The transformation will not come by aids, it will come by investment**

Innovative financing responds to this gap by:

1. Mobilizing private capital
2. Using blended finance to de-risk investments
3. Holding programs accountable through results-based contracting
4. Supporting local manufacturing and supply chain resilience
5. Enabling countries to move toward self-reliance

PRINCIPLES OF INNOVATIVE SRH FINANCING

Innovative financing refers to **non-traditional instruments and mechanisms that mobilize additional resources, enhance efficiency, and drive measurable outcomes**. Effective models share five principles:

Additionality
- Mobilizing new or complementary funds that would not otherwise be invested in SRH.

Leverage
- Using public or concessional resources to attract private investment.

Risk Sharing
- Distributing financial and operational risks across multiple partners (government, private sector, philanthropies).

Performance Orientation
- Funding tied to verified outcomes, not inputs.

Sustainability
- Reducing vulnerability to external shocks and donor volatility.

CATEGORIES OF INNOVATIVE SRH FINANCING INSTRUMENTS

Innovative financing mechanisms fall into six major categories:

1. Blended Finance
2. Results-Based Financing (RBF) and Impact Bonds
3. Public–Private Partnerships (PPPs)
4. Health Insurance and Social Protection Schemes
5. Domestic Resource Mobilization (DRM)
6. Philanthropic, Corporate, and Diaspora Financing

BLENDED FINANCE

Blended finance combines concessional capital (from government or donors) with commercial investment to reduce risk and attract private financing. Blended finance is particularly suitable for SRH because:

- Returns are long-term and social, not immediate and commercial.
- Contraceptive security requires large upfront investment.
- Infrastructure (clinics, labs, cold chain) needs affordable capital.
- Private investors require de-risking to participate.

Use Cases for Blended Finance in SRH

- Modern contraceptive procurement funds
- Health supply chain digitization
- Local pharmaceutical manufacturing
- Primary health care infrastructure
- Digital health platforms
- Cervical cancer screening technologies

RESULTS-BASED FINANCING (RBF) AND IMPACT BONDS

RBF ties funding to measurable results. In SRH, these results may include:

- Increased contraceptive uptake
- Reduced adolescent pregnancy
- Improved antenatal coverage
- Higher skilled birth attendance
- Lower maternal mortality
- Increased continuity of SRH services

PUBLIC-PRIVATE PARTNERSHIP

Public–Private Partnerships (PPPs)

- PPPs mobilize private sector expertise, capital, and efficiency to complement government delivery in SRH.

Key PPP Models

- Clinical service delivery contracts
- Social franchising
- Supply chain PPPs
- Telehealth and digital platforms
- Diagnostic service PPPs
- Infrastructure PPPs

HEALTH INSURANCE AND SOCIAL PROTECTION SCHEMES

Health Insurance and Social Protection Schemes

- Universal Health Coverage (UHC) cannot be achieved without integrating SRH into insurance packages.

Insurance Models for SRH

. National health insurance
. Voucher schemes
. Community-based insurance
. Digital micro-insurance
. Conditional cash transfers

DOMESTIC RESOURCE MOBILISATION

Domestic Resource Mobilization (DRM)

To sustain SRH gains, governments must increase domestic funding.

DRM Strategies

- Efficiency gains in procurement
- Taxes and royalties from natural resources (oil, gas, minerals, metals, etc)
- Public financial management reforms
- Integration of FP into national budgets
- Co-financing models with subnational governments

PHILANTHROPIC, CORPORATE AND DIASPORA FUNDING

Philanthropic, Corporate, and Diaspora Financing

Non-state capital can complement public budgets.

Philanthropic Models

- family planning endowment funds
- maternal health innovation funds
- youth SRH grants

Corporate Social Responsibility (CSR)

- Corporations can fund:
- workplace SRH programs
- community maternal health centers
- HPV vaccination drives
- digital health platforms

CHINA'S ROLE IN SSTC: A STRATEGIC PARTNER FOR AFRICA AND PPD

- *China plays a central role in advancing SSTC in PPD member states and contributes uniquely through Digital Health Innovations including Telemedicine, AI-driven surveillance, mobile health platforms and integrated maternal health systems which increasingly shared with African partners.*

- *Manufacturing and Supply Chains with China as a global leader in contraceptive manufacturing, medical equipments, pharmaceutical production and logistics and last-mile distribution*

CHINA'S ROLE IN SSTC: A STRATEGIC PARTNER FOR AFRICA AND PPD

❖ Health Infrastructure Investments

Through the Belt and Road Initiative (BRI), China has financed hospitals, diagnostic centers, laboratories and cold chain systems among others

❖ Human Resource Development

China trains thousands of African health workers annually, including: midwives, nurses, FP counsellors, MNCH specialists and epidemiologists among others