

Financing Alliance for Health

Community Health Financing Compendium

December 2017



Community Health Financing Compendium

- More and more governments are **formalizing their community health systems in Africa**
 - **Financing** is a critical enabler of these efforts; health system financing typically involves three components: **revenue generation**, **pooling of resources**, and **purchasing**
 - This compendium focuses on revenue generation options and is designed to help governments identify **a country-specific mix of sustainable financing sources** (which will change over time) that will allow them to finance the scale-up and long-term support of community health services, as well as other parts of the health system
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- **This compendium aims to support governments, i.e., ministries of health and finance, with information as they assess how to finance community health systems**, and mainly includes:
 - **An overview of global health financing mechanisms and instruments applicable to community health, in key categories:** grants, debt financing, blended financing, domestic financing, and private provider financing
 - **Descriptions of multiple instruments¹ and/or approaches²** within each category
 - **A supplement** with an overview of **several multilateral development banks**, with a detailed explanation of eligibility criteria for the various financial products they offer. These banks often work directly with countries to determine the right set of financial instruments given their level of debt distress, income, and specific project plans (rather than countries applying for specific instruments individually)
 - A high-level description of **bilateral development agencies** in the upfront section of this document. Most donor countries provide general and bilateral grant funding rather than through specific instruments

¹ In this compendium, an “instrument” is an existing financial channel or financing product available for governments to access to finance health systems

² An “approach” is a type of financing arrangement (independent of a specific channel or product) that governments can structure to finance health systems

Community Health Financing Compendium

- While this **compendium is predominantly a collection of available instruments/approaches for use as a reference**, it does suggest that governments consider the following criteria in narrowing to the “best fit” financing options:
 - **Eligibility:** Is a country eligible for a given instrument/approach?
 - **Country context:** Which instruments/approach might not be applicable for a given country because of its debt-situation, M&E requirements, provider structure, or other country-specific factors?
 - **Attractiveness** of instrument/approach for community health: What is the order or magnitude in terms of likely funding? How applicable to community health is the instrument/approach? How feasible is it to access the instrument/approach? How often is the funding cycle and is it demand-driven?

- For the majority of countries, grant financing from multilateral and bilateral agencies will remain an important funding category in the initial stages of scaling up community health. However, as a recent publication by USAID’s Center for Innovation and Impact (CII) and the FA showed, commitment of government resources (e.g., through debt or domestic financing) from the start is critical for long-term sustainability and must increase over time

- This is meant to be a “living document”, to be revised and expanded upon periodically. An online version of this catalogue can be found on: www.financingalliance.org
- A supplemental section is in progress that will provide more extensive details regarding the operations and structure of multilateral development banks
- For any additions/corrections please contact: info@financingalliance.org

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Developing a sustainable public health financing system involves three primary components



Revenue generation

- **Process by which health systems raise funds** from households, businesses, and other external entities



Pooling of resources

- **Accumulation and management of revenues** from individuals or households to equitably and efficiently pool risk
- Revenue pooling helps **protect individuals against risk of large, unanticipated health expenses**

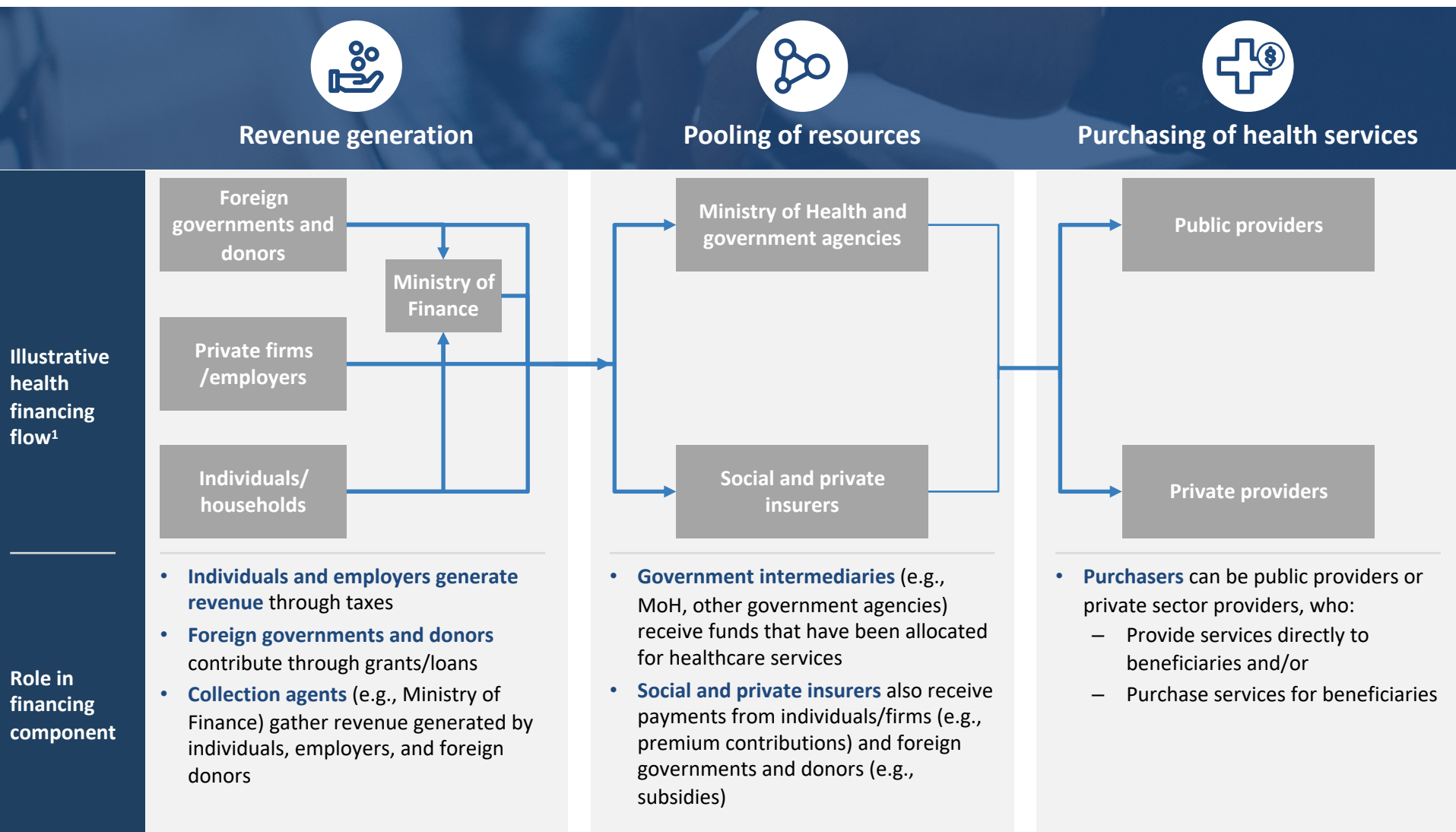


Purchasing of health services

- **Allocation of financial resources** to public and private providers of health services

These three components of health financing can often be inter-related, and should be considered in concert to develop a sustainable financing plan for a health system

The components are closely linked and rely upon the actions of different public and private stakeholders

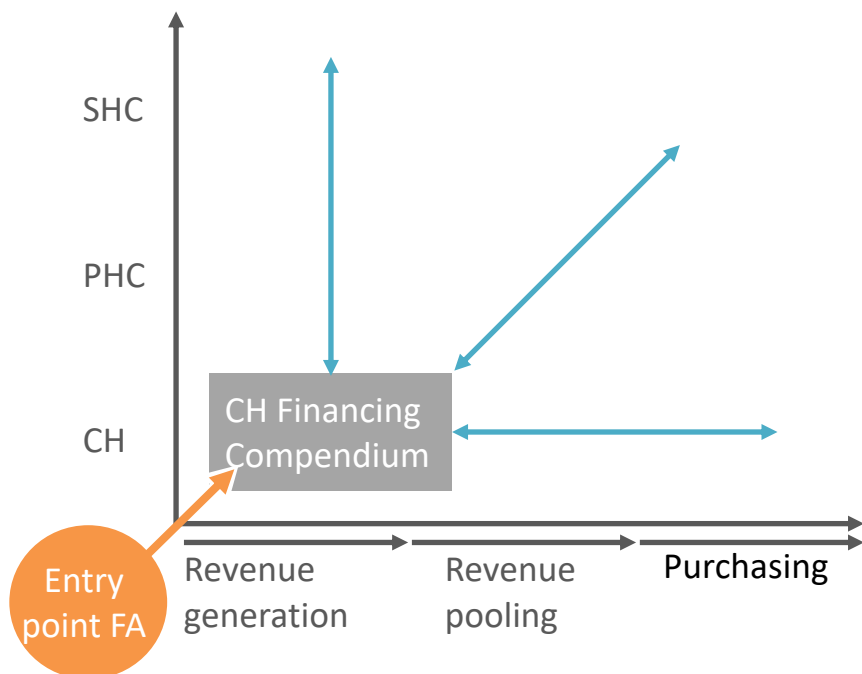


¹ Simplified diagram from the Health Systems Assessment Approach

SOURCE: The Health Systems Assessment Approach, Module 3, Health Financing, August 2012

Within these three components, the Financing Alliance focuses primarily on revenue generation for community health

Entry point for Financing Alliance



Rationale

This version of the Compendium is focused on revenue generation for community health, given:

- While revenue pooling and purchasing tend to have many linkages to the broader health system, **revenue generation can be more targeted** to specific types of healthcare delivery, such as community health
- The **sizeable financing gap for community health needs to be immediately addressed**, especially in several countries that are starting to develop and scale up professional community health programs
- A catalogue of revenue generation mechanisms and approaches is **missing in the sector and could be a valuable knowledge input to discussions on community health financing** that countries are having internally and with development partners

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Five categories of the Community Health Financing Compendium





Description

- 
 - Funds awarded to a country for a specific project, where no repayment is required

- 
 - Borrowed funds, to be repaid at later date. Amount to be repaid usually includes principal and interest. Debt financing can range from simple loans to more complex results-based debt financing, which requires achievement and measurement of pre-determined outcomes. In this compendium, we cover loans, bonds, results-based debt financing, and debt reduction

- 
 - Complementary use of grants (or grant-equivalent¹ instruments) and non-grant financing from private and/or public sources to provide financing on terms that would make projects financially viable and/or financially sustainable

- 
 - Funding from in-country sources, e.g.,
 - Solidarity tax
 - Tax on income and profits
 - Tax on goods and services
 - Debt issuance
 - Insurance
 - Endowments, trusts
 - Increasing private sector contribution
 - OOP

- 
 - Funding available to private providers – may include loans, equity, or other forms

¹ Grant equivalent is related to concessional loans: it equals the face value of a loan multiplied by its grant element (a measure of the loan's concessionality vs. reference interest rates)

Instruments and approaches included in the compendium (1/2)

Category	Instrument/approach	Instrument – existing financial channel or product available for governments to access when financing health systems	Approach – type of financing arrangement independent of a specific channel or product that governments can structure to finance health systems	
Grants	1a	Gavi, the Vaccine Alliance	✓	
	1b	OFID – HIV/AIDS Special Health Program	✓	
	1c	President's Malaria Initiative (PMI)	✓	
	1d	U.S. President's Emergency Plan for AIDS Relief (PEPFAR)	✓	
	1e	Global Fund – Standard Grants	✓	
	1f	Global Fund – Catalytic Investments	✓	
	1g	World Bank – IDA Grants	✓	
	1h	African Development Fund (ADF) – Grants	✓	
	1i	Results-based co-financing		✓
	1j	European Commission – Int. Cooperation and Development	✓	
	1k	Centers for Disease Control and Prevention	✓	
Debt financing and debt reduction	2a	World Bank – IDA Concessional Credits	✓	
	2b	World Bank – IDA Scale-Up Facility Loans	✓	
	2c	World Bank – IBRD Flexible Loans	✓	
	2d	African Development Fund (ADF) – Concessional Loans	✓	
	2e	African Development Bank (AfDB) – Sovereign Guaranteed Loans	✓	
	2f	Thematic bonds		✓
	2g	Pandemic Emergency Financing Facility	✓	
	2h	World Bank IDA/IBRD – Program-for-Results	✓	

Instruments and approaches included in the compendium (2/2)

Category	Instrument/approach	Instrument – existing financial channel or product available for governments to access when financing health systems	Approach – type of financing arrangement independent of a specific channel or product that governments can structure to finance health systems
Debt financing and Debt reduction <i>Contd.</i>	2i	World Bank – Health Results Innovation Trust Fund	✓
	2j	Social impact bonds (SIBs)	✓
	2k	Development impact bonds (DIBs)	✓
	2l	Global Fund – Debt2Health	✓
	2m	World Bank IDA: Debt Reduction Facility (DRF)	✓
Blended financing	3a	Lives and Livelihoods Fund	✓
	3b	Global Financing Facility (GFF)	✓
Domestic financing	4a	Tax on income and profits	✓
	4b	Tax on goods and services	✓
	4c	Insurance contributions	✓
	4d	Increasing private sector contribution	✓
	4e	Payments for CHW services	✓
	4f	Revolving drug funds (RDFs)	✓
Private provider financing	5a	International Finance Corporation (IFC) Loans and Syndications	✓
	5b	CDC Group	✓
	5c	Overseas Private Investment Corps (OPIC)	✓
	5d	Abraaj Growth Markets Health Fund	✓

Multilateral Development Banks offer a variety of instruments – the most relevant are described in the grants and loans sections of this compendium

MDB	Grants	Loans	Lines of credit	Technical assistance	Guarantees	Equity
IDA	●	●		●	●	
IBRD	●	●		●	●	
ADB	●	●		●	●	●
ADF	●	●		●	●	
AfDB	●	●	●	●		●
ADF	●	●		●	●	●
EBRD		●			●	●
EIB		●			●	●
IADB	●	●		●		●
IsDB		●	●	●		●
BOAD		●				●
CABEI		●	●	●	●	●
CAF		●	●	●	●	●
EADB		●				●
PTA		●	●		●	

- MDBs apply a broad range of instruments, including grants, loans, lines of credit, technical assistance and equity. Note that no single institution offers all instruments
- Loans are the most common instrument, followed by technical assistance, guarantees and equity

When evaluating instruments/approaches for a given country, consider eligibility, country context, and attractiveness

Details to follow

Considerations

Key Questions

Exclusions



- Is your country **eligible** for a particular instrument?
- **Debt-capacity:** Does your country have debt-capacity?
- **M&E:** Do you have a strong M&E and data framework for CH?
- **Private delivery:** Do you have a strong NGO/private delivery network that you want to build on/incorporate in the national system?
- **Size (\$):** How much funding could an instrument provide for your country (e.g., country envelopes, past experience etc.)?
- **Applicability:** How applicable is an instrument in your country?
- **Feasibility:** How feasible is an instrument in your country?

- Non-eligible instruments
- Bonds/loans (debt capacity)
- Results-based financing instruments (M&E/data)
- Private provider financing (private delivery system)
- Instruments with low applicability and low \$
- Instruments with insufficient feasibility to \$ ratio

This narrowing process will produce a country-specific heatmap, which can then be used to develop a prioritized portfolio of sustainable health financing instruments and approaches

Attractiveness can be analyzed by evaluating order of magnitude, applicability for community health, and feasibility



Criteria	Low score	Medium score	High score
Size (\$) <ul style="list-style-type: none"> Approximately how much funding is available per year to each country? (avg. funding size/ length of funding) 	<ul style="list-style-type: none"> Average funding size < \$2.5 million annually 	<ul style="list-style-type: none"> Average funding size between \$2.5 to \$25 million annually 	<ul style="list-style-type: none"> Average funding size >\$25 million annually
Applicability for CH <ul style="list-style-type: none"> How likely is it that this funding can be used for CH? 	<ul style="list-style-type: none"> CH could theoretically be in scope of funding, HOWEVER, Health system strengthening¹ IS NOT a stated funding stream or priority AND funding has never been used for CH 	<ul style="list-style-type: none"> Health system strengthening or core CH interventions (e.g. iCCM) ARE a specific funding stream or stated priority, HOWEVER Funding source has rarely been used for nationalized CH cadres 	<ul style="list-style-type: none"> Health system strengthening or core CH interventions (e.g. iCCM) ARE a specific funding stream, AND Funding source has been used multiple times to support nationalized CH cadres in the past AND/OR CH is an explicit priority
Feasibility <ul style="list-style-type: none"> How easy is it to access this funding? (Ability to apply proactively, clarity/ transparency of process, transaction costs associated with applying, etc.) 	<ul style="list-style-type: none"> Countries cannot apply proactively for funding 	<ul style="list-style-type: none"> Countries can apply proactively for funding Transaction costs are high OR transparency around process is low OR requires significant alignment with other MoH teams 	<ul style="list-style-type: none"> Countries can apply proactively, AND transaction costs are moderate, AND process for application is transparent/clear/ MoH alignment limited

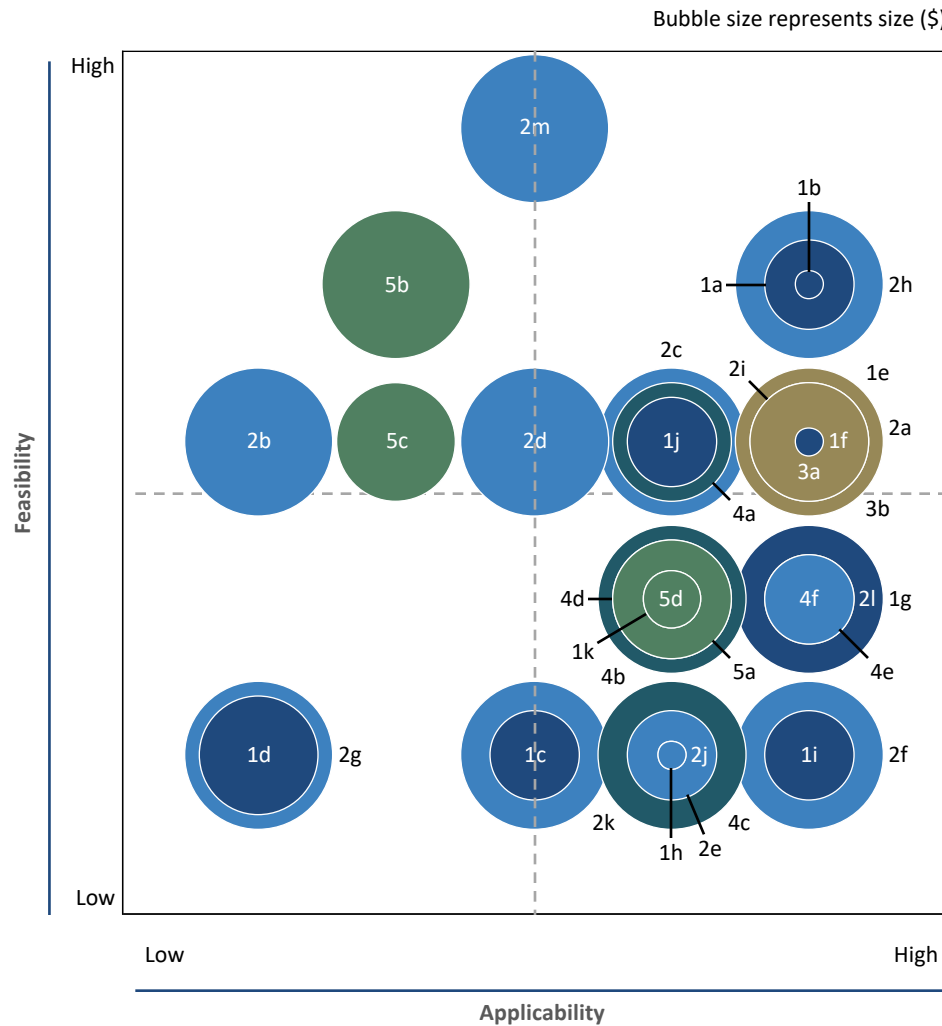
1 May be described in other terms: supporting human resource development for healthcare, workforce improvement, or other language

Note: Type of instrument -- i.e., grant, loan, etc. -- will be presented as part of the overall evaluation/synthesis of financing instruments

Mapping of instruments/approaches along the three dimensions of attractiveness shows variability regarding size, CH applicability, and feasibility

Prioritization of instruments/approaches

List of instruments/approaches



- 1a Gavi, the Vaccine Alliance
- 1b OFID – HIV/AIDS Special Health Program
- 1c President’s Malaria Initiative (PMI)
- 1d U.S. President’s Emergency Plan for AIDS Relief (PEPFAR)
- 1e Global Fund – Standard Grants
- 1f Global Fund – Catalytic Investments
- 1g World Bank – IDA Grants
- 1h African Development Fund Grants
- 1i Results-based co-financing
- 1j European Commission: Int. Cooperation and Development
- 1k Centers for Disease Control and Prevention
- 2a World Bank – IDA Concessional Credits
- 2b World Bank – IDA Scale-Up Facility Loan
- 2c World Bank – IBRD Flexible Loan
- 2d African Development Fund – Concessional Loans
- 2e African Development Bank – Sovereign Guaranteed Loan
- 2f Thematic bonds
- 2g Pandemic Emergency Financing Facility
- 2h World Bank IDA/IBRD – Program-for-Results
- 2i World Bank – Health Results Innovation Trust Fund
- 2j Social impact bonds (SIBs)
- 2k Development impact bonds (DIBs)
- 2l Global Fund – Debt2Health
- 2m World Bank – IDA Debt Reduction Facility (DRF)
- 3a Lives and Livelihoods Fund
- 3b Global Financing Facility (GFF)
- 4a Tax on income and profits
- 4b Tax on goods and services
- 4c Insurance contributions
- 4d Increasing private sector contribution
- 4e Payments for CHW services
- 4f Revolving drug funds (RDFs)
- 5a IFC Loans and Syndications
- 5b CDC Group
- 5c Overseas Private Investment Corps (OPIC)
- 5d Abraj Growth Markets Health Fund

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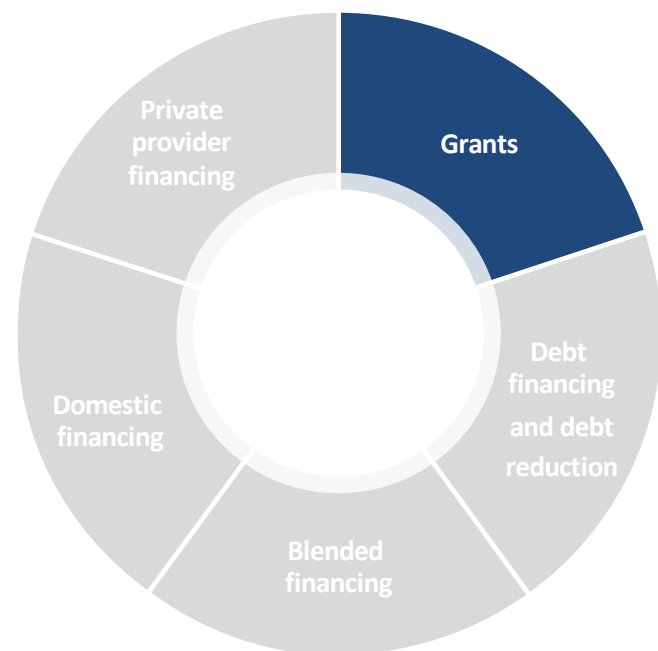
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1 Grants: Executive summary



- Development assistance for health (DAH) was estimated to total \$37.6 billion in 2016. The **majority of this financing today is grant financing, which represents a significant share of health spending overall in low-income settings** (~35% of total health spending in 2016)¹
- The following chapter includes more details on available grant financing instruments. The **majority of the available grant financing instruments are related to specific diseases (e.g., PMI, Global Fund)**. In order to tap into these resources, community health financing strategies often must refer explicitly to national disease programs and objectives
- This chapter also describes the **results-based co-financing mechanism, which is an approach** in which government and donors make co-investments into a health initiative. The government then receives results-based grants (“reimbursements”) contingent on delivering pre-defined performance goals. Governments can consider making an offer/proposal for such a mechanism to multilateral or bilateral donors
- **Bilateral development agencies (e.g., USAID)** provide bilaterally negotiated grant funding rather than specific instruments or approaches. The historically largest bilateral funders, especially those who offer specific instruments, have been included in this chapter

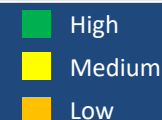
1 IHME, Financing Global Health 2016

Bilateral development institutions are important funding sources, able to fund community health through multiple originating sources

Institution	Description	Size
United States Agency for International Development	<ul style="list-style-type: none"> • Largest bilateral aid organization • Top recipients (2015): Afghanistan, Jordan, Pakistan, Syria, South Sudan • Top sectors (2015): Population policies and reproductive health, emergency response, operating expenses, basic health, government and civil society 	<ul style="list-style-type: none"> • \$18B in 2015; \$4.2B to population policies and reproductive health, \$1.4B to basic health, \$9B to general health
Department for International Development (DFID) – UK	<ul style="list-style-type: none"> • Second largest bilateral aid organization • Top five recipients (FY '17/18): Pakistan, Ethiopia, Nigeria, Somalia, Tanzania • Top sectors (FY '17/18): Disaster, health, government and civil society, education, agriculture 	<ul style="list-style-type: none"> • £13.3B in 2016; £978M in health spending • 37% delivered via international organizations; 63% spent as bilateral aid sent directly to countries
French Development Agency (AFD)	<ul style="list-style-type: none"> • Acts as both development bank and development agency. Recently merged with another French governmental agency • Supports projects that improve living conditions for populations, promote economic growth and protect the planet – particularly active on malaria and healthcare workforce issues • 40% of AFD's activity is in Africa 	<ul style="list-style-type: none"> • \$11.3B
Canada International Development Agency (CIDA)	<ul style="list-style-type: none"> • Now part of “Global Affairs Canada” – broader government agency • Top recipients (2016): Ethiopia, Afghanistan, Ghana, Tanzania, Mali • Stated priorities: Gender equality and the empowerment of women and girls in all development, humanitarian, and peace and security assistance 	<ul style="list-style-type: none"> • \$5B in 2015




These development institutions provide general grants rather than specific instruments and therefore are **not described further in this document**. Note that this page **includes only the largest bilateral agencies** – there are many others









Grants: Key instruments and approaches (1/2)



Instrument/approach	Description	Size	Applicability	Feasibility	Instrument	Approach
1a	Gavi, the Vaccine Alliance	Prevent childhood diseases through vaccinations in low-income countries	Medium	High	Medium	✓
1b	OFID – HIV/AIDS Special Health Program	Prevent and treat HIV/AIDS in developing countries	Low	High	Medium	✓
1c	President’s Malaria Initiative (PMI)	Reduce malaria deaths and substantially decrease malaria morbidity in PMI-supported countries	Medium	Medium	Low	✓
1d	U.S. President’s Emergency Fund for AIDS Relief (PEPFAR)	Primary funding engine of the U.S. government for HIV/AIDS that works across 60+ countries to achieve an AIDS-free generation	Medium	Low	Low	✓
1e	Global Fund – Standard Grants	Accelerate the end of AIDS, tuberculosis and malaria as epidemics	High	High	Medium	✓
1f	Global Fund – Catalytic Investments	Accelerate the end of AIDS, tuberculosis and malaria as epidemics; funding is granted based on country proposals for programmatic needs not covered by primary GF grants	Low	High	Medium	✓
1g	World Bank – IDA Grants	Disburse funding for programs in lowest income countries that boost economic growth, reduce inequalities, and improve people’s living conditions	High	High	Medium	✓
1h	African Development Fund – Grants	Grant broad development financing to ADF-eligible countries with high or medium risk of debt distress	Low	Medium	Low	✓
1i	Results-based co-financing	Government and donors make co-investments into a health initiative, and government receiving further grants ("reimbursements") contingent on delivering pre-defined performance goals	Medium	High	Low	✓

Grants: Key instruments and approaches (2/2)

 High
 Medium
 Low

	Instrument/approach	Description	Size	Applicability	Feasibility	Instrument	Approach
1j	European Commission – International Cooperation and Development	Design and implement EU development policy to reduce poverty around the world					
1k	Centers for Disease Control and Prevention	Build the capacity of partner countries to prevent, detect, and respond to health threats					

1a Gavi, the Vaccine Alliance: Overview

Prevent childhood diseases through vaccinations in low-income countries

Overview

- **Inception:** 2000
- **Operator:** Gavi Secretariat
- **Headquarters:** Geneva, Washington D.C.
- **Funding sources:** 75% from private/public donations (25% alone from Gates Foundation). 25% from other grant/debt programs (e.g., International Finance Facility for Immunizations)
- **More information:** www.gavi.org/support/process/

Scope (eligibility)

- **Geographic coverage:** All countries below GNI threshold over past 3 years – \$1,580 in 2017
- **Eligible causes:** All funding is dedicated to immunization programs and vaccine market interventions across three areas - New/underused vaccine support (**NVS**), Health System Strengthening (**HSS**), Cold Chain Equipment (**CCE**)
- **Eligible recipients:** Governments (usually MoHs) receive funds; often partner with NGOs or private organizations

Application process




- Annual application through online portal in three rounds (January, May, September)
- Country application process is linked with Expanded Program on Immunization (EPI) units in-country

Terms

- **Type:** Grants
- **Funding magnitude:**
 - Total: \$9.9B (since 2000)
 - Annual: \$1.4B in 2015, \$2B in 2020
 - Individual cap: ~\$150-200M
 - Average size: ~\$15-25M
- **Length of financing:** Variable, generally 4-7 years
- **Transaction costs:** Countries must co-finance programs (“put skin in the game”), contributing progressively more through four stages of support until program is fully self-funded
- **Support:** On-the-ground support increasing immunization supply, sites, and delivery, as well as overall health logistics planning and training
- **Conditions:**
- **NVS-specific conditions:** Different levels of local and governmental support mandated depending on vaccine type
- **HSS/CCE-specific support:** Additional assistance in setting up and strengthening civil society organizations
- **HSS/CCE-specific conditions:** Recipients are eligible for Performance-Based Funding (PBF) in addition to traditional programmatic funding. Under PBF, improved vaccination metrics unlocks additional funding

1a Gavi, the Vaccine Alliance: Scope and examples

Assessment and rationale

Size (\$)		<ul style="list-style-type: none"> Moderate amount – typical funding \$15-25M Has a Health System Strengthening window; in addition CH funding is also available through other mechanisms (e.g., vaccine support funding can be used to procure CH-related supplies beyond vaccines). Overall, funding for the community level is very immunization-focused, with some cases of funding support to national community health programs (e.g., Malawi) Eligible countries can apply through an established, transparent process, though it requires extensive preparation. Ministry of Health is in the lead for the application
Applicability to CH		
Feasibility		

Scope of use for community health

- CHW training and per diems
- Community-level service delivery (outreach)
- Transportation and per diems to conduct social mobilization and advocacy work within communities
- Supplies related to CH
- Substantial portions of Vaccine Introduction Grants (VIG) go to CH
- Up to 30% of HSS grants go toward CH, depending on the country

Examples

- **Burkina Faso** (2008-2012):
 - Program focused on improving maternal and neonatal health and immunisation, plus community mobilization
 - Not explicitly CHW focused but included community-based health
- **Ethiopia** (2007-2012):
 - Used funds for health worker training in integrated management of neonatal and childhood illness (IMNCI)
- **Afghanistan** (2007-2012):
 - Overall objective around improving access to quality healthcare
 - 12,000 CHWs and 530 community supervisors trained in integrated management of childhood illness (IMCI)
- **Malawi**
 - Used Round 8 funds to build 100 health posts
- Numerous other countries have used their HSS grants for varying degrees of CHW training

The OPEC Fund for International Development (OFID) – HIV/AIDS Special Health Program: Overview

Prevent and treat HIV/AIDS in developing countries

Overview

- **Inception:** 2001
- **Operator:** OPEC member countries
- **Headquarters:** Vienna
- **Funding sources:** Voluntary contributions from OPEC member countries, resources derived from financial operations
- **More information:** <http://www.ofid.org/Grant-Types/HIV-AIDS-Special-Program>

Scope (eligibility)

- **Geographic coverage:** Global, excluding OFID member states
- **Eligible causes:** HIV/AIDS prevention, outreach and awareness, PMTCT, blood safety measures, ARV treatment, care and support for people living with HIV/AIDS, research
- **Eligible recipients:** International, national, regional and NGOs that supply proof of their financial and legal status

Application process

- Rolling applications through online application form. Larger technical assistance proposals are only approved quarterly

Terms

- **Type:** Grants
- **Funding magnitude:**
 - Total: \$89M (as of Dec 2015)
 - Annual: Not specified
 - Individual cap: Not specified
 - Average size: ~\$56k
- **Length of financing:** Not specified
- **Transaction costs:** No financial costs; dependence on grant-based funding
- **Support:** Technical assistance for small-scale social schemes, sponsorship for research and other intellectual pursuits, and humanitarian aid
- **Conditions:** Not specified
- **Criteria for selection:** Not specified

The OPEC Fund for International Development (OFID) – HIV/AIDS Special Health Program: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Relatively small – typical funding under \$1M
- Specific stream dedicated to health system strengthening, historically funding has been used to fund health worker training and capacity mapping/strengthening
- Applications are rolling and process is relatively straightforward; no financial costs

Scope of use for community health

- Training of health workers (CHWs, surgeons, etc.)
- Support existing national programs
- Direct education provision
- Developing a regional care network (mapping and regional planning)
- Provision of equipment and diagnostic machines
- Upgrading facilities
- IT improvements

Examples

- **Latin America (2016):**
 - \$600k to strengthen country capacity for prevention, management, and control of NCDs in Latin America
 - One of the objectives is strengthening of health system services and system response to NCDs and their risk factors
- **Mali, Niger (2014):**
 - \$500k to eliminate blinding trachoma in Mali and Niger
 - Trained 635 CHWs, women's groups, teachers and religious leaders in Mali, 800 in Niger
- **Tanzania, Uganda (2013):**
 - \$200K to develop a model of care for Burkitt Lymphoma
 - Included developing a training program for health workers, establishing regional networks including all care levels, and planning for program sustainability
- **Congo (2013):**
 - \$600K for control, prevention and treatment of NTDs
 - Included staff training and regional mapping (both centrally and at regional outposts)

1c President's Malaria Initiative (PMI): Overview



Reduce malaria deaths and substantially decrease malaria morbidity in PMI-supported countries

Overview

- **Inception:** 2005
- **Operator:** Collaboration between USAID, CDC, and HSS
- **Headquarters:** Washington, D.C.
- **Funding sources:** US government budget
- **More information:** <https://www.pmi.gov/about>

Scope (eligibility)

- **Geographic coverage:** 19 PMI focus countries and the Mekong Sub-region
- **Eligible causes:**
 - Technical areas – IRS, ITNs, entomological monitoring, malaria in pregnancy, diagnosis and treatment.
 - Cross-cutting areas: Social and behavior change communication, health systems strengthening, monitoring and evaluation, operational research
- **Eligible recipients:** Governments

Application process

- Not applicable – priority countries have already been selected

Terms

- **Type:** Grants
- **Funding magnitude:**
 - Total: ~\$5B (since 2006)
 - Annual: \$621M (2016)
 - Individual cap: None
 - Average size: \$10-30M per country per year
- **Length of financing:** Ongoing; allocated annually
- **Transaction costs:** No financial costs; dependence on grant-based funding
- **Support:** Coordinates and collaborates malaria control/elimination efforts across multiple partners within each focus country
- **Conditions:** Not specified
- **Criteria for selection:** Not specified

1c President's Malaria Initiative (PMI): Scope and examples



Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Moderate amount – typical funding \$10-30M
- Overall, funding is very malaria-focused; However, funding does exist for integrated community case management (iCCM), covering malaria, pneumonia and diarrhea
- PMI decides on funding allocations and timing of applications. Access to funding requires close coordination with PMI and the National Malaria Control program

Scope of use for community health

- PMI defines community health work as education, health services, and some commodities provided at community level by CHWs (not including distribution of bednets/spraying)
- Integrated community case management(iCCM), but only for malaria, pneumonia and diarrhea
- CHW training on malaria case management
- Integrated training of antenatal care providers
- Support to strengthen drug management systems/other logistics
- Updating national guidelines and program strategy

Examples

- **Guinea** (2013-2016):
 - StopPalu project trained >600 CHWs on behavior change, malaria prevention, the use of rapid diagnostic tests, management of simple cases using artemisinin-based combination therapy, and monitoring and evaluation
 - Equipped CHWs with case management “kits”
- **Senegal** (2013-14):
 - Funding to conduct formative research with health workers and community members to develop key messages for BCC activities as well as providing refresher training to improve health workers’ understanding of the national IPTp policy
- **Benin** (2014):
 - Refresher training for 543 public health workers and 156 private health workers
 - Support to MoH to supervise health workers to improve quality, strengthen logistics management, procure medications, and educate pregnant women about risk of malaria

U.S. President's Emergency Plan for AIDS Relief (PEPFAR): Overview



Primary funding engine of the U.S. government for HIV/AIDS that works across 60+ countries to achieve an AIDS-free generation

Overview

- **Inception:** 2003
- **Operator:** U.S. Department of State's Office of the U.S. Global AIDS Coordinator and Health Diplomacy; administered by US ambassador in focus countries. In-country plans administered by U.S. ambassador
- **Headquarters:** Washington, D.C.
- **Funding sources:** US government budget
- **More information:** <https://www.pepfar.gov/>

Scope (eligibility)

- **Geographic coverage:** 41 countries plus regional programs; funding concentrated in 31 countries
- **Eligible causes:** 50% of total bilateral HIV assistance must be spent on treatment and care
- **Eligible recipients:** Governments

Application process

- Not applicable – priority countries have already been selected

Terms

- **Type:** Grants
- **Funding magnitude:**
 - Total: ~\$72B (since 2004)
 - Annual: \$6.8B (2016)
 - Individual cap: None
 - Average size: Not specified
- **Length of financing:** Not specified
- **Transaction costs:** Not specified
- **Support:** Direct oversight and responsibility for subset of programs, funding and general oversight to existing bilateral HIV/AIDS programs
- **Conditions:** Not specified
- **Criteria for selection:** Not specified

U.S. President's Emergency Plan for AIDS Relief (PEPFAR): Scope and examples



Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Moderate/high amount
- Most funding is aimed at the facility-level. However, there is growing focus on strengthening community-level outreach, engagement, care, tracking and referral. Historically, community-focused funding has been allocated to activities outside the formal CH cadre – including community peer groups etc.
- PEPFAR decides on funding allocations and priority countries; countries are not able to apply proactively

Scope of use for community health

- Definition of “community health” varies by country
- Funding buckets with community components include:
 - Prevention
 - Care and treatment
 - High risk groups (orphans, vulnerable children, MSM, CSWs)
 - Policy, advocacy, and civil society engagement (including funding CSOs to support community level services)
- Community health worker (CHW) training
- Health Systems Strengthening broadly
- HIV testing and treatment in communities (standard package of care and support services – clinical staging, measurement of CD4, viral load testing nutritional assessment, etc.)

Examples

- **Ethiopia (2016):**
 - \$17M for community-based programs offering different services such as interventions to commercial sex workers (CSWs), their partners and vulnerable population; targeted testing in community settings
 - Building capacity of the MoH and community structures to ensure sustainable HIV/AIDS interventions and programs (testing and treatment services)
- **Kenya (2017):**
 - \$13M specifically for community-based care
 - Priority population prevention through community strategies used to reach key population (KP)
 - Program activities for epidemic control (package of services at community level, such as appointment management, treatment, etc.)
- **Nigeria (2017):**
 - >\$300M total funds; unclear how much is CH-related
 - Supports TB screening, Positive Health, and Dignity and Prevention (PHDP) services
 - Key and priority population prevention program: works closely with the Orphans and Vulnerable Children (OVC) program, offering technical assistance to ensure prevention services tailored to specific needs

Accelerate the end of AIDS, tuberculosis and malaria as epidemics

Overview

- **Inception:** 2002
- **Operator:** Independent
- **Headquarters:** Geneva
- **Funding sources:** Donor governments (95%), private sector, private foundations, innovative financing initiatives (5%)
- **More information:** <https://www.theglobalfund.org/en/funding-model/funding-process-steps/>

Scope (eligibility)

- **Geographic coverage:** >100 countries; amount of funding allocated based on income level and disease burden (countries may be eligible for a subset of diseases)
- **Eligible causes:** HIV/AIDS, malaria, tuberculosis, as well as cross-cutting topics: human rights, community responses and systems, resilient and sustainable systems for health (RSSH), etc.
- **Eligible recipients:** Governments

Application process




- Countries can apply for their allocation anytime during 3-year funding cycles (current 2017-19). Country coordinating mechanism uses national strategic plan to develop funding request. If they don't have a current plan, can base request on investment case.

Terms

- **Type:** Grants
- **Funding magnitude:**
 - Total: \$33.8B (as of May 2017)
 - Annual: ~\$4B
 - Individual cap: Calculated allocation per country
 - Average size: \$5-50M
- **Length of financing:** 3 years
- **Transaction costs:** Not specified
- **Support:** Technical cooperation (program design, implementation, and evaluation at any stage in funding cycle); supporting countries in planning for the sustainability of programs and successful transitions from Global Fund support.
- **Conditions:** Implemented by local experts; Global Fund does not implement
- **Criteria for selection:** Alignment with country's national strategy – Global Fund does not impose any additional criteria

1e Global Fund – Standard Grants: Scope and examples

Assessment and rationale

Size (\$)		<ul style="list-style-type: none"> • Moderate/high amount – typical funding \$5-50M • Funding is entirely country-driven and can be used at country's discretion for a broad range of CH services. In particular, Malaria has very specific interventions that relate to the CH (iCCM) • Eligible countries can apply through an established, transparent process. MoH is in the lead for the application, but the process involves extensive preparation and alignment with stakeholders (the CCM and disease programs in particular)
Applicability to CH		
Feasibility		

Scope of use for community health

- Financing for health system strengthening against specific disease verticals
- Resilient and sustainable systems for health (RSSH) – includes community systems strengthening, financial management, health and community workforce, health information systems financing, policy and governance, procurement and supply chain management, service delivery
- Can include HR (salaries, performance-based incentives), travel-related costs, health products, and infrastructure
- Relevant specific examples: Community-based monitoring for accountability, scaling up health and community workers, retention and distribution of health and community workers, health and community workers capacity building, community TB care delivery, IEC/BCC, integrated community case management (iCCM)

Examples

- **Ethiopia (2015):**
 - Used HIV grants to roll out Community Health Extension Worker training program (trained 38K workers)
 - Also used to build health posts and train community health volunteers
- **Liberia (2016):**
 - \$200M disbursed to date; new focus on health system strengthening post-Ebola outbreak
 - Includes financial management, supply chain management, health information systems, monitoring and evaluation, service delivery
- **Uganda (2014):**
 - \$920M overall, \$4M for RSSH
 - Across procurement/supply chain management, health information systems, service delivery, removing legal barriers to access, program management
 - Includes improving coordination among community-level actors, supporting training of village health teams, community-based monitoring for social accountability

1f Global Fund – Catalytic Investments: Overview

Accelerate the end of AIDS, tuberculosis and malaria as epidemics; funding is granted based on country proposals for programmatic needs not covered by primary GF grants

Overview

- **Inception:** 2002
- **Operator:** Independent
- **Headquarters:** Geneva
- **Funding sources:** Donor governments (95%), private sector, private foundations, innovative financing initiatives (5%)
- **More information:** <https://www.theglobalfund.org/en/funding-model/funding-process-steps/catalytic-investments/>

Scope (eligibility)

- **Geographic coverage:** Subset of overall GF-eligible countries
- **Eligible causes:** Programs, activities and strategic investments not adequately accommodated through country allocations but essential to achieve the aims of the Global Fund's 2017-2022 Strategy and global partner plans.
- **Eligible recipients:** Governments

Application process

- Matching funds – no application, countries preselected

Terms

- **Type:** Grants:
- Matching funds to incentivize the programming of country allocations for priority areas
 - HIV – key populations impact, removing human rights-related barriers to health services, adolescent girls and young women
 - TB – finding missing TB cases
 - RSSH – integrated service delivery and workforce, data systems
- Strategic initiatives (such as the Emergency Fund) that are needed to support the success of country allocations but cannot be funded through country grants
- Multi-country approaches to address a limited number of key multi-country priorities, deemed critical to fulfill the aims of the GF strategy and not able to be addressed through country allocations alone
- **Funding magnitude:**
 - Total: \$800M (\$313 matching, \$260M multi-country) in 5 years
 - Annual: ~\$160M
 - Individual cap: Specific amount of matching funds allocated for each priority area and each country
 - Average size: Not specified
- **Length of financing:** Varies
- **Transaction costs:** Must match funds
- **Support:** Not specified
- **Conditions:** Not specified
- **Criteria for selection:** Not specified

1f Global Fund – Catalytic Investments: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Relatively small – typical funding under \$5M
- Matching funding is more explicitly focused on health system strengthening than traditional GF grant program (roughly ¼ catalytic investment funding goes to resilient system strengthening for health)
- Transaction costs are higher since matching funds are required, also because it requires mobilization of matching funding (a requirement for this type of funding)

Scope of use for community health

- Matching funds:
 - Integration of service delivery and health workforce improvements
 - Data systems, generation, and use
- Strategic initiatives:
 - Sustainability, transition and efficiency (part of strategic initiatives)
 - Technical support, peer review and learning

Examples

- **Liberia (2018)**
 - Eligible for catalytic investment funding of \$2.1M for Integrated service delivery and health workforce and community health systems strengthening (CHSS)
 - Requires co-financing commitments to access full allocation
 - Matching fund request will be submitted for review by the Global Fund Technical Review Panel in Q1 of 2018.
- **Sierra Leone (2016):**
 - Eligible for catalytic investment funding of \$3M for integrated service delivery and health workforce, plus \$2M for data systems, data generation, and use
 - Requires co-financing commitments to access full allocation
- **Democratic Republic of the Congo (2017):**
 - Eligible for catalytic investment funding of \$3M for data systems, data generation, and use
 - Requires co-financing commitments to access full allocation
- **Togo (2017):**
 - Eligible for catalytic investment funding of €1.8 for data systems, data generation, and use
 - Requires co-financing commitments to access full allocation

1g World Bank – IDA Grants: Overview

Disburse funding for programs in lowest income countries that boost economic growth, reduce inequalities, and improve people's living conditions

Overview

- **Inception:** 1960
- **Operator:** World Bank
- **Headquarters:** Washington, D.C.
- **Funding sources:** Contributions from developed and middle-income partner countries, replenished every 3 years
- **More information:** <http://ida.worldbank.org/financing/resource-management>

Scope (eligibility)

- **Geographic coverage:** Countries with GNI per capita below established threshold (\$1,215 in 2015) and those who lack creditworthiness to borrow on market terms (see appendix for detailed eligibility explanation)
- **Eligible causes:** Programs that boost economic growth, reduce inequalities, and improve people's living conditions
- **Eligible recipients:** Governments

Application process




- N/A – World Bank works directly with country to determine right combination of financing options

Terms

- **Type:** Grants (also offers concessional credits)
- **Funding magnitude:**
 - Total: ~\$8B (assumes historical % grants of total IDA18 replenishment)
 - Annual: ~\$1.3B (2016)
 - Individual cap: None
 - Average size: ~\$10M
- **Length of financing:** 3 years
- **Transaction costs:** Low
- **Support:** Transitional support available for IDA countries transitioning to IBRD borrowing
- **Conditions:** Not specified
- **Criteria for selection:** Not specified

1g World Bank – IDA Grants: Scope and examples

Assessment and rationale

Size (\$)		<ul style="list-style-type: none"> • Large amounts of funding available – to meet stated country needs through negotiation process with World Bank • Substantial flexibility around use of funding, with the intention to support government-coordinated and national programs. A few precedents of countries using IDA has a major source of funding for scaling up community health programs • IDA negotiations for health happen in regular intervals, but no applications outside of that. Significant alignment with all country health stakeholders (including MoF) required because none of the funding is earmarked and government must prioritize
Applicability to CH		
Feasibility		

Scope of use for community health

- Broad scope – countries have nearly full discretion over how funding is used (e.g., can be salaries, bonuses, etc.)
- A decent amount of flexibility in the agreement between MoF and World Bank. Requests from MoF can expand activities to include community health, even if not originally requested

Examples

- **Ethiopia** (2012):
 - Used IDA funding for community health worker training program (>35K workers), in tandem with other funding sources (e.g., Global Fund)
- **Mauritania** (2017):
 - Overall health system support project of \$19M; component of strengthening community health
 - Includes development of training materials, capacity building and project management
- **Sierra Leone** (2016):
 - \$15M for a health service delivery and support project
 - Includes community-level engagement, development of health human resources and sector coordination/management
- Numerous other countries have used their IDA grants for varying degrees of CHW training



1h African Development Fund (ADF) – Grants: Overview

Grant broad development financing to ADF-eligible countries with high or medium risk of debt distress

Overview

- **Inception:** 1964, operations beginning in 1966
- **Operator:** AfDB board of governors
- **Headquarters:** Abidjan
- **Funding sources:** “Subscriptions” from member country borrowings on international markets and loan repayments.
- **More information:** <https://www.afdb.org/en/>

Scope (eligibility)

- **Eligible causes:** All economic development-related projects, as well as non-project operations (e.g., structural adjustment loans, policy-based reforms)
- **Eligible recipients:** ADF-eligible countries (countries below a defined income threshold; changes annually)
- **Geographic coverage:** Low-income countries in Africa

Application process

- **Timing:** Ongoing
- **Type:** Project development alongside ADF rather than formal application/review process
- **Rounds:** N/A

Terms

- **Type:** Grants
 - Total: Tens of billions; number not given
 - Annual: \$504M (2015)
 - Individual cap: None
 - Average size: Minimum loan amount \$10M
- **Length of financing:** Up to 25 years, with an 8 year grace period
- **Transaction costs:** Not specified
- **Support:** Technical support, knowledge transfer
- **Conditions:** Procurement of goods under bank-funded projects are restricted to contractors and suppliers from member countries of the bank. Additional procurement rules apply
- **Selection criteria:** During project appraisal, ADF examines the project's technical, financial, economic, technical, institutional, environmental, marketing, and management aspects as well as potential social impact. Detailed project risks and sensitivity analyses are carried out to assess viability of the proposed project



1h African Development Fund (ADF) – Grants: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Relatively small – typical funding under \$2.5M
- Substantial flexibility around use of funding; health is a priority as stated in Ten Year Strategy and Human Capital Strategy for 2014-18 (promotes human development in all core dimensions, including education, health, nutrition)
- Countries cannot apply proactively for grants – part of ongoing conversations with AfDB and ADF

Scope of use for community health

- Broad scope, countries have near full discretion over how funding is used. Examples can include:
 - CHW training
 - Health facility construction and updates
 - Health facility financing
 - Health facility adherence to global standards
 - Health emergencies

Examples¹

- **Democratic Republic of Congo (2017):**
 - \$1M for emergency control of Ebola in Congo; includes training of 220 health staff and 2500 community relays
- **Sudan (2014):**
 - \$43M to build institutional and HR capacity to expand sustainable coverage and access inclusive health services
 - HR component includes emphasis on training in management, leadership, planning, targeting, financing, results based resource allocation, and monitoring and evaluation as well as in specific technical skills in service delivery.

¹ Countries may have also received loans in addition to grants

1i Results-based co-financing: Overview

Government co-investments into a health initiative alongside donor grants, and government receives further grants contingent on achieving pre-defined performance targets

Details

- **Format:**
 - Can be designed as a program between one government and 1+ donor(s), or among multiple countries (typically in one region) and 1+ donor(s)
 - Several principles typically underlie the program design:
 - A set of clearly-defined targets - usually a combination of input, output and outcome indicators - are agreed upon at the onset of the program. Targets are stretch goals, but still realistic
 - Government and donors co-invest
 - The additional results-based funding that government receives from donors is a significant amount vis-à-vis the initial investment (e.g., 50%)
 - There is transparent baseline measurement done against target indicators at the start, and ongoing measurement by an independent evaluator.
- **Benefits:**
 - Potential to mobilize large amounts of additional funding from traditional and less-traditional donors (e.g., private philanthropy) given:
 - 1) The government is putting “skin in the game” through co-investment, and
 - 2) The sharp focus on results reflected both in the target-setting and the sizable results-based funding
- **Challenges:**
 - Each program requires a bespoke design tailored to the governments and donors involved, which requires extensive alignment and negotiation on the targets, financing terms, results monitoring, and governance structure
 - Limitations in getting baseline and ongoing measurements of the target indicators

1i Results-based co-financing: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- No theoretical limit, although precedents are in the range of \$10-20M per country
- The approach can be applied to strengthening community health, as long as there are clearly defined performance metrics
- Requires significant time and resource investments to align donor/government objectives, design the financing structure, and set up performance tracking; also requires to mobilize co-investments

Examples: MesoAmerica Health Initiative (Salud MesoAmerica 2015, or SM2015)

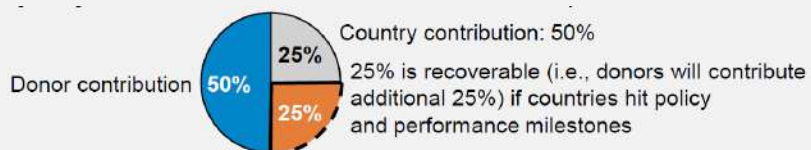
- **Launched in 2010, the MesoAmerica Health Initiative was a 5-year partnership that sought to reduce inequities** by improving health care for the poorest 20% of the population across **eight countries**:

- Belize, Costa Rica, Guatemala, Honduras, Mexico (Chiapas), Nicaragua, Panama, El Salvador

- **Donors:** Gates Foundation, Carlos Slim Health Institute (\$50M each)

- **Implementing partner:** Inter-American Development Bank

- **Financing terms:**



- **Two tranches of indicators:**

- First tranche: Input and process indicators of improved health system readiness in the poorest and least served communities
- Second tranche: Output and outcome indicators for the poorest 20% of the population

- **Other design elements:** Transparent reporting of results among countries; cross-country experience sharing and friendly competition; high political visibility to generate and sustain commitment

Impact:

- Overall, mobilized ~\$200M of additional funding from new and existing funders and governments
- 7 out of 8 countries achieved targets to improving health care for the poorest of the poor, with impact across multiple diseases and the health system overall
- Fostered an environment for innovative solutions to be generated and shared across countries

European Commission – International Cooperation and Development: Overview



Design and implement EU development policy to reduce poverty around the world

Overview

- **Inception:** 2015 (as DG DEVCO, from previous EU aid agency)
- **Operator:** EU Directorate-General for International Cooperation and Development (DG DEVCO)
- **Headquarters:** Brussels
- **Funding sources:** EU development cooperation in health is delivered through the Development Cooperation Instrument (DCI, funded from EU budget) and the European Development Fund (EDF, funded by direct contributions from EU member countries)
- **More information:** <https://ec.europa.eu/europeaid/funding/about-grants/how-apply-grant>

Scope (eligibility)

- **Geographic coverage:** Global: DCI covers Asia, Latin America, and Africa, while EDF covers African, Caribbean, and Pacific countries
- **Eligible causes:** Issues of interest to the EU are defined broadly as the strengthening of health systems and support for SDGs
- **Eligible recipients:** Local and national governments, international and domestic NGOs, intergovernmental organisations

Application process

- Calls for proposals are posted online, which specify geographies and activities of interest, eligibility, award amount, etc.
- Applicants register and apply through the online Potential Applicant Data Online Registration (PADOR) system

Terms

- **Type:** Grants
- **Funding magnitude:**
 - Total: DCI and EDF have total budgets of EUR 19.6B and EUR 30.5B respectively across 2014 – 2020 funding period
 - No specific breakdown for health funding
 - Annual: Highly variable, most between EUR 1M – 8M
 - Individual cap: Not specified
 - Average size: Not specified
- **Length of financing:** ~3 years
- **Transaction costs:** Not specified
- **Support:** Not specified
- **Conditions:** Not specified
- **Selection criteria:** Not specified

International Cooperation and Development: Scope and examples



Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Moderate amount – typical funding appears to range from EUR 1M – 8M
- Description of EU health priorities includes strengthening of health systems, without specific mention of CH or dedicated funding streams. However, evidence that funds have been granted in the past to support CH activities, such as training CHWs and provision of healthcare products and services in rural and remote communities
- While eligible entities can apply through open calls for proposals, transparency around funds allocated for health-related projects and the application cycle/process is low. Calls for proposals are also targeted to particular objectives/activities, and it is unclear how individual countries can influence that decision process

Scope of use for community health

- Salaries for technical and administrative staff
- Training of CHWs
- Travel costs and per diems
- Equipment and supplies (e.g., vehicles, computer equipment, office supplies and services)
- Health facilities
- Research, monitoring, and evaluation

Examples

- **Sudan** (2015-2017):
 - EUR 4.35M to train midwives and improve health facilities in rural areas
 - 1200+ midwives trained in general and emergency obstetric care, 4 health facilities constructed
- **Zambia** (2013-2016):
 - EUR 750K for family planning services in remote communities, including mobile midwives who visit clients in their communities
 - Estimated 9800+ unwanted pregnancies averted, families and public health system will have saved EUR 2.5M in direct healthcare spending
- **Kenya** (2013-2015):
 - EUR 9M to improve maternal and child health and family planning in pastoral communities, including outreach and home visits by CHWs
 - Services provided to 69K women of reproductive age, 50K children

1k Centers for Disease Control and Prevention (CDC): Overview

Build the capacity of partner countries to prevent, detect, and respond to health threats

Overview

- **Inception:** 1946
- **Operator:** US Department of Health and Human Services
- **Headquarters:** Atlanta
- **Funding sources:** The CDC is funded through the US federal budget. The CDC Foundation was established as a nonprofit that can receive additional funding from foundations and private individuals
- **More information:**
<https://www.cdc.gov/grants/aboutcdcgrants/index.html>

Scope (eligibility)

- **Geographic coverage:** ~85% of funds are directed to domestic research and programming, ~15% goes to projects around the world
- **Eligible causes:** Global health priorities include immunization, HIV & TB, malaria and parasitic diseases, and infectious diseases. CDC Innovation Fund supports scientifically advanced health solutions
- **Eligible recipients:** State and local governments, foreign ministries and associations, domestic non-profits, and domestic for-profit groups

Application process

- Notices of Funding Opportunity (NOFOs) are published on www.grants.gov to invite applications
- Each NOFO describes proposed activities/objectives, award amounts, eligibility, evaluation criteria, funding preferences/priorities, etc.

Terms

- **Type:** Grants
- **Funding magnitude:**
 - Total: 2016 CDC grants committed \$1.75B in funding obligations to foreign entities for health research and programming
 - Annual: Global health grants range from \$1M-\$6M
 - Individual cap: Not specified
 - Average size: Not specified
- **Length of financing:** Most common terms are 1 year or 5 year grants
- **Transaction costs:** Not specified
- **Support:** Most global health projects are funded through cooperative agreements, where agency staff will have substantial involvement in program activities, which may involve:
 - Approval of annual workplan and budget
 - Quarterly assessment of technical and financial progress reports
 - Technical assistance and targeted trainings
 - Site visits for monitoring and evaluation
- **Conditions:** Not specified
- **Selection criteria:** Not specified

1k

Centers for Disease Control and Prevention (CDC): Scope and examples



Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Moderate amount – typical funding \$1M-\$6M
- No dedicated CH funding stream, but multiple examples of past global health projects that have included CH components, such as training of CHWs, and community-focused engagement and education
- Eligible entities can apply through an established process. However, funding opportunities are highly specific, and there is lack of transparency around how projects of interest are determined. CDC requires substantial agency involvement as a typical condition of funding; unclear how much funding goes to primarily country-led initiatives

Scope of use for community health

- Training of CHWs (e.g., workshops, field supervision)
- Community outreach
- Research, monitoring, and evaluation

Examples

- **Democratic Republic of Congo:**
 - Program to improve polio vaccination rates by educating community members in regions with poor vaccine acceptance. Focus on spurring community-driven discussion and information spread
- **Ethiopia, South Sudan, and Uganda:**
 - Prevention of vaccine-preventable diseases through training surveillance and immunization staff to detect diseases, manage outbreaks, and administer comprehensive immunization program
 - Included interactive workshops and monthly site visits from mentors
- **India:**
 - Program to increase health workforce capacity in Rajasthan state
 - 20K health workers received practical and on-the-job training (e.g., on vaccination and regular field supervision)

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Debt financing and debt reduction

Blended financing

Domestic financing

Private provider financing

Supplement: Multilateral Development Banks (MDBs)

2 Debt financing and debt reduction: Executive summary



- There are **two broad types of debt financing** – **traditional debt financing**, which includes loans, bonds, and debt conversion, and **results-based debt financing**, in which funding is contingent upon hitting performance metrics
- **Traditional debt financing: Loans** (primarily from the World Bank and African Development Bank) are the most commonly used form of debt financing. Bonds are used less frequently for CH, since they are often targeted to a specific intervention (e.g., pandemic relief). **Debt reduction (conversion)** is not yet widely used as a financing tool but has high potential as a CH funding mechanism due to the order of magnitude and funding flexibility
- Traditional debt financing instruments are often **accompanied by a guarantee**, in which an entity (guarantor) promises to take responsibility for another entity’s financial obligation if that entity cannot meet its obligation
 - Guarantees are an “enhancement” to debt funding, rather than an instrument in their own right, since they are usually linked to other funding streams. They often come at zero cost and act as a lever to de-risk bond issuance
 - As a de-risking tool, guarantees enable working capital to be made available when it normally wouldn’t be active
 - USAID, OPIC, SIDA, MIGA, and other agencies provide guarantees to complement the debt instruments they offer
- **Results-based debt financing (RBF)** is a relatively new concept with **high potential for use in community health**. The World Bank Pay for Results (PforR) program is the most robust RBF program, but new instruments such as social impact bonds (SIBs) and development impact bonds (DIBs) are beginning to enter the market. There are a few challenges:
 - Market for SIBs and DIBs is currently small
 - Not yet widely used or widely accepted, though a few successful examples include the Educate India Bond and the Uganda sleeping sickness bond
 - It can be challenging to identify appropriate performance metrics/requirements for a community health program

2 Debt financing and debt reduction: Overview

	Description	Instruments/approaches
Loans	<ul style="list-style-type: none"> Borrowed funds to be repaid at a later date – may be concessional or market-rate; terms and maturities vary widely 	<ul style="list-style-type: none"> 2a IDA Concessional Credits 2b IDA Scale-Up Facility Loans 2c IBRD: Flexible Loans 2d ADF: Concessional Loans 2e AfDB: Sovereign Guaranteed Loans
Bonds	<ul style="list-style-type: none"> Debt investment in which an investor loans money to a government, which borrows the funds for a defined period of time at a variable or fixed interest rate 	<ul style="list-style-type: none"> 2f Thematic bonds 2g Pandemic Emergency Financing Facility
Results-based debt financing	<ul style="list-style-type: none"> Programs that transfer money only when certain results (e.g., health outcome metrics) are achieved 	<ul style="list-style-type: none"> 2h World Bank Program-for-Results 2i WB – Health Results Innovation Trust Fund 2j Social impact bonds 2k Development impact bonds
Debt reduction	<ul style="list-style-type: none"> Exchange of debt – typically at a substantial discount – for equity or counterpart domestic currency funds to be used to finance a particular project/policy 	<ul style="list-style-type: none"> 2l Global Fund Debt2Health 2m IDA Debt Reduction Facility (DRF)

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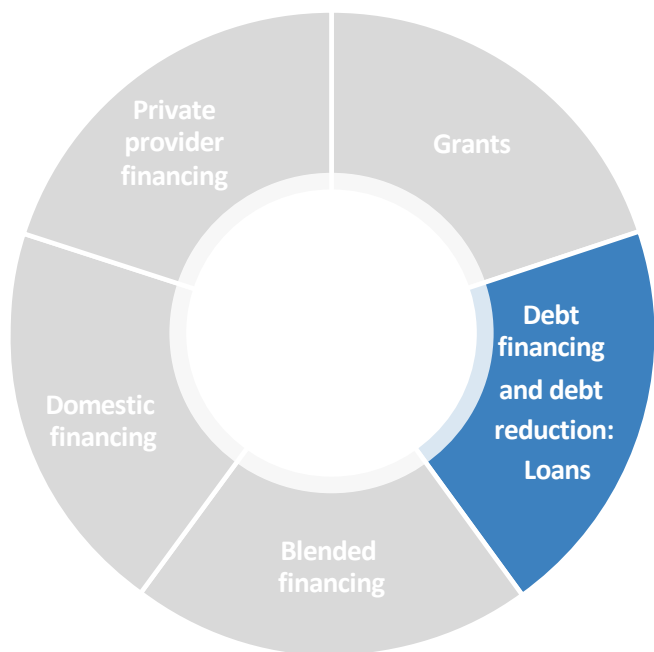
Loans

Bonds

Results-based debt financing




Debt reduction





















2 Loans: Executive summary



- Loans are “standard” debt financing instruments. The loans most relevant to community health are **issued by development banks**. The **World Bank** and the **African Development Bank** are the biggest lenders, though the World Bank is substantially larger
-
- The two major types of loans are:
 - **Non-concessional** (i.e., market-rate), offered by IBRD, AfDB, and, in special circumstances, IDA
 - **Concessional** (i.e., below market rate; significantly more favorable terms), offered by IDA and ADF
-
- For all the loans described here, countries **cannot submit a “standalone” application** – the banks engage in robust conversation with the country governments around their development objectives and funding needs, through which they co-develop a funding package, which may include multiple financing instruments
-
- Countries have **substantial flexibility** on how the funding from these loan instruments is used within the context of “development” broadly

2 Loans: Key instruments and approaches

 High
 Medium
 Low

	Instrument/approach	Description	Size	Applicability	Feasibility	Instrument	Approach
2a	World Bank – IDA Concessional Credits	Provide concessional credits at below-market rates to IDA countries (below specific GNI per capita threshold)					
2b	World Bank – IDA Scale-Up Facility Loans	Offer additional facility loans to IDA countries in situations where concessional credits are insufficient to support transformative initiatives					
2c	World Bank – IBRD Flexible Loans	Provide loans, guarantees, risk management products, and advisory services to middle-income and creditworthy low-income countries; coordinate responses to regional and global challenges					
2d	African Development Fund – Concessional Loans	Provide funding and technical assistance to spur sustainable economic development and social progress in ADF regional member countries (RMCs)					
2e	African Development Bank – Sovereign Guaranteed Loans	Provide funding for economic development-related projects to AfDB regional member countries (RMCs) or public sector enterprises from RMCs					

2a World Bank – IDA Concessional Credits: Overview

Provide concessional credits at below-market rates to IDA countries (below specific GNI per capita threshold)

Overview

- **Inception:** 1960
- **Operator:** World Bank
- **Headquarters:** Washington, D.C.
- **Funding sources:** Contributions from developed and middle-income partner countries, replenished every 3 years
- **More information:**
<http://ida.worldbank.org/financing/resource-management>

Scope (eligibility)

- **Geographic coverage:** Countries with GNI per capita below established threshold (\$1,215 in 2015) which have medium or low risk of debt distress (classified by WB framework)
- **Eligible causes:** Programs that boost economic growth and reduce inequalities
- **Eligible recipients:** Governments

Application process

- N/A – World Bank works directly with country to determine right combination of financing options

Terms

- **Type:** Concessional credits (also offers grants, see Instrument 1g). May be denominated in single currency if necessary.
- **Funding magnitude:**
 - Total: ~\$66B over 3 years (assumes historical % loans of total IDA18 replenishment)
 - Annual: ~\$22B (projected)
 - Individual cap: None
 - Average size: ~\$300M
- **Length of financing:** 38 year maturity (regular) or 25 year maturity (hard term)
- **Transaction costs:** Interests rate below market – range 0.5-1.5%
- **Support:** Transitional support available for IDA countries transitioning to IBRD borrowing
- **Conditions:** Additional commitment charges may apply
- **Criteria for selection:** Not specified

2a World Bank – IDA Concessional Credits: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Large amounts of funding available – to meet stated country needs through negotiation process with World Bank
- Substantial flexibility around use of funding. A few precedents of countries using IDA as a major source of funding for scaling up community health programs
- Countries cannot apply proactively but have significant influence over financing decisions. Process is predictable and transparent. Requires negotiation and alignment with other country stakeholders. Extremely low financial costs.

Scope of use for community health

- Broad scope – countries have nearly full discretion over how funding is used (e.g., can be salaries, bonuses, etc.)

Examples

- **Tanzania (2015):**
 - \$240M for strengthening primary health care
 - Includes strengthening human capital and safety nets, operationalizing plan for council health management teams (a community-based healthcare strategy)
- **Niger (2015):**
 - \$103M for population and health support project
 - Aims to improve capacity for high-quality service delivery, including training workers
- **Zambia (2014):**
 - \$67M for health services improvement project
 - Introduces results-based financing approaches at the community level
 - Specific objective around strengthening community health, namely demand generation and service provision at community level including social accountability mechanisms
- Numerous other countries

2b World Bank – IDA Scale-Up Facility Loans: Overview

Offer additional facility loans to IDA countries in situations where concessional credits are insufficient to support transformative initiatives

Overview

- **Inception:** 1960
- **Operator:** World Bank
- **Headquarters:** Washington, D.C.
- **Funding sources:** Contributions from developed and middle-income partner countries, replenished every 3 years
- **More information:** <http://ida.worldbank.org/financing/resource-management>

Scope (eligibility)

- **Geographic coverage:** Blend and IDA-only countries which have medium or low risk of debt distress (classified by WB framework)
- **Eligible causes:** Projects with strong development impact, including investment project financing for infrastructure and non-infrastructure projects, development policy financing, program-for-results operations and guarantees
- **Eligible recipients:** Governments

Application process

- N/A – World Bank works directly with country to determine right combination of financing options

Terms

- **Type:** Loans offered on non-concessional terms to IDA members. Fixed interest rate, referenced at LIBOR or EURIBOR. Blend countries may request a floating rate option. No local currency option.
- **Funding magnitude:**
 - Total: ~\$6.2B over 3 years (in IDA 2018 replenishment)
 - Annual: ~\$2B (projected)
 - Individual cap: None
 - Average size: ~\$50-100M
- **Length of financing:** Available in 3 maturities – 24 years (with 5 year grace period), 27 years (with 8 year grace period), 30 years (with 9 year grace period)
- **Transaction costs:** Minimal; standard IDA interactions
- **Support:** None beyond typical IDA support
- **Conditions:** Additional commitment charges may apply
- **Criteria for selection:** Projects prioritized based on debt sustainability (preferences low-risk countries), countries' capacity to absorb additional resources (through considering CPIA score + portfolio performance), other "soft" factors (operation's ability to crowd in resources; support resilience building; deliver benefits across borders, including infrastructure in line with low carbon development; and/or drive economic transformation, including through support of countries' nationally determined contributions)

2b World Bank – IDA Scale-Up Facility Loans: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Large amounts of funding available – to meet stated country needs through negotiation process with World Bank
- Countries have discretion over how financing is used; however, there is no precedent of use for community health
- Largely driven by need and capacity to absorb additional debt. However, country can influence other "soft" factors. Limited transaction costs and long debt maturities

Scope of use for community health

- Broad scope – countries have nearly full discretion over how funding is used (e.g., can be salaries, bonuses, etc.)

Examples

- **NOTE: No precedent found publicly of these loans being used for community health**
- **Ethiopia (2017):**
 - \$125M scale-up facility loan (complementing a \$320M regular IDA loan) to increase access to enhanced water supply and sanitation services in Addis Ababa and 22 secondary cities
- **Sri Lanka (2017):**
 - \$75M scale-up facility loan designed to improve the equity, efficiency and transparency of Sri Lanka's social safety programs for the benefit of the poor and vulnerable
 - Involves creating a cross-agency citizen registry
- **Bangladesh (2017):**
 - \$59M scale-up facility loan for improvement of reliability and efficiency of power system

2c World Bank – IBRD Flexible Loans: Overview



Provide loans, guarantees, risk management products, and advisory services to middle-income and creditworthy low-income countries; coordinate responses to regional and global challenges

Overview

- **Inception:** 1944
- **Operator:** World Bank
- **Headquarters:** Washington, D.C.
- **Funding sources:** IBRD's own equity and money borrowed in capital markets through the issuance of World Bank bonds
- **More information:**
<http://www.worldbank.org/en/who-we-are/ibrd>

Scope (eligibility)

- **Geographic coverage:** World Bank countries with GNI per capita above established threshold (\$1,215 in 2015) who have creditworthiness for borrowing on market terms
- **Eligible causes:** Programs that boost economic growth and reduce inequalities
- **Eligible recipients:** Governments

Application process

- N/A – World Bank works directly with country to determine right combination of financing options

Terms

- **Type:** Flexible loans, with market-based interest rates (6-month LIBOR or other recognized market rate) and a choice between fixed and variable spread. Flexibility to tailor repayment terms. May be denominated in single currency if necessary.
- **Funding magnitude:**
 - Total: Hundreds of billions
 - Annual: \$30B (2016)
 - Individual cap: None
 - Average size: ~\$260M
- **Length of financing:** Loan maturity up to 35 years
- **Transaction costs:** Low – part of ongoing country conversations with World Bank
- **Support:** Transitional support available for IDA countries transitioning to IBRD borrowing
- **Conditions:** Additional commitment charges may apply
- **Criteria for selection:** N/A

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Large amounts of funding available – to meet stated country needs through negotiation process with World Bank
- Countries have discretion over how financing is used, but most funding used for public health rather than CH
- Countries cannot apply proactively but have significant influence over financing decisions. Process is predictable and transparent. Requires negotiation and alignment with other country stakeholders.

Scope of use for community health

- Broad scope – countries have nearly full discretion over how funding is used (e.g., can be salaries, bonuses, etc.)
- Scope of activities can be expanded to include community health through a request from the MoF, even if not originally requested

Examples

- **Argentina** (2010):
 - \$461M for Essential Public Health Functions Programs II
 - Focused on provincial-level public health programs, including financing of incremental operating costs for public health facilities
- **Morocco** (2015):
 - \$100M for Population and Health Support project
 - Includes design of incentive system to improve human resources for health, improved accountability through quality assessment tool
- **Indonesia** (2009):
 - \$87M for Health Professional Education Quality project
 - Developing national competency standards for certification and licensing of health professionals, certifying graduates using national examination
 - Finances incremental operating costs
- Numerous other countries, though most IBRD loans are used for public health/epidemiologic monitoring rather than community health



2d African Development Fund – Concessional Loans: Overview

Provide funding and technical assistance to spur sustainable economic development and social progress in ADF regional member countries (RMCs)

Overview

- **Inception:** 1972
- **Operator:** African Development Bank
- **Headquarters:** Abidjan
- **Funding sources:** Replenishments from AfDB and donor countries
- **More information:** <https://www.afdb.org/en/>

Scope (eligibility)

- **Geographic coverage:** Low-income countries in Africa
- **Eligible causes:** All economic development-related projects, as well as non-project operations (e.g., structural adjustment loans, policy-based reforms)
- **Eligible recipients:** Governments

Application process

- N/A – ADF works directly with country to determine right combination of financing options

Terms

- **Type:** Concessional loans with differentiated financing terms based on country classification – 0% interest for ADF-only countries, 1% for blend, gap and graduating countries
- **Funding magnitude:**
 - Total: Billions
 - Annual: \$1.2B (2016)
 - Individual cap: None
 - Average size: ~\$1-5M
- **Length of financing:** 40 year maturity for ADF-only countries, 30 year maturity for blend, gap, and graduating countries
- **Transaction costs:** Low – part of ongoing country conversations with ADF
- **Support:** Enhanced engagement for fragile states of about \$550M
- **Conditions:** Terms vary depending on country's level of debt distress and creditworthiness
- **Criteria for selection:** Not specified

African Development Fund – Concessional Loans: Scope and examples



Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Large amounts of funding available – to meet stated country needs through negotiation process with ADF. High variability in loan size
- Countries have discretion over how financing is used, though the ADF has several specific priority areas and tends to focus more on poverty reduction than healthcare. Within health, focus on hospitals more than CH
- Countries cannot apply proactively but have significant influence over financing decisions. Process is predictable and transparent. Requires negotiation and alignment with other country stakeholders. Extremely low financial costs

Scope of use for community health

- Broad scope – countries have nearly full discretion over how funding is used
 - CHW training
 - Health facility set-up
 - Health facility financing
 - Health facility adherence to global standards

Examples

- **Guinea (2010):**
 - \$15M to improve the efficacy of health care delivery by the national health system and to build its capacities to fight communicable diseases
 - Includes a study on health information system to improve planning and management, and a study of alternative financing methods to help improve utilization of services by vulnerable populations
- **Uganda (2012):**
 - \$98.8M loan to improve health delivery and health worker education at Mulago Hospital
 - Project intended to reduce health-related household budget expenditures in poor communities and strengthen health-system capacity

African Development Bank – Sovereign Guaranteed Loans: Overview



Provide funding for economic development-related projects to AfDB regional member countries (RMCs) or public sector enterprises from RMCs

Overview

- **Inception:** 1964, operations beginning in 1966
- **Operator:** African Development Bank
- **Headquarters:** Abidjan
- **Funding sources:** Replenishments from AfDB member countries in case of capital increases, borrowing from international capital markets, and Bank-generated revenues
- **More information:** <https://www.afdb.org/en/>

Scope (eligibility)

- **Geographic coverage:** Low and middle income countries in Africa
- **Eligible causes:** All economic development-related projects, as well as non-project operations (e.g., structural adjustment loans, policy-based reforms)
- **Eligible recipients:** Regional Member Countries (RMCs) or public sector enterprises from RMCs supported by the full faith and credit of the RMC in whose territory the borrower is domiciled. Multinational institutions are eligible for SGLs if they are guaranteed by an RMC or by RMCs in whose territory or territories the projects will be executed

Application process

- N/A – ADF works directly with country to determine right combination of financing options

Terms

- **Type:** Market-rate flexible loan with embedded risk management features, loan conversions, currency conversion options, and maturity-based pricing. Floating base rate of 6-month LIBOR
- **Funding magnitude:**
 - Total: Billions
 - Annual: \$7.8B (2016)
 - Individual cap: None
 - Average size: ~\$10-20M
- **Length of financing:** Up to 25 years
- **Transaction costs:** Low – standard loan application process
- **Support:** Grant-based technical assistance available for countries receiving loans
- **Conditions:** Not specified
- **Criteria for selection:** Not specified

African Development Bank – Sovereign Guaranteed Loans: Scope and examples



Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Large amounts of funding available – to meet stated country needs through negotiation process with African Development Bank. Typical funding under \$10M
- Countries have discretion over how financing is used, though the ADF has several specific priority areas and tends to focus more on poverty reduction than healthcare
- Countries cannot apply proactively but have significant influence over financing decisions

Scope of use for community health

- Broad scope – countries have nearly full discretion over how funding is used

Examples

- **Morocco** (2016):
 - \$134M to improve social protection and inclusion
 - Involves enrolling 250K workers and 280K students in medical insurance program
 - Human capital development through pre-school education
- **Tunisia** (2010):
 - \$73M for reforming health sector
- **Gambia** (2014):
 - \$8.2M to Horizons Clinic Africa
 - Funds used to design, build and operate a 60-bed facility that comprises outreach delivery service and training center for community health service strengthening

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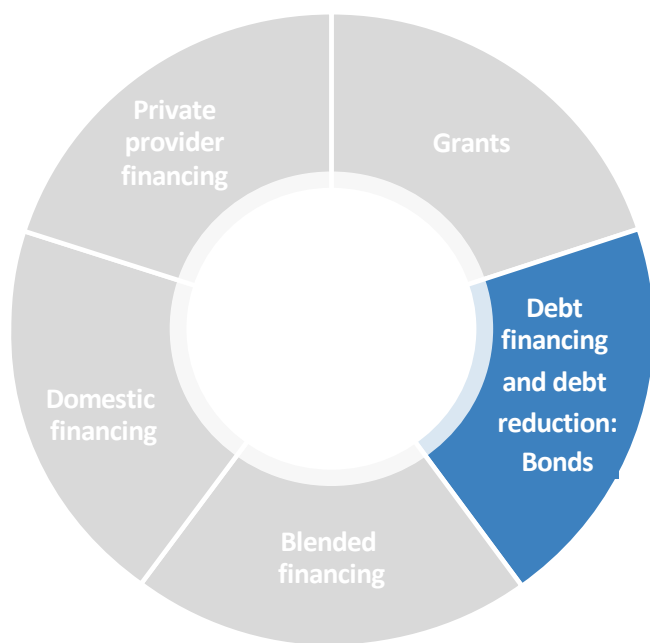
Loans

Bonds

Results-based debt financing

Debt reduction

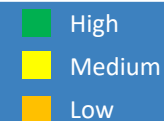
2 Bonds: Executive summary



- Bonds are **not yet a commonly applied instrument** for financing community health

- Some major bond instruments – such as the Pandemic Emergency Financing – have very **specific scope and therefore cannot be used for community health broadly**
 - Countries **cannot apply for this mechanism proactively**

- There may be potential for development of additional bond instruments in the future with a more general community health application



	Instrument/approach	Description	Size	Applicability	Feasibility	Instrument	Approach
2f	Thematic bonds	A thematic bond has the structure of a traditional bond (a debt security) that is issued to raise capital specifically to support projects in a specific area (e.g., community health scale-up)	High	High	Low		✓
2g	Pandemic Emergency Financing Facility	Provide a surge of funds to enable a rapid and effective response to a large-scale disease outbreak	High	Low	Low	✓	

2f Thematic bonds: Overview

A thematic bond has the structure of a traditional bond (a debt security) that is issued to raise capital specifically to support projects in a specific area (e.g., community health scale-up)

Details

- **Format:**
 - The bond is issued by a Multilateral Development Bank (MDB) or a Development Finance Institute (DFI), guaranteed with the AAA rating of the MDB or DFI
 - Thematic bonds differ from regular bonds in that thematic bonds involve raising funds to support the financing of specific (thematic) projects; thematic bonds can also be used to fund community health systems
 - Proceeds are issued to a country or a set of countries to implement agreed-upon community health projects
 - If certain performance elements are met, a performance payer buys down the country's or countries' coupon rate, thus shrinking the country interest obligation to zero
- **Benefits:**
 - Can raise large amounts of capital to help finance large program overhaul or scale-up
 - Proceeds are earmarked for community health
 - If performance targets are met, the country's or countries' interest is bought down to 0%
 - Investors consider both the financial and social (health-related) benefits of the bond, but do not have to take risk on the performance elements
- **Challenges:**
 - Country or countries must be willing and able to issue additional debt
 - Performance elements require measurement and evaluation initiatives

2f Thematic bonds: Scope and examples

Assessment and rationale

Size (\$)



- Has the potential to raise large amounts of funds, historically larger than \$100M

Applicability to CH



- The approach can be applied to strengthening community health, as long as there are clearly sources of CH-focused funding available for repayment

Feasibility



- Requires significant time and resource investments to design and execute. If performance targets are met, country pays no interest, effectively turning this funding into a grant

Examples

- **City of Johannesburg Green Bond (2014):**
 - Issued with Standard Bank Group, to move the city closer to a low-carbon infrastructure and increase preservation of natural resources
 - R1.46 billion green bond; 10-year maturity; 10.18% coupon
 - Attractive investment opportunity, yielding 185 basis points above 10-year government bonds
 - Proceeds financed green initiatives like the Biogas to Energy Project, the Solar Geyser Initiative, and others
- **World Bank Green Bonds (2016):**
 - Issued by World Bank IBRD to support the financing of global climate action in alignment with the Paris Climate Agreement
 - \$500 million in green bonds; 5-year maturity; AAA rated; 1.75% coupon
 - Proceeds financed projects including renewable energy installations, energy efficiency projects, and new technologies in waste management and agriculture that reduce greenhouse gas emissions and help finance the transition to a low carbon economy
- **Women's Bond (2013):**
 - Issued by World Bank IFC to help women in developing countries and to raise awareness about gender issues
 - \$165 million bond; 5-year maturity; AAA-rated
 - Proceeds were issued to local banks and financial intermediaries, who were required to commit funding to businesses in which women own the majority stake, or where women owned at least a fifth of the company and held senior leadership positions

2g Pandemic Emergency Financing Facility: Overview

Provide a surge of funds to enable a rapid and effective response to a large-scale disease outbreak

Overview

- **Inception:** 2016
- **Operator:** World Bank Group
- **Headquarters:** Geneva
- **Funding sources:** World Bank, Japan, Germany, WHO
- **More information:**
<http://www.worldbank.org/en/topic/pandemics/brief/pandemic-emergency-financing-facility>

Scope (eligibility)

- **Geographic coverage:** All IDA countries
- **Eligible causes:** Six viruses that are most likely to cause a pandemic. These include new Orthomyxoviruses (new influenza pandemic virus A), Coronaviridae (SARS, MERS), Filoviridae (Ebola, Marburg) and other zoonotic diseases (Crimean Congo, Rift Valley, Lassa fever).
- **Eligible recipients:** Governments and other agencies involved in pandemic response

Application process




- No application – PEF steering committee assesses specific pandemic situation based on predefined criteria using WHO data to determine eligibility

Terms

- **Type:** Combination of bonds and derivatives priced today, a cash window, and future commitments from donor countries for additional coverage
- **Funding magnitude:**
 - Total: ~\$500M over 5 years (as of 2017)
 - Annual: ~\$100M
 - Individual cap: None
 - Average size: Not specified
- **Length of financing:** Scheduled maturity date of 2020 (3 years)
- **Transaction costs:** 6m USD LIBOR + 6.5% (for flu and coronavirus bonds) and 11.1% (for other pandemic bonds)
- **Support:** Not specified
- **Conditions:** Not specified
- **Criteria for selection:** Funding availability will be triggered when an outbreak reaches predetermined levels of contagion, including number of deaths; the speed of the spread of the disease; and whether the disease crosses international borders. The determinations for the trigger are made based on publicly available data as reported by the World Health Organization (WHO)

2g Pandemic Emergency Financing Facility: Scope and examples

Assessment and rationale

Size (\$)		<ul style="list-style-type: none"> • Large amount of funds available, depending on severity of disease outbreak • Countries cannot apply for funds – they are selected based on pandemic conditions
Applicability to CH		
Feasibility		

Scope of use for community health

- General pandemic response – short term mobilization of resources, training, and equipment

Examples

- *NOTE: Funds have not yet been used – was only announced in 2017*

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Results-based debt financing

Debt reduction

2 Results-based debt financing: Executive summary



- In results-based debt financing (RBF), a “payer” (a foundation, international donor, or government) conditions its payment to a service provider (an NGO or private company) on desired outcomes
- This is a relatively new model, but has **high potential for use in community health because the funding is typically intended to support large-scale programs**, and there is precedent for use in community health
- The **World Bank PforR program is the most well-established RBF model**, but countries **cannot apply for it proactively**; application must be discussed through the standard World Bank country plan development process
- Countries can approach financial institutions and outcomes payers to **structure social impact bonds and development impact bonds proactively**; there have been early successes in using this approach for community health projects

Instrument/approach	Description	Size	Applicability	Feasibility	Instrument	Approach
2h World Bank Program-for-Results (PforR)	Use a country's own institutions and processes, and link disbursement of funds directly to the achievement of specific program results					
2i World Bank – Health Results Innovation Trust Fund	Support results-based debt financing (RBF) approaches in the health sector to improve maternal and child health in low-income countries					
2j Social impact bonds (SIBs)	An investor (or group of investors) provides up-front financing for the operations of a service provider, and receives a return from a government agency once results have been achieved					
2k Development impact bonds (DIBs)	An investor (or group of investors) provides up-front financing for the operations of a service provider, and receives a return from a non-governmental payer (usually donors) once results have been achieved					

2h World Bank Program-for-Results: Overview

Use a country's own institutions and processes, and link disbursement of funds directly to the achievement of specific program results

Overview

- **Inception:** 2012
- **Operator:** World Bank
- **Headquarters:** Washington, D.C.
- **Funding sources:** Same as other World Bank funding
- **More information:**
<http://www.worldbank.org/en/programs/program-for-results-financing#1>

Scope (eligibility)

- **Geographic coverage:** Global – all World Bank member countries
- **Eligible causes:** All causes broadly related to economic development. Top recipients are water, social urban rural and resilience, energy and extractives, health, nutrition, and population
- **Eligible recipients:** Governments

Application process




- Like other WB programs, Program for Results is selected based on a conversation with the country officer, depending on the country's specific development needs

Terms

- **Type:** Results-based debt financing with investment tranche and performance tranche
- **Funding magnitude:**
 - Total: \$13.8B (as of April 2016)
 - Annual: Not specified
 - Individual cap: None
 - Average investment size: ~\$240M
- **Length of financing:** Varies – part of ongoing WB support
- **Transaction costs:** Requires reporting of program results periodically and involves more monitoring from WB than other financing instruments
- **Support:** Supports government programs and helps leverage World Bank development assistance by fostering partnerships and aligning development partner goals and results that can lead to greater development effectiveness
- **Conditions:** Achievement of specific program results
- **Selection criteria:** Not specified

2h World Bank Program-for-Results: Scope and examples

Assessment and rationale

Size (\$)		<ul style="list-style-type: none"> • Large amounts of funding available to meet stated country needs through negotiation process with World Bank • Substantial flexibility around use of funding; a few countries have previously used Program for Results as a source of funding for scaling up community health programs • Driven by conversations with country officer; if granted, requires reporting of program results periodically and involves more extensive monitoring from WB than other financing instruments require
Applicability to CH		
Feasibility		

Scope of use for community health

- Health IT
- Human resources and management skills (through training)
- Procurement (e.g., vaccines, bed nets)
- Financial planning
- Outreach campaigns
- Health center construction
- Evaluation and surveys to determine program effectiveness

Examples

- **Costa Rica (2016):**
 - \$420M loan to strengthen universal health insurance; tied to performance on 7 indicators
 - Focused on strengthening primary healthcare network and increasing integration of services
- **Croatia (2014):**
 - \$103.5M to improve the quality and efficiency of health services
 - Included health IT, strengthening “management capacity” in healthcare, financial planning for healthcare system, and strengthening “human resources” in healthcare
- **Ethiopia (2007-2012):**
 - \$100M for Health Millennium Development Goals program
 - Included capacity building of health extension workers, midwife training, immunization campaigns, and construction of health centers
 - Specific priority around health system strengthening

2i Health Results Innovation Trust Fund (HRITF): Overview

Support results-based debt financing (RBF) approaches in the health sector to improve maternal and child health in low-income countries

Overview

- **Inception:** 2007
- **Operator:** World Bank
- **Headquarters:** Washington, D.C.
- **Funding sources:** Government of Norway through Norad; United Kingdom through Department for International Development (often paired with additional funding from International Development Association, IDA)
- **More information:** <https://www.rbfhealth.org>

Scope (eligibility)

- **Geographic coverage:** Global
- **Eligible causes:** Maternal and child health; fulfillment of third Sustainable Development Goal (SDG 3) regarding good health and well-being
- **Eligible recipients:** Low-income country governments

Application process




- Dollars allocated directly to countries; no application necessary

Terms

- **Type:** Results-based debt financing, with initial funding for pilots and additional performance-linked funding based on evaluation results
- **Funding magnitude:**
 - Total: \$385.6M committed to date
 - Annual: ~\$60M
 - Individual cap: \$20M
 - Average investment size: ~\$5-20M
- **Length of financing:** 5 years
- **Transaction costs:** The risk of “missing” performance metrics and not receiving additional tranches of performance funding
- **Support:** Facilitates country and regional policy dialogues; strong focus on monitoring and evaluation
- **Conditions:** Programs must be designed and supervised within World Bank operating systems; requires adherence to specific design, implementation, and evaluation parameters
- **Selection criteria:**
 - Countries already selected
 - For initiatives within countries: The Initiative’s model seeks interventions that address health system strengthening towards maternal and child health improvements

Health Results Innovation Trust Fund (HRITF): Scope and examples

Assessment and rationale

Size (\$)		<ul style="list-style-type: none"> Moderate – average funding of \$5-\$20M; opportunity to be higher with additional tranches and performance metrics
Applicability to CH		<ul style="list-style-type: none"> Most funded projects have included CH and health center strengthening; performance objectives use community health-related metrics as primary determinants of results-based debt financing
Feasibility		<ul style="list-style-type: none"> Delivery of dollars to countries; often coordinated with national and local governments. However, if country misses performance targets, the country risks losing additional tranches of investments

Scope of use for community health

- CHW training
- CHW payment
- Health facility set-up
- Health facility financing
- Health facility adherence to global standards

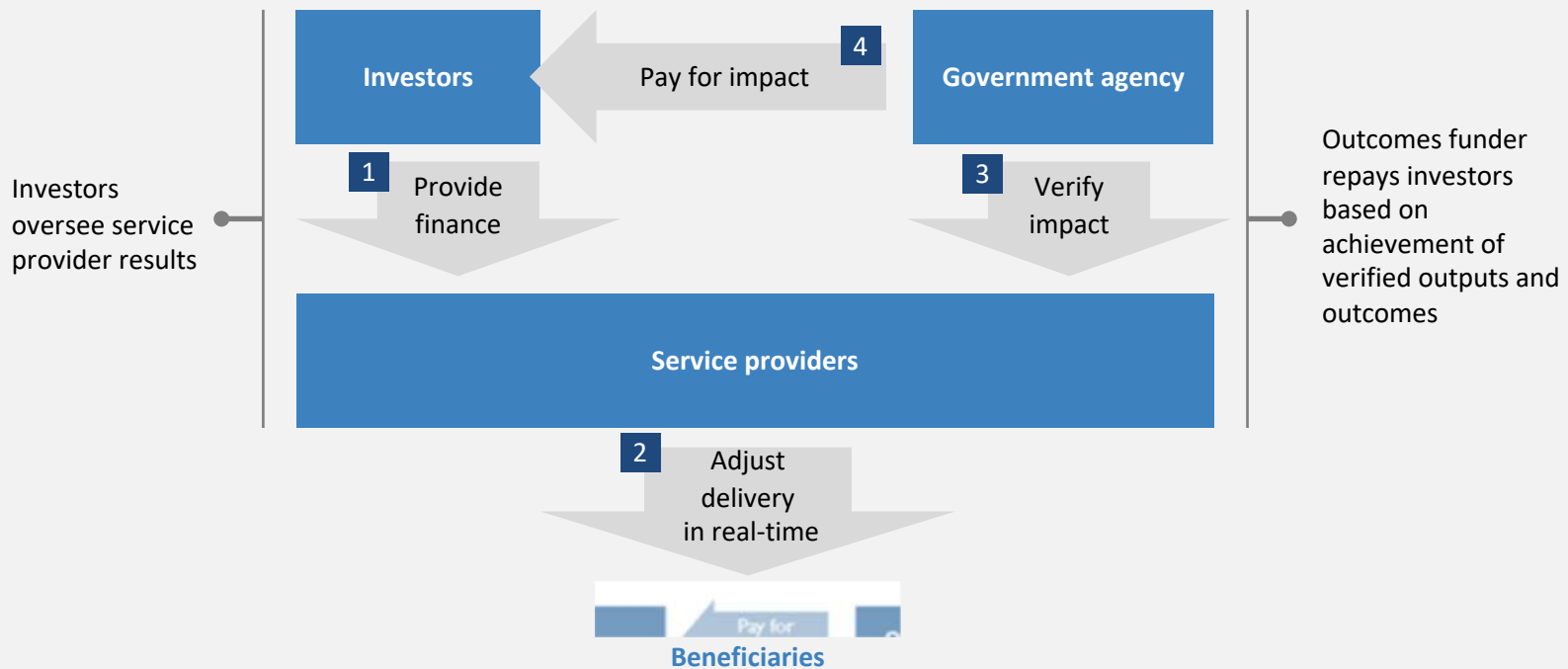
Examples

- **Rwanda (2009-2012):**
 - Community Living Standards Grant aimed to reduce poverty by supporting health policy reforms at community level
 - Ministry of Health contracted and incentivized CHWs; also incentivized eligible mother with cash transfers for used services
 - HRITF financing: \$12M (two \$6M grants)
- **Benin (2011-2017):**
 - Project to improve health system performance
 - Majority of funding (~50%) allocated to facility and personnel incentives (e.g., paying high performing health centers and CHWs)
 - HRITF financing : \$11M; IDA financing: \$28.8M, \$10M performance –based
- **Zimbabwe (2013-2017):**
 - Health systems strengthening in rural communities
 - Three investment tranches totaling \$20M, based on measures of service quality and quantity

2j Social impact bonds (SIBs): Overview

An investor (or group of investors) provides up-front financing for the operations of a service provider, and receives a return from a government agency once results have been achieved

Details



Pros

- Reduce/minimize financial risks
- Promote investment in social impact projects
- Promote results-based management processes and importance of achieving outcomes

Risks

- More complex and difficult to set up than other funding instruments
- Investors lose investment if outcomes not achieved
- Profits as incentives for investors may undermine social impact

2j Social impact bonds (SIBs): Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Sizes for SIBs have been <\$10M
- The approach can be applied to strengthening community health, as long as there are clear outcome payers and metrics for tracking results. However, it has not been used thus far for national CHW cadres
- Requires significant time and resource investments to design and execute

Examples



Global Fund

- GF is working closely with Social Finance UK, a pioneer of “impact bonds” as technical partners
- In the process of considering various models of SIBs for key populations, such as improving detection of tuberculosis in mine workers; in discussion with other countries



South Africa

- Department of Health is sponsoring early childhood development (ECD) impact bond innovation fund to improve maternal and child health by funding home and community-based interventions
- \$380M SIB for HIV prevention (currently in concept phase and still being explored)



USAID - Colombia:

- USAID is working with Instiglio and the government of Medellin on a SIB to address teen pregnancy (total investment: \$305K)



USAID - India:

- USAID, Merck for Mothers, and Government of Rajasthan are in the design phase of a program to improve quality and processes in 450 private health facilities across Rajasthan



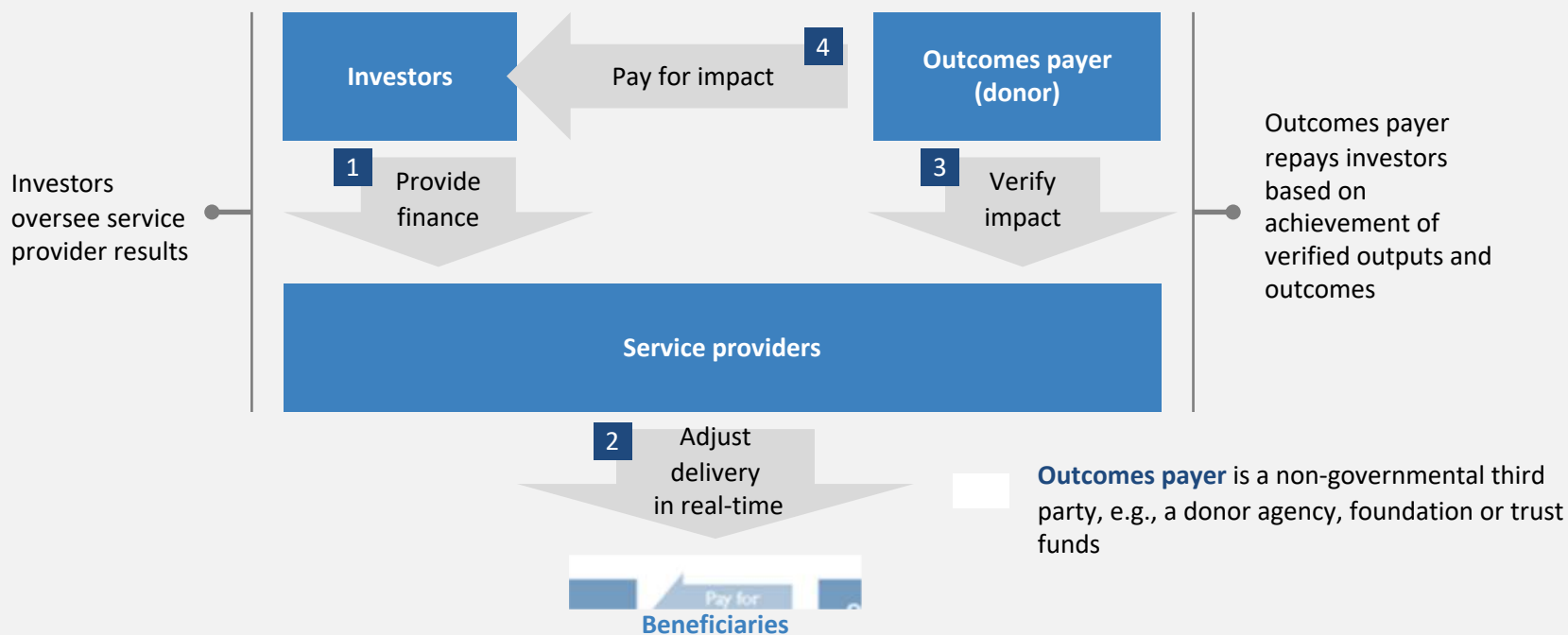
Brazil

- In early-stage design phase of SIB to fund community-based service, with the objective of improving health of long term chronic patients, avoiding unnecessary hospitalizations, and providing home care and community care services

2k Development impact bonds (DIBs): Overview

An investor provides up-front financing for the operations of a service provider, and receives a return from a non-governmental outcomes payer once results have been achieved

Details



Pros

- Reduce/minimize financial risks
- Promote investment in social impact projects
- Promote results-based management processes and importance of achieving outcomes

Risks

- Not well established investment instrument
- Investors lose investment if outcomes not achieved
- Profits as incentives for investors may undermine social impact

2k Development impact bonds (DIBs): Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Only three DIBs have been operational, with significant size variation (the largest consisted of ~\$27M in outcome funds)
- The approach can be applied to strengthening community health, as long as there are clear outcome payers and metrics for tracking results. It has not been used thus far for national CHW cadres
- Requires significant time and resource investments to design and execute

Examples



India

- UBS Optimus Foundation committed \$3.5M in initial capital to DIB for maternal and child health, with specific aim of improving access and quality of care in 440 private healthcare facilities in Rajasthan state
- USAID and MSD for Mothers pledged \$8M in outcome funding, with responsibility to transfer to the government of Rajasthan in year 3; implementation partners Population Services International and Hindustan Latex Family Planning Promotion Trust to co-invest 20%



Cameroon

- \$4.5-6M pay-for-success DIB to fund the expansion of “kangaroo care”
- World Bank’s Global Financing Facility alongside several additional backers, including Grand Challenges Canada, Toronto-based MaRS Centre for Impact Investing, UK’s Social Finance, and Cameroon Ministry of Public Health
- Aimed at strengthening regional and district hospitals and providing training to CHWs



Uganda

- Social Finance designed DIB to reduce prevalence of sleeping sickness by reducing disease-causing parasite in cattle
- Investors coming from health and agriculture-focused trusts, philanthropists, and Africa-focused impact investment funds
- Not specifically tied to community health of health system strengthening, but could bode well for future use of DIBs in CH



Educate Girls

- World’s first DIB (2015); UBS Optimus Foundation funded Indian NGO Educate Girls to educate girls in rural Rajasthan district
- Not related to community health, but success of program bodes well for future successes through this funding instrument

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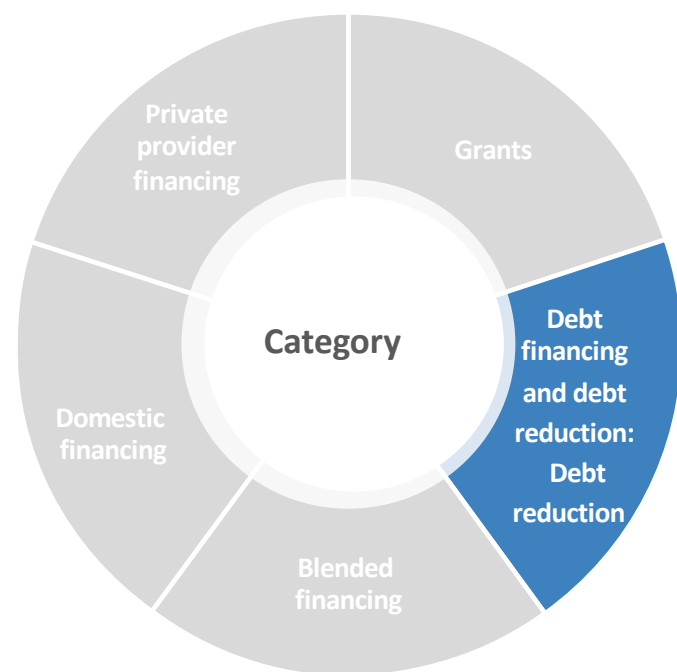
Loans

Bonds

Results-based debt financing

Debt reduction

2 Debt reduction: Executive summary

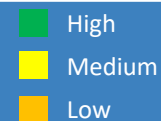


- Debt conversion is the exchange of debt—typically at a substantial discount—for equity, or counterpart domestic currency **funds to be used to finance a particular project or policy**

- Debt conversion is an effective tool for financing community health, because it is often large in magnitude, and unrestricted in use/application

- Of the two primary debt conversion instruments – Global Fund’s Debt2Health and the IDA Debt Reduction Facility (DRF)—**Debt2Health is applicable to community health, and countries can apply proactively, but IDA’s DRF is much larger** (though it is unclear whether it has been used for health projects to date, and countries cannot apply proactively)

- There may be **opportunity to develop additional debt conversion instruments** given the strong track record of Debt2Health



	Instrument/approach	Description	Size	Applicability	Feasibility	Instrument	Approach
2l	Global Fund – Debt2Health	Channel resources of implementing countries away from debt repayment and toward lifesaving investments in health in developing countries	Medium	High	Low	✓	
2m	World Bank – IDA Debt Reduction Facility (DRF)	Reduce commercial external debt for heavily indebted poor countries	High	Medium	High	✓	

21 Global Fund – Debt2Health: Overview

Channel resources of implementing countries away from debt repayment and toward lifesaving investments in health in developing countries

Overview

- **Inception:** 2007
- **Operator:** Global Fund
- **Headquarters:** Geneva
- **Funding sources:** Global Fund for administrative costs; lender country governments
- **More information:** <https://www.theglobalfund.org/>

Scope (eligibility)

- **Geographic coverage:** Global
- **Eligible causes:** Prevention, treatment and care services for those most in need, as health programs are implemented through the established global systems. May be allocated to a specific disease and/or country
- **Eligible recipients:** Governments currently in debt

Application process

- Debt swap can be proposed by beneficiary, creditor or Global Fund. Historically, the strongest cases have been when a creditor has been identified that is willing and able to support a D2H conversion

Terms

- **Type:** Debt conversion – bilaterally negotiated agreements in which creditors relinquish a part of their rights to repayment of loans; in return, the beneficiary country invests the freed-up resources into programs approved by the Global Fund
- **Funding magnitude:**
 - Total: ~\$170M (as of 2015)
 - Annual: ~\$15-20M
 - Individual cap: None
 - Average size: \$10-50M
- **Length of financing:** N/A
- **Transaction costs:** Legal negotiation between creditor and debtor/beneficiary. All costs for program implementation, auditing, and reporting are absorbed by GF starting grant systems. Payment schedule usually follows original debt repayment schedule.
- **Support:** None
- **Conditions:** Full acceptance of Global Fund goals, procedures, etc.
- **Criteria for selection:**
 - Creditor's criteria vary but most often include high burden of debt and a specific health funding goal
 - GF criteria:
 - Beneficiary is eligible for GF funding
 - Beneficiary has a good track record with Global Fund grants
 - CH project listed (or proposed to be) listed in UQD Register

21 Global Fund – Debt2Health: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Moderate amount – average funding \$10-30M
- CH is an eligible use of funds under existing Debt2Health swap guidelines. Particularly strong argument to be made when CH has been included by countries as part of bids for Global Fund grants
- Requires a willing creditor country and a willing MoF. Creditor may require assurances on the governance of the debt forgiven. Once a willing creditor has been identified, GF process is fairly straightforward

Scope of use for community health

- Debt2Health swaps must support existing programs, but nature of support could vary widely:
 - Program scale-up
 - Program monitoring and evaluation
 - Worker retraining and capability building
 - Worker salaries
 - Materials procurement (e.g., diagnosis tests) and transportation
 - Cross-sharing of learnings and best practices
- Specific parameters around use of funds is usually included in original debt swap agreement

Examples

- **Germany – Indonesia** (September 2007):
 - Debt swap amount: €50M
 - Benefiting program: HIV/AIDS
- **Germany – Pakistan** (November 2007):
 - Debt swap amount: €40M
 - Benefiting program: Tuberculosis
- **Australia – Indonesia** (July 2010):
 - Debt swap amount: AUD 75M
 - Benefiting program: Tuberculosis
- **Spain – DR Congo** (expected December 2017):
 - Debt swap amount: €25M
 - Benefiting program: Malaria
- **Spain – Ethiopia** (expected December 2017):
 - Debt swap amount: €8M
 - Benefiting program: HSS

Germany pledged to allocate €100M for additional Debt2Health swaps in September 2016

Reduce commercial external debt for heavily indebted poor countries

Overview

- **Inception:** 1989
- **Operator:** World Bank
- **Headquarters:** Washington, D.C.
- **Funding sources:** Contributions from developed and middle-income partner countries; replenished every 3 years
- **More information:** <http://ida.worldbank.org/financing/resource-management>

Scope (eligibility)

- **Geographic coverage:** IDA-only countries that are heavily indebted
- **Eligible causes:** Help heavily indebted poor countries (HIPCs) reduce their commercial external debt as part of a comprehensive debt resolution program
- **Eligible recipients:** Governments

Application process

- N/A – part of standard government – IDA interactions

Terms

- **Type:** Grant funding is given to eligible governments to buy back—at a deep discount—the debts owed to external, commercial creditors
- **Funding magnitude:**
 - Total: ~\$10.3B external debt principal extinguished since inception in 1989
 - Annual: ~\$500M
 - Individual cap: None
 - Average size: ~\$412M external debt principal
- **Length of financing:** N/A
- **Transaction costs:** Minimal – part of standard IDA interactions
- **Support:** Technical assistance
- **Conditions:** By reducing sovereign debt burdens, the DRF encourages commercial creditors to bear their share of HIPC debt relief. It also helps reduce the risk of non-concessional creditors taking advantage of debt relief provided by IDA and other multilateral development banks under the Multilateral Debt Relief Initiative (MDRI)
- **Criteria for selection:** Strict criteria, including income status and compliance with recommended policy reforms

2m

World Bank – IDA Debt Reduction Facility (DRF): Scope and examples



Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Large amounts of funding available to meet stated country needs through negotiation process with World Bank
- Use of debt relieved is essentially unrestricted, though there is no explicit focus on healthcare
- Minimal application barriers for heavily indebted poor countries; however, strict criteria must be met

Scope of use for community health

- Broad scope – countries have nearly full discretion over how funding is used (e.g., can be salaries, bonuses, etc.)

Examples

- Numerous countries have received funding but there are no public examples of specific projects funded through debt relief
 - 36 countries have already received debt relief and are “post-completion point”
 - Eritrea, Somalia, Sudan are “pre-decision point,” i.e., eligible for potential debt relief as of Feb 2017
- Evidence suggests that debt relief frees up resources for social spending. Prior to the initiative, eligible countries were on average spending slightly more on debt service than on health and education combined. Now, they have markedly increased their expenditures on health, education, and other social services, to on average five times the level of debt service payments

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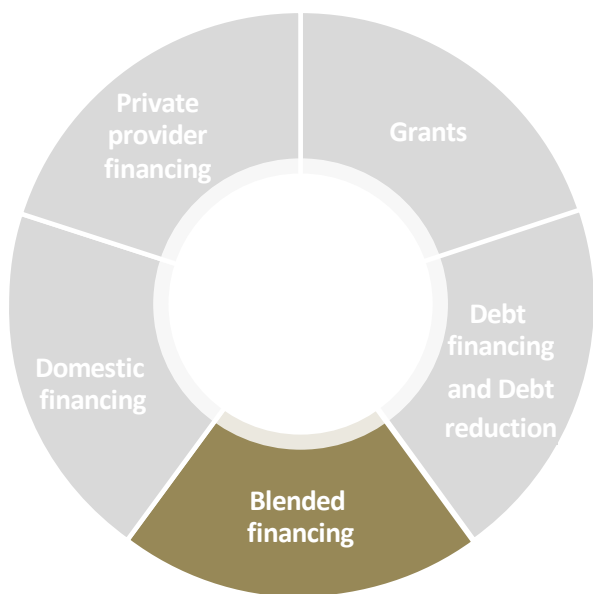
Blended financing

Domestic financing

Private provider financing




Supplement: Multilateral Development Banks (MDBs)









3 Blended financing: Executive summary



- Blended financing is the “strategic use of development finance for the **mobilization of additional commercial finance** towards the Sustainable Development Goals in developing countries” (OECD)
- Typically involves the **simultaneous use of grants (or grant-equivalent instruments) and non-grant financing (loans, debt conversion, or other)** from private and/or public sources to provide an overall financing package on financially viable/sustainable terms
- Two major examples of blended finance programs include the Lives and Livelihood Fund and Global Fund. These both have high potential applicability to community health, because they are **explicitly focused on health system strengthening**, and intended to **facilitate funding sustainability**, which is necessary for ongoing, infrastructure-based programs such as CH
 - Lives and Livelihoods Fund focuses on strengthening primary health care systems, and uses a mixture of below-market price debt and grants
 - Global Financing Facility focuses on maternal, newborn, and child health, and uses domestic financing, external support, and innovative sources for resource mobilization and delivery, including the private sector
- The pros and cons of blended financing depend on the specific composition of grants and non-grant instruments, but there are a few themes:
 - Some programs are geographically limited (e.g., GFF is limited to a specific set of countries, Lives and Livelihoods Fund is for low and middle-income countries only)
 - Projects must typically be very “well-baked” before a blended finance approach can be used (vs. MLDBs, who often will co-develop a project)
 - Often administratively more complex than a pure grant program; also incurs debt

3 Blended financing: Key instruments and approaches

 High
 Medium
 Low

	Instrument/approach	Description	Size	Applicability	Feasibility	Instrument	Approach
3a	Lives and Livelihoods Fund	Spur financing projects to build a stronger future in Islamic Development Bank member countries					
3b	Global Financing Facility (GFF)	Accelerate global efforts to end preventable maternal and child deaths and improve the health of women, children, and adolescents in high-burden low and lower-middle income countries					

3a Lives and Livelihoods Fund: Overview

Spur financing projects to build a stronger future in Islamic Development Bank member countries

Overview

- **Inception:** 2016
- **Operator:** Islamic Development Bank (IDB)
- **Headquarters:** Jeddah, Seattle
- **Funding sources:** 20% from private/public donations (e.g., Gates Foundation, UAE) to fund the grants
- **More information:** www.gatesfoundation.org/Where-We-Work/Middle-East-Office/Lives-and-Livelihoods-Fund

Scope (eligibility)

- **Geographic coverage:** Funds individual projects in any of the eligible cause areas
- **Eligible causes:** 20-60% of fund goes toward health-related projects (mainly primary and pediatric care). 20-60% dedicated to agriculture, and 0-20% dedicated to infrastructure
- **Eligible recipients:** Any IDB member country categorized by the World Bank as low or low middle-income (33 of 57 in 2017)

Application process

- Annual application through written memo requiring demonstration of relevance (importance of donation to project), readiness (time to implementation), and results (potential impact)




Terms

- **Type:** Mixed – 70-90% below-market price debt, one 10-30% grant
- **Funding magnitude:**
 - Total: ~\$600M (since 2016)
 - Annual: \$300-700M per year
 - Individual cap: ~\$500M over five year period
 - Average size: ~\$25-35M
- **Length of financing:** Usually one-time, but can vary
- **Transaction costs:** Varies by project
- **Support:** Assistance from the Fund’s Project Management Unit to enhance and accelerate project, and assistance from the Gates Foundation’s strategy team to help develop a long-term vision and strategy for the project’s operators
- **Conditions:** Recipients must adhere to strict data-tracking protocols
- **Selection criteria:**
 - **Relevance:** Projects must align with the mandate of the Fund and the Poverty Reduction Strategy of the member country
 - **Readiness:** Must be “ready to go” – selection considers the effectiveness of delivery in terms of quality, maturity, and expected impact
 - **Results:** Should make immediate impact on the lives of individuals on the ground; expected efficiency (i.e., country’s implementation track record) is also considered

1 Price of debt not specified other than “below market value”

3a Lives and Livelihoods Fund: Scope and examples

Assessment and rationale

Size (\$)		<ul style="list-style-type: none"> • Large funding streams available, but unclear duration or consistency of funding; average size is \$25-35M • Explicit focus on strengthening primary care health systems, but too new to have much precedent in use for community health • Applications are rolling and process is straightforward, but requires internal alignment on allocating domestic financing to make the re-payments
Applicability to CH		
Feasibility		

Scope of use for community health

- Health system strengthening projects, as long as they include:
 - Improving access to quality maternal, newborn and child health services
 - Developing human resources for maternal, newborn, and child healthcare
 - Enhancing access to quality, essential healthcare services by addressing barriers on both the supply and demand sides
- Healthcare financing projects – e.g., providing innovative, alternative health insurance for the poorest populations

Examples

- Very new – fund has only been used once for a healthcare project
- **Senegal (2016):**
 - \$32M to transition an anti-malaria project from the control phase to the pre-elimination phase
 - Resulted in 1 million rapid diagnostic tests, >700k anti-malaria doses, and LLINs for 2.5 million people

3b Global Financing Facility (GFF): Overview

Accelerate global efforts to end preventable maternal and child deaths and improve the health of women, children, and adolescents in high-burden low and lower-middle income countries

Overview

- **Inception:** 2015
- **Operator:** World Bank
- **Headquarters:** Washington, D.C.
- **Funding sources:** GFF multi-donor trust fund
- **More information:** <https://www.globalfinancingfacility.org/>

Scope (eligibility)

- **Geographic coverage:** 66 high-burden low and lower-middle income countries; initial focus is on 12 countries representing majority of RMNCAH funding gap
- **Eligible causes:** Reproductive, maternal, newborn, child, and adolescent health (RMNCAH)
- **Eligible recipients:** Governments

Application process

- No application – the GFF selects priority countries and then operates at the country level through a multiple-stakeholder process
- National governments lead the processes with the involvement of the full set of RMNCAH stakeholders

Terms

- **Type:** New model that combines domestic financing, external support, and innovative sources for resource mobilization and delivery, including the private sector
- **Funding magnitude:**
 - Total: \$292M grant resources, \$1.2B concessional funding
 - Annual: Not specified
 - Individual cap: None
 - Average size: ~\$10-40M (grants), \$100-200M (IBA/IBRD)
- **Length of financing:** Ongoing
- **Transaction costs:** Depends on combination of instruments offered
- **Support:** Development of investment case; mobilizing of financing for investment case outside of grant dollars, including coordination with IDA/IBRD projects; innovative engagement of private sector resources; development of health financing strategy
- **Conditions:** Not stated
- **Criteria for selection:** Based on RMNCAH outcomes, domestic resource mobilization, IBA/IBRD financing for health, and consultations with countries to gauge interest in participation

3b Global Financing Facility (GFF): Scope and examples

Assessment and rationale

Size (\$)	■
Applicability to CH	■
Feasibility	■

- Use of leverage results in large amounts of funding (grant and debt financing)
- Explicit focus on strengthening health systems to advance RMNCH, with precedents for use in community health (e.g., in Liberia)
- Eligible countries go through an established process to develop an integrated investment case

Scope of use for community health

- Analytical work and policy dialogue to identify bottlenecks to CH
- Development of country’s national health financing strategy/improving public finance management
- Health IT (including improvements to civil registration and vital statistics)
- Performance tracking
- Human resource strengthening

Examples

- **Cameroon (2016):**
 - \$100M to address cross-cutting health system challenges (\$7M from GFF)
 - Includes initiatives focused on strengthening community health structures (e.g., analytical work/policy dialogue to identify bottlenecks, development/implementation of country’s national health financing strategy, strengthening of information systems, tracking performance indicators for primary healthcare system)
- **Democratic Republic of Congo (2016):**
 - \$30M total (\$10M from GFF)
 - Includes system-wide interventions to strengthen human resources, civil registration and vital statistics, medical drug and commodity supply chains, and public finance management
- Numerous other countries have used their GFF funding for health system strengthening

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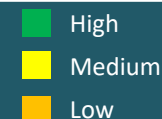
Debt financing and debt reduction

Blended financing

Domestic financing

Private provider financing

Supplement: Multilateral Development Banks (MDBs)



	Instrument/approach	Description	Size	Applicability	Feasibility	Instrument	Approach
4a	Tax on income and profits	Government levies tax on income and/or profits to fund general health or earmarked health project					
4b	Tax on goods and services	Government levies additional tax on specific goods or services, usually to fund an earmarked health project. When a product that's considered unhealthy is taxed, it is often called a "sin" tax					
4c	Insurance contributions	Government-linked health insurance receives premiums from individuals/corporations, using the proceeds to fund/contract health services					
4d	Increasing private sector contribution	Private sector partners contribute resources (e.g., funds, supply chain, expertise) beyond tax or insurance contributions to solve pressing healthcare problems					
4e	Payments for CHW services	NGOs or private providers generate revenue from services provided or goods sold through CHWs; paid for by the patient					
4f	Revolving drug funds	User fees are used to offset the cost of drugs and ensure sustainable supply					

4a Tax on income and profits: Overview

Government levies tax on income and/or profits to fund general health or earmarked health project

Details – General Health Tax

- **Format:**
 - Revenues:
 - Government collects tax as a percentage of income or profit level
 - May include individuals and/or corporations
 - Proceeds: Used to fund general healthcare services for beneficiaries
- **Benefits:**
 - Potential to generate substantial revenue
 - Eliminates challenges of enforcing mandatory enrollment
 - Collection more straightforward than insurance premiums or other new mechanisms
- **Challenges:**
 - Tax base may be too small to generate sufficient revenue
 - Even small incremental tax may be excessively burdensome to lower-income individuals

Details – Earmarked Tax

- **Format:**
 - Revenues
 - Government collects tax as a percentage of income/profit
 - Typically progressive, with lower-income individuals completely exempt
 - May include individuals and/or corporations
 - Proceeds: Used to fund specific project in health
- **Benefits:**
 - Potential to generate substantial revenue
 - Useful for temporary funding needs – does not require rewriting overall tax code
 - More closely linking benefits to taxation may decrease resistance to taxation
- **Challenges:**
 - Potential for significant public resistance
 - Introduces budget rigidity
 - Concern that taxpayers can't pay earmarked tax on top of existing burden of income tax

4a Tax on income and profits: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Potential to generate large amounts of funding but depends on size of taxable base and ability to collect taxes
- Particularly strong if earmarked to strengthen community health
- Requires substantial time and resource investments to design and execute

Examples - General Health Tax

• Canada



- Instead of buying insurance and paying premiums, residents pay higher income tax, which is then used to fund the single-payer insurance plan
- Administered on a provincial or territorial basis, within guidelines set by the federal government
- Has achieved generally good coverage and policy outcomes

Examples - Earmarked Tax

• Germany



- Structure: 5.5% of the income tax, capital gains tax, and corporate tax (progressive: low income families do not pay, medium income families pay on sliding scale up to 5.5%)
- Purpose: Pay for German reunification, additional costs of Gulf War

• Zimbabwe



- Structure: 3% income tax on formal employers and their employees
- Purpose: Procure ARVs, support other HIV-related activities (prevention, coordination, communication, advocacy). Has raised \$5-10M annually

• Namibia (proposed, not yet finalized)



- Structure: Progressive income tax for individuals and juristic persons (Closed corporations, partnerships, trusts and companies). Only levied against the very wealthy, and will have sunset clause
- Purpose: Contribute to the fight against poverty and reduce income inequality

4b Tax on goods and services: Overview

Government levies additional tax on specific goods or services to fund an earmarked health project

Details

- **Format:**
 - Revenues:
 - Government collects tax from individuals and/or corporations based on total amount of goods or services purchased
 - May include individuals and/or corporations
 - Proceeds: Used to fund specific project in health
- **Benefits:**
 - Potential to generate substantial revenue
 - Collection at point of sale
- **Challenges:**
 - Often considered regressive taxes

4b Tax on goods and services: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Potential to generate large amounts of funding
- Particularly strong if earmarked to strengthen community health
- Requires substantial time and resource investments to design and execute

Examples

- **France, Cameroon, Chile, Congo, Mozambique, Madagascar, Mali, Mauritius, Niger, Korea**
 - Structure: Surcharge on civil aviation; variable across economy/business class and across travel within or outside the European Economic Area
 - Norway contributes through a tax on CO2 emissions
 - Purpose: Fund Unitaid, which creates health programs in developing countries (has raised >\$1B since inception)



4c Insurance contributions: Overview

Government-linked health insurance receives premiums from individuals/corporations, using the proceeds to fund/contract health services

Details

- **Format:**
 - Revenues:
 - Government-linked insurances collect fees from individuals and/or corporations to fund healthcare services for beneficiaries
 - Mandatory or voluntary enrollment options
 - Proceeds:
 - Range of covered services varies (from emergency care only to full coverage)
- **Benefits:**
 - Health insurance puts a focus on the availability of preventive services, reducing overall healthcare costs
- **Challenges:**
 - Establishment of a health insurance scheme requires upfront investment and has high transaction costs

4c Insurance contributions: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Depending on country situation, the fund-generating potential of insurance varies widely
- Health services delivered at the community level can be included in the benefit packages of national health insurance schemes
- Requires significant time and resource investments to design and execute

Examples

Philippines



- Voluntary enrollment in government-operated social health insurance
- Funds sourced from local and national governments – premiums vary based on employment sector but are up to 3% of monthly income
- Full coverage of services; mixed evidence on % population coverage

Vietnam



- Voluntary social health insurance; mandatory for certain sub-groups
- Achieved >60% coverage, but challenges persist in enforcing mandatory enrollment despite subsidies for near-poor
- Out of pocket costs are still a substantial portion of total health spending (60%)

Germany



- Mandatory health insurance for all individuals
- Premiums shared between corporations and employed individuals (government funds premium for the unemployed)
- Some ~150 social health insurances enroll beneficiaries and offer contracted health services (standardized health package)

Ghana



- National health insurance program: compulsory for the formal sector and voluntary for the informal sector; free coverage for the poorest individuals
- Problems in making premiums affordable and maintaining voluntary enrollment led shift to one-time payment rather than annual payment from those outside the formal sector

Rwanda



- Community-based universal health insurance scheme: residents pay premiums into a local risk pool and draw from same fund when in need of care
- Premiums are on sliding scale and poorest resident pay nothing; only covers 45% program costs
- Has achieved relatively high voluntary insurance coverage (>90%)
- Depth of coverage (i.e., services covered) is limited

4d Increasing private sector contribution: Overview

Private sector partners contribute resources (e.g., funds, supply chain, expertise) beyond tax or insurance contributions to solve pressing healthcare problems

Details

- **Format:**
 - Corporate partner identifies health area as a primary area of focus
 - Could be driven by a specific problem (e.g., disease impacts high number of employees and prevents a full, healthy workforce) or by an opportunity (e.g., particularly for healthcare companies, where there is an opportunity to deliver products to the last mile)
 - Corporate partner invests, often alongside government partners, in program for target population (employees or local community)
 - Private donors often provide additional funding for startup costs
- **Benefits:**
 - Private sector involvement often drives a focus on measurement and outcomes
 - Attracts new sources of funding for health
- **Challenges:**
 - Difficult to identify the right corporate partner
 - Initiative often comes from corporate push

4d Increasing private sector contribution: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Varies widely
- Existing programs tend to focus on specific health areas (e.g., HIV, malaria). However, it is possible to apply this approach to CH
- Requires extensive engagement and alignment with private sector companies to identify shared objectives, resource requirements, and program design

Examples

AngloGold Ashanti:

- **Overview:** Malaria was huge problem to AGA: 24% incidence rate and 7.5K cases each month, leading to loss of productivity. AGA implemented integrated malaria control program and expanded to other treatment areas and total healthcare as well
- **Success:** Saw 75% incidence reduction in 2 years; 90% reduction in labor and treatment costs, clear ROI. \$1.5M in setup costs, worth the investment
- **AGA and employees see benefits:**
 - 75% reduction in malaria incidence in 2 years
 - Reduced absenteeism and heightened productivity
 - Reduced hiring needs
 - 86% reduction in cost for malaria treatment (from \$700K annually to \$60K)
 - Clear demonstration of ROI



Examples

Ethiopian Sugar Company:

- **Overview:** In response to widespread pneumonia, malaria, and diarrhea, company first set up clinics and then preventative system that engaged nurses and other lower-skilled workers
- **Success:**
 - Reduction in costs with preventative model
 - Measurable reductions in morbidity and mortality
 - Company experienced improved efficiency and productivity



4e Payments for CHW services: Overview




NGOs or private providers generate revenue from services provided or goods sold through CHWs, paid for by the patient

Details

- **Format:**
 - Service delivery partner recruits and trains CHWs
 - CHWs conduct education and health promotion and also sell goods related to family planning, newborn & maternal health, childhood diseases, and nutrition
 - Products are sold at or sometimes below market price to households
 - CHWs earn a profit margin on products sold
- **Benefits:**
 - CHWs generate a revenue that can be spent against the program cost, or represents income for them
 - These systems can be structured in a way that they set incentives for CHWs to ensure availability of products and delivery of services
- **Challenges:**
 - In some settings this approach may lead to inequitable access to health and products

4e Payments for CHW services: Scope and examples

Assessment and rationale

Size (\$)		<ul style="list-style-type: none"> • Size of finding depends on the model, scale, and target populations
Applicability to CH		<ul style="list-style-type: none"> • Highly applicable to CH service delivery and products
Feasibility		<ul style="list-style-type: none"> • Requires significant time and resource investments to design and execute

Examples

Living Goods

• Overview

- Living Goods trains community health promoters to work 2 hours, 5 days/week to deliver health education and advocacy and sell products to 100 households each
- Products are sold for 10% below market price in Kenya and 30% below market in Uganda
- CHPs go through gov't training for iCCM, are tied to MoH facilities and report up to CH assistants

• Success

- Child mortality reduced by 25% for an annual cost of \$2 in Uganda
- Product costs are 100% recouped
- MoH integration is successful – 50-80% of recruits are Kenyan CH volunteers
- 17% profit margin for CHPs with for part time work
- Living Goods recovers 10-15% of total costs (including senior leaders, admin, finance); 30-40% of CHW and field costs



Novartis: Argoya Parivar

• Overview

- “Healthy Family” initiative trains female CHWs as community health facilitators (CHFs) to educate rural communities in India about health and sanitation, host health camps for diagnosis and treatment, and sell small packages of health products for a 10% commission (~\$250/month).
- Cost to consumer is often under \$1.25/wk, CHFs offer 80 products for sale

• Success

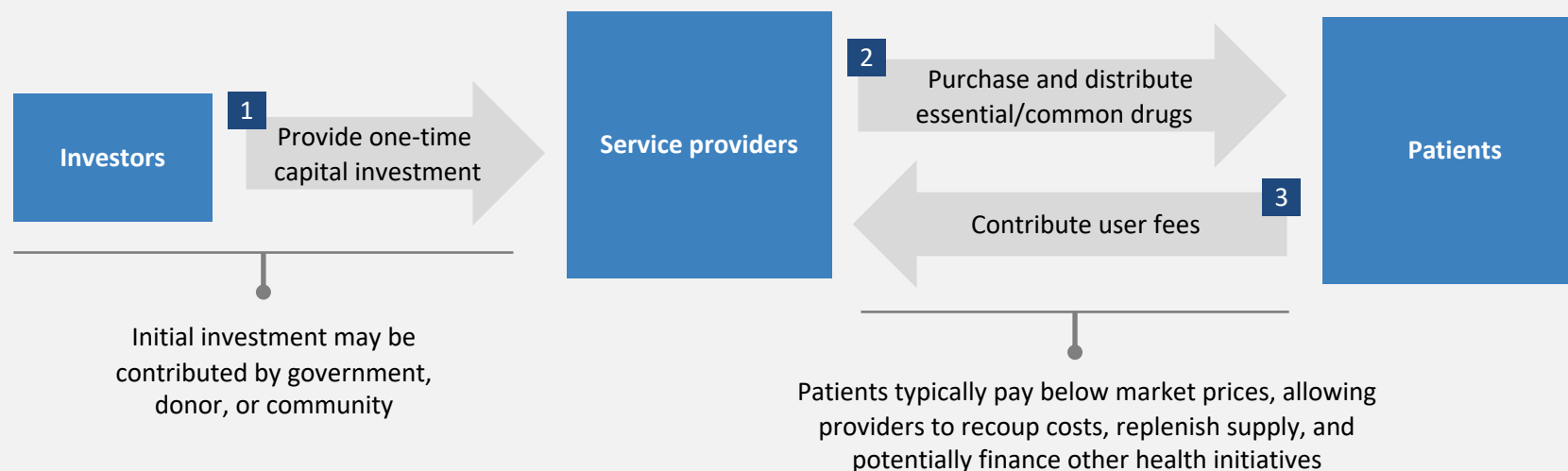
- Sustainable – broke even in 30 months; sales have increased 25x since 2009. Reaches 33,000 villages and 42M people
- Expanding to Kenya, Vietnam, Indonesia
- Integrated into MoH structure in Kenya by having CHFs report to community health units



4f Revolving drug funds (RDFs): Overview

User fees are used to offset the cost of drugs and ensure sustainable supply

Details



Benefits




- By recouping costs, offers a sustainable and scalable approach to providing drugs where public resources may be insufficient
- May improve drug availability and quality of care
- May promote equity by making drugs more accessible to the poor while charging those who can afford to pay
- May encourage responsible drug management and use

Challenges

- Revenues are often lower than anticipated
- May constitute a “sick tax” that substitutes for public spending and discourage patients from seeking care
- May create incentives for overprescribing
- Difficult to execute well (e.g., requires strong management and accountability measures, stable supply of drugs)

4f Revolving drug funds (RDFs): Scope and examples

Assessment and rationale

Size (\$)		<ul style="list-style-type: none"> Revenues can be considerable enough to continually replenish supplies across wide network of facilities/providers. However, in other cases, revenues are much lower than anticipated, particularly after collection costs
Applicability to CH		<ul style="list-style-type: none"> Highly applicable, as this approach can be used to offer drugs or other health supplies in CH contexts
Feasibility		<ul style="list-style-type: none"> Strong debate about the effectiveness of RDFs in global health. While they have existed since the 1980s, there are few unequivocal success cases and the approach is not commonly used. However, it provides an option for providing essential medicines where other funding options are not available. May be best used as part of a comprehensive package of health initiatives to address specific procurement gap

Examples

Sudan

- In 1989, Ministry of Health launched pilot RDF in Khartoum, with initial financing from Save the Children
- RDF facilities had a higher level of drugs available compared to controls (97% - 86%); patients reported drugs to be affordable
- By end of 2006, Ministry of Health had expanded the program to 19 of 25 states
- Best practices include: substantial initial investment, gradual implementation, political commitment (e.g., tax and import duty exemptions, currency swap agreement), focus on common diseases, transparent and business-oriented management

Somalia

- In 2006, Comic Relief provided funds to launch a RDF in support of a national-level public hospital, with revenues from user fees used to sustain the drug stock as well as support general hospital budget and functioning
- Program increased availability of low-cost essential drugs
- However, profits were diverted to cover hospital overhead costs, which compromised the RDF's long-term stability

Laos

- In 1992, a RDF was launched in 4 of 34 health centers in the capital, led by the Ministry of Health with financial support from WHO
- As of 2001, the program was functioning in 31 of 34 health centers and all 9 district hospitals
- Cost recovery was 107%; 90% of patients considered the user fees to be acceptable
- Concerns about over-prescription, which is exacerbated by lack of patient knowledge on appropriate dosages and use

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Blended financing

















Domestic financing

Private provider financing

Supplement: Multilateral Development Banks (MDBs)

5 Private provider financing: Key instruments and approaches

 High
 Medium
 Low

	Instrument/approach	Description	Size	Applicability	Feasibility	Instrument	Approach
5a	International Finance Corporation (IFC) Loans and Syndications	Work with the private sector in developing countries, through their financial products and services, to end extreme poverty by 2030					
5b	CDC Group	Support the development of businesses throughout Africa and South Asia					
5c	Overseas Private Investment Corps (OPIC)	Help American businesses invest in development in emerging markets and, in doing so, advance U.S. foreign policy and national security priorities					
5d	Abraaj Growth Markets Health Fund	Invest in scalable and sustainable healthcare services models in low-to-middle income markets, focusing primarily on strengthening primary and secondary health facilities					

International Finance Corporation (IFC) Loans and Syndications: Overview

Work with the private sector in developing countries, through their financial products and services, to end extreme poverty by 2030

Overview

- **Inception:** 1957
- **Operator:** World Bank
- **Headquarters:** Washington, DC
- **Funding sources:** Member governments and co-financing from other investors (e.g., international commercial banks, local and regional banks funds, insurance companies and development finance institutions)
- **More information:** <http://www.ifc.org/wps/wcm/>

Scope (eligibility)

- **Geographic coverage:** Global
- **Eligible causes:** Proposed project must be technically sound, environmentally and socially acceptable, and have high potential of profitability and positive impact on the local economy
- **Eligible recipients:** Recipients must be in the private sector and located in a developing country that is a member of IFC. IFC does not directly lend to micro, small, and medium enterprises or individual entrepreneurs

Application process

- No specified timing: Applicants must submit an investment proposal to the industry department, IFC headquarters, or the closest regional field office to the proposed project

Terms

- **Type:** Private sector loans, syndicated loans (A loans where IFC utilizes its own funds, B loans where an umbrella of investors comes together with IFC acting as the sole lender of record)
- **Funding magnitude:**
 - Total: Total loan portfolio not stated; \$15.3B syndicated loan portfolio (as of 06/30/2014)
 - Annual: \$8.1B standard loans (2016), ~\$2B in B-loans and ~730 M in Parallel Loans (2014)
 - Individual cap: None
 - Average investment size: \$100M for standard loans, \$73M for B Loans, \$61M for Parallel loans
- **Length of financing:** Average maturity of 7 years for B loans and 12 years for Parallel Loans
- **Support:** Advisory services and technical support
- **Conditions:** IFC does not finance illegal activities, trade of weapons/ammunition, trade in alcoholic beverages (excludes beer and wine), trade in tobacco, gambling, trade of unbonded asbestos fibers, and drift net fishing with nets > 2.5 km long
- **Selection criteria:** An Investment team assesses eligible proposals, ensuring that the project has economic, financial, and development value, and it reflects IFC's commitment to sustainability; department management selects projects for the Board of Directors to consider and approve

International Finance Corporation (IFC) Loans and Syndications: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Moderate/high - loans average \$20-25m with very high upper bound (in hundreds of millions)
- Health systems strengthening through private sector development is a stated objective, although no explicit focus on CH and no precedent for use in CH
- Proactive outreach to access funding is possible, however private sector entities will need to go through rigorous due diligence to receive financing

Scope of use for community health

- No (publicly released) precedent for use in community health, but no explicit restrictions
- IFC helps governments arrange public-private partnerships (PPP), which could serve community health

Examples

- **Brazil** (2016):
 - US \$20M equivalent A loan, up to US\$100M equivalent B loan, and up to US\$10M equivalent C loan
 - Investment: Largest laboratory player in Brazil and Latin America; project is maintenance/CapEx and potential M&A
- **Turkey** (2017):
 - \$25M loan in IFC's own account (standard loan)
 - Investment: Generic pharmaceuticals company Nobel Ilac for investments in biotech, production of injectables, and supply chain
- **Colombia** (2014):
 - \$20M subordinated loan (quasi-equity)
 - Investment: Haime Family Foundation to build large hospital and research infrastructure in Cartagena

5b CDC Group: Overview

Support the development of businesses throughout Africa and South Asia

Overview

- **Inception:** 1948
- **Operator:** UK Government
- **Headquarters:** London
- **Funding sources:** UK tax revenue
- **More information:** <http://www.cdcgroup.com/>

Scope (eligibility)

- **Geographic coverage:** Africa and South Asia
- **Eligible causes:** Focuses on infrastructure (especially power), manufacturing, health, education, food processing, and construction
- **Eligible recipients:** Established businesses with revenues of \$10m+ and track record of profitability or start-ups with a strong sponsor

Application process

- Short presentation with company overview that includes capital goals and allocation plan, summary of key promoters/executives
- Rolling applications

Terms

- **Type:** Multiple investment instruments – direct equity (44%), direct debt (24%), intermediated equity (25%), trade finance (7%)
- **Funding magnitude:**
 - Total: \$4.8B (2016 portfolio)
 - Annual: Max \$6B per year
 - Individual cap: None
 - Average investment size: ~\$10-100M, more for infrastructure
- **Length of financing:** Multiyear, often 10+
- **Transaction costs:** Varies depending on capital arrangement
- **Support:** Help build executive teams and boards, provide strategic advising and practical support to achieve environmental, social, and business integrity standards
- **Conditions:** Recipients must adhere to a strict set of environmental, social and governance standards
- **Selection criteria:**
 - Credible thesis aimed at CDC's preferred markets with appropriate development impact
 - Investment difficulty of country or state
 - Propensity of sector to generate employment
 - Strong management team that will apply high environmental and social standards and corporate governance
 - Prospective returns which are commensurate with total risk
 - For investments in funds: Spread of investments and likely development impact, pipeline of investments, resources for deal sourcing/execution, sector focus and expertise in the deal term

5b CDC Group: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- High - typical funding \$10-\$100M
- No explicit focus on health systems strengthening. Has only funded three healthcare projects to date; none with a CH component
- Process for loan application is relatively straightforward and transparent; transaction costs depend on combination of financing instruments

Scope of use for community health

- Unclear – no funding has been used for community health to date, but there are no limitations stated on website

Examples

- **China** (2008):
 - \$10M investment through Legend Capital Fund IV
 - Investment: Kingmed – an independent clinical laboratory providing diagnostic testing services such as medical testing, foods testing, and health examination to over 1000 hospitals in China, including over 800 level-2 or level-3 hospitals
- **Mexico** (2009):
 - \$20M investment through Nexxus Capital Private Equity Fund III
 - Investment: DIAMEX – holding company specializing in the diagnostics healthcare industry. Offers a wide variety of tests, including clinical analyses and diagnostic imaging (e.g., MRIs, CAT scans)
- **India** (2014):
 - \$62.5m investment through Pragati India Fund Limited (formerly PI international)
 - Investment: DCDC Health Services – provider for dialysis and ancillary services to End State Renal Disease (ESRD) patients. Operates eight dialysis centres in NCR, Panipat and Jaipur; includes a public private partnership with the Delhi government

5c Overseas Private Investment Corps (OPIC): Overview



Help American businesses invest in development in emerging markets and in doing so, advance U.S. foreign policy and national security priorities

Overview

- **Inception:** 1971
- **Operator:** US Government
- **Headquarters:** Washington, D.C.
- **Funding sources:** Self-sustaining – generates funds for American taxpayers
- **More information:** <https://www.opic.gov/what-we-offer/financial-products/apply>

Scope (eligibility)

- **Geographic coverage:** >160 countries; 1/4 portfolio in sub-Saharan Africa, 1/3 in conflict-affected regions
- **Eligible causes:** Multiple industries including healthcare
- **Eligible recipients:** Projects that include the meaningful involvement of the U.S. private sector

Application process

- OPIC Forms Dashboard – Countries consult with OPIC Finance Officer to discuss proposals before applying; applications are rolling

Terms

- **Type:**
 - Direct loans and guarantees (medium to long-term)
 - Support for emerging market private equity investment funds that invest in new and expanding emerging market companies
 - Political risk insurance
- **Funding magnitude:**
 - Total: \$21.5B (2016 portfolio)
 - Annual: ~\$3-4B per year
 - Individual cap: \$250M
 - Average investment size: ~\$5-50M
- **Length of financing:** 5-20 years, max 30 years
- **Transaction costs:** Fees vary by project
- **Support:** Not specified – support available for application process
- **Conditions:** No negative impact on US jobs or US economy
- **Selection criteria:**
 - US ownership or strong US involvement
 - Strong business plan and successful track record in the industry
 - Inability to attract sufficient private financing or insurance
 - Compliance with international standards on worker rights, human rights, and the environment

5c Overseas Private Investment Corps (OPIC): Scope and examples



Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Moderate/high amount – typical funding \$5-50M
- Has funded numerous healthcare projects in the past, though unclear if any focused on CH
- Process for loan application is relatively straightforward and transparent; applications are rolling, but projects must meaningfully involve the US private sector, limiting their scope of potential use

Scope of use for community health

- No restrictions as long as projects comply with OPIC's environmental and social standards. Relevant healthcare standards:
 - Projects providing patient care must obtain a "satisfactory accreditation" based on:
 - a quality evaluation of the technical competence of the institution's resources and organization by certification or through evaluation by a third-party expert in the health care field satisfactory to OPIC
 - May include traditional medicine only where there is a national policy that regulates traditional treatments
 - Drug purchasing restricted to pharmaceuticals registered for use in the host country and to drug suppliers that comply with WHO Good Manufacturing Practices

Examples

- **Uganda, Kenya, Zambia, Swaziland (2014):**
 - \$7.5M loan to AIDS Healthcare Foundation
 - Used to establish/expand healthcare facilities for HIV/AIDS and other patients
 - Provides care for 75k patients
- **Ghana (2011):**
 - \$246M to MoH in Ghana via Belstar Development LLC
 - Supply of modern medical equipment and technical training to equip 100 hospitals. Includes establishment of mobile clinics
- **Pakistan (2012):**
 - \$30M to Aga Khan Hospital and Medical College Foundation
 - Expansion of healthcare facilities in Karachi – includes investing in a center for innovation in medical education
- Numerous other funds with the healthcare investments:
 - Global Partnerships Social Investment Fund 6.0
 - Grameen Impact India
 - Leapfrog Emerging Consumer Fund III (Mauritius)

5d Abraaj Growth Markets Health Fund: Overview

Invest in scalable and sustainable healthcare services models in low-to-middle income markets, focusing primarily on strengthening primary and secondary health facilities

Overview

- **Inception:** 2014
- **Operator:** Abraaj Group
- **Headquarters:** Dubai, New York, London, Hong Kong
- **Funding sources:** AfDB, OPIC, private funders
- **More information:** www.abrajgroup.com

Scope (eligibility)

- **Eligible causes:** Focus on NCDs and maternal/child health, with a focus on CHWs for the latter
- **Eligible recipients:** Multispecialty ecosystems, super specialty verticals, and diagnostics/ancillary segments
- **Geographic coverage:** South Asia, Sub-Saharan Africa – primary focus cities are Lagos, Nairobi, Accra, Addis Ababa, Lusaka, Karachi, Peshawar, Lahore, Kolkata, Lucknow, and Dhaka

Application process

- No formal process. Investments are made based on the investment thesis of the fund

Terms

- **Type:** Private equity
- **Funding magnitude:**
 - Total: \$1B
 - Annual: No cap
 - Individual cap: No cap
 - Average investment size: ~\$250k-5M
- **Length of financing:** Multiyear (up to 10)
- **Transaction costs:** Varies
- **Support:** Not specified
- **Conditions:** Case-by-case
- **Selection criteria:** Not specified

5d Abraaj Growth Markets Health Fund: Scope and examples

Assessment and rationale

Size (\$)



Applicability to CH



Feasibility



- Investment size varies widely, but few investments have been made in CH space
- Fund has been investing in primary health care, and is theoretically open to investing in community health business models as well
- Proactive outreach to access funding is possible, however private sector entities will need to go through rigorous due diligence to receive financing. Investments driven by Abraaj team

Scope of use for community health

- Primarily focused on acquiring and building hospitals and clinical facilities
- However, there is increasing opportunity—through integration with CHWs (existing programs or training for new CHWs)—to create a system-wide referral network for the larger Abraaj healthcare network
- CHWs integral in screening or treatment of NCDs, communicable diseases and mother/child healthcare

Examples

- **Kenya:**
 - In 2017, signed a pioneering Memorandum of Understanding with the International Federation of Red Cross and Red Crescent Societies (IFRC) to promote education and early intervention for non-communicable diseases
 - The partnership will build a trusted referral pathway for patients from the IFRC network to access quality and affordable treatment options in the Abraaj Growth Markets Health Fund (AGHF) network and, in turn, for patients from AGHF hospitals to receive quality care in the community system

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Arab Bank for Economic Development in Africa (BADEA)

Strengthen economic, financial, and technical cooperation between Arab and African regions by financing economic development in African countries, stimulating the contribution of Arab capital to African development, and helping provide the technical assistance required for the development of Africa

Overview

- **Inception:** 1975
- **Operator:** Board of governors from each member state
- **Headquarters:** Khartoum
- **Funding sources:** Coalition of 18 Arab countries that comprise the League of Arab States
- **More information:** <http://www.badea.org/index.htm>

Scope (eligibility)

- **Eligible causes:** All economic development-related issues. <25% total commitments are social sector, encompassing health and education
- **Eligible recipients:** Governments, banks within African countries,
- **Geographic coverage:** Sub-Saharan Africa

Application process

- **Timing:** Information not available
- **Type:** Information not available
- **Rounds: Information** not available

Terms

- **Type:** Public and private sector loans; financing of Arab exports to African countries
- **Funding magnitude:**
 - Total: \$5B since 1975, \$1.6B allocated between 2015 and 2019
 - Annual: \$506M (2016)
 - Individual cap: \$20M annually
 - Average size: \$5-20M
- **Length of financing:** >10 year
- **Support:** Technical assistance to African beneficiary countries, including financing of technical and economic feasibility studies for development projects, and institutional support (e.g., training and capability building)
- **Conditions:** BADEA loan cannot comprise >60% of total project (for projects >\$15M), or 90% (for projects <\$15M)
- **Selection criteria:** Project must be top priority for beneficiary country and form an integral part of their development plans



African Development Bank

Spur sustainable poverty reduction, economic development, and social progress in its regional member countries (RMCs) by mobilizing resources for investment, and providing policy advice and technical assistance

Overview

- **Inception:** 1964, with operations beginning in 1966
- **Operator:** AfDB board of governors
- **Headquarters:** Abidjan
- **Funding sources:** “Subscriptions” from member countries borrowings on international markets and loan repayments. Also funded by ADF and NTF capital increases.
- **More information:** <https://www.afdb.org/en/>

Scope (eligibility)

- **Eligible causes:** All economic development-related projects, as well as non-project operations (e.g., structural adjustment loans, policy-based reforms)
- **Eligible recipients:** Governments, private companies investing in regional member countries
- **Geographic coverage:** Low and middle income countries in Africa

Application process

- **Timing:** Ongoing
- **Type:** Project development alongside AfDB rather than formal application/review process
- **Rounds:** Not applicable

Terms

- **Type:** Flexible loans and fixed spread loans
- **Funding magnitude:**
 - Total: \$48B since 1966
 - Annual: \$8.4B (2016)
 - Individual cap: None
 - Average loan size: ~\$1.5M
- **Length of financing:** Multiyear, 3 year project cycle
- **Support:** Technical support, knowledge transfer
- **Conditions:** Procurement of goods under bank-funded projects are restricted to contractors and suppliers from member countries of the bank. Additional procurement rules apply
- **Selection criteria:** During project appraisal, AfDB examines the project's technical, financial, economic, technical, institutional, environmental, marketing, and management aspects as well as potential social impact. Detailed project risks and sensitivity analyses are carried out to assess viability

East African Development Bank (EADB)

Promote sustainable socio-economic development in East Africa by providing development finance, support, and advisory services

Overview

- **Inception:** 1967
- **Operator:** Governing council with Ministers of Finance from each member state
- **Headquarters:** Kampala
- **Funding sources:** Member states, institutional shareholders (e.g., African Development Bank)
- **More information:** <http://eadb.org/>

Scope (eligibility)

- **Eligible causes:** Core business is mainly derived from opportunities arising in productive and service sectors (priority: manufacturing, agro-processing, tourism, construction and mining)
- **Eligible recipients:** Medium and large scale enterprises, with emphasis on export-oriented projects.
- **Geographic coverage:** Member countries: Kenya, Uganda, Tanzania, Rwanda (Burundi in process of being added)

Application process

- **Timing:** Rolling
- **Type:** Submission of detailed project feasibility study to the nearest EADB country office
- **Rounds:** N/A

Terms

- **Type:**
 - Medium term (2-4 year) and long term (5-12 year) loans and short-term or working capital loans repayable over a period of one to two years, offered for procurement of raw materials, spare parts and auxiliary equipment
 - Also offers lines of credit, loan guarantees for specific types of projects, asset lease financing, equity financing
- **Funding magnitude:**
 - Total: Not reported
 - Annual: ~\$150-180M (2015)
 - Individual cap: None
 - Average size: \$5-7M
- **Length of financing:** Varies
- **Support:** Improves regional integration; can act as an intermediary and conduit of financing for international financial institutions unable to lend directly to the region. Also provides advisory services
- **Conditions:** Investments must comply with environmental and social impact standards set by bank
- **Selection criteria:** Feasibility study for investment must include a financial analysis, market analysis, technical aspects, risk assessment, organization and management details, and environmental, social and gender issues

West African Development Bank (BOAD)

Promote the balanced development of its member countries and foster economic integration within West Africa by financing priority development projects.

Overview

- **Inception:** 1973
- **Operator:** Central Bank of West African States
- **Headquarters:** Lome
- **Funding sources:** Member states, foreign governments and international agencies
- **More information:** <https://www.boad.org/en/obtaining-a-funding/>

Scope (eligibility)

- **Eligible causes:** (1) Construction or improvement of infrastructure needed for development, mainly in the area of communication, hydraulic equipment, electricity, (2) the improvement, creation or transfer of ownership of production and distribution machinery in the rural and industrial sectors, (3) project preparation studies.
- **Eligible recipients:** Member countries, communities and public institutions, financial institutions, agencies, businesses and individuals
- **Geographic coverage:** West Africa

Application process

- **Timing:** Rolling
- **Type:** Formal letter requesting funding, detailed project design study, additional information
- **Rounds:** NA

Terms

- **Type:** Equity investments, medium and long-term loans, guarantees and interest rate subsidy
- **Funding magnitude:**
 - Total: \$2.3M total authorized capital
 - Annual: ~\$400M (2015)
 - Individual cap: None
 - Average loan size: \$20-30M
- **Length of financing:** Short, medium and long-term
- **Support:** Assistance in project preparation, promotion and implementation, financial advisory services
- **Conditions:** Guarantees are required, as is a technical partner when the project “promoter” has not mastered the required technology
- **Selection criteria:** The project should show a satisfactory financial profitability and be compatible with the country’s development goals. It should demonstrate:
 - The existence of a buoyant market: demand, supply, business policy;
 - Comparative advantages in relation to competition;
 - Prospects for overall growth of the sector;
 - Costs and origin of workforce and raw materials;
 - Reliability of technology and project management;
 - Financing plan and financial resources of the company

New Development Bank

Support infrastructure and sustainable development efforts in BRICS and other underserved, emerging economies for faster development through innovation and cutting-edge technology.

Overview

- **Inception:** 2012
- **Operator:** BRICS countries
- **Headquarters:** Shanghai
- **Funding sources:** Bank operations
- **More information:** <http://www.ndb.int/>

Scope (eligibility)

- **Eligible causes:** Infrastructure and sustainable development focus, though flexibility to fund other areas
- **Eligible recipients:** Governments and private organizations
- **Geographic coverage:** BRICS countries and other EMDCs

Application process

- Not specified

Terms

- **Type:** Loans, guarantees, equity participation and other financial instruments
- **Funding magnitude:**
 - Total: \$100B total capital
 - Annual: \$1.5B (2016)
 - Individual cap: None
 - Average loan size: ~\$200M
- **Length of financing:** Varies
- **Support:** Technical assistance; information, cultural and personnel exchanges with the purpose of contributing to the achievement of environmental and social sustainability more broadly
- **Conditions:** Specific procurement restrictions
- **Selection criteria:** Not specified

Appendix

Template for assessing financing options (1/2)

■ High
■ Medium
■ Low

Category	Instrument/approach	Eligibility	Country context			Attractiveness		
			Debt capacity	M & E data	Private providers	Size (\$)	Applicability	Feasibility
Grants	1a	Gavi, the Vaccine Alliance						
	1b	OFID – HIV/AIDS Special Health Program						
	1c	President's Malaria Initiative (PMI)						
	1d	U.S. President's Emergency Plan for AIDS Relief (PEPFAR)						
	1e	Global Fund – Standard Grants						
	1f	Global Fund – Catalytic Investments						
	1g	World Bank – IDA Grants						
	1h	African Development Fund (ADF) – Grants						
	1i	Results-based co-financing						
	1j	European Commission – Int. Cooperation and Development						
	1k	Centers for Disease Control and Prevention						
Debt financing and debt reduction	2a	World Bank – IDA Concessional Credits						
	2b	World Bank – IDA Scale-Up Facility Loans						
	2c	World Bank – IBRD Flexible Loans						
	2d	African Development Fund (ADF) – Concessional Loans						
	2e	African Development Bank (AfDB) – Sovereign Guaranteed Loans						
	2f	Thematic bonds						
	2g	Pandemic Emergency Financing Facility						
	2h	World Bank IDA/IBRD – Program-for-Results						

Template for assessing financing options (2/2)

■ High
■ Medium
■ Low

Category	Instrument/approach	Country context			Attractiveness		
		Eligibility	Debt capacity	M & E data	Private providers	Size (\$)	Applicability
Debt financing and Debt reduction <i>Contd.</i>	2i	World Bank – Health Results Innovation Trust Fund					
	2j	Social impact bonds (SIBs)					
	2k	Development impact bonds (DIBs)					
	2l	Global Fund – Debt2Health					
	2m	World Bank IDA: Debt Reduction Facility (DRF)					
Blended financing	3a	Lives and Livelihoods Fund					
	3b	Global Financing Facility (GFF)					
Domestic financing	4a	Tax on income and profits					
	4b	Tax on goods and services					
	4c	Insurance contributions					
	4d	Increasing private sector contribution					
	4e	Payments for CHW services					
	4f	Revolving drug funds (RDFs)					
Private provider financing	5a	International Finance Corporation (IFC) Loans and Syndications					
	5b	CDC Group					
	5c	Overseas Private Investment Corps (OPIC)					
	5d	Abraaj Growth Markets Health Fund					