MAXIMISING FINANCE FOR THE HEALTH OF WOMEN, CHILDREN AND ADOLESCENTS

DELIVERING HEALTHIER FUTURES FOR WOMEN, CHILDREN AND YOUNG PEOPLE: WHAT IS THE ROLE OF BUSINESS?

ANNEX C

This short insights paper is part of a larger collaborative research project, in partnership with the Global Financing Facility for Women, Children and Adolescents and its Deliver the Future campaign. Together with the Business Fights Poverty community, we explored how ***the private sector can support governments to deliver healthier futures for women, children and adolescents.***

The outcome of this investigation was a discussion paper, **"Delivering Healthier Futures for Women, Children and Young People: What is the Role of Business?"** This paper provides insights into the challenges that health systems are facing and the urgent need to strengthen healthcare provision for women, children and young people – for their sake, and for the flourishing of communities and economies. It outlines how businesses in any sector can leverage core business, social investment and advocacy to support the healthcare needs of women, children and young people in their own fields of influence.

The discussion paper also highlights three key areas – innovation, collaboration and finance – where businesses from diverse industries can help to accelerate progress by contributing to the strengthening of healthcare systems for women, children and young people. These industries include medical and pharmaceuticals, transport and supply chain logistics, energy, agriculture and nutrition, water and sanitation, data analytics, telecommunications and the finance sectors.

This short insights paper provides further details on how businesses can harness innovation for inclusive healthcare, with key recommendations and examples of action.

Deliver The Future

Business Fights Poverty proudly supports the Global Financing Facility (GFF)'s Deliver the Future campaign as private sector advocacy partner.

GFF works with governments, civil society, communities, youth advocates and health workers to realise the right to health for women, children and young people in 36 lower-income partner countries. Continued investment in the GFF will enable 250 million women, children and adolescents to access lifesaving health services, helping build more resilient communities.

BRIDGING THE FINANCING GAP

Those working to achieve universal health coverage have long said that we need "more money for health, and more health for the money".[1] The private sector has an important role to play in both regards, because the scale of the challenge means that public finances alone will not be sufficient to achieve the right to health for women, children and young people everywhere.

MORE MONEY FOR HEALTH...

Before the pandemic, the global funding gap for the health of women, children and young people was estimated at over $33 billion per year.[2] There is no avoiding the fact that more money is needed to bridge this significant gap. Various strategies are being deployed to achieve this:

Catalytic financing mechanisms: Catalytic finance mechanisms like the Global Financing Facility leverage their investment to crowd in new sources of funding from donors and from partner governments.

Strengthening the investment case: Countries need well-costed investment cases that demonstrate the efficacy of proposed programs and appeal to development banks and other lenders. The GFF provides this technical assistance, helping governments to identify successful interventions to scale and to build convincing cases for investment. There is a role for the private sector to contribute to consultations and provide technical support to build strong investment cases.

Debt buy-downs: LMICs are now faced with a growing debt crisis – in 2022, the poorest countries were spending over a tenth of their export revenues on servicing long-term public and publicly guaranteed external debt.[3] Grants for debt buy-downs enable governments to decrease the proportion of government spending that goes to service debts, creating more fiscal space for investment in health, including the health of women, children and young people. For example, GFF agreed to a $9m debt buy-down with Guatemala, to reduce the cost of a $100m World Bank loan to combat malnutrition in the first 1,000 days of life. The Government of Guatemala committed to match the resources that were freed up with domestic funds, to establish an $18 million cash transfer program to improve the nutrition of families.[5]

Blended Finance Mechanisms are a strategic approach to financing that combines public, private and philanthropic funds to catalyse investments in projects that might otherwise be deemed too risky or unprofitable.[6] Due to the challenging economic environment, private investors are becoming more risk-averse.[7] Merging different capital sources can reduce the risk of private investments in the health of women, children and adolescents, making them a more attractive prospect. This approach is being utilised by the Health Finance Coalition and the Nutritious Foods Financing Facility (N3F) (see Box 1).

THE GLOBAL FINANCING FACILITY

The GFF is a multi-stakeholder partnership housed in the World Bank. It was co-created in 2015 by the World Bank, health leaders, the United Nations and civil society organisations in response to slow progress towards global health commitments, and high rates of maternal and child mortality in many countries.

Its unique, country-led model of financing and delivery has been critical to accelerating health investments and spurring health progress and empowerment for women, children and adolescents. GFF works in 36 partner countries, which together account for two-thirds of global maternal deaths, stillbirths, and newborn and child deaths.

GFF works to strengthen national plans for women, children and adolescents' health through a mixture of technical assistance, catalysing and aligning investments from other donors, and bringing effective local solutions to scale.

GFF's Deliver the Future campaign aims to raise $800 million, to drive further investments of $20.5 billion from IDA and IBRD, other donors and domestic investments from partner governments. This money will help provide lifesaving care to 250 million women, children and young people by 2030.[4]

First-loss capital: Socially-driven investors or donors can catalyse private investment by providing first-loss capital to bear the brunt of potential losses and provide a financial cushion for more risk-averse investors. This approach is becoming more prominent in the impact investing sphere, and it is particularly helpful for financing innovative health interventions with uncertain returns.[8]

Bridging the language gap between health and finance: Generally, there is a need to bridge the language gap between investors and the health sector, and together build the investment case for health. Interested investors can connect into networks and coalitions such as the Health Finance Coalition, the Good Food Finance Network, Mission Investors Exchange and Financing Alliance for Health.

MORE HEALTH FOR THE MONEY...

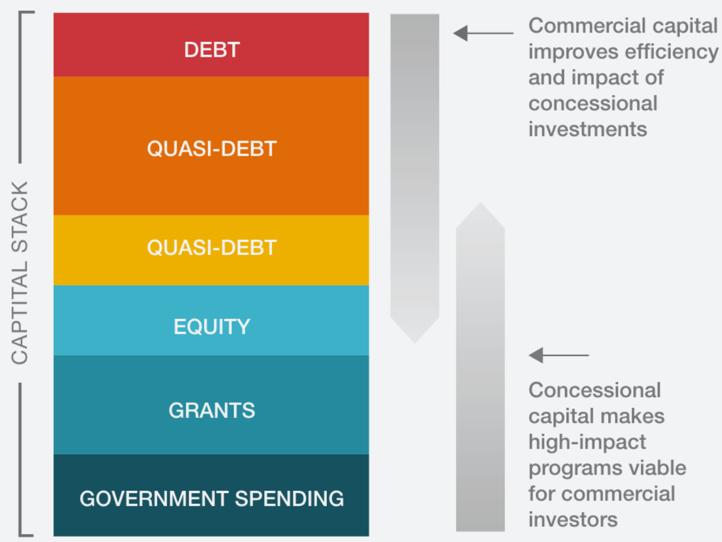
In a tight fiscal environment, it becomes even more important that the money invested has the largest possible impact.

Volume guarantee agreements: Through these agreements, companies reduce the purchase cost of products in return for commitments by donors, governments or aid agencies to purchase high volumes. The Implants Access Initiative set out to increase access to contraception for women in lower-income countries, through a multi-sectoral partnership that included Bayer, MSD, the Bill & Melinda Gates Foundation, the Clinton Health Access Initiative, and the governments of Norway, Sweden, the UK,and the USA. The Initiative's volume guarantee agreements enabled manufacturers to provide product price reductions of up to 50%. Over an eight-year period, the Initiative led to a tenfold increase in implant procurement in 69 of the world's poorest countries.[9]

BOX 1: HEALTH FINANCE COALITION

The Health Finance Coalition deploys a Capital Stack Approach, which layers different types of capital according to risk tolerance. Lower-risk layers attract traditional investors, while higher-risk ones might appeal to impact-focused investors, diversifying the funding base for health programs by broadening their appeal to different types of investors.

Funds are used to support SMEs in the health space (with a focus on excluded entrepreneurs) with grants, business development support and patient investment capital with realistic expectations of returns. Health Finance Coalition is partnering with AfricInvest to establish the Transform Health Fund, with a target of $100m to invest in supply chain transformation, digital health and innovative care delivery models for low-income patients in Africa.



Source: Health Finance Coalition[10]

Public-Private Partnerships (PPPs): PPPs are long-term contracts between private entities and governments for public services, where the private party assumes significant risk and management. They leverage private capital and expertise and are increasingly utilised to enhance primary healthcare coverage even in fragile settings.[11] PPPs can be for service provision, infrastructure, or both, allowing governments to transfer infrastructure risks.

PPPs benefit governments by facilitating the spreading of investment costs, boosting capacity and harnessing private sector innovation and efficiency. In the case of adolescent health and sexual and reproductive healthcare services, there may be a particular benefit of the private sector's ability to provide services that are perceived to be more confidential than those offered by public sector providers.[12] From the private sector perspective, PPPs provide market access and stable revenue, reduce demand-related risk, enhance reputation and increase access to training and resources.[13]

However, PPPs aren't universally suitable and carry risks. For governments, concerns include potential quality compromises for profit, political unpopularity, long-term financial burdens and insufficient capacity for monitoring and evaluation. Private partners face challenges like complex contracts, currency or economic volatility, corruption concerns and bureaucratic hurdles.[14] Consequently, PPPs can have a high engagement cost for the private sector.

Realising the potential benefits of PPPs requires strong regulation and governance, flexible contracting, clear role definitions, open communication and an ability to bridge divergent organisational cultures.

Creating Innovation Ecosystems: Through a partnership with MSD for Mothers and the Rockefeller Foundation, the GFF provides funds for country governments to scale effective health interventions into national health systems. GFF identified the need for an innovation ecosystem that provides different types of funding and support through three key stages, from early stage innovation, transition stage pilots, and mature stage implementation at scale once pilots have demonstrated proof-of-concept.

THE EBOTELI PROJECT: A PPP TO REDUCE MATERNAL AND CHILD MORTALITY

The Eboteli project is a public-private partnership between UNFPA, Philips and the Republic of the Congo, aimed at reducing maternal and newborn mortality by 50% over a five-year period. It targets over 500,000 women and 70,000 newborns, focusing on remote areas.[15] UNFPA enhances midwives' emergency care skills, while Philips contributes equipment and technology.[16] Working closely with WHO has aligned efforts and resources, and benefits are being felt by both healthcare providers and by patients.[17]

This approach has been deployed in 13 countries, including Chad. The SysRef digital system for community health workers is being brought to scale, helping community healthcare workers with case management for patients in mobile and displaced populations. Initially, 100 community health workers in eight provinces will be equipped with the tool, potentially enabling health care for almost 340,000 people, including almost 200,000 women and over 50,000 children.[18] Besides this, GFF's Innovation to Scale Initiative with Laerdal scaled five health interventions that addressed critical health priorities into national health care systems in five countries.

Another example of an innovation ecosystem is Health Innovation Exchange. It was launched by UNAIDS and bridges the gap between innovation and implementation. It fosters collaboration between governments, health experts, innovators and investors, and helps matchmake innovations with specific country needs. It has a particular focus on indigenous solutions, local production and multi-sectoral partnerships with communities.

GFF INNOVATION PARTNERSHIP MODEL

Figure 1. Stages of Innovation Uptake in Country Health Systems

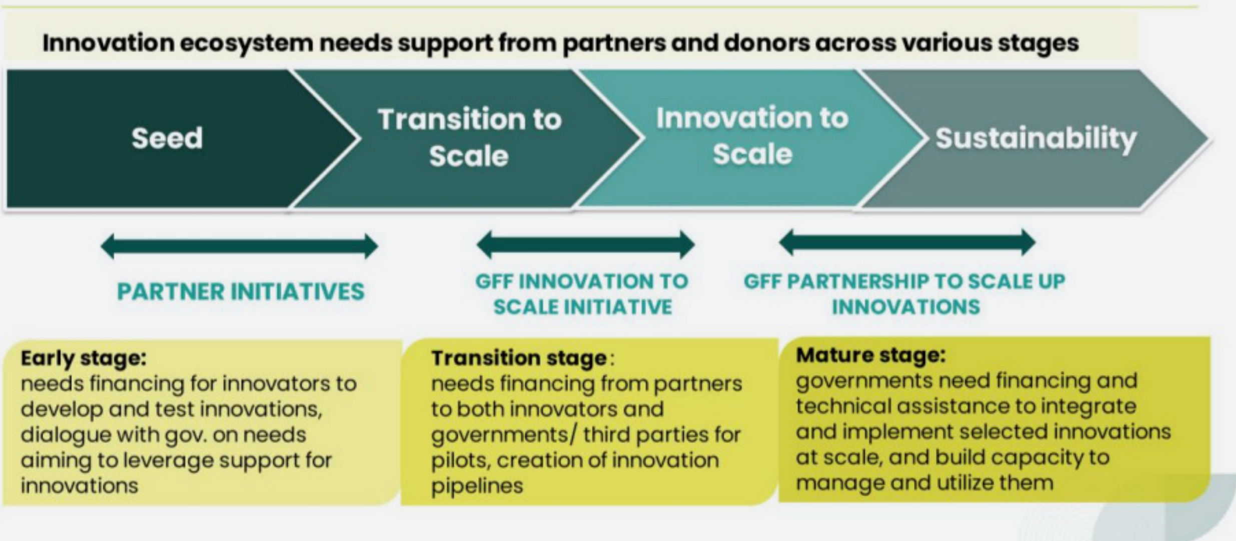
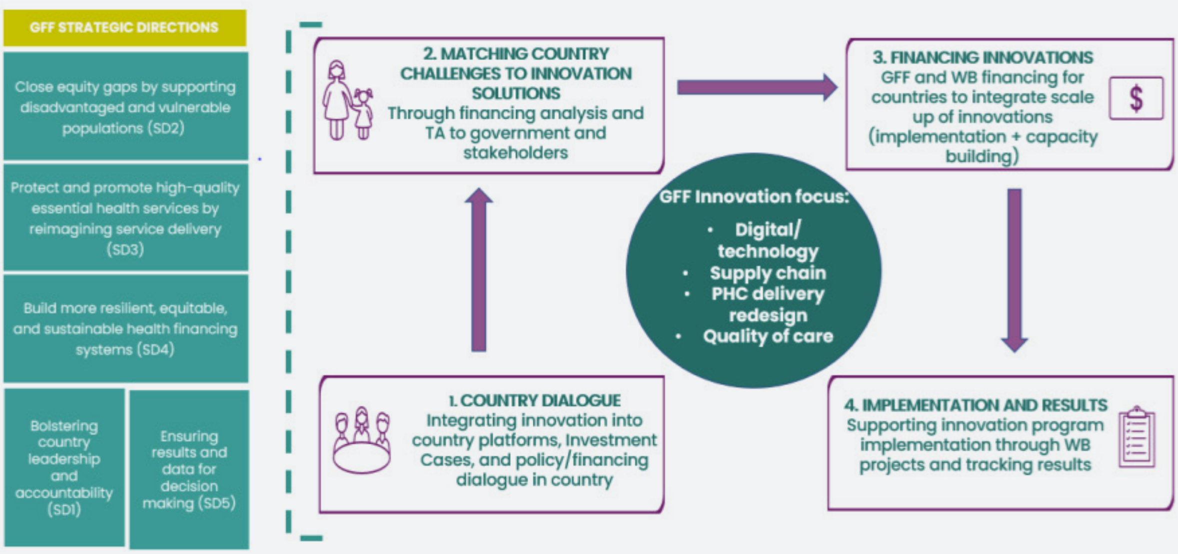


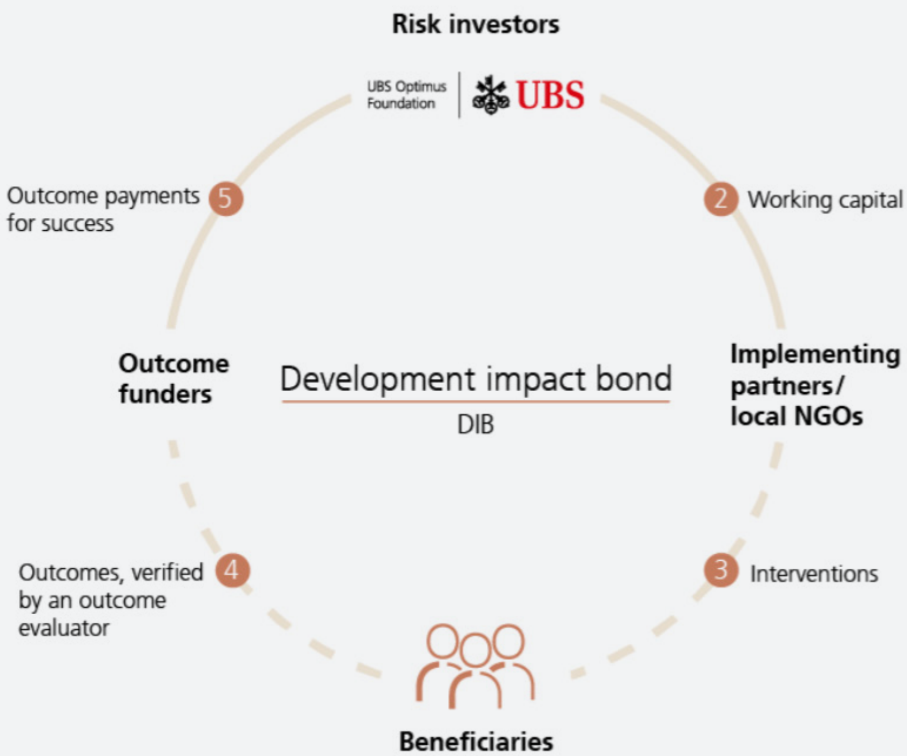
Figure 2. How the GFF Provides Innovation Support to Countries through the Innovation Partnership



Source: GFF (2023)[19]

Social impact bonds and development impact bonds represent a shift away from input-output models of financing, to a model that is performance-based. They are intended to promote more effective and accountable programs that lead to verified results. Impact bonds are best utilised where proven innovations have direct, simple and measurable outcomes (such as vaccines administered or women attended at birth), and where external capital is required for projects aimed at vulnerable populations. They are less suitable for more complex or nebulous outcomes (such as cultural change), and where the finance required is not large enough to warrant high transaction and setup costs.

UKRISHT DEVELOPMENT IMPACT BOND



Source: UBS Optimus Foundation (2022).[20]

The Ukrisht Development Impact Bond was the first social impact bond in the field of maternal and child health, aimed to enhance maternal and newborn health care quality in private health facilities in Rajasthan, India. The outcome was defined as successful quality accreditation of healthcare facilities. As primary investor, UBS Optimus Foundation provided upfront capital for non-profit partners Population Services International and Hindustan Latex Family Planning Promotion Trust to implement the accreditation procedures. Unusually, the non-profit implementation partners, PSI and HLFPP, also provided 20% of the capital requirement. Outcome funders MSD for Mothers and USAID committed to disbursing funds on the outcome criteria being met. Throughout, Palladium were responsible for designing and overseeing the implementation strategy.[21]

The performance manager and implementation partners shared an office, which contributed to strong day-to-day relationships, and responsive governance structures and collection of field data contributed to the project's success. A review concluded that impact could have been further maximised by using remaining budget to increase the number of facilities certified, sharing learning between the implementation partners and transferring resources to the higher-performing implementation partner.[22]

Leveraging climate finance: The health sector receives less than one percent of climate finance,[23] and increasing this proportion could release additional funds for the health of women, children and adolescents who are disproportionately affected. Potential funding sources include the Special Climate Change Fund and the Least Developed Countries Fund managed by the Global Environment Fund, the Adaptation Fund established under the Kyoto Protocol, the Green Climate Fund[24] and the Loss and Damage fund established during COP27.[25] Private sector funds for investing in women-owned businesses in the climate space – for example, the 2XChallenge – may also be a source of private sector funding for enterprises with a dual emphasis on climate and health.

A VIBRANT AREA FOR INVESTMENT

The health of women, children and adolescents is a vibrant area for investment, with a wealth of innovation, focus areas for action, and increasing opportunities for collaboration between the public and private sectors. There are also many creative mechanisms to channel funds into initiatives with the potential to transform health systems in lower-income countries and, with them, the futures of women, children and young people. What is now needed is the development of clear investment cases that will speak the language of donors and private investors, and to crowd in funding to an area that has so much potential to drive sustainable development.

Endnotes

1 Taskforce on Innovative International Financing for Health Systems. (2009). More money for health, and more health for the money. Taskforce on Innovative International Financing for Health Systems. Available at: https://www.uhc2030.org/fileadmin/uploads/ihp/Documents/Results___Evidence/HAE__results___lessons/Taskforce_report_EN.2009.pdf

2 Global Financing Facility. (2016). Country-Powered Investments In Support Of Every Woman, Every Child. Washington, D.C.: Global Financing Facility on behalf of the GFF Investors Group. Available at: https://www.globalfinancingfacility.org/sites/gff_new/files/gff_report2016/img/GFF_REPORT.pdf

3 World Bank. (2022). International Debt Report 2022: Updated International Debt Statistics. Washington D.C.: World Bank. Available at: http://hdl.handle.net/10986/38045

4 Global Financing Facility. (2023). Deliver The Future: Catalysing Opportunities for Women, Children and Adolescents. Washington, D.C.: World Bank Publications. Available at: https://www.globalfinancingfacility.org/resource/deliver-future-investment-opportunity-gff

5 World Bank. (2017). The World Bank approves US$100 million to combat malnutrition in Guatemala. Available at: https://www.worldbank.org/en/news/press-release/2017/03/27/the-world-bank-approves-us100-million-to-combat-malnutrition-in-guatemala

6 Global Impact Investing Network. (n.d.) Blended Finance Working Group. Available at: https://thegiin.org/blended-finance-working-group/

7 Adrian, T. (2022). 'Interest Rate Increases, Volatile Markets Signal Rising Financial Stability Risks.' IMF Blog, 11 October. Available at: https://www.imf.org/en/Blogs/Articles/2022/10/11/interest-rate-increases-volatile-markets-signal-rising-financial-stability-risks

8 Global Impact Investing Network. (2013). Issue Brief: Catalytic First-Loss Capital: Research and Case Studies. Global Impact Investing Network. Available at: https://missioninvestors.org/resources/catalytic-first-loss-capital-research-and-case-studies

9 Braun R. and Grever A. (2020). Scaling Up Access to Implants: A Summative Evaluation of the Implants Access Program. Glob Health Sci Pract. 8:(2), pp.205-219. doi: 10.9745/GHSP-D-19-00383

10 Health Finance Coalition. (n.d.) Mobilizing private capital to achieve Africa's public health goals. Available at: https://healthfinancecoalition.org/

11 Andersen C.T., Ahmadzai H, Rasekh A.W., Akala F.A., Haque T., Johnson R., Loevinsohn B., Sayed G.D. and Chopra M. (2021) Improving health service delivery in conflict-affected settings: Lessons from a nationwide strategic purchasing mechanism in Afghanistan. J Glob Health, 11:04049. doi: 10.7189/jogh.11.04049

12 Azzopardi, P.S., Hennega, J., Prabhu, S.M., Dagva, B., Balibago, M., Htin, P.W.,

Endnotes cont.

Swe, Z.Y., and Kennedy, E.C. (2021). Key recommendations to strengthen public-private partnership for adolescent health in resource-constrained settings: Formative qualitative inquiry in Mongolia, Myanmar and the Philippines. The Lancet Regional Health - Western Pacific. 15:100242. Doi: 10.1016/j.lanwpc.2021.100242

13 Economic Intelligence Unit and IFC. (2019). Public-Private Partnerships for Emerging Market Health. Washington D.C.: IFC. Available at: https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/2022-03/EIU_Briefing_Paper_PPPs_FINAL.pdf

14 Abuzaineh, N., Brashers, E., Foong, S., Feachem, R., Da Rita, P. (2018). PPPs in healthcare: Models, lessons and trends for the future. Healthcare public-private partnership series, No. 4. San Francisco: The Global Health Group, Institute for Global Health Sciences, University of California, San Francisco and PwC.

15 UNFPA. (2021). The demonstration phase of the innovative UNFPA-Philips partnership officially starts in Congo. Available at: https://www.unfpa.org/updates/demonstration-phase-innovative-unfpa-philips-partnership-officially-starts-congo

16 UNFPA. (n.d.) Philips. Available at: https://www.unfpa.org/strategic-partnerships/businesses/philips

17 World Health Organization. (2022). Strengthening RMNCAH within PHC to accelerate progress toward SDG in the Republic of the Congo. Available at: https://www.who.int/news-room/feature-stories/detail/strengthening-rmncah-accelerate-sdg-progress-republic-of-the-congo

18 Global Financing Facility. (2023). Final GFF Innovation Partnership Report. MSD for Mothers and Rockefeller Foundation. Washington D.C.: Global Financing Facility.

19 Global Financing Facility. (2023). Final GFF Innovation Partnership Report.

20 UBS Optimus Foundation. n.d. Maternal and Newborn Health DIB. Available at: https://www.ubs.com/global/en/ubs-society/philanthropy/optimus-foundation/what-we-do/maternal-and-newborn-health.html;

21 Government Outcomes Lab. 2020. The Utkrisht Impact Bond. Available at: https://golab.bsg.ox.ac.uk/knowledge-bank/case-studies/utkrisht-impact-bond/; UBS. (2022). The Ukrisht Impact Bond: Final Report. UBS. Available at: https://www.ubs.com/global/en/ubs-society/philanthropy/optimus-foundation/what-we-do/maternal-and-newborn-health.html

22 UBS. (2022). The Ukrisht Impact Bond Final Report.

23 Watkiss P. and Ebi, K.L. (2022). A lack of climate finance is harming population health. BMJ 376:o313. doi: https://doi.org/10.1136/bmj.o313

24 World Health Organization. (2022). Climate and health financing. WHO. Available at: https://www.who.int/teams/environment-climate-change-and-health/climate-change-and-health/country-support/building-climate-resilient-health-systems/climate-and-health-financing

25 UNFCCC. (2022a). Sharm el-Sheikh Implementation Plan. Decision -/CP.27. Available at: https://unfccc.int/documents/624444; UNFCCC. (2022b). Funding arrangements for responding to loss and damage associated with the adverse effects of climate change, including a focus on addressing loss and damage. Decision -/CP.27 -/CMA.4. Available at: https://unfccc.int/documents/624444

ACKNOWLEDGEMENTS

Business Fights Poverty is grateful to all those who contributed insights to the report, and to the Global Financing Facility for its support.