

PMNCH Board Meeting Item 4

Addressing the impact of climate change on WCAH: Emerging opportunities, including climate financing, for PMNCH action

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Impact of climate change on health/WCAH financing – national level

- **Climate change can affect fiscal space for health at national level**
 - Reduce growth and tax revenue ➡ reduced revenue for health and WCAH
- **Climate change can put pressure on health spending at household level leading to catastrophic expenditure and impoverishment**
 - 1% increase in CO2 could increase OOP expenditures by 0.423%
 - Rising OOP can result in increased uptake of private insurance
 - Rising prices / reduced crop production / out-migration



Health financing for climate mitigation & adaptation

Global level

- Donor tracking suggests that a maximum of 7% of bilateral health Official Development Assistance (ODA) contributes to climate adaptation

National level

- While funding for climate adaptation can stimulate cross-sector programming, there is a need to earmark funding, hire dedicated staff, and provide training and technical support



Climate financing for health: Global mechanisms

Financing sources

- Green Climate Fund
- Global Environment Facility
- Adaptation Fund, Least Developed Countries Fund
- Development Banks Climate Financing

Key evidence

- < 5% flows to health care activities or institutions (mostly grant funding)
- Impacts are highly context-specific and there is a strong emphasis on country-ownership of project governance

Key insights

- Equity implications both of risk and resilience and of benefits of interventions
- Need to improve awareness and accreditation of health institutions
- Potential for greater use of non-grant funding
- Country-specific and context-specific strategies needed



Climate financing for health: National mechanisms

Financing sources

- Social protection: cash transfers and climate insurance

Key evidence

- Important potential of cash transfers to incentivise mitigation and adaptation with health co-benefits
- Cash transfers can also support health and health-care access post disaster, including for refugees/internally displaced
- But potential barriers to access for WAH related to illiteracy, gender norms and implementation (eg complex claims processes)

Key insights

- Actively promote women's access and participation through the design of gender-sensitive arrangements
- Promote further integration of WCAH and climate in social protection



Climate financing for Health

1. Carbon offsets and carbon credits

Voluntary and “compliance” carbon credits/offsets. Private and public sector funds for activities that mitigate emissions, with health co-benefits

2. Earmarked revenues from carbon taxation and carbon trading schemes

But challenges include perverse incentives to maintain emissions



Constraints to co-financing

- **Despite synergies & benefits of co-financing funding remains siloed**
- **Resource gap for climate adaptation in health**
- **Constraints**
 - Intersectoral action – threat to sectoral interests
 - Potential misalignment of goals
 - Lack of prioritization of health in climate finance – co-benefits not well measured or incorporated and limited accreditation
 - Lack of capacity for climate adaptation budgeting/planning in health sector
 - WCAH needs are often not incorporated into co-financing initiatives or monitored



Areas to promote	Suggested actions for advocacy
Promote 'climate conscious' financing at all system levels	Consider environmental impact of WCAH investments & purchasing decisions - integrate incentives for climate conscious mitigation/adaptation behaviour
Support resource mobilisation and health sector access to climate funds	- Carbon and other global taxes, carbon credits - Accreditation - Maximize potential for innovative financing - Capacity building: climate/health budgeting, planning and monitoring
Protecting households	- Longer term post hazard financing mechanisms - Addition of health and climate goals within social protection for WCA
Communicating and monitoring co-benefits	Inclusion of WCA/climate indicators in climate/WCAH financing to maximize co-benefits & synergies.
Ensuring the needs of WCAH are met in co-financing arrangements	- Involvement in design and allocation process within countries. - WCAH-sensitive climate financing for goal alignment
Piloting and rigorous evaluation of co-financing initiatives	Expand the evidence base