



The Taskforce on Innovative International Financing for Health Systems

Working Group 2: Raising & channeling funds

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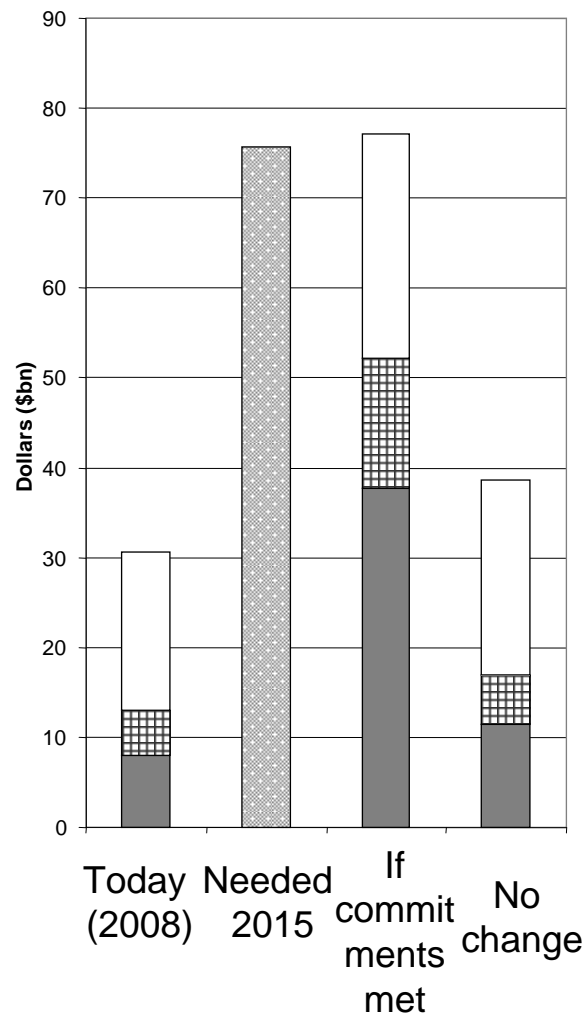
Purpose of WG2 Report

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- Recommend innovative international financing mechanisms to raise the additional resources to strengthen health systems in 49 low-income countries in order to achieve the health MDGs, especially MDGs 4 and 5; and
 - to recommend how to best achieve results, channel and use international resources for health.

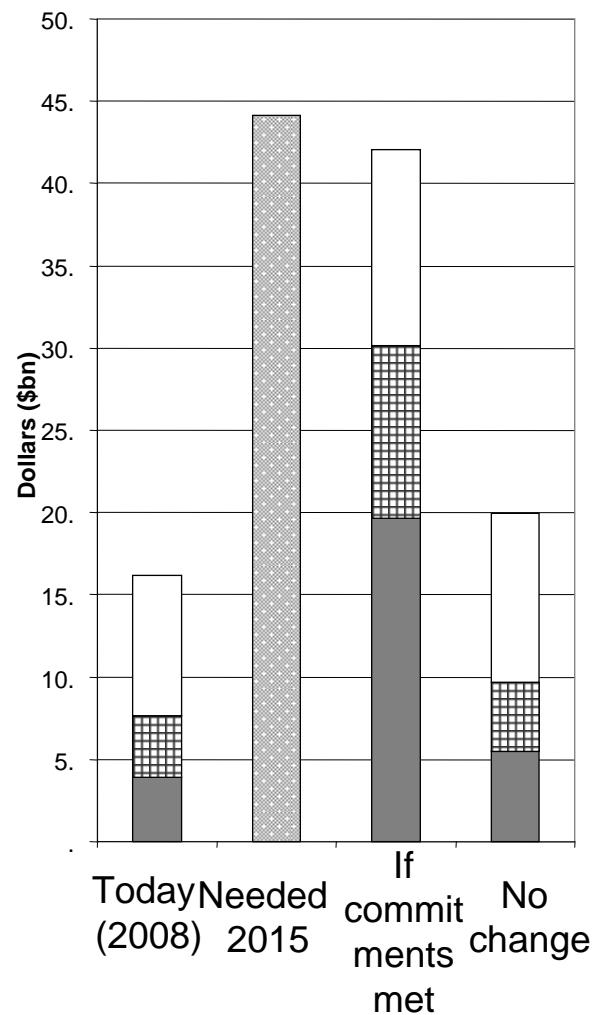
Innovative Financing: What do we mean?

- Different types
 - Non-traditional use of ODA
 - Public-private (partnerships & catalytic)
 - Private-private (not covered)
- Objectives of innovative financing
 - tapping new sources
 - solutions to problems "on the ground".

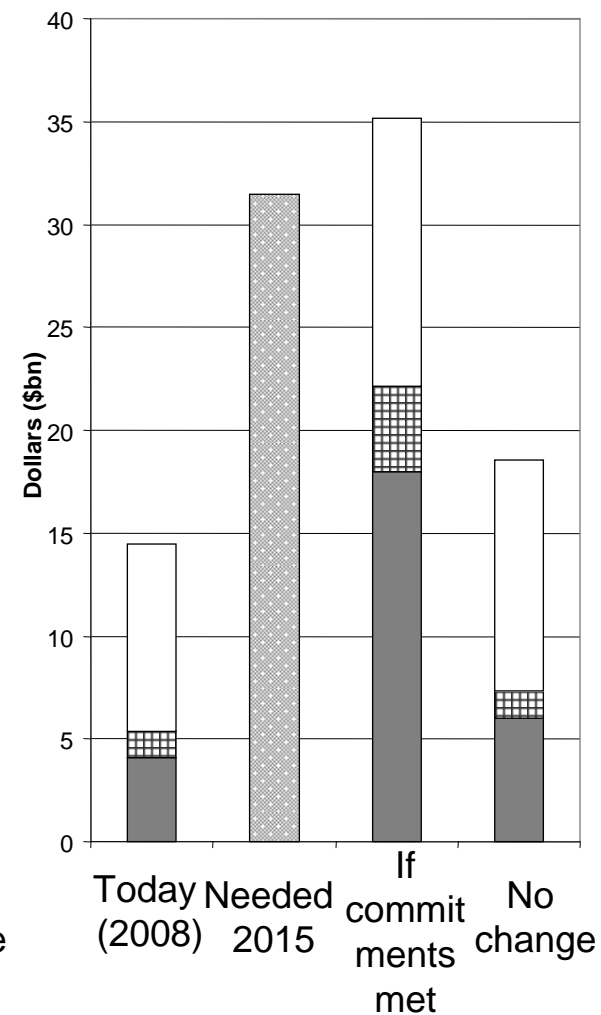
All



SSA countries



non SSA countries



Private



External



Government

Forecast
requirement

Review of mechanisms

"More money for health"

CRITERIA

- General: eg feasibility, sponsorship
- Financial: eg potential flows, costs
- Aid effectiveness: eg country ownership, predictability, results based, pro poor

1. Internationally coordinated and nationally implemented levies and taxes

- Example: Solidarity levy on airline tickets - mandatory for individuals buying airline tickets in participating countries
 - additional source, functional
 - potentially very large flows, low costs
- BUT: politically new taxes un-popular**

2. Improve predictability and the duration of financial commitments

- **Example 1: Expanded IFFIm: legally binding long-term ODA grants to underpin bonds issued to leverage immediate resources for development.**
 - Frontloading, already functioning pilot, potentially huge flows, moderate costs, ODA.
- **Example 2: Advanced Market Commitment: to tackle market failures in developing products needed in developing countries**
- **private sector expertise, pneumococcal vaccine pilot, high cost, ODA.**

3. Catalyse private sector engagement in more efficient health systems

- **Example 1: Investment Fund for Private Delivery of Health Services** : Provide access to capital to for-profit, non-profit, and faith-based private and social enterprises
 - Additional funds from private sector,
 - pilots in other sectors,
 - requires regulatory systems and legislative and stewardship functions
 - Potentially large sums, with support from advisory facility

4. Catalyse private voluntary contributions

- **Example 1: Mobile Phone Voluntary Solidarity Contribution** - Individuals/corporations voluntary donations via mobile phone bills
 - Additional funds from new source, new initiative, moderately large sums, not ODA.
- **Example 2: De-Tax: Earmarks a share of VAT and business contribution for health systems**
 - Additional funds from new sources, new initiative, potentially large sums, part ODA

5. Leverage lending instruments

- **Buy-downs:** Grant funds to reduce/pay loan triggered by the achievement of defined results/targets.
 - Leverage money from new donors
 - link to results
 - pilots exist

"More health for the money"

- Streamlining flows of finance to countries
- More efficient ways of working in country (IHP+ Principles)
- Linking finance to results
- Special consideration for fragile states
- Improved accountability: investment in
 - National monitoring systems
 - Parliamentary oversight
 - Global accountability

Streamlining flows to countries

