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## **Recommendations from the task force on innovative financing for health**

**2011**

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- **Launch of the taskforce and initial steps:**

Following its initiation in Tokyo at the meeting of the Leading Group in December 2010, the taskforce met 2 times in Paris in June and November 2011.

The taskforce is currently composed of representatives of partner countries (UK, Italy, Brazil, Russia, France, Norway, Spain, South Korea, Mali, South-Africa) and various international organizations and global health initiatives (WHO, European Commission, UNITAID, GAVI/IFFIM, Roll Back Malaria, Global Fund against HIV, TB and malaria, TB Vaccines Initiative, Gates Foundation, PMNCH). The taskforce has worked under the successive presidencies of Mali and Spain.

Based on its terms of reference, the taskforce aims at:

- 1/ gather countries and partners around innovative financing in the health sector to provide collective reflection on the topic;
- 2/ review progress and results of the current existing mechanisms in the health sector;
- 3/ identify lessons learnt on current mechanisms in the health sector for further improvement and development;
- 4/ encourage awareness and ownership on existing innovative financing in the health sector;
- 5/ explore new potential mechanisms for health.

- **Collective reflection on innovative financing in the health sector:**

The taskforce conducted a review on progress made on/by innovative financing mechanisms in the health sector to feed reflection and debate within the taskforce.

The study examines four existing innovative mechanisms, namely the International Solidarity Levy on Airline tickets, IFFIm, the AMC and Debt2Health, notably in the light of the criteria of predictability, sustainability, additionality and country ownership. The study then proposes recommendations that could help strengthen, adjust and/or expand these mechanisms. The report also aims at helping paving the way for new mechanisms.

- **Recommendations for discussion and endorsement:**

The taskforce reviewed the report and agreed on the following recommendations for each mechanism which are presented to the Leading group for discussion and endorsement:

***International Solidarity Levy on Airline tickets***

**We recommend:**

- UNITAID, WHO and donor countries to seek solutions, e.g. through multi-year pledges, to bring further sustainability
- to countries that have already implemented this mechanism, to consider a broader tax base with respect to the air levy applying progressive rate depending on destinations and travel classes
- to increase advocacy and communication to win new donors among developed, emerging and developing countries

### ***IFFIm***

#### **We recommend:**

- to pursue advocacy and communication efforts with a view to attract new donors, in particular 'AAA' donors, therefore making IFFIm more efficient
- to target "promising" capital markets, such as Japan, and make IFFIm and its purpose more visible to potential investors, in order to strengthen IFFIm's financing capacity
- to consider how can IFFIm help graduating countries meet their future health expenditures
- to analyze, as suggested by IFFIm's donors, to what extent could GAVI absorb a larger amount of resources generated through IFFIm
- to examine new applications potential for IFFIm: funding the eradication of a disease, e.g. end-stage polio, and/or boosting Health Systems Strengthening.

### ***AMC***

#### **We recommend:**

- to review in the AMC 2012 evaluation the efficiency and effectiveness of the AMC design.
- to ensure that future AMC designs help secure broad competition, including the participation of developing country manufacturers, as well as adequate quality supply to meet the need of developing countries
- to explore the feasibility of a second AMC or other financial instruments for market dynamics in the broader context of mid-long term health commodity supply and procurement strategies, specific to the commodity's market characteristics

### ***Debt2Health***

#### **We recommend:**

- to establish a global framework for debt swaps
- to consider more coordinated actions between creditors
- to consider the feasibility of entering into debt swap agreements within Debt2Health. Major donors, like the US, "*could also explore the scope for its possible involvement in debt swaps for global health*"

### ***Private Sector***

#### **We recommend:**

- to mobilize substantially private resources to contribute to global health
- to consider a broader participation of the private sector in health financing, beyond mere additional financial resources: co-investments in recipient countries, expertise sharing, advocacy in multiple directions - with respect to this, we recommend to bring unconditional support to successful initiatives such as the Global Fund Red Initiative and Dow Jones Index, and the GAVI Matching Fund -

- **Overall recommendations and way forward:**

Considering the abovementioned elements, we recommend to:

- **Adjust existing models to evolving environments**, e.g. IFFIm's structure with 'AAA' donors, future AMC and specific market dynamics, and a new air levy tax class for intermediate travel class;
- **Enhance advocacy and communication** for existing mechanisms and their allocation to health with a view to attract new partners/contributors, in particular emerging economies;
- **Explore flexible options** that could help gather new partners around existing tools: e.g. sharing proceeds of the air levy between UNITAID and a national health budget, loans/contributions from middle-income countries to IFFIm, allocating a portion of debt swaps to Debt2Health;
- **Set up adequate tools for private sector's commitment:** tools to match private funds, capital-market based mechanisms, cause marketing mechanisms, expertise sharing;
- **Develop concrete action plans for new mechanisms:** malaria bonds, tobacco tax, TBVI's funding scheme for a tuberculosis vaccine. Valuable new mechanisms should :
  - ensure domestic resources in favor of health for resource limited countries that decide to implement the mechanism
  - follow aid effectiveness principles of country ownership in identifying health priorities within comprehensive national health strategies and plans
  - investigate on possibilities to support comprehensive national health strategies and plans through resources raised by innovative financing mechanisms, channeled through country systems where the conditions are in place (IHP+, Joint Assessments of National Strategies...)



**The taskforce proposes, under the guidance of the Leading Group, to pursue its work in 2012 in order to monitor progress made on the various existing mechanisms and to support exploration and set-up of potential new innovative mechanisms in the health sector.**