

Global TB Financing: Bridging the Financial Gaps in the TB Response

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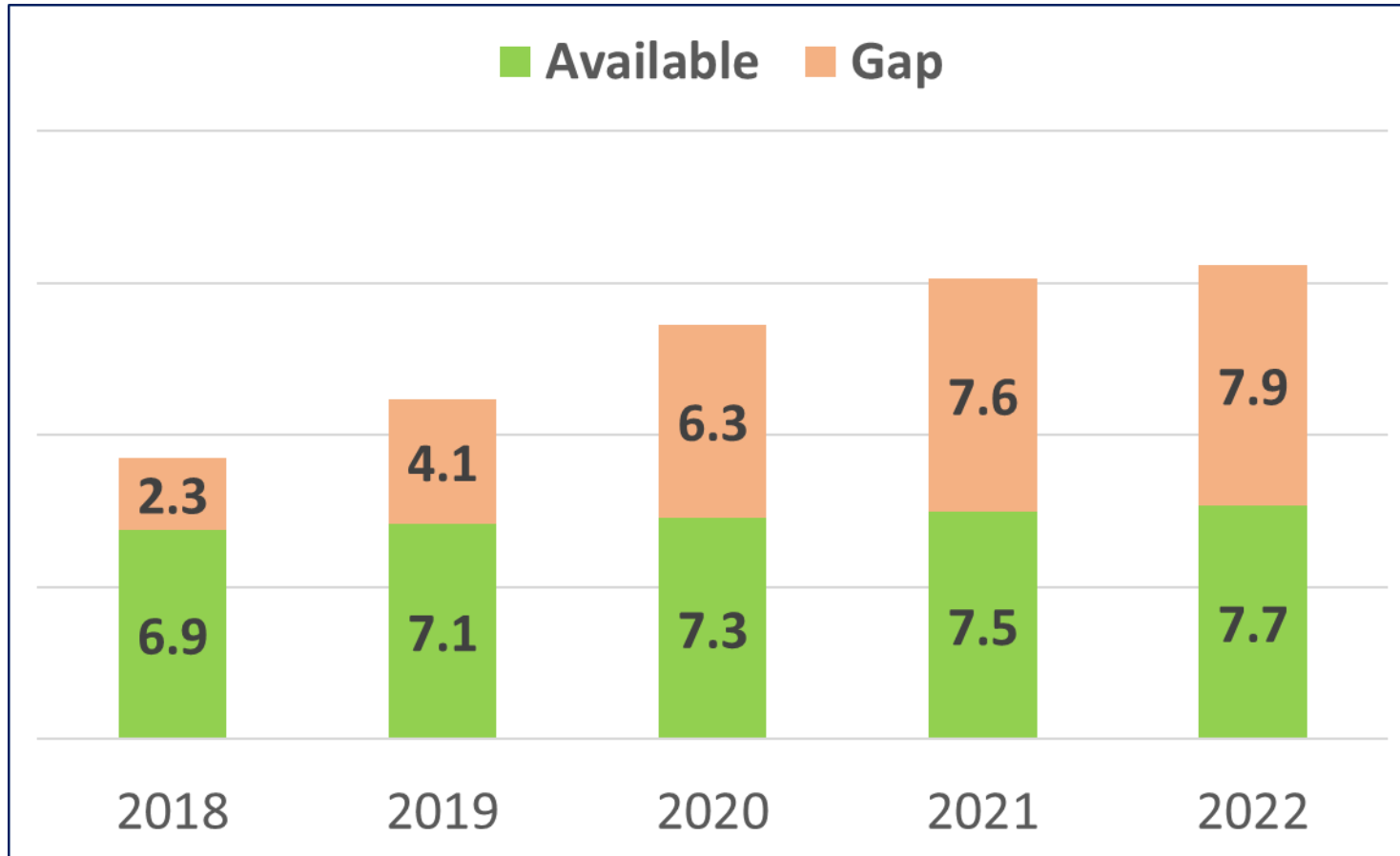
December 11, 2019





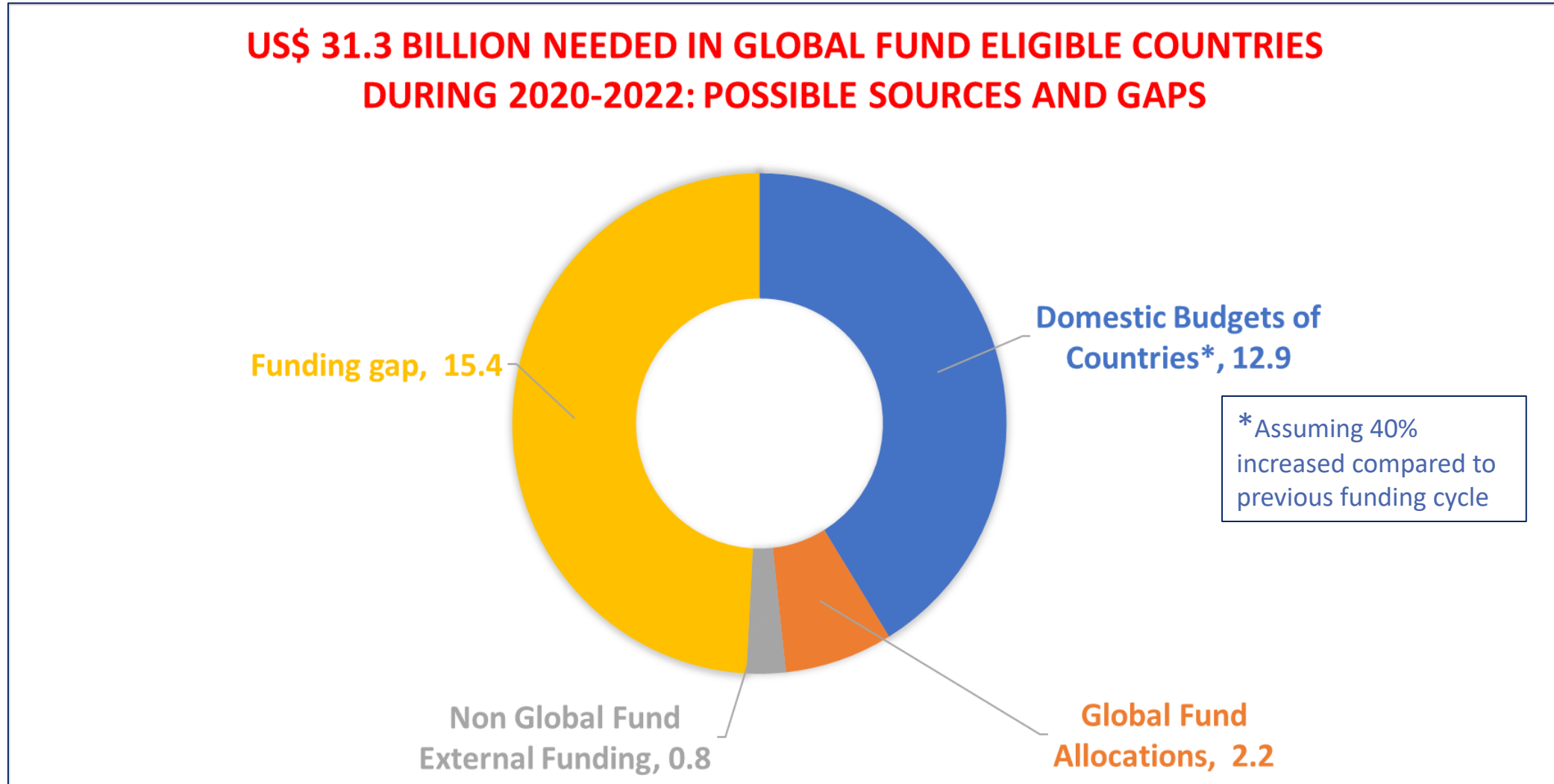
Funding gap

Funding gap in TB prevention & care at the **global level** (in USD billions)



- Resources available if the current slow trend in increase in funding continues
- Gaps calculated with what is needed according to the Global Plan

Funding gap in TB prevention & care in **Global Fund eligible countries** US\$ 15 Billion funding gap over the next 3 years (**US\$ 5 billion per annum**)

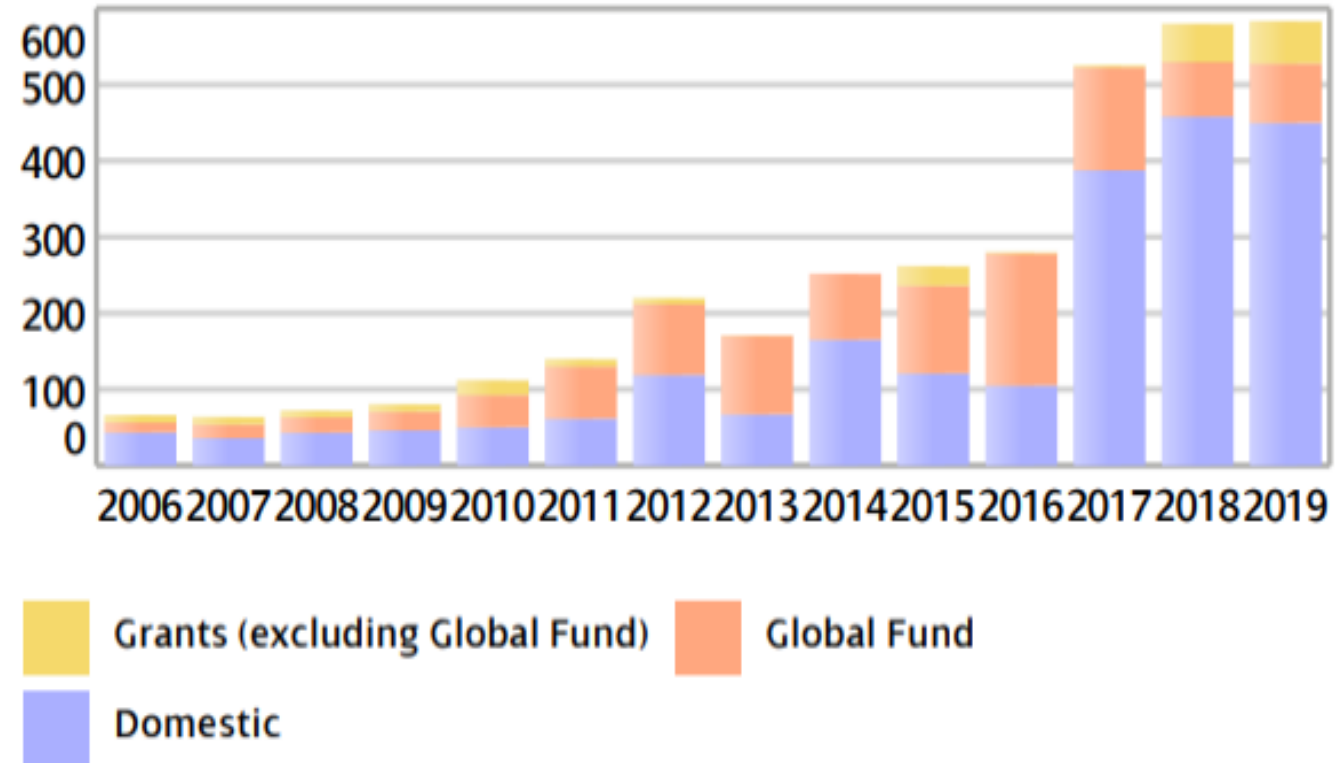


Why we are hopeful – The case of India

Domestic funding tripled/quadrupled

- Ambition to end TB ahead of the world
- PM leading
- Loan buy-down

Funding by source (US\$ millions)



Source: WHO

India loan buy-down

- **Financing, source & amount**

- **World Bank** IBRD: US\$400 Million
- **The Global Fund**: US\$40 Million (Loan Buy-Down)
- GOI: US\$ 3.3 Billion
- Period of implementation: April 2019 to March 2025

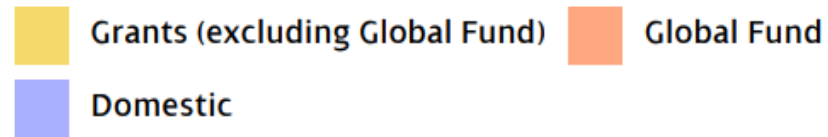
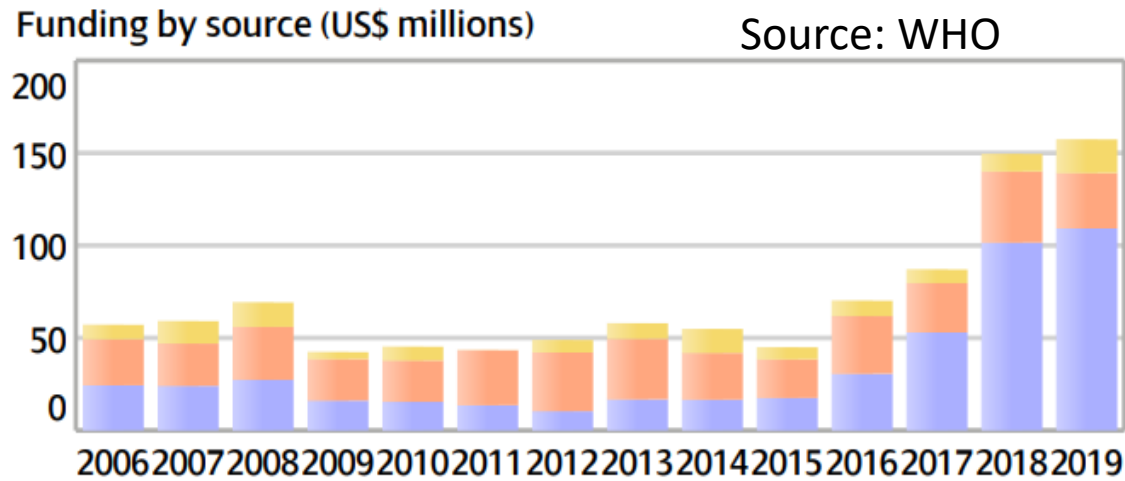
- **Program-for-Results (PforR) operation**

- Result Areas: A set of Disbursement Linked Indicators (**DLIs**), a results framework, & verification approaches
 - **Area 1**: Private sector TB care
 - **Area 2**: TB patient management and support interventions
 - **Area 3**: Drug-Resistant TB
 - **Area 4**: Management capacity and information systems

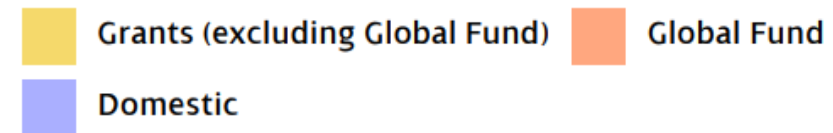
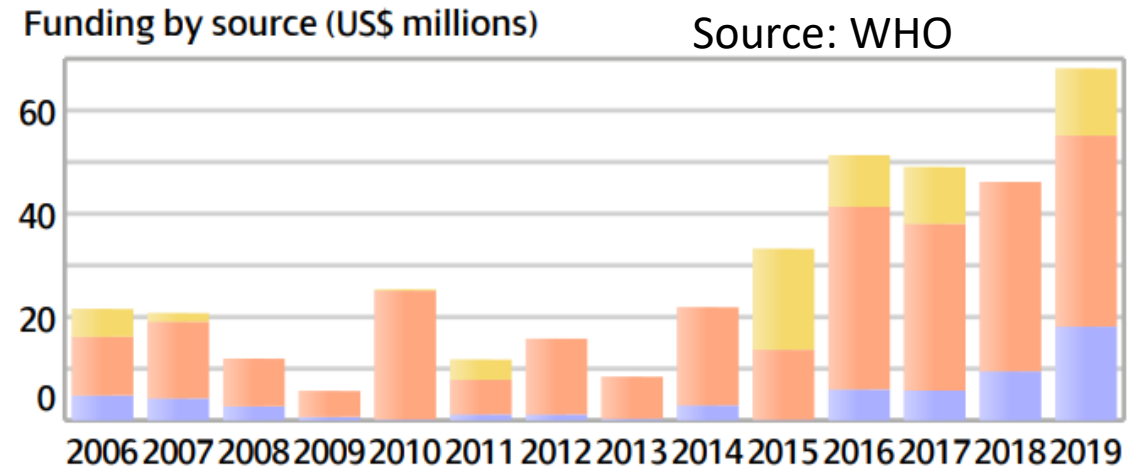
- **First 6 months result**: 22.5million worth DLI completed, 18.5 million expected by December.

Why we are hopeful – Other country examples with increasing domestic funding

Indonesia



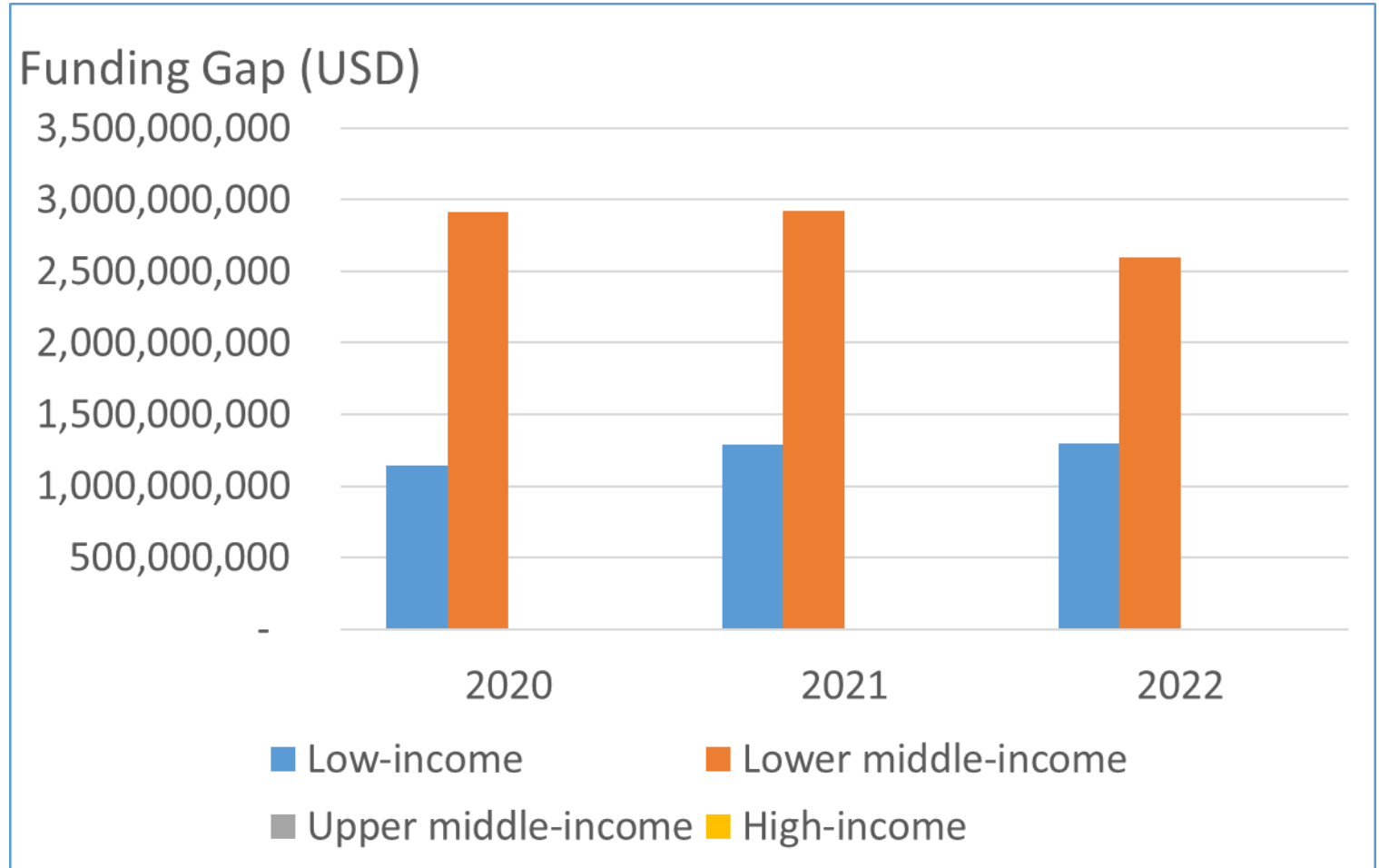
Bangladesh



Funding gap **after** increased domestic funding in Global Fund eligible countries

Scenario A: Domestic funding increases to fill a proportion of the gap

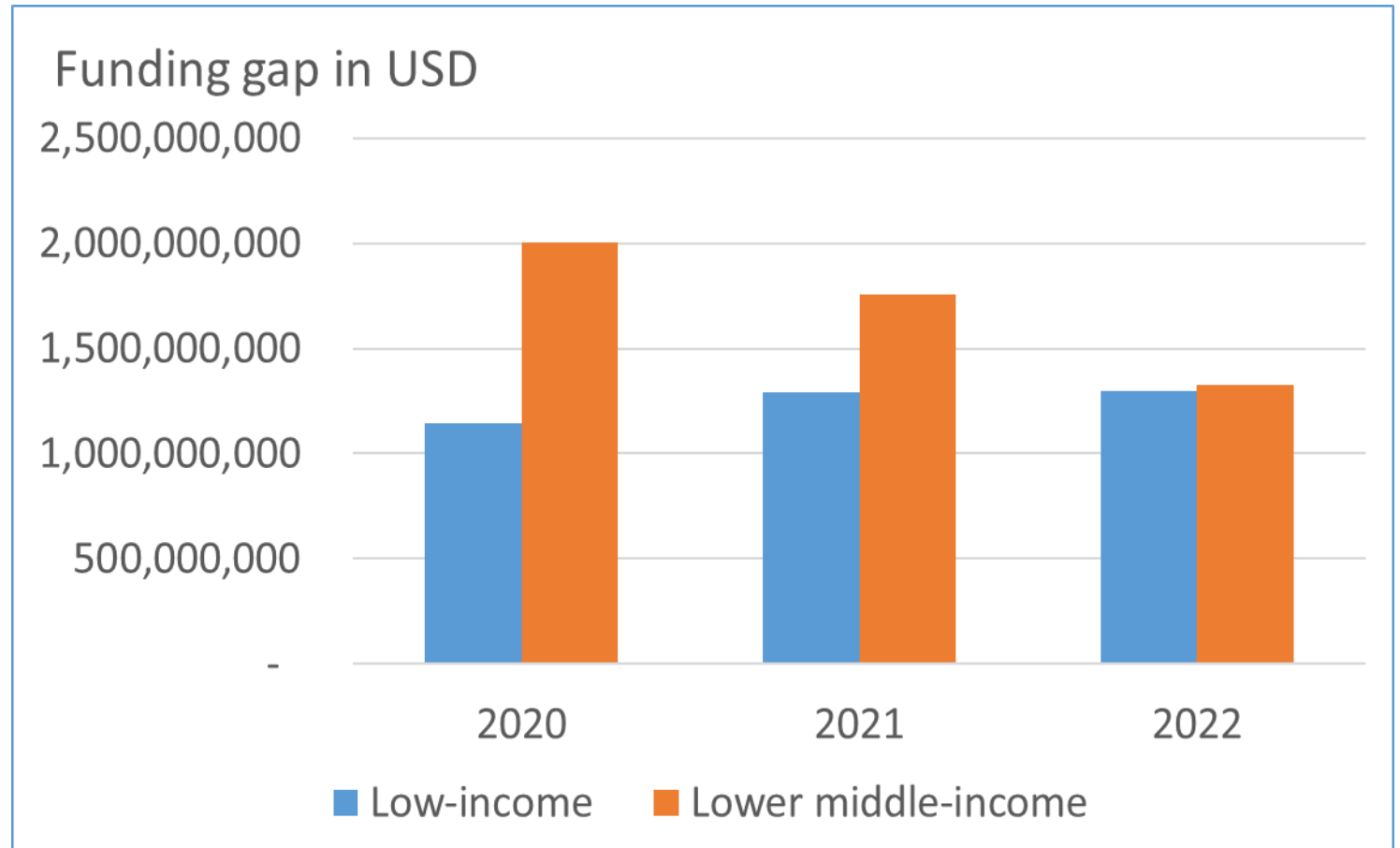
- Percentage gap filled by increases in domestic funding:
 - LIC: 10% in 2020, 15% in 2021 and 20% in 2022;
 - LMIC: 25% in 2020, 40% in 2021, 50% in 2022;
 - UMIC & UIC 100% of gap filled by domestic funding
- **Total funding gap now decreases to US\$12 billion for 2020-2022, i.e. **US\$4 billion per year****



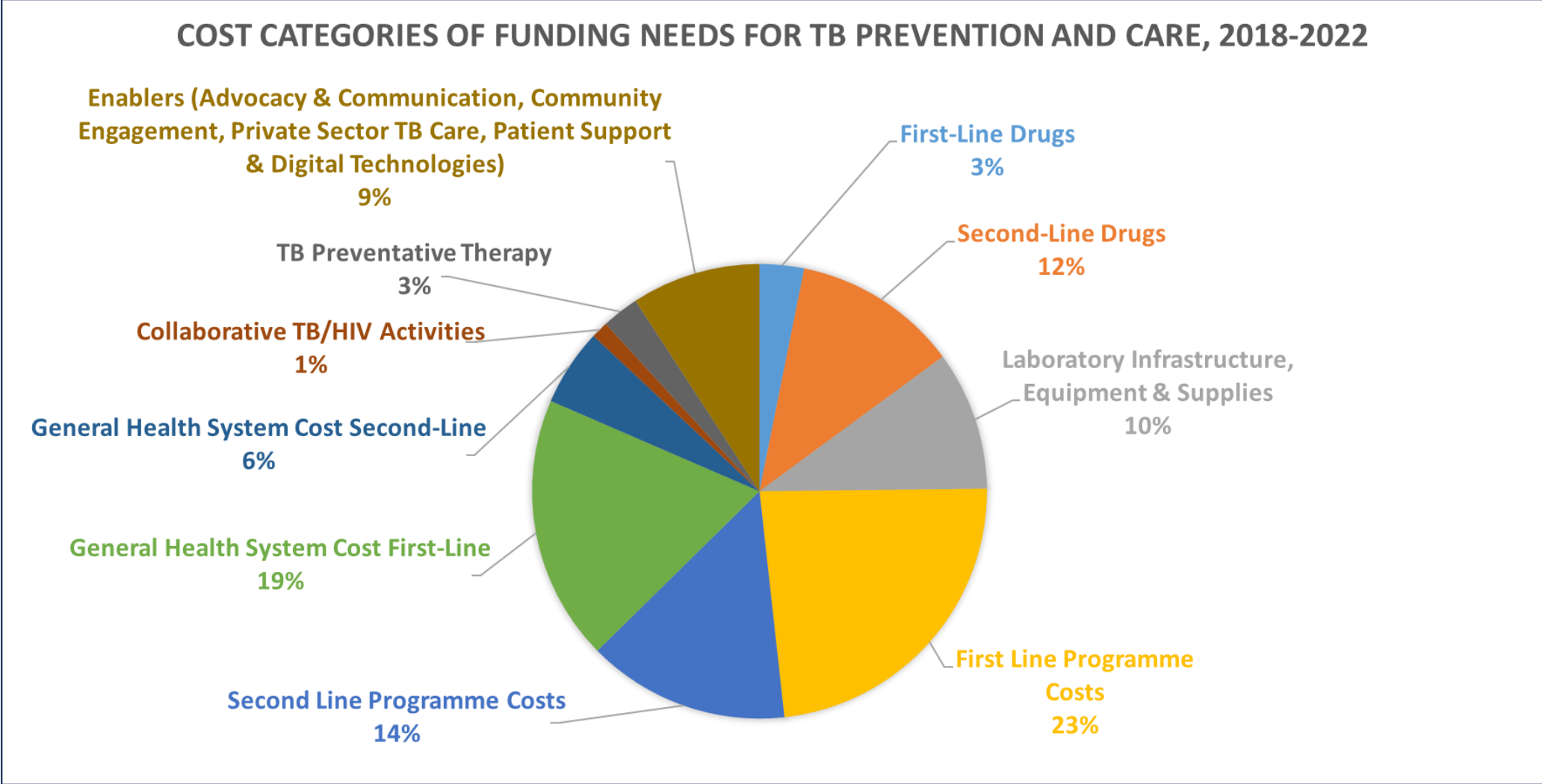
Funding gap **after** increased domestic funding in Global Fund eligible countries

Scenario B: Domestic funding increases to fill a proportion of the gap and India and Indonesia meet their funding gap by domestic funds

- Percentage gap filled in by increase in domestic funding:
 - LIC: 10% in 2020, 15% in 2021 and 20% in 2022;
 - LMIC: 25% in 2020, 40% in 2021, 50% in 2022;
 - UMIC, UIC, India & Indonesia: 100% of gap filled by domestic funding
- **Total funding gap now decreases to US\$8.8 billion for 2020-2022, i.e. **US\$2.9 billion per year****

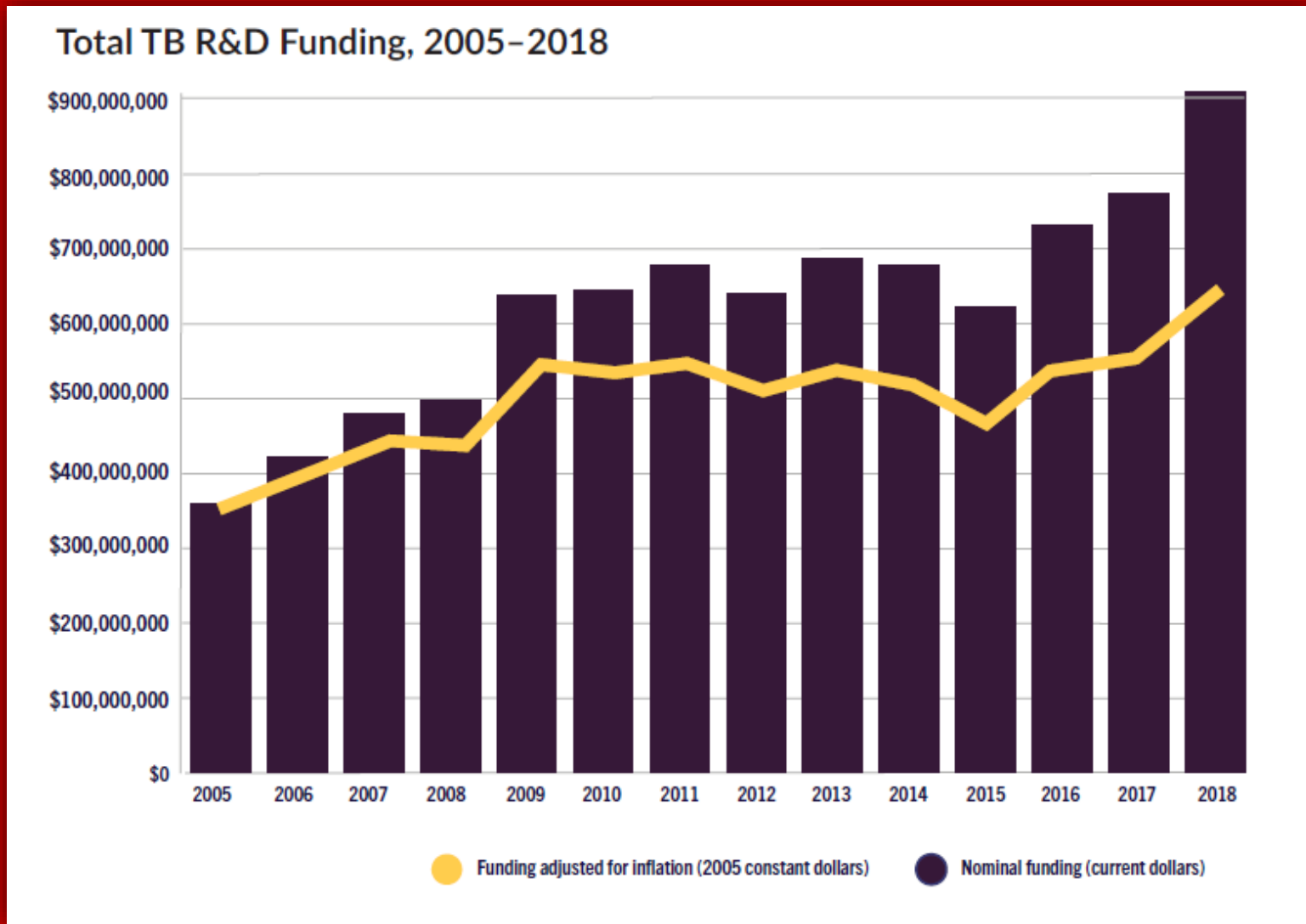


General health system costs is 25% of resource needs (varies across countries) – can be addressed within UHC



Source: Global Plan to End TB 2018-2022

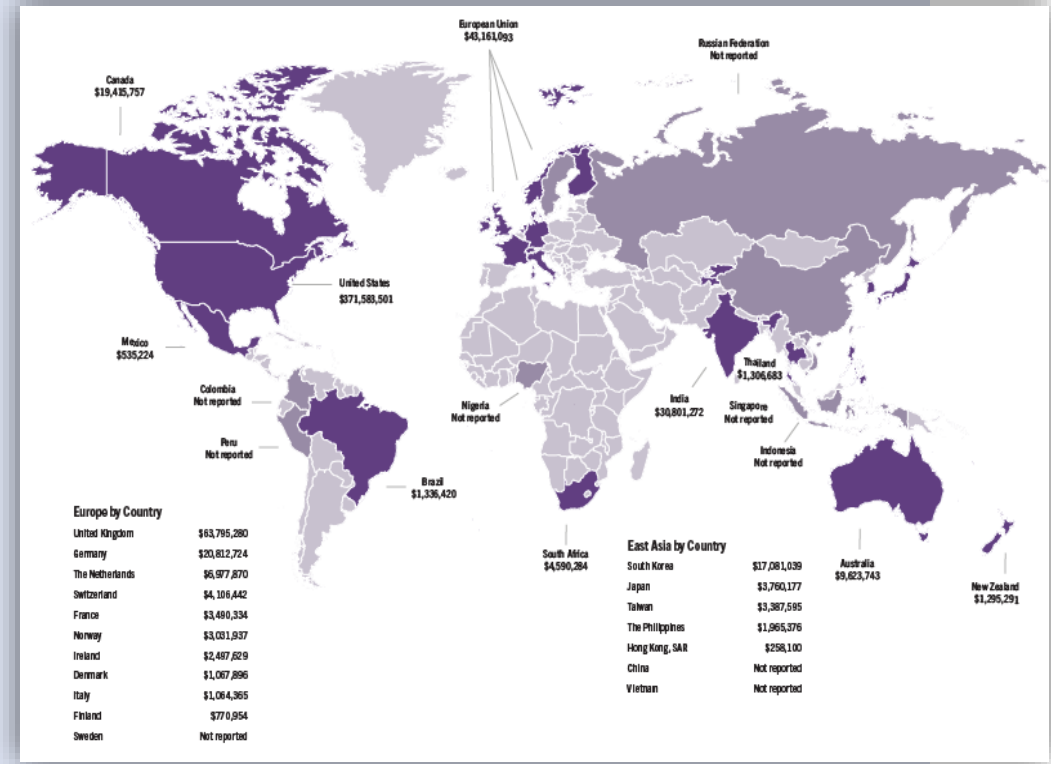
Funding gap in R&D for new tools – Gap reduced in 2018 but long ways to go



R&D funding sources

Total TB R&D Funding by Funder Category, 2018

Total: \$906,125,319



How do we fill the R&D funding gap?

The global community must recognize that funding for TB R&D is a shared responsibility. Countries should contribute at least 0.1% of their (GERD) to TB.

-Global Plan to End TB 2018-2022

In 2018, only 4 countries met their fair share targets by spending at least 0.1% of what they spend on all forms of R&D on TB R&D

-TB Research Funding Report - TAG

Summary of resource gaps

- US\$ 5 billion per year funding gap in the Global Fund eligible countries, even after a good replenishment
- For low and lower-middle income countries even after increased domestic funding there will remain a significant gap
- At least 25% of resource needs can be addressed by UHC related financing
- R&D funding gap can be filled by advocacy and monitoring of the fair share concept using 0.1% of GERD

TB financing meetings



TB Financing Meetings

Spring meeting, April 2019 (DC)

- Co-hosted by TB Alliance & Columbia University, Center for Sustainable Development
- Attendees included Stop TB Partnership, IAVI, pharma, WHO, Gates Foundation, RESULTS, World Bank, Global Fund, & representatives from Bangladesh, Bhutan, India, Nigeria and South Africa

Fall meeting, September 2019 (NYC)

- Co-hosted by Stop TB partnership
- Attendees included TB Alliance, IAVI, pharma, WHO, Gates Foundation, RESULTS, PATH, World Bank, Global Fund, & representatives from Cambodia, Indonesia, Nigeria and South Africa

Spring Meeting – Recommendations (1 of 2)

Scientific Needs

- Better vaccines, easy-to-use and efficient diagnostic tools, and new combinations of drugs.

Service Needs

- Middle income countries should be able to change national procurement laws and purchase quality assured products through the GDF at a lower price.
- High-income countries that help to lead organizations like the Commonwealth or South-South Cooperation, could help nations cooperate to purchase vaccinations and drugs through a pooled procurement mechanism like GDF.

External Funding Needs

- Domestic budgets in HBCs need to go up substantially.
- Finance national networks of civil society advocates to hold governments accountable for keeping promises made at the UNHLM on TB.

Public-Private Partnerships

- Matching gifts through private entities and the Global Fund could incentivize countries to prioritize TB funding on a national level.
- All private donors and governments should make contributions through the Global Fund to ensure the best allocation of funds and guarantee efficient priorities.

Spring Meeting – Recommendations (2 of 2)

R&D Funding

- Through Impact Investing, private funding could support initiatives that would otherwise not generate capital.
- Even large pharmaceutical companies will need partnership and risk sharing and cannot/ will not invest in phase III trials alone, opening a funding opportunity for donors that have a higher risk appetite than early science research.
- Buyout opportunities for small companies creating new technology could help to eliminate risk and encourage companies to move into the TB market.
- Bringing together investors, service providers, and outcome funders could drastically change the landscape for TB through blended finance (e.g., social impact bonds).
- Funding based on social targets would allow for generating capital, but also apply pressure and incentive for achieving goals.
- Billions of dollars could be raised with a micro-levy specific to TB. Levies used by organizations have successfully and sustainably raised almost \$3 billion annually for infectious diseases.
- Advances in technology, such as online shopping, creates an opportunity to generate funds through small taxes on consumers.

Federal Government

- In countries where TB has a large incidence rate, the federal government could offer tax breaks to companies who provide TB vaccinations or treatment to their employees or for those who invest in TB specific philanthropy
- Countries burdened by the disease should be encouraged to create a line item under their health budget specifically for TB
- All nations, whether heavily burdened or not, should allocate at least 0.1% of their R&D budget to TB.

Fall Meeting – Recommendations

- 1 Move towards increased ownership by high TB burden countries:** To address the full cost of programme needs, in addition to the Global Fund, countries need to increase domestic financing
- 2 Raise the profile of TB:** Competing priorities shape the allocation discussion re: resources needed at the country level
- 3 Develop country investment cases for TB:** Translate “lives saved” metrics into monetized benefits, demonstrate specific areas of investment, and determine the certainty of demand of products and services
- 4 Increase the pool of the Global Fund and multi-lateral funding:** More politically feasible, particularly for traditional donors, to increase the overall Global Fund funding to close the financing gap
- 5 Convene private sector stakeholders and attract philanthropic investment:** Public sector alone cannot close the financing gap

Next Meeting

April 10, 2019*
(TBC)

Washington, DC

*On the sidelines of the World Bank/IMF Spring meeting 2020





TB finance task team

TB Finance Task Team – Background



31st Board Meeting
Geneva, Switzerland
Decision Points

Post-UNHLM

Investing the Funds Needed

Decision Point 31-f

1. The Board requests that the Secretariat help ensure the robust and meaningful engagement of TB partners and the larger network of TB stakeholders to support the Global Fund Investment Case for TB and a successful Sixth Global Fund Replenishment.
2. The Board recognizes that in order to meet the bold targets and commitments made in the 2018 UN Political Declaration on TB, the world needs to fulfil the commitment made in the declaration for making available USD 13 billion per annum for implementing TB interventions and an additional USD 2 billion per annum for research and development (R&D). The Board is concerned about the current low levels of financing and huge funding gaps in both TB implementation and R&D, and issues a call to step up the action towards joining forces with all TB partners to close the financing gap in the TB response and to ensure a fully funded Global Fund. The Board calls
 - i. upon all countries, donors, development banks and investment partners to prioritize investments on TB;
 - ii. Heads of Governments of all high TB burden countries to increase domestic funding for TB, and requests the Stop TB Partnership and its partners to engage with strategically important high-burden middle-income countries to double or triple their domestic budgets for TB;
 - iii. for the full replenishment of the Global Fund and use of all available tools to maximize funds for TB from the Global Fund to meet the ambitious UNHLM targets, which includes full disbursement of country allocations, expansion of catalytic funding, prioritization of portfolio optimization, etc.;
 - iv. for the World Bank and other development banks to ensure that all instruments available for loans and grants to high TB burden countries are considered during negotiations on credit agreements in order to make funds available for TB, including blended finance mechanisms;
 - v. for the Secretariat to work with partners to tap the full potential of social health insurance schemes, innovative funding and impact financing for TB;

31st Stop TB Partnership Board Meeting
29 – 30 January 2019, Geneva, Switzerland

Partnership

31st Board Meeting
Geneva, Switzerland
Decision Points

g for TB R&D as a shared responsibility. As such, the proposal to develop specific targets for TB R&D for each of the different countries might chose to support local or national initiatives.

Secretariat to form a "Finance Task-Team" to work on options available to increase funding for TB particularly in opportunities and provide strategic guidance to the Secretariat for resource mobilization for the global TB response.


Dr Joanne Carter
Vice-Chair

Stop TB Partnership Board Meeting
29 January 2019, Geneva, Switzerland



“The Board requests the Secretariat to form a ‘Finance Task Team’ to work on traditional and innovative options available to increase funding for TB particularly in the context of UHC, identify opportunities and provide strategic guidance to the Board and Secretariat for resource mobilization for the global TB response.”



TB Finance Task Team – Overview



Problem

- **USD 13 billion/year** is required for implementation
- **USD 2.6 billion/year** is required for R&D



Outcome

- Identify **traditional** and **innovative financing opportunities** to increase funding for TB within the context of UHC
- Provide **strategic guidance** to the STBP Board and Secretariat



Timeline

- Start date: **March 2020**



Process

- Calls: **Every quarter**
- In-person meetings: **Twice a year** (e.g., World Bank/IMF Spring Meeting, UNGA & STBP Board Meeting)



Members

- Chair (fixed) / Core Group Members (fixed) / Experts (rotational) / Institutional partner(s) / Secretariat

TB Finance Task Team – Structure & Criteria

Chair

Selected from the Core Group by its members

Core Group (fixed)

1. Nomination/recommendation-based from STBP's Board
2. Representation from different constituencies, geographic regions, sectors, etc., including high burden country, civil society/community, private sector, etc.
3. Knowledge & understanding of:
 - Bi-lateral and multi-lateral funding
 - Domestic financing
 - Innovative financing
 - Private sector capital and philanthropic contributions

Expert Group (rotational)

1. Nomination/recommendation-based from the Core Group
2. Representation from development banks, investment banks, private equity firms, etc.
3. Direct experience in:
 - Bi-lateral and multi-lateral funding
 - Domestic financing
 - Innovative financing
 - Private sector capital and philanthropic contributions

Institutional Partner(s)

Columbia University, Center for Sustainable Development

Secretariat

Stop TB Partnership

TB Finance Task Team – Initial Workplan ('20)

2020			
Q1	Q2	Q3	Q4
Phase 1: Core Group Convened	Phase 2: Key Areas & Opportunities Identified & Analyzed		Phase 3: Board Guidance Provided

1 Jan. – Mar.

- Finalize TORs
- Launch nomination & recommendation process
- Announce Core Group members

○ WB/IMF Spring Meeting 2020 (Apr./DC)

2 TB Finance Task Team Meeting #1

- Identify Chair
- Define vision, mission, and goals
- Identify key areas & opportunities to explore
- Identify Expert Group members
- Decide on and develop country investment cases

○ 75th UNGA (Sept./NYC)

3 TB Finance Task Team Meeting #2

- Deep dive on agreed upon key areas & key opportunities
- Present draft country investment cases
- Draft report for the Board

4 STBP 32nd Board Meeting (Oct./Nigeria)

- Present on agreed upon key areas & opportunities for Board guidance

*Quarterly calls held w/the Chair, Core Group members & Expert Group members



THANK YOU