



Health Finance as part of the Addis Agenda

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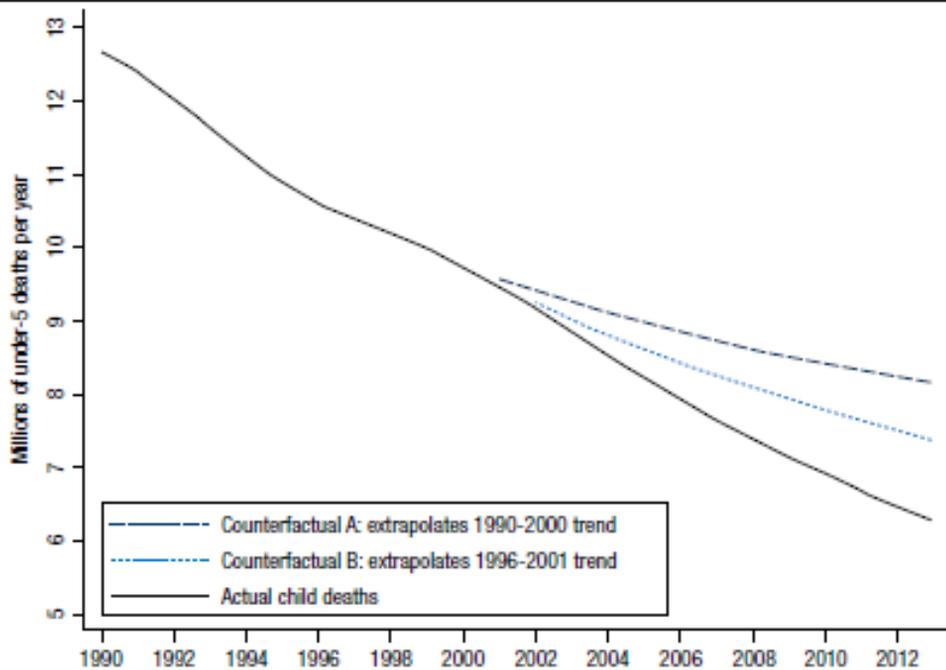
The challenging road to Addis

- Successful FfD underpins SDGs and climate agreement
- Large financing needs, but few additional public resources
- Deep dissatisfaction in developing countries with broken promises
- Little time for preparation of complex technical issues
- Continued insistence by some to separate “development” and “climate finance” discussions

Four elements to make Addis a success

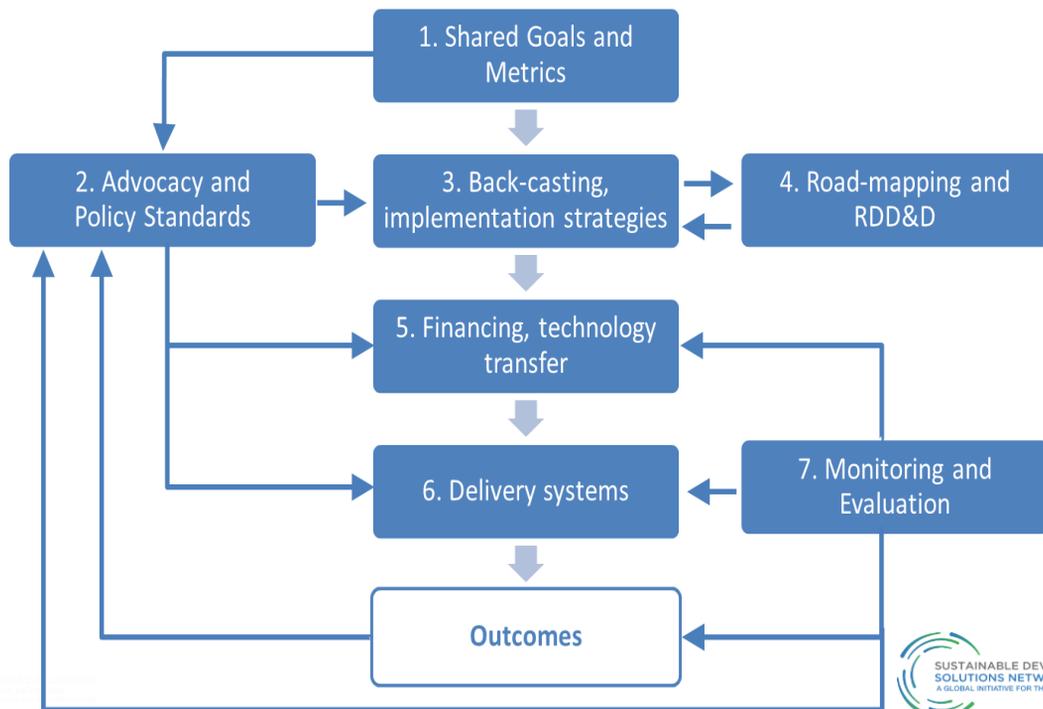
1. Update Monterrey principles (DRM, private sector, climate finance, expansion of donor base, OOF, etc.)
2. Adopt timelines and pathways for reaching targets
3. Agree effective follow up in all applicable fora (including G7/G20, IMF/WB Annual Meetings)
4. Announce exciting, newsworthy commitments in run up and at Addis conference (e.g. strengthened pooled financing mechanisms)

Bending the curve: Success in the Health Sector



Source: McArthur 2014

Goal-based public-private investment partnerships



Going beyond the increment: Working backwards from the SDGs

Open Working Group Goal	Scale of incremental investments	Share private investments	Share public investments	Role for household contributions?
Goal 1: End poverty in all its forms everywhere	Covered under other goals			
Goal 2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	+++	++	++	Limited role in agriculture
Goal 3: Ensure healthy lives and promote well-being for all at all ages	++	+	+++	0
Goal 4. Ensure inclusive and equitable quality education and promote life-long learning opportunities for all	++	+	+++	0
Goal 5. Achieve gender equality and empower all women and girls	Largely covered under other goals			
Goal 6. Ensure availability and sustainable management of water and sanitation for all	+++	++	++	+
Goal 7. Ensure access to affordable, reliable, sustainable, and modern energy for all	+++	+++	+	++
Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Covered under other goals			
Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	+++	+++	+	N/A
Goal 10. Reduce inequality within and among countries	Covered under other goals			
Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable	+++	+++	+	N/A
Goal 12.Ensure sustainable consumption and production patterns	Covered under other goals			
Goal 13.Take urgent action to combat climate change and its impacts	+++	+++	++ (including virtually all adaptation finance)	N/A
Goal 14.Conserve and sustainably use the oceans, seas and marine resources for sustainable development	+++	++	++	N/A
Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	+++	++	++	N/A
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	+	+	+++	N/A
Goal 17.Strengthen the means of implementation and revitalize the global partnership for sustainable development	TBD	TBD	TBD	TBD

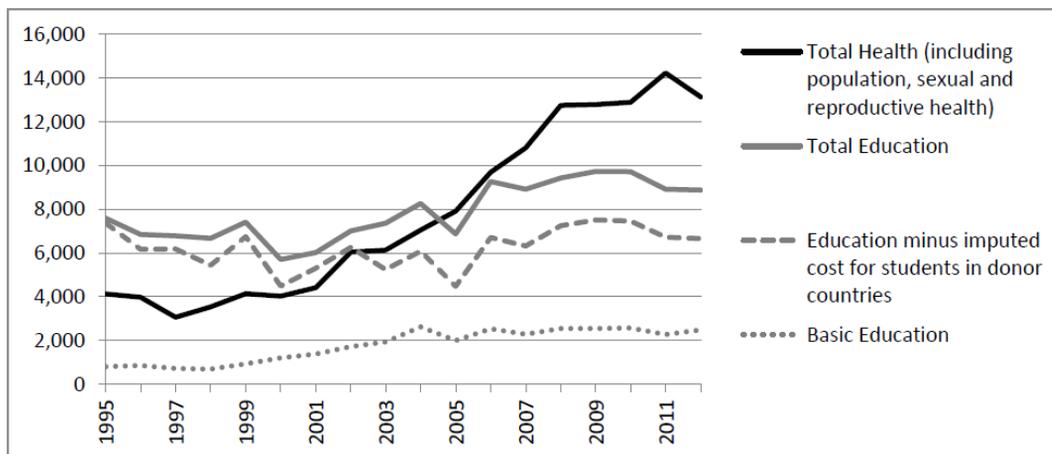
Apples and Oranges? Public-private financing needs for the SDGs

Investment Area	Incremental annual investment needs in developing countries through to 2030				Corresponding pooled finance mechanisms
	Total needs	Private, commercial financing	Public, non-commercial financing	Of which ODA/public climate finance	
Health	51-80	~ 0	51-80	TBD	GAVI, GFATM, GFF, UNFPA, UNICEF
Education	[38]	~ 0	[38]	[19]	Proposed Global Fund for Education
Food security	46	2	44	TBD	IFAD, GAFSP, proposed Smallholder Fund
Access to modern energy (SE4All)	34	10.5	23.5	12.8	GCF
Access to water and sanitation	27	3-5	22-24	TBD	Global Water and Sanitation Fund or regional facilities
Data for the SDGs	TBD	TBD	TBD	TBD	TBD
Ecosystems including biodiversity	[18-48]	[3-7]	[15-41]	TBD	GEF
Other agriculture	210	195	15	0	N/A
Large infrastructure (power, transport, telco, watsan)	689-1599	291-755	398-844	TBD	N/A
Climate change mitigation	[380-680]	[300-564]	[80-115]	TBD	GCF
Climate change adaptation	60-100	0	60-100	TBD	GCF
Total	[1559 - 2873]	[805 - 1539]	[752 - 1335]	TBD	

Ten lessons from GAVI and the Global Fund

1. Country-led programs at scale & national ownership
2. Technical integrity, rapid learning, knowledge diffusion
3. Lower transaction costs and minimal duplication
4. Mobilization of private finance and leveraging
5. Improved allocation to countries most in need & effective engagement of UMICs
6. Transparent resource mobilization parameters
7. Predictable multi-year funding
8. Massive acceleration of innovation through engagement of business, civil society, and science
9. Effective financing for technology transfer
10. Important global voice & mobilization of civil society

The failure to scale up education – a low-hanging fruit for Addis



Source: OECD DAC database

The role of effective pooled financing mechanisms in the Addis Agenda

- Experience in health shows that effective pooling mechanisms required to meet SDGs
- Pooling does not end need for bilateral cooperation
- Many “global funds” are not effective and need to be reformed, merged, or discontinued
- Some donors do not like global funds, but the need to make Addis a success at times of limited resources requires a hard look at “aid effectiveness”

Priority recommendations

Sector	Current Annual Funding (\$ bn)	Minimum Target 2020 (\$ bn)
Global Fund for Health	GAVI = 1.3 GFATM = 3.9	15
Global Fund for Education	GPE = 0.8	15
Global Fund for Smallholder Agriculture and Nutrition	IFAD = 0.5	10
Global Environment Facility	1	6
Green Climate Fund	Start up	20
Global Fund for Sustainable Energy for All	Not yet established	To be identified
Global Fund for Water and Sanitation	Not yet established	To be identified
International Development Association (IDA)	18	To be identified

How to mobilize adequate public financing

- Standards for domestic resource mobilization (e.g. 18% for LDCs, 20% for LICs, 22-24% for MICs, 24% for HICs)
- Greater focus on OOF & guarantee mechanisms at MDBs
- 0.7% commitment for all high-income countries, 0.15% for UMICs
- Giving Pledge for the SDGs
- Effective ODA targeting and eligibility (e.g. 50% for LDCs)
- Effective reporting that embraces non-DAC donors and resolves technical issues
- Global rules (tax, transfer pricing, exchange of information)

Next steps for Addis

- “Elements paper” released 21 January 2015
- Draft negotiation text available in coming days
- Two negotiation sessions (13-17 April; 15-19 June)
- Addis Conference: 13-16 July

Other key events:

- WB/IMF Spring meeting Washington DC (17-19 April)
- G7 in Elmau/Germany (7-8 June)
- SDG Summit New York (25-27 September)
- G20 in Antalya/Turkey (15-16 November)
- COP21 in Paris (30 Nov – 11 December)



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