



Notes from Financing for Sustainable Development call with Guido Schmidt-Traub and Christoph Benn

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Guido Schmidt-Traub, Sustainable Development Solutions Network

The paper is meant to highlight key findings about what has been effective financing around the MDGs and how to build on these, expand successes to other areas and build an effective financing framework.

Health is the example of how the MDGs have been successful – the Global Fund and GAVI in particular and importantly the role of CS working with the institutions and in the areas of health to promote innovation, secure resources, set achievable targets and measure results.

People could easily think now that it is “obvious” that health is used as an example – but Mr Schmidt-Traub points out that in 2000, it wouldn’t have been obvious. That it has been through data-driven implementation and advocacy and ambitious goals that success has been created; success that should be looked at in other sectors.

Paper tries to map out key investment needs in groupings that make sense in the context of the SDG areas – the data about investment needs is actually quite poor in other sectors, climate one example. Its rather unique to health that there have been systematic efforts to map resource needs.

GAVI and GF provide many important lessons about how other sectors could move forward – slide 5 presents the key areas that successful interventions in development need, some of these lessons include:

- Their simple introduction and availability of resources meant that Ministries such as Finance and Health actually began talking to each other and taking

ownership over the issues; other areas such as education have much more fragmented donor environments (multiple donors, with multiple requirements, schedules etc).

- Because of the competitive model of GF funding in the early years, there were big increases and advances in technical knowledge; applicants learnt from the proposals that were accepted and those that were rejected.
- Multilateral organizations tend to be less political in their financing.
- GF and GAVI oversaw a huge acceleration in innovation and partnering with business as well as real technology transfer

(Slide 10 and 11 lay-out what effective pooled financing mechanisms could look like and SDG areas where a pooled financing mechanism would be useful)

While not perfect, GAVI and the GF are a model that shows that in some sectors, bilateral ODA (while still important) could not have had the same impact but pooled financing really promoted innovation, accelerated the ability to get results all in a less politicized environment.

Recommendations in the paper (on slide 11) show the other areas including education, and Agriculture/nutrition where new pooled financing mechanisms could under the SDGs have real impact.

As next steps, Mr Schmidt-Traub urged us to see the urgent need and opportunity to communicate the success of the Global Fund (and GAVI), explore how to strengthen it further but use it as a way to advocate for a significant expansion of the resources available for health with one pooled financing mechanism. The MDGs kick-started GF and GAVI, maybe the SDGs can kickstart strengthening health systems more broadly.

Questions and Answers:

Questions: asked about if he sees a role for the GF in contingency funds for outbreaks of disease, the importance of maintaining the focus of orgs like the GF and GAVI if we move to a Global Fund for Health and what the role for CS might be in a Global Fund for Health

Answers: strong CS still needed for GFH – the best practices of the GF should continue, there must remain a focus on infectious diseases and keep them as a

priority – financing mechanisms need a systems approach that maintains the targeted/focused approach of vertical elements/programs.

Christoph Benn – Global Fund Secretariat

The critical message from this work about financing the SDGs that the Secretariat takes forward is about how the sector should seek to be heard more broadly to have impact on the SDGs resonates and that the work of civil society has been and will continue to be critical around resource mobilization and implementation.

Some sense that some of the biggest challenges is that few countries seem willing to take the lead – on ideas or investments.

Domestic resource mobilization and Private sector mobilization is a key priority for the GF and others, but some concern that as we move towards Addis that donor ODA could potentially be “neglected” a little if those are emphasized – all 3 and more is needed for successful resource mobilization for replenishment and to fund SDG work.

To counter this, the level of ambition needs to be raised – we need to think creatively and boldly and support and encourage action.

GFS has been a part and will remain part of the discussions in the lead up to Addis and beyond with the SDGs.

Questions and Answers

Questions: Is the GF sometimes too restrictive about contributions by not allowing regional funding or more specific earmarking by donors? A sense that this might restrict the interest of new donors in particular who might prefer to donate regionally. What is the “back-casting” going on in health at the moment and what are the key advocacy points going forward to Addis?

Answers: GF Board has been reluctant to allow further earmarking and targeting than co-investment because one important element of pooled financing/multilateral funds is they depoliticize the aid. However, still need and are willing to look at options.

In terms of key advocacy points and back-casting in health – the GF strategy process is helping to do that backcasting by setting the targets and designing how to achieve them. This has been done quite well, never perfect but good guides and pathways to positive outcomes. There will be difficult challenges for health to move from infectious diseases to health systems but you can set up system that maintains rigorous metrics on elements while having a more long-term view for the systems overall. The link between investments in systems and health outcomes is less direct than for vaccines or DOT's for example.

In terms of what CS can do in the Addis process is to sharpen the message in health to show what has worked, why and why it can continue and be scaled-up. Must talk about continued improvements so that Addis isn't just a reminder to increase domestic resource mobilization and improve governance.

A final version of the paper will be available in the next month and then can be formally cited.