



# PARTNER FOR PROGRESS

ADVANCING PRIVATE SECTOR  
APPROACHES TO ACHIEVE THE SDGS

JANUARY 2019

## FOREWORD FROM MSD FOR MOTHERS

As we strive to achieve the Sustainable Development Goals, it is clear that we need more innovative collaboration among government, civil society, and the business community to deliver stronger results for people around the world.

This report focuses on the promise of private sector solutions to improve reproductive, maternal, newborn, child, and adolescent health and help save lives. It outlines opportunities for the global health community to better engage the private sector and move beyond traditional aid and philanthropy for stronger results. We see three areas with enormous potential for accelerating impact to benefit women and children:

1. **Financing and resource mobilization.** Filling the \$33 billion gap in funding for RMNCAH requires greater diversity in funding. Financing instruments commonly used in the investment world can help attract more resources, especially private capital, for social impact. This is an area of growing experimentation, with financial institutions, private investors, and global corporations collaborating with multilateral agencies, private foundations, and NGOs to test new models and incentives to increase funding for life-saving programs.
2. **Leveraging the reach of local private health providers.** These doctors, nurses, midwives, drug shop owners, and others play an important – and often overlooked – role in providing health care. As members of the communities they serve, they are sensitive to families’ needs, cultures, and customs and can adapt quickly to meet consumer demand. With the movement toward universal health coverage, these private health providers are an untapped resource to help countries expand health services to reach more people.
3. **Harnessing private sector expertise.** From information technology to data analytics to supply chain, the private sector has capabilities that can help improve health and development faster, more efficiently and with greater impact. Often, the experience and expertise that drive success in business can be applied directly to find and scale solutions that sustain gains in women and children’s health for years to come.

As you will read, the encouraging news is that there are a growing number of examples in each of these three areas – and we are learning more each day about what is working and, as important, what is not. To that end, this report uncovers some of the challenges in taking stock of how the private sector is contributing to health and development. First, there is no tracking of the private sector’s role beyond being a funder (“business as usual”). As a result, we are not able to measure how well we are doing in optimizing what the private sector has to offer and the impact on health.

Next, there is not always an enabling environment for private sector engagement. For example, international donors and governments may not have policies that allow local businesses to contribute fully to delivering health care services. In other cases, international donors and governments may not have the capacity to work with businesses – whether midwife-owned clinics or private logistics companies – to be part of the health care ecosystem.

We hope that highlighting both the opportunities and the hurdles to private sector engagement will help us chart a course for how to take advantage of the private sector’s diverse strengths and contributions. Building trust and ensuring substantive, transparent and mutually accountable engagement will get us closer to the sustained, long-term health benefits women and children deserve – no matter where they live.

### **Dr. Mary-Ann Etiebet**

Lead and Executive Director  
MSD for Mothers

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# INTRODUCTION

The health of women and children is a linchpin for building healthy and stable societies around the world. By now we know that quality health infrastructure which adequately supports mothers delivers powerful benefits for women, children, families, communities, and countries. But today, health systems, particularly those in many low- and middle-income countries, are not sufficiently equipped to achieve the ambitious global agenda and SDG targets for Reproductive, Maternal, Newborn, Child, and Adolescent Health (RMNCAH).

Funding is one part of the problem. While international RMNCAH funding accounts for approximately half of total development assistance for global health, an estimated annual funding deficit of more than \$30 billion remains and pressure on foreign aid budgets in donor countries could exacerbate this gap. Achieving good health and well-being for all will require an unprecedented expansion and diversification of financing for RMNCAH.

The global health community acknowledges that the private sector is critical to RMNCAH; not only as a source of funding, but also as a source of innovation, expertise, and business-minded best practices and models. International donors, particularly bilateral aid agencies, can and should play a leading role in catalyzing greater private sector contributions to RMNCAH and leveraging private sector capabilities. Investments in blended finance instruments, such as first-loss concessional capital, guarantees, risk insurance, and technical assistance funds, can

**Up to 95 percent of least developed countries lack sufficient numbers of health care professionals, including physicians, nurses, and midwives.**



## **Persistent RMNCAH Challenges**

Many low- and middle-income countries continue to experience high rates of maternal mortality. The maternal mortality ratio has declined by 37 percent since 2000, but we must reduce it by 7.5 percent annually – more than double the rate achieved from 2000-2015 – to reach 2030 targets.<sup>1</sup> Studies indicate that up to 95 percent of least developed countries lack sufficient numbers of health care professionals, including physicians, nurses, and midwives. The global shortfall in health professionals is predicted to grow to 18 million by 2030.<sup>2</sup> Meanwhile, adolescents and young people continue to suffer from preventable illnesses and engage in unhealthy behavior, which jeopardizes their development and future, but this segment of the population is often neglected.

*This Devex special report has been sponsored by MSD for Mothers. To learn more about what that means, please view our [Partner, Underwriter and Sponsor Guidelines](#).*

<sup>1</sup> <https://unstats.un.org/sdgs/report/2017/goal-03/>

<sup>2</sup> <http://www.worldbank.org/en/topic/reproductivematernalchildhealth>

de-risk and stimulate private sector investment in RMNCAH. Direct procurement of medical goods and services from local private organizations can build local capacity and markets. Deepening cooperation and co-investment in health interventions can maximize resources and leverage the unique capacities of both donors and private sector partners. These collaborative approaches between donors and the private sector are the future of RMNCAH in low- and middle-income countries around the world.

Yet, our community has a long way to go if we are to successfully build the multi-sectoral partnerships that are necessary to crowd in funding for RMNCAH and capitalize on private sector capabilities. International donors are—to varying degrees—committed to private sector funding approaches, but these agencies and their implementing partners can do more to enable private sector involvement in RMNCAH. Most donors are also failing to measure or report their private sector investments which makes it impossible to assess progress and impact.

In an effort to begin to benchmark donor investments through private sector funding approaches, Devex and MSD for Mothers researched and interviewed seven of the leading bilateral donors to RMNCAH. We also surveyed more than 500 development professionals working in RMNCAH and conducted in-

*Maternal mortality must be reduced by 7.5 percent annually—more than double the rate achieved from 2000-2015—to reach 2030 targets*



depth interviews with global health organizations and experts to learn more about how to better integrate the private sector in RMNCAH in the future. We hope that this report will encourage international donors and other funders to better understand the impact of the private sector in RMNCAH and begin to more rigorously track and report investments in the future.

### **Definitions: Private Sector Approaches**

International donors can engage and invest in the private sector through various approaches and channels. While this report focuses on major bilateral aid agencies, the majority of findings are also applicable to multilateral agencies, including the United Nations and multilateral development banks. We used the following private sector approach definitions for this report:

**BLENDED FINANCE INSTRUMENTS:** strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets.

**PRIVATE SECTOR PROVIDERS:** donor funds used to purchase/contract RMNCAH services and goods from the private sector, particularly the local private sector.

**PUBLIC-PRIVATE PARTNERSHIPS:** alliances between donors and the private sector in RMNCAH that leverage equitable contributions of resources and each partner's unique expertise.

# METHODOLOGY

We employed a combination of the following methodologies to develop this report:



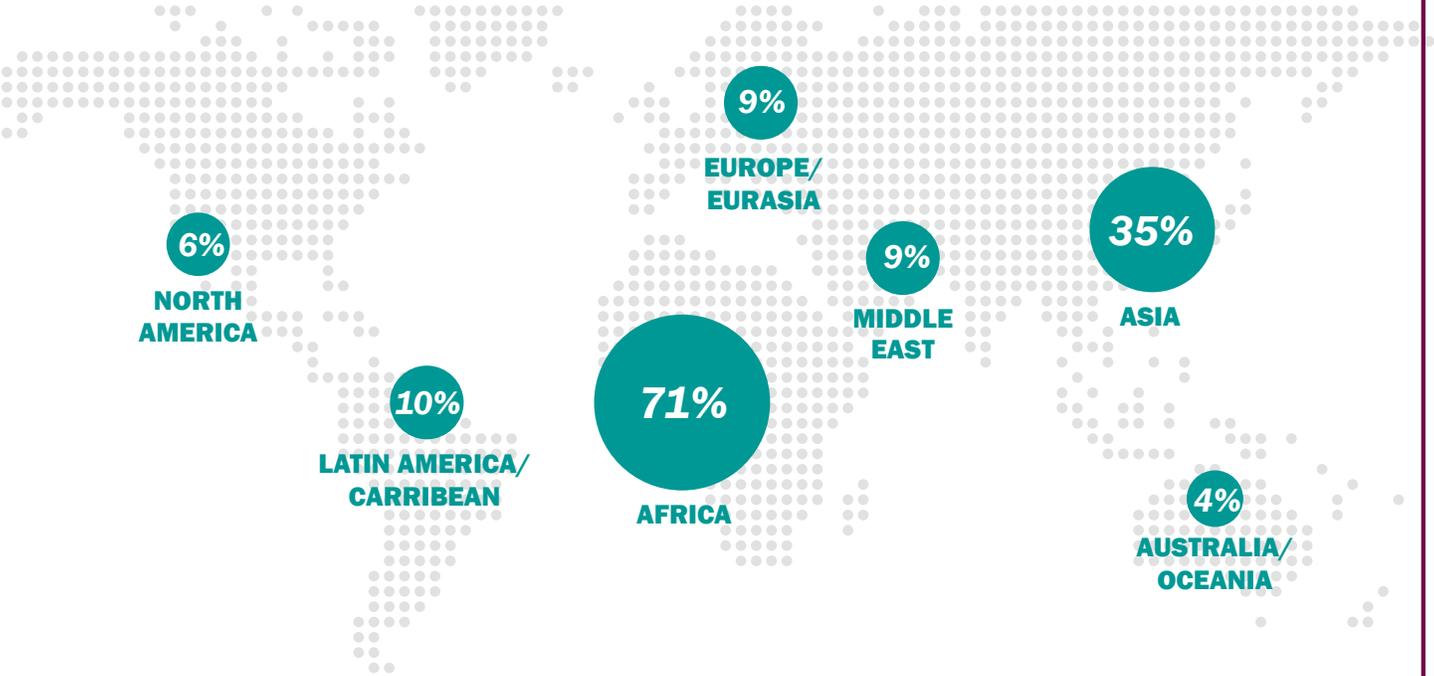
**In-Depth Interviews:** we conducted in-depth interviews with over a dozen donor officials and global health experts, including implementers and analysts.



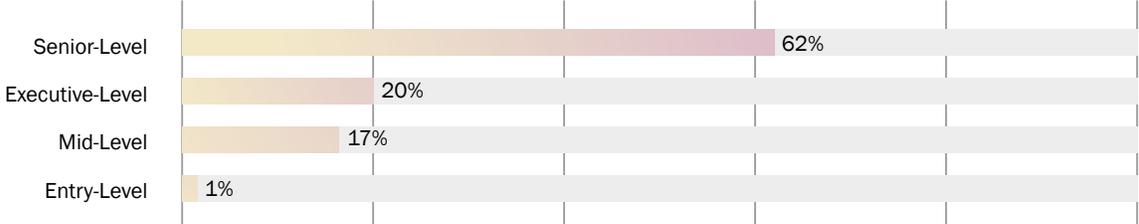
**Research & Analysis:** we conducted extensive research of donor policies, news stories, and development finance databases, including OECD, Convergence, Donor Tracker, and Devex.



**Online Survey:** using the Devex network of development professionals, we surveyed more than 500 RMNCAH professionals working at various levels and across all regions.



In which region(s) do you have the most extensive experience? (Check all that apply)



How would you categorize your experience level?

# KEY FINDINGS & TRENDS

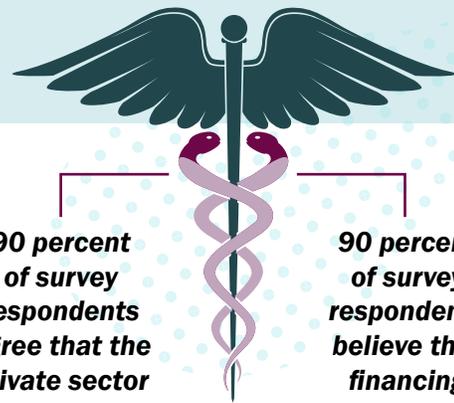
## **DONOR INVESTMENTS CAN DRIVE PRIVATE SECTOR ENGAGEMENT IN RMNCAH.**

After decades of steady growth, development assistance for RMNCAH has generally stagnated since 2011 and political headwinds in most donor countries portend an end to substantial increases in traditional foreign aid for the foreseeable future. The politicization of aid and pressure on aid budgets are among the factors leading to a greater emphasis on public-private partnerships and innovative funding models that attract private investment in RMNCAH. But this focus on private sector engagement is also well-aligned with other prevailing aid principles endorsed and adopted by donors in recent years: scale, co-creation, value for money, aid effectiveness, local capacity building, and cross-sector and multi-stakeholder collaboration.

Catalyzing greater private contributions with measurable outcomes is critical to achieve the ambitious RMNCAH agenda. Private sector engagement in RMNCAH can increase access to medical goods and services, improve quality and sustainability of care, and bolster health workforces. With appropriate accountability mechanisms in place, multinational and local companies are well-positioned to drive health research and development, introduce medical technology, and strengthen health supply chains. If donors can integrate the invention and competencies of the private sector, they can help empower women to seek care for themselves and their children, improve quality of care, and strengthen health systems to sustain the delivery of critical health services.

***“Dutch engagement [with the private sector] will further increase, particularly in the field of innovative financing. We need more alternative funding flows in order to meet the needs for global health, and investments from the private sector may enable ‘frontloading’ of health gains. Moreover, it would be interesting to contract services from the private sector more often in a ‘results-based manner’: not just paying for the machine but paying for the number of times the machine is being used.”***

–Netherlands Ministry of Foreign Affairs

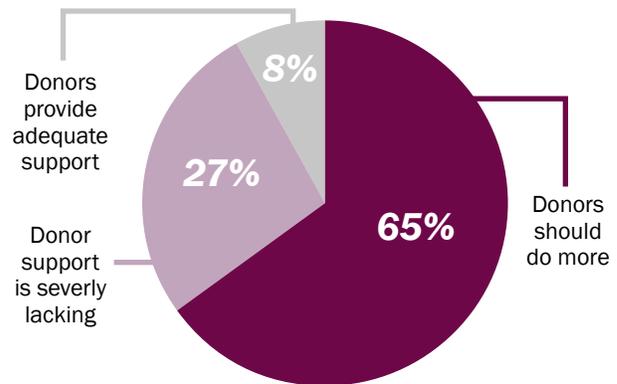


**90 percent of survey respondents agree that the private sector is essential to achieving RMNCAH outcomes**

**90 percent of survey respondents believe that financing for global health lacks predictability and sustainability**

Independent health experts interviewed for this report agree that donors and governments are more committed now than ever to private sector engagement. And all seven of the donors assessed acknowledge their role in utilizing private sector funding approaches and anticipate that their agencies will support more private sector organizations in the health sector over the next decade. Health professionals from both donor nations and low- and middle-income countries also believe that donor investments should support the private health sector. In a Devex survey of RMNCAH professionals, approximately one quarter say donor support to private sector approaches is severely lacking and nearly two-thirds indicate that donors should do more in these areas.

## PERCEPTIONS OF HEALTH PROFESSIONALS ON DONOR SUPPORT TO PRIVATE SECTOR APPROACHES



Devex Online Survey Results

## DONORS ARE NOT ALWAYS POSITIONED TO CAPITALIZE ON PRIVATE SECTOR FUNDING APPROACHES.

For over two decades, the global health community has endorsed public-private partnerships as a viable way to attract new partners and ideas and enhance scale, sustainability, and impact of RMNCAH interventions. Today, conceptions and interpretations of private sector engagement continue to evolve. Devex found that all the bilateral donor agencies assessed in this report have taken meaningful steps to better engage the private sector and each year their commitment deepens and expands. USAID, for instance, recently issued a “call to action for USAID staff and partners to embrace market-based approaches.” In its most detailed and ambitious private sector engagement policy ever, USAID calls private enterprise “one of the most powerful forces for lifting lives, strengthening communities, and accelerating countries to self-reliance.” European bilateral donors are also onboard with leveraging the private sector: the Netherlands’ most recent development cooperation policy highlights mobilizing the private sector as one of its action areas for achieving sustainable and inclusive growth worldwide.

But the reality is that most bilateral aid agencies are not setup to take full advantage of private sector capabilities. Interviewees indicate that development policy, bureaucracy, organizational and cultural norms, risk tolerance levels, staffing, operating

models, contracting protocols, and even industry language and nomenclature are some of the restraints inhibiting donors from pursuing more synergy with the private sector. USAID concedes that implementing its new private sector engagement policy will require a major cultural and operational transformation in the way the organization and its partners work.

***“You are going to get huge reproductive health gains if you are engaging private sector providers. But in many countries, it’s not being done at all or it’s being done in ad hoc ways. Donors can provide funding to begin to make that a less ad hoc process and plan for the long-term.... to drive interest and a strategic shift to long-term thinking on these issues.”***

–Emma Clark, Director, Maternal, Newborn, and Child Health, Chemonics International

Some of the questions donor agencies and health experts are asking:

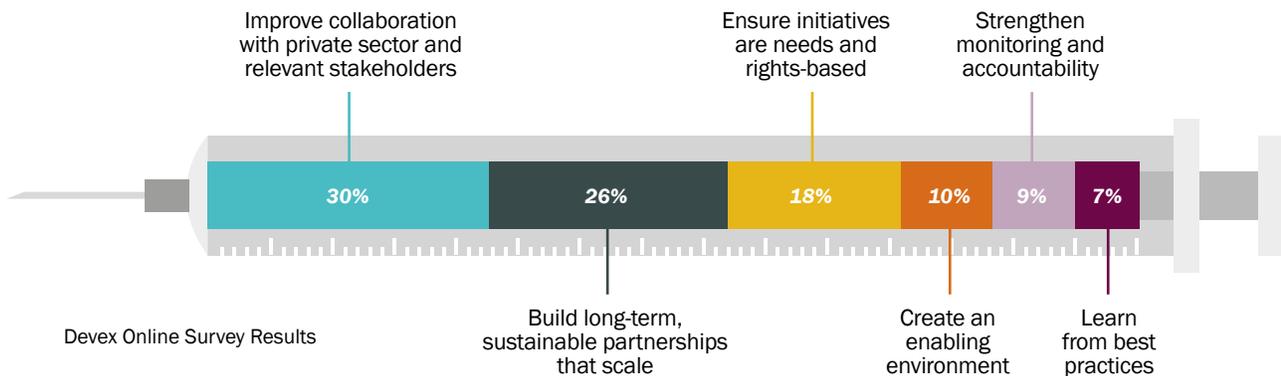
**“We see increasing amounts of domestic financing, in both Asia and Africa, as well as the critical importance of the private sector for service delivery, particularly in the context of universal health coverage. Donors recognize the private sector can increase efficiency and make precious resources go further.”**

–Martyn Smith, Managing Director, Family Planning 2020



- How can donors adopt more active engagement styles with businesses and investors?
- How can donors think of companies as long-term partners, rather than short-term contractors?
- How can donors maximize returns on their private sector investments?
- How can donors tap into innovative thinking and facilitate more competition among ideas?
- How can donors maintain standards of accountability while taking smart private sector risks?

### WAYS TO EXPAND PRIVATE SECTOR APPROACHES IN RMNCAH



## PRIVATE SECTOR CAPABILITIES IN RMNCAH COMPLEMENT PUBLIC SECTOR ACTION.

The private sector is not a replacement for the public sector in health care delivery, but it is a critical provider of health services in many low- and middle-income countries. Already, many patients in these countries prefer private sector health services due to ease of access, payment flexibility, among other benefits. According to the London School of Hygiene and Tropical Medicine, overall the private sector provides around 37 percent of family planning services, 44 percent of antenatal care, and 40 percent of deliveries, although there is substantial variation across countries and income groups. Meanwhile, a large share of clinics and hospitals in low- and middle-income countries are owned and operated by the private sector. International

**“In the developing world, health care services are provided both by ministries of health and private sector providers. It is important to engage them in both health and financing policy discussions. The private sector can also provide a critical source of external revenue to finance health, which is important given the large financing gap for RMNCAH.”**

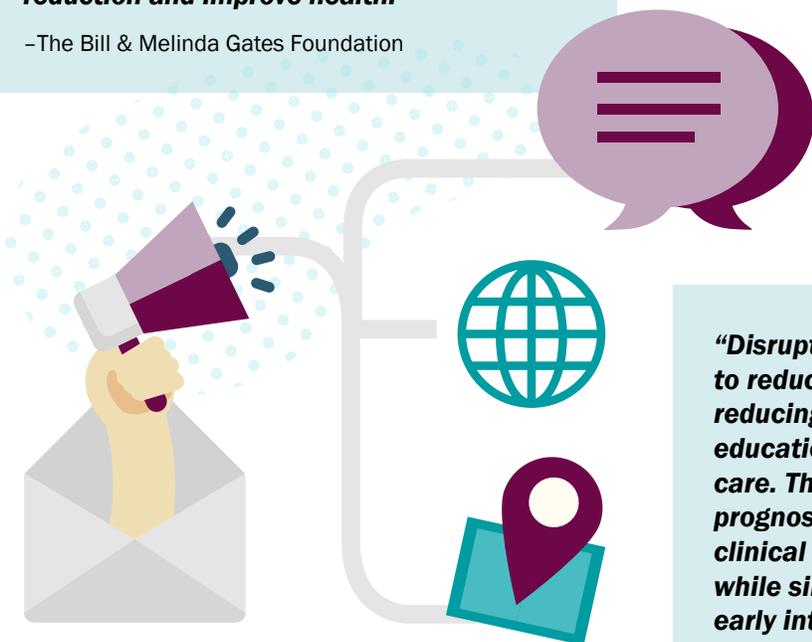
–Global Affairs Canada

donors and their implementing partners can leverage these private sector capabilities in support of country priorities that augment and complement public sector health capacity.

The DFID-supported African Health Markets for Equity project, for example, enables poor communities in Kenya and Ghana to access quality primary health care through social franchising networks that help small to medium-sized private health service providers reduce their costs. In partnership with the Bill & Melinda Gates Foundation, the program works with government agencies and through social franchising networks to help small providers deliver primary care to quality standards (supply) and to remove financial obstacles and other barriers to access (demand).

***“The private sector offers specialties like marketing, reaching the last mile, and service delivery – all of which are significant factors in breaking through the remaining barriers and helping us accelerate mortality reduction and improve health.”***

–The Bill & Melinda Gates Foundation



Private sector organizations also introduce important elements of innovation and the adoption of new technologies which are increasingly important to RMNCAH. According to the Partnership for Maternal, Newborn, and Child Health, 377 million women, children, and adolescents were reached through Every Woman, Every Child donor commitments that

used digital platforms, such as e-learning and mobile health platforms. From public health supply chain innovations to quality of care improvement systems and standards, private sector organizations can offer both transformational and incremental solutions to the most persistent RMNCAH problems.

The overall market for private health products and services is growing in emerging markets. Interviewees highlight the following specific opportunity areas for increased private sector engagement in RMNCAH:



- Private health facilities, services and commodities to expand access to quality RMNCAH care
- Private logistics operators to strengthen RMNCAH supply chains
- Private training institutions and methods to develop human resources for RMNCAH
- Private technology platforms and tools to standardize and improve quality of RMNCAH care
- Innovative investment and finance models to crowd in private sector capital for RMNCAH

***“Disruptive technology has the potential to reduce cost of health disparities by reducing costs, democratizing health-education and enabling access to virtual care. These technologies could turn prognostic medical information from a clinical field into a consumer-movement, while simultaneously reducing costs with early interventions.”***

–Devex Online Survey Respondent

Interviewees also stress the unique role international donors can play in helping partner country governments create an enabling environment for private sector engagement across these RMNCAH opportunity areas.

## TRANSPARENCY AND ACCOUNTABILITY MUST UNDERPIN PRIVATE SECTOR INVESTMENTS.

As the global health community looks to expand the use of private sector funding approaches to meet RMNCAH challenges, international donors must be mindful of the risks and unintended consequences. Misguided or inappropriate investments can promote irresponsible commercial behavior, distort or disrupt markets, and breed distrust in health systems and networks. To mitigate these risks, international donors must commit to high standards of transparency and accountability across all channels for private sector investment in RMNCAH, including blended finance, private sector providers, and other forms of public-private partnership. And these investments should only be made if they are truly aligned with public health objectives.

Civil society can help strengthen transparency and accountability of the private sector in RMNCAH. Already, civil society organizations are voicing concerns over the implementation of private sector instruments and demanding that the development community retain concessionality for any aid spent on the private sector, including the health sector. In the coming years, international donors will be tested on how to facilitate innovative finance and private sector investment for RMNCAH without undermining the core principles behind foreign aid.

According to interviews, some of the steps donors must take to make inclusive business investments in RMNCAH, include:



- Conduct financial, operational and reputational due diligence on private sector partners
- Engage civil society and open up channels for public consultation
- Invest in national regulatory and oversight capacities
- Regulate multinational private sector actors headquartered in donor countries
- Sanction impact assessments and independent monitoring and evaluation
- Implement effective relationship-management and partnership governance structures
- Employ systems for more formalized data tracking and reporting



***“Development cooperation partners - including bilateral donors, the development banks, global health foundations such as the Bill & Melinda Gates Foundation, and the UN system - should ensure that their engagements with the for-profit sector are guided by the same standards that they regularly apply to recipients of their technical and financial support.”***

–Independent Accountability Panel for Every Woman, Every Child, Every Adolescent

## MULTI-DONOR FUNDS AND PARTNERSHIPS EMBRACE PRIVATE SECTOR FUNDING APPROACHES.

Through important global initiatives such as the 2030 Sustainable Development Agenda and Every Woman, Every Child movement, the world has reached a global consensus that RMCAH is a critical element of a more equitable and prosperous world. To reach these goals, international donors have prioritized aid coordination, believing that reducing fragmentation and harmonizing efforts is the best way to scale impact.

The donor commitment to aid effectiveness and value for money has resulted in major investments in multi-donor funds and partnerships in RMNCAH, particularly Gavi, Global Financing Facility, and The Global Fund, which receive significant bilateral contributions and seek to reduce risk, synchronize and streamline donor activities, foster alignment with national health priorities, and promote private sector approaches in RMNCAH programming.

Gavi’s International Finance Facility for Immunisation, for instance, leverages long-term donor commitments to issue vaccine bonds on capital markets that address the demand for vaccines. Through Advance Market Commitments, Gavi leverages \$1.5 billion in donor commitments to incentivize and accelerate the production of pneumococcal vaccines, ensuring a stable supply in nearly 60 Gavi-eligible countries. The Global Fund, meanwhile, pools resources and closely coordinates with its private sector funders to design

innovative funding tools to sustainably support health systems that combat AIDS, tuberculosis and malaria at the local level. These mechanisms include, but are not limited to, impact investments, country-led trust funds, social impact and health bonds, concessional funds, and debt swap agreements.

**“These partnerships work because of our structural arrangement. We’re a public-private partnership ourselves. And we have a different approach, a different philosophy. We know what questions we need to solve, but we don’t claim that we know all the answers. In the traditional way of doing development, donors would say “we know what you need” – even if they don’t. We say we have a fair idea of the problem, but admit that we don’t always know how to solve it. It’s fundamentally this ability to question common wisdom that is key to bringing in the private sector.”**

–Guillaume Grosso, Director, International Business Development & European Strategy, Gavi

Donor	Annual Contributions		
	Gavi	GFF	Global Fund
Global Affairs Canada	\$87 million	\$36 million	\$203 million
EuropeAid	\$52 million	--	\$206 million
Netherlands	\$59 million	\$68 million	\$61 million
Norad	\$167 million	\$72 million	\$69 million
Sida	\$40 million	--	\$90 million
UK DFID	\$428 million	\$13 million	\$594 million
USAID	\$160 million	\$50 million	\$1.2 billion

Devex Research and Analysis

### **GFF Private Sector Engagement Strategy**

GFF helps governments in low- and lower-middle income countries transform how they prioritize and finance the health and nutrition of their people. A multi-donor partnership in support of Every Woman, Every Child, GFF relies on three primary pathways for private sector engagement: developing innovative financing mechanisms, facilitating partnerships, and integrating the private sector in all country platforms and investment cases. In 2017, MSD for Mothers committed \$10 million to GFF becoming its first private sector partner and, more recently, the medical equipment and training firm Laerdal committed \$12.5 million. GFF seeks to partner with a wide-range of private sector actors at multinational and country levels, specifically:

- Service providers
- Pharmaceutical manufacturers
- Medical technology companies
- Financial institutions (banks, development finance institutions)
- Private insurers
- Management and logistics firms
- Information and communications technology firms
- Private training institutions that develop human resources for health
- Private sector actors in other sectors related to health (e.g. energy, nutrition, water, sanitation)

## **BLENDING FINANCE SOLUTIONS HOLD TREMENDOUS POTENTIAL FOR RMNCAH.**

Official development assistance, philanthropic funds, and other forms of concessional development finance simply do not add up to enough money to meet the world's RMNCAH funding requirements, let alone the SDGs. And the countries that are most in need of RMNCAH support are typically higher-risk environments looking to attract outside private health investment. At the same time, low- and middle-income markets present major growth opportunities for businesses and investors.

Blended finance is an investment structuring approach that can mobilize new and promising sources of private capital towards RMNCAH in low- and middle-income countries and international donors are critical to realizing its potential. While Development Finance Institutions—government-backed financial institutions that invest in private sector economic development projects—are

***“If you write a grant check, once the grant dollar is out the door it gets a finite impact return. If you take that same grant dollar, in a blended finance structure of some sort, you are investing in something that is an economic engine. A good blended finance model is economically sustainable. That grant dollar will run several more laps before it is exhausted.”***

–Joan M. Larrea, Chief Executive Officer, Convergence



more active in blended finance transactions, bilateral aid agencies also support blended finance deals. Sida, for instance, supports a range of blended finance structures through its flexible guarantee instruments. In 2017, Sida channeled \$75 million, or 10 percent of overall guarantees, to develop and scale products and services in the health sector.<sup>3</sup> In 2017, USAID, in partnership with UBS Optimus Foundation, Palladium, Hindustan Latex Family Planning Promotion Trust, Population Services International, and MSD for Mothers, launched the first health impact bond, called the Utkrisht Impact Bond, which aims to reduce the number of maternal and newborn deaths by improving the quality of maternal care in private health facilities in the northern Indian state of Rajasthan.

According to Convergence, the global network of blended finance, “archetypes” include concessional capital, guarantees, risk insurance, technical assistance funds, and design-stage grants. These approaches help de-risk and incentivize private sector investments from pension funds, insurance companies, sovereign wealth funds, commercial banks, investment banks, private equity firms, and asset managers in low- and middle-income countries.

Convergence has recorded eight consummated blended finance deals that explicitly target RMNCAH in low- and middle-income countries, representing approximately \$560 million in total investment. The average deal size across the eight RMNCAH blended finance deals is \$70 million compared to the average deal size of \$319 million across all deals. Blended

**“Development agencies shouldn’t become investment agencies, but the international development sector needs more scale. The commercial sector wants to be in this business but in some markets their investments must be de-risked.”**

–Joan M. Larrea, Chief Executive Officer, Convergence

finance solutions for RMNCAH have included investment funds, projects, and impact bonds.

In 2017-2018, Convergence noted a “significant uptick” in development agency interest in blended finance and efforts to mobilize private sector investment more broadly. Development agencies have primarily provided concessional guarantees or concessional capital to RMNCAH-focused investment vehicles. Six out of eight blended finance solutions for RMNCAH include concessional capital from development agencies. To date, RMNCAH solutions have not involved technical assistance and design-stage funding, but these modalities could play an important role in the development of more blended finance solutions moving forward. Convergence highlights that international donors also bring more to blended finance transactions than just funding, including development knowhow, local networks and connections, and credibility that mitigate private investment risk.

## **LACK OF STANDARDIZED PRIVATE SECTOR FUNDING DATA HINDERS PROGRESS.**

We measure what matters. Yet, while international donors are committed to higher levels of private sector engagement, they currently do not employ consistent definitions around private sector engagement or account for investments in private sector funding approaches for RMNCAH. Some of the larger donors, such as USAID, can estimate that percentage of funding that is programmed in collaboration with the private sector. Others publish private sector investments through press releases, policy documents, and, less commonly, contract awards. But Devex found that the majority of donor agencies assessed

in this report do not formally or systematically track or report commitments to the private sector, which makes assessing actual disbursements and activities difficult. Interviewees note that even when financial data does exist, it is disconnected from measurements of performance and impact.

How can international donors more widely adopt these approaches and increase smart investments in the private sector if we fail to account for them?

<sup>3</sup> Sida website, “Sida’s guarantee instrument”: <https://www.sida.se/English/partners/our-partners/Private-sector/Innovative-Finance/>

Interviewees agree that the global health community must establish definitions, standards, rules, and systems to push donors to measure and report these investments. But after four years of negotiations facilitated by the OECD-DAC, the world's top donors have been unable to agree on a comprehensive set of rules on how to report aid spent through private sector instruments, such as loans, guarantees, and equity. The OECD-DAC negotiations are part of a broader campaign to update the concept of ODA and incorporate new flows, activities, and instruments into the official aid reporting systems. If donors can agree on common definitions and rules for all private sector instruments, donors will be more incentivized to use ODA funds to crowd-in additional private service provision and finance for RMNCAH.



***“Data tracking, monitoring, and evaluation of both money and projects that are collaborative in nature is critical. Since the public sector is inherently averse to risk-taking, we need a systematic approach to collecting information to identify areas where risk is lower and there are pathways to creating momentum for further action. Donors must know the successes and pitfalls of private sector investments so they can learn and continue to invest in what works.”***

–David Fleming, Vice President, Global Health Programs, PATH

***“We have big data gaps in terms of service provision. In many cases, we are not capturing the private services that are provided. There is a need for strong government leadership to ensure that the private sector report back to them. In order to capture comprehensive national health statistics, we need to know the details on private sector engagement and solutions.”***

–Anshu Banerjee, Director, Maternal, Newborn, Child and Adolescent Health, WHO

Convergence is one of the groups advocating for the more effective dissemination of innovative and blended finance return and impact data: “The main factor influencing investment decision-making of institutional investors is past performance of an asset class, previous success/failures with similar investments, and expected return from the asset class. There is currently a paucity of return data on blended finance transactions – in particular target or actual return data for commercial tiers of capital in blended finance transactions. In addition, there are no standard frameworks to compare an investment opportunity’s impact on the Global Goals. There is a need for greater transparency in the blended finance market to build the evidence base for institutional investors to justify participation.”

Interviewees suggest that OECD and other RMNCAH-focused associations or intermediaries could play an important role in collecting and organizing donor data on private sector funding approaches. They point to efforts by the Kaiser Family Foundation to conduct an annual analysis of donor funding for family planning activities and Family Planning 2020’s estimates of domestic government expenditures for 31 focus countries. While these initiatives do not track private sector funding, they do begin to establish a baseline that could be used to measure and report all RMNCAH funding over time and assess progress in meeting goals and targets.

# DONOR INDEX

## RMNCAH PRIVATE SECTOR FUNDING APPROACHES

Donor	Private Sector Engagement Strategy	RMNCAH Multi-Donor Funds & Partnerships			RMNCAH Private Sector Funding Approaches			Signature RMNCAH Initiative(s)	Standardized Data Tracking & Reporting
		GAVI	GFF	Global Fund	Blended Finance Instruments	Private Sector Providers	Public-Private Partnerships		
Global Affairs Canada	✓	✓	✓	✓	✓	-	✓	Grand Challenges Canada	-
European Commission – EuropeAid	✓	✓	-	✓	✓	✓	✓	-	-
Netherlands Ministry of Foreign Affairs	✓	✓	✓	✓	✓	-	✓	Product Development Partnership III	-
Norad	✓	✓	✓	✓	✓	-	-	Implant Access Program	-
Sida	✓	✓	-	✓	✓	-	✓	Implant Access Program	-
DFID	✓	✓	✓	✓	✓	✓	✓	African Health Markets for Equity	-
USAID	✓	✓	✓	✓	✓	✓	✓	Saving Lives at Birth; Saving Mothers, Giving Life	-

## ACKNOWLEDGEMENTS

A special thanks to the organizations that shared their perspectives and insights for this report:





## MSD for mothers

Can you envision a world where no mother dies giving birth? We can. That's the vision of MSD for Mothers, MSD's 10-year, \$500 million initiative focused on improving the health and well-being of mothers before, during and after pregnancy and childbirth. The research in this publication was supported by funding from MSD, through its MSD for Mothers program. MSD for Mothers is an initiative of Merck & Co., Inc., Kenilworth, N.J., U.S.A.



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