

39th Board Meeting

Update on Innovative Financing

For Board Information

GF/B39/25

Skopje

09-10 May 2018

 **The Global Fund**

 The Global Fund  Le Fonds mondial  El Fondo Mundial  Глобальный фонд  全球基金  الصندوق العالمي 

Executive Summary (1/3)

Summary Conclusions

- Given the changing financing landscape and existing financial and programmatic gaps, the Global Fund should leverage opportunities to use innovative finance to **increase funding flows** for the itself and other actors, as well as **increase the efficiency of our investments and national programs**.
- The Global Fund could do this by offering countries a clearer and broader menu of potential support, by: **1) directly supporting** financial instruments that are complementary to grants and offer additional impact; **2) coordinating, advising and advocating** for other funders, including recipient countries, DFIs and the private sector, to increase their financing of the GF mission
- **Impact must be the primary driver for the use of IF.** IF approaches should be deployed in an “impact first, finance second” manner, in accordance with GF operating principles, where there is additionality to traditional grant funding, capacity for delivery, and an ability to evaluate success

Executive Summary (2/3)

Background:

1. The Board has requested the Secretariat to articulate a more structured approach to the use of IF. The March SC and AFC paper provided a summary of the objectives of the IF approach and the instruments considered within the review, as well as outlining the process for further developing the approach. The AFC/SC paper are available here [AFC paper/ SC paper](#). A summary of the feedback received from the AFC and SC is provided in the Annex
2. This presentation provides the contextual background for undertaking the review, an update on the process to develop the approach, an example first-level analysis of a relevant programmatic challenges and a preliminary proposal on the roles that the Global Fund could have in the future.

Questions addressed in this slide deck:

1. In what ways could innovative financing mechanisms contribute to addressing Global Fund programmatic and financing challenges?
2. Which roles could the Global Fund take to support the objectives of innovative finance?
3. What are some examples of the relevant problem statements that could be addressed by innovative finance?
4. How will the Secretariat approach this analysis in the next phase of the review?

Executive Summary (3/3)

Input Received

1. Reference is made to all previous relevant Board decisions in the SC and AFC paper
2. Presentation and feedback at the 6th SC and 6th AFC (summary feedback included in Annex)

Input Sought

Review and provide input to:

1. The principles and priority areas, as well as concerns or guidance on the starting point principles and use case taxonomy
2. The potential roles that the Global Fund could take to support the objectives of IF
3. How the Secretariat will approach the analysis and consultations in the next phase of the review

Next Steps:

1. During the next phase of the review, the Secretariat will continue consultations with key stakeholders and will define a structured approach including high potential IF mechanisms for the Global Fund.
2. This approach will detail the Global Fund role for each mechanism, implications for resourcing, and any changes to Global Fund policies or internal processes required.

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Process for Prioritization and Potential Global Fund Roles

Next Steps and Stakeholder inputs

Annex

Trends in Development Finance

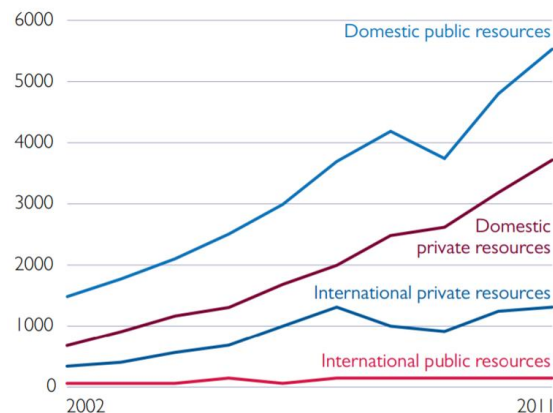
Changes in the development financing landscape create opportunities to explore new approaches

- **Financing for development has grown rapidly in the 21st century.** Multiple sources of funding have unlocked trillions of dollars in public and private financial flows both to and within developing countries.
- **Domestic resources are experiencing accelerated growth and account for the largest source of development financing.** Driven by increases in GDP and tax revenues in the public domain and through the maturation of local capital markets in the private sector, economic growth continues to mobilize domestic resources.
- **Private capital flows to emerging countries have increased dramatically.** Private capital more generally is increasingly focused on social impact as well as financial return. Sources of finance are being combined, complemented, and aligned, sometimes with traditional development aid, towards new approaches for development finance.
- **While DAH remains vital, further significant increases seem unlikely; making it a smaller share of total financial flows.** The role of DAH should be considered in light of the changing architecture of development finance and the opportunities for new financial models that increase funds.

Trends in development finance to and within developing countries

USD billion, 2002-2011

Source: USAID, "Investing for Impact," 2017



Implications for Global Fund

The Global Fund should play a leadership role in global health financing

- Huge gains over the last two decades; however existing levels of funding not sufficient
- More (impact/\$) is rightly expected of investments in global health
- Requests for additional resources matched with calls to improve the efficiency, effectiveness and sustainability
- Countries are developing new innovative models and solutions, and the Global Fund should be prepared to respond to them

The Global Fund (and partners) should define an ambitious, but realistic, agenda for catalyzing additional finance and better financial approaches:

- 1. Strategic leadership on resource mobilization**
- 2. Support complementary financial mechanisms**

See following page

Catalyzing innovative finance

Strategic leadership enabling country innovation

1. Strategic leadership on resource mobilization

Provide strategic leadership and engagement on solutions that unlock additional sources of public (international and domestic) and private finance, for example:

- Coordinate with key stakeholders on critical health financing approaches (e.g. domestic fiscal policy, DFI health financing strategies, etc.)
- Catalyze private and DFI co-investments alongside GF financing

2. Support to complementary financial mechanisms

Identify and directly support financial mechanisms that can be complementary to and/or more effective than traditional grants in delivering outcomes, for example:

- Provide support for a menu of appropriate financing options accessible to recipient countries to support financial innovation and impact
- Provide clarity on how, and on what, partners can engage with the Global Fund – unlocking new partnerships with, for example DFIs, Technical Partners and the private sector

Guiding Principles for a Structured Approach to IF

Project principles are grounded in GF principles and SC/AFC feedback

Project Guiding Principles

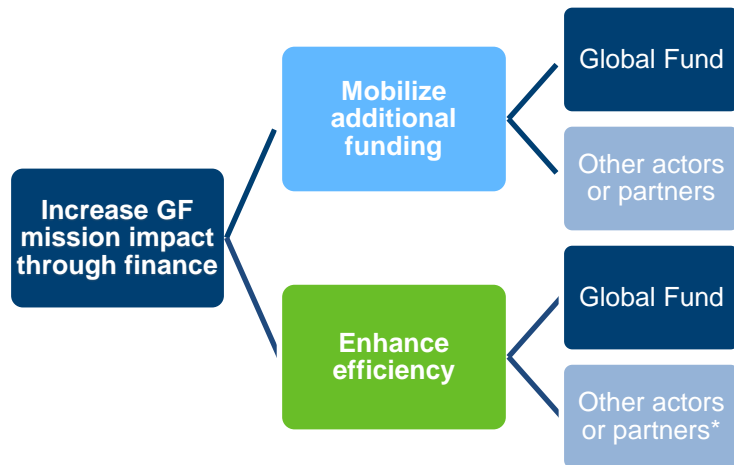
1. **Strategic approach that builds on past work**
2. **Consistency with Global Fund principles** - Country Ownership, Additionality, Appropriateness, Reputational Risk (and principles included in Framework for Blended Finance)
3. **Impact first (financial approaches second)**
4. **Country led - coordination and consultation across key stakeholders**
5. **Consideration of capacity, risks and opportunity costs**

Feedback received on approach and instruments:

- Ground the analysis in key programmatic and financial challenges and opportunities
- Ensure additionality and appropriateness of potential mechanisms
- Integrate a clear evaluation framework for efficiency and value addition
- Start with and ensure alignment with GF operating principles
- Build on existing literature and analysis on Innovative Finance, and focus quickly on high-potential areas for the Global Fund
- Consider implications on operational procedures, policies, and any risks (e.g. debt sustainability, unintended loss of incentives, timelines for development)
- Incorporate perspectives of constituencies, partners and experts
- Take in to account the capacity and capabilities of partners
- Ensure intersection with Global Fund efforts to strengthen Sustainability and co-financing, and support success transitions

Defining “Innovative Finance” for the Global Fund

Putting impact additionality and financial additionality at the center



To increase the impact of its mission, the Global Fund can:

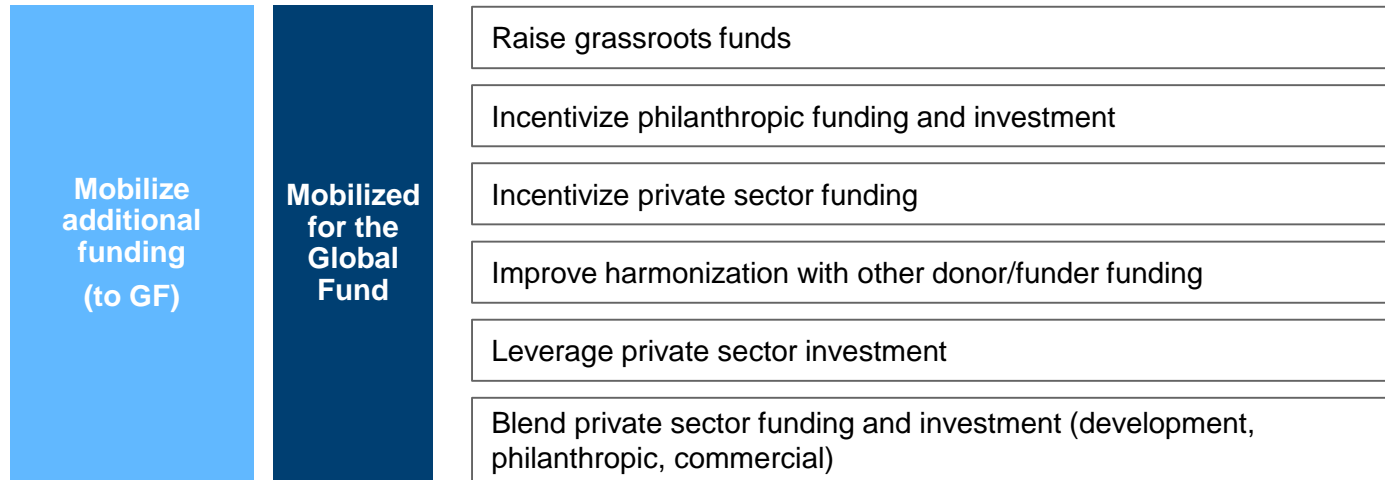
- Mobilize additional funding beyond conventional mechanisms, such as established financing commitments, existing donors and bonds from traditional international financial institutions
- Enhance efficiency to increase the specific health impact for a given resource envelope of programs (by the Global Fund and other actors or partners)

Note: “Other actors or partners” are all other stakeholders involved in the fight against the three diseases outside of direct relationships to the Global Fund. These include, for example, DFIs, governments, private sector and other implementers or funders

* Enhancing the efficiency of other actors less likely a major role for GF

Defining the Value Add of IF mechanisms

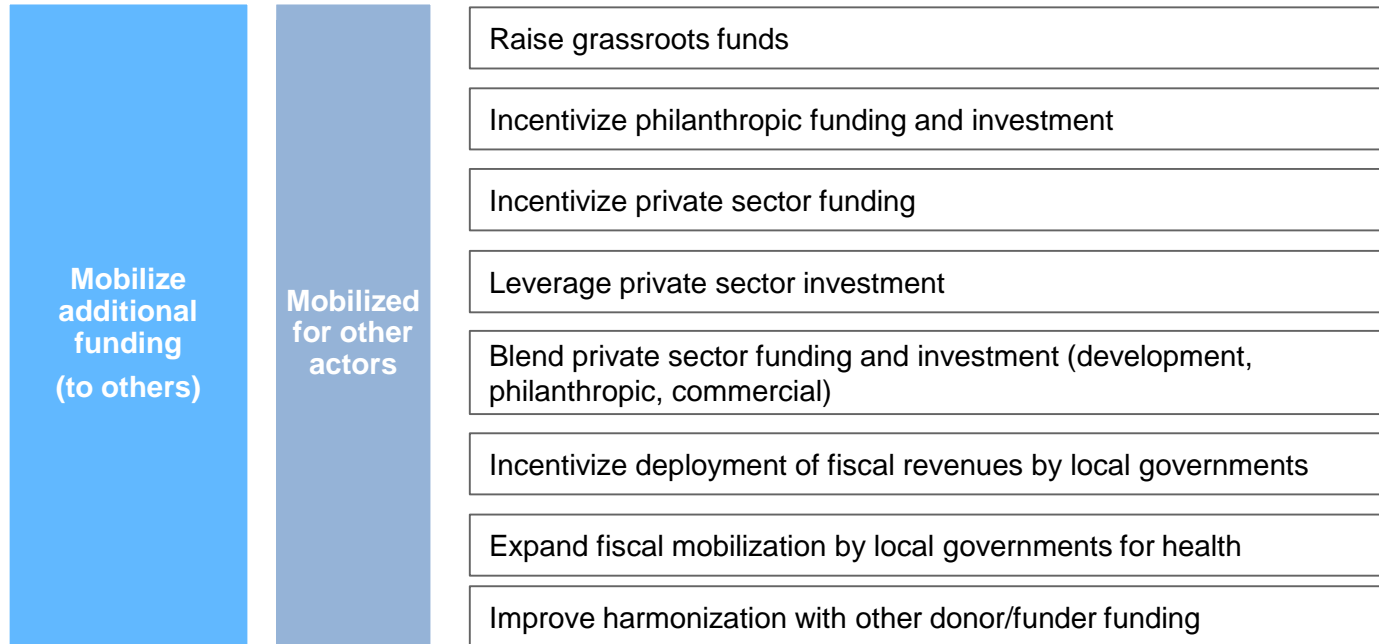
IF approaches may bring additional value in the following use cases*



Definitions of each use case, and a mapping to the innovative financing mechanisms is included in the annex

Defining the Value Add of IF mechanisms

IF approaches may bring additional value in the following use cases



Definitions of each use case, and a mapping to the innovative financing mechanisms is included in the annex

Defining the Value Add of IF mechanisms

IF approaches may bring additional value in the following use cases

Enhance efficiency

Improve incentives and accountability for results by recipients

Address market and information asymmetries

Manage implementation risk of Global Fund programs

Reduce transaction costs for mobilization and disbursement

Frontload financing for recipients

Incentivize private sector delivery of goods and services

Enhance sustainability of programming by recipients

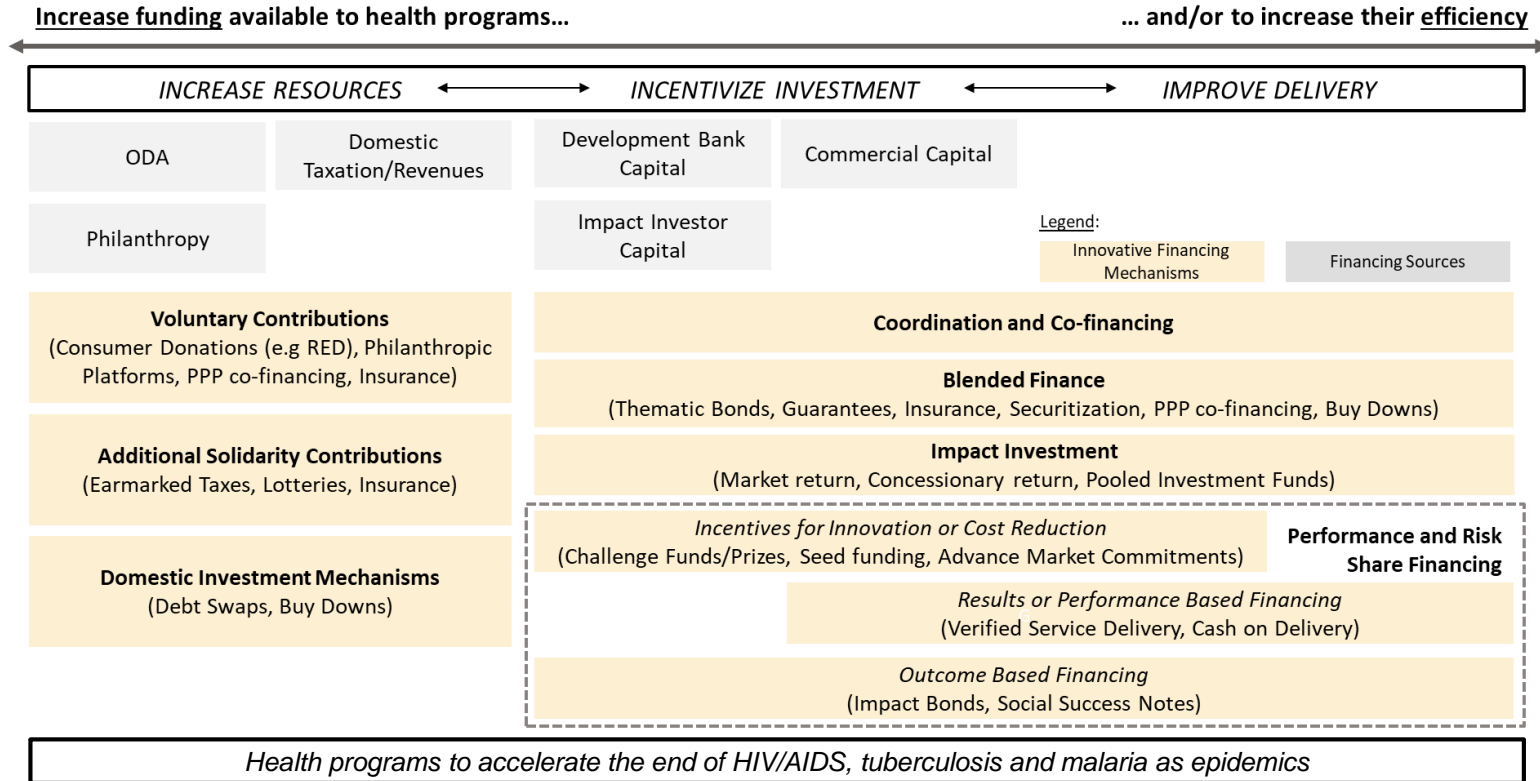
Enhance county ownership of Global Fund-supported priorities

Improve harmonization with other donor/funder activities and funding

Improve incentives for behavioural changes or intervention scale

*Definitions of each use case, and a mapping to the innovative financing mechanisms is included in the annex
Enhance efficiency for other actors not shown in detail as less likely a GF priority*

Starting point: Simplified Landscape of IF Mechanisms



Notes: 1. This landscape is generic and is not specific to the Global Fund. It presents mechanisms in a simplified manner to aid presentation; 2. The analysis builds on past landscaping studies by other organizations (e.g. “Innovative Finance for Development Solutions”, World Bank, 2008)

Building on GF engagement in Innovative Finance

IF approach objectives are aligned with past GF efforts and policies to mobilize additional resources and improve effectiveness

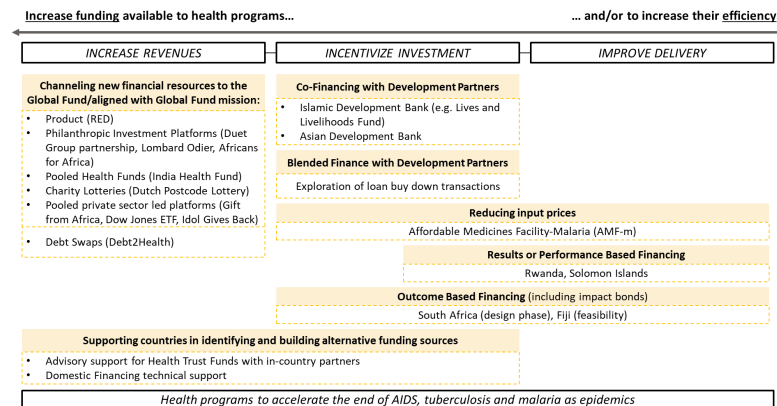
Additional Resources:

- Co-financing - Global Fund uses grants to leverage additional domestic resources for health and the three diseases
- Resources - the Global Fund has raised USD ~600M through innovative finance; most successful examples Product(REDF) and Debt2Health.

Increased Effectiveness: The Global Fund's grants incorporate a results-based focus. In addition, the GF has begun using IF at a relatively small scale to further strengthen the focus on results, including:

- Grants which link part or all of GF funding to recipients to specific targets or milestones (e.g. Rwanda, Solomon Islands)
- Support for feasibility assessments and design of impact bonds (e.g. South Africa and Fiji)
- Exploring co-investment with IFIs and DFIs (e.g. Asian Development Bank, Islamic Development Bank)
- Exploration of buy-down transactions

Illustrative Examples of Past GF Engagement



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Full size slide included in Annex

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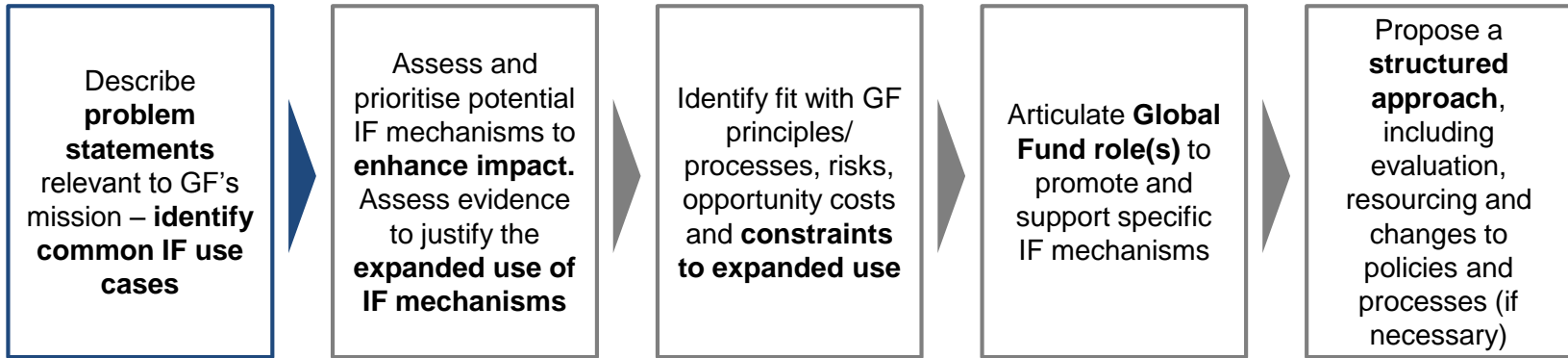
Context: Rationale, Principles, Definitions and Instruments

Process for Prioritization and Potential Global Fund Roles

Next Steps and Stakeholder inputs

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Process to prioritize innovative finance approaches



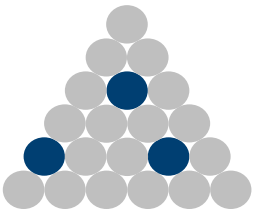
Initial draft
(further consultations
required)

To be completed by 40th Board Meeting

Programmatic Challenges Approach

Approach to identification of the specific programmatic challenges relevant for IF approaches

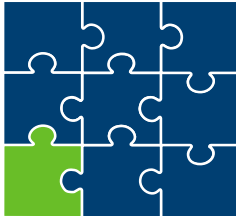
Identification of programmatic challenges



Identification based on:

- Global Fund Strategy, Priority areas for Catalytic Investments
- WHO technical strategies
- Consultations with GF and other stakeholders

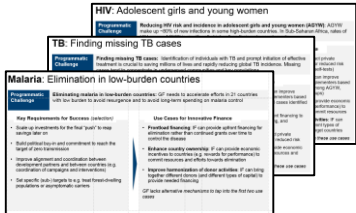
Analysis of the role of financing for selected challenges



Assessment of whether challenges:

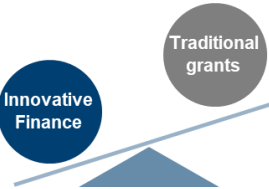
- Are of financial nature; or
- Can be addressed through financial solutions

Illustration of IF use cases from critical challenges



See next slide for an illustrative example
(Further examples in Annex)

Analysis of potential value-added of IF mechanisms



Assessment of whether IF has a value-added role (“use case”) to address the challenges that traditional grants do not have

Programmatic Challenges Analysis (Example)

Example of potential Innovative Finance use cases for a specific challenge

Programmatic Challenge

Eliminating malaria in low-burden countries: The GF needs to accelerate efforts in 21 countries with low burden to avoid resurgence and to avoid long-term spending on malaria control

Key Requirements for Success (*selection*)

- Scale up investments needed for “last mile” efforts to achieve elimination and generate savings from avoided expenditure on new cases
- Build political buy-in and commitment to reach the target of zero transmission
- Improve alignment and coordination between development partners and between countries (e.g. coordination of campaigns and interventions)
- Set specific targets for malaria interventions to enable elimination (e.g. treat forest-dwelling populations or asymptomatic carriers)

Potential Use Cases for Innovative Finance

- **Frontload financing:** provide upfront financing for elimination rather than continued grants over time to control the disease
- **Enhance country ownership:** provide economic incentives to countries (e.g. rewards for performance) to commit resources and efforts towards elimination
- **Improve harmonization of donor activities:** bring together different donors (and different types of capital) to provide needed financing
- **Results or outcome or based financing:** provide incentives for, or de-risk innovation to improve, performance in specific areas

Sources: Global Fund, “Catalytic Investments for the 2017-2019 Allocation Period,” 2016; Dalberg analysis

Approach to the Identification of potential Global Fund roles in Innovative Finance

- The following pages outline the first step in the approach the Secretariat is taking to identifying roles that the Global Fund *could* and *should* play in innovative finance,
- The roles the Global Fund could play for each mechanisms is shaped first and foremost by the Global Fund's mission, constitutional mandate, legal status and regulatory context.
- . An early proposal for the role the Global Fund could play is provided here.
- In the next stage of the project, the Secretariat will consider how the Global Fund should use each mechanism going forward, the implications for the role that the Global Fund should play for each mechanism, and the operational implications this would have.

Global Fund Roles

Typology of roles the Global Fund could take

Types of indirect roles:

Support Vision & Agenda	Play a high-level advocacy role for specific Innovative Finance mechanisms with other stakeholders
Support Design & Implementation	Provide non-financial technical support to partners on the feasibility of a mechanism, and the design and implementation of specific transactions
Coordinate	Increase alignment of financing flows with national strategies through engagement in design, planning and implementation with other financiers.
Incentivise	Provide incentives for the use of innovative financing mechanisms by recipients, including (but not limited to) linking use of mechanism to other Global Fund support

Types of direct roles:

Catalyse	Provide early-stage financing to structure and design innovative financing mechanisms with / by partners
Invest	Finance innovative financing mechanisms for recipient countries (where requested and where there is a clear rationale for impact)

Note: *Roles are not mutually exclusive. Where the Global Fund is able to play a direct role it would also be possible to play an indirect role; it is possible for GF to play 1 or more roles within the indirect and direct categories

Preliminary sorting of Indirect and Direct Roles

Based on the Global Fund's constitutional mandate, legal status and regulatory context

In the next phase of the review - instruments will be prioritised/removed as per slide 16

<p>Assess for, Coordination, Supporting, Incentivization or Agenda setting role(s)</p>	<p>Alignment of donor/funders ODA, Philanthropy, DFI etc</p>	<p>Assess for Catalytic or Investment role(s)</p>	<p>Consumer Donations</p>
	<p>Blended finance Thematic Bonds, Guarantees</p>		<p>Philanthropic Platforms</p>
	<p>Additional Solidarity Contributions Earmarked taxes, levies, Lotteries, Insurance</p>		<p>Debt Swaps</p>
	<p>Incentives for innovation/cost reduction e.g. Challenge Funds, Prizes, Seed funding</p>		<p>Blended finance <i>Buy Downs, PPP co-financing</i></p>
	<p><i>Impact Investment</i> (e.g. Concessionary Return, Pooled Investment Funds, etc.)</p>		<p>Advanced Market Commitments</p>
			<p><i>Outcome-Based Financing</i> (e.g. Impact Bonds)</p>
			<p><i>Results Based Financing</i> (e.g. Cash On Delivery, Verified Service Deliver etc.)</p>

Notes: 1. Categories grouping multiple IF mechanisms are in *italic*;

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Context: Rationale, Principles, Definitions and Instruments

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Next Steps and Stakeholder inputs

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Next Steps and Stakeholder inputs

The Secretariat is seeking input from across a broad range of stakeholders

Secretariat:

Global Fund staff representing all relevant departments and divisions have been and will continue to be consulted throughout the process

Civil Society, Multilaterals Institutions, and Technical Experts:

- The Secretariat will proactively engage external stakeholders to inform the strategic approach
- The Secretariat is leveraging the technical expertise of Dalberg (consulting firm) and its network throughout the process

Board and Committee Constituencies:

- The Secretariat has sought input from the Strategy Committee (SC) and the Audit and Finance Committee (AFC) in preparation for the Pre-Board session, and will continue to provide updates through regular committee engagement
- The Secretariat would welcome further additional input from Board constituencies during the period from now until the next Board session – iterations of the approach will also be considered by the next AFC and SC meeting
- It is envisioned that the structured approach will be presented at the next Q3, 2018 Board Meeting

Timeline For
confirmation
by MEC

Content Overview

Context: Rationale, Definitions, Instruments and Principles

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Content Overview

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Summary of AFC and SC Feedback

Examples of IF Transactions by the Global Fund

Innovative Finance Use Cases Description (WIP)

Illustrative Problem Statement Descriptions

Mapping of IF Mechanisms to Use Cases

Summary of SC feedback (*extract from the Draft Report of the 6th Committee Meeting*)

- **Previous Analysis.** The Secretariat should ensure that the review builds on previous analyses, while ensuring that it is adapted to Global Fund context
- **Scope of Analysis.** SC recognised the value in starting from a broad set of opportunities and considering the appropriate role for the Global Fund within this broad landscape, but supported the need to focus and prioritise high priority mechanisms as quickly as possible during the review.
- **Impact first approach.** Strong support was expressed for framing the review of potential innovative finance solutions from a program and impact perspective first, and a finance perspective second.
- **Efficiency and Additional Resources.** Important to ensure, as highlighted in the paper, that the structured approach considers both opportunities for raising additional resources as well as strengthening efficiency and effectiveness. These should be balanced in the review.
- **Partners and consultative process.** The SC sought clarification on the types of consultations that would be undertaken to guide the work, such that the review covers both the operational aspects of potential mechanisms (i.e., the role of the CCM, existing Global Fund processes) and the role of partnerships and collaboration (e.g. engagement of civil society, country partners, Secretariat, and other organisations).

Summary of SC feedback (*extract from the Draft Report of the 6th Committee Meeting*)

- **Guiding Principles & Oversight.** The SC noted the need to clearly base the review in the Global Fund's core values and guiding principles, indicating how these have been considered in the development of the approach.
- **Evaluation.** It is important to ensure that the development of the approach includes the development of evaluation/M&E frameworks to assess the value add of the mechanisms which are ultimately proposed.
- **Risk and Cost.** It is important to adequately highlight risks that are applicable to mechanisms, and ensure that the approach reflects an objective analysis covering opportunities as well as risks.
- **Timelines.** The SC noted the ambitious timeline and sought clarification on the timelines of the review, and what would be presented to the upcoming Board Meeting in May. The SC noted that a more lengthy timeline would help strengthen the comprehensiveness and quality of the review.

Summary of AFC feedback (*extract from the Draft Report of the 6th Committee Meeting*)

- **Previous Analysis.** The Secretariat should ensure that the review builds on previous external analyses, while adapting to Global Fund context. There is also a need to recognise the political and operational implications both at a Secretariat level and at a country-level.
- **Efficiency and resource mobilization.** The AFC appreciated the approach of defining innovative finance as a dual approach of focusing on mechanisms to mobilise additional resources, and/or also strengthen program efficiency.
- **Consultation process.** The AFC sought clarification on the types of consultations that would be undertaken to guide the work, noting that it should cover a diverse pool of partners (such as academic, innovative finance experts, implementing countries, and development finance institutions), to ensure an objective review supported by evidence.
- **Harmonisation with partners.** The review should prioritise how Global Fund can coordinate with partners, including looking at the operational challenges and coming up with realistic implementation strategies.
- **Portfolio Level or Country Specific.** The AFC requested information on whether the mechanisms would be general to the Global Fund portfolio, or country specific.

Summary of AFC feedback (*extract from the Draft Report of the 6th Committee Meeting*)

- **Prioritisation of mechanisms.** The review should prioritize mechanisms that the Global Fund can realistically engage in, after reviewing the operational, policy-related, transaction and opportunity costs and implications, capacity requirements, size of investment required by each partner, and resulting impact.
- **Guiding Principles & oversight controls.** The AFC requested information on the types of oversight controls and guiding principles applicable to innovative finance.
- **Value for money, cost & structure.** It is important to highlight the transaction and overhead costs associated with the mechanisms, type of structure and the value for money to ensure they are sustainable arrangements.
- **Scope.** The AFC requested information on the scope of innovative finance mechanisms currently in use at the Global Fund, as well as funding committed by other partners for the three diseases, in order to guide the approach to additional funding needs and identify an advocacy role for the Global Fund.
- **STC and key populations.** The AFC noted that the review needs to consider challenges in transition contexts, how different mechanisms would affect or support key populations, the political implications, and downstream effects of the mechanisms.

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Summary of AFC and SC Feedback

Examples of IF Transactions by the Global Fund

Innovative Finance Use Cases Description (WIP)

Illustrative Problem Statement Descriptions

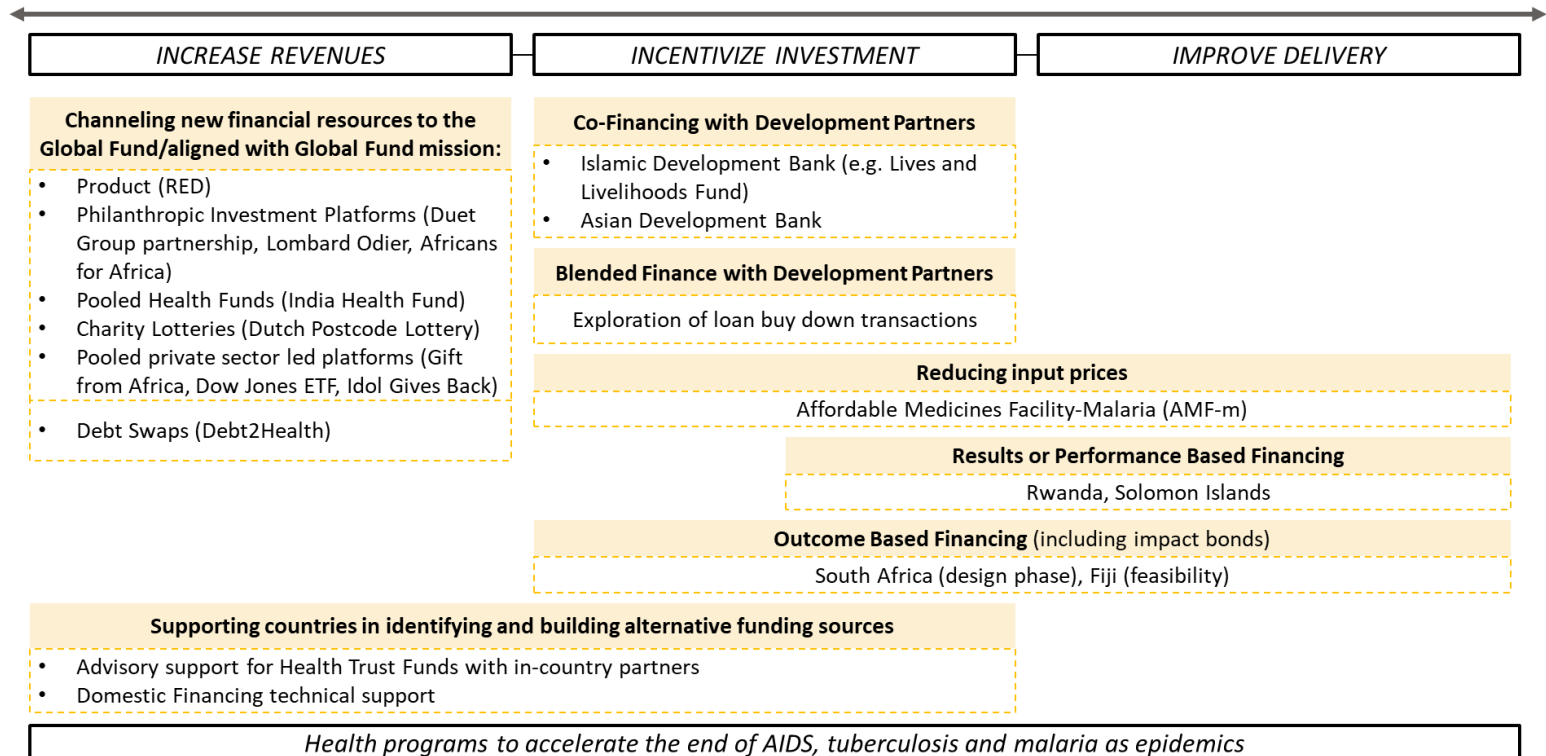
Mapping of IF Mechanisms to Use Cases

Extensive Global Fund engagement and innovation to date¹

Global Fund current/previous engagement in complementary financing

Increase funding available to health programs...

... and/or to increase their efficiency



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Mapping of IF Mechanisms to Use Cases

Use Cases – description (WIP) (1/2)

Use Case	Description
Address market failures	
Improve incentives / accountability for results	Improve accountability of recipients and implementers to donors and investors
Address market and information asymmetries	Reduce asymmetries of information that discourage funding or investment
Improve working arrangements with implementing partners	
Manage implementation risk	Protect funders or payers from the risk of failure related to implementation
Reduce transaction costs	Reduce design and/or implementation costs of mobilization and disbursement
Frontload financing for recipients	Mobilize financial resources needed upfront rather than over time
Incentivize private sector delivery	Encourage private sector delivery of underdeveloped or under-marketed goods and services
Improve quality of aid	
Enhance sustainability of programming	Improve continuity of programming and sustainability of funding in health programs
Enhance county ownership	Increase political commitment by domestic governments to GF-supported priorities
Improve harmonization with other donor activities and funding	Improve coordination between funders when mobilizing resources for health interventions
Improve incentives for behavioural changes	Improve incentives for beneficiaries to adopt desired behaviours (or change behaviours)

Enhance efficiency and effectiveness

Use Cases – description (WIP) (2/2)

	Use Case	Description
Mobilize additional funding	<i>Mobilize philanthropy</i>	
	Raise grassroots funds	Mobilize funds from individuals to fund health priorities
	Incentivize philanthropic funding and investment	Incentivize funding / investment from foundations and private charities
	Incentivize private sector funding	Incentivize donations from private companies
	<i>Increase private sector investment</i>	
	Leverage private sector investment	Incentivize commercial investment in health priorities
	Blend private sector funding and investment	Attract different types of investors and donors to fund health programs
	<i>Increase public sector investment</i>	
	Incentivize deployment of fiscal revenues by local governments	Incentivize public investment in health priorities from existing fiscal revenues
Expand fiscal mobilization by local governments for health	Increase fiscal revenues mobilized locally to fund health programs	

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Mapping of IF Mechanisms to Use Cases

Illustrative Problem Statement Descriptions (1/2)

Problem Statement	Description and IF use case
Create incentives and change behavior – TB case reporting	There are ~3.6 million missed TB cases every year. In many TB-endemic countries, a large share of patients initially go to private providers (e.g. in India). Some of these providers fail to diagnose and report TB patients. IF instruments could create incentives for private sector clinics to reward reporting cases to surveillance bodies
Ensure sustainability and foster experimentation – Funding of local implementers post transition	GF is the main source of funding for many local civil society organizations. PRs and sub-recipients face shortage of funding following country transition from GF financing. IF mechanisms could provide seed capital to allow pioneering of new RM methods by local implementers
Ensure donor coordination and harmonization	Lenders and investors are working on continued basis with country governments on projects to expand healthcare infrastructure, and would benefit from coordination and input from the Global Fund. IF mechanisms could facilitate this engagement
Frontload financing – Malaria elimination in low-burden countries	Scale-up for malaria elimination (e.g. active case finding, screening) requires an “investment spike”, which is difficult to achieve through the current allocation model. IF mechanisms could provide upfront financing that low-burden countries need to achieve elimination and save future expenditure

Illustrative Problem Statement Descriptions (2/2)

Problem Statement	Description and IF use case
Increase financing – Domestic resource mobilization for GF priorities (incl. in transition contexts)	GF funding commitments could and should be further complemented in a number of countries, especially those close to transition, with domestic resource mobilization. There might be untapped opportunities to engage the private sector in these countries and/or work with other partners. IF could help build mechanisms and initiatives to mobilize these resources
Increase coverage –HIV risk and incidence among adolescent girls and women (AGYW)	AGYW make up ~80% of new infections in some high-burden countries. Current HIV programs fail to target this group specifically and ensure broad coverage. IF could provide incentives and improve accountability of implementers to ensure service delivery to AGYW
Incentivize R&D, ensure uptake of new products and shape markets (e.g. new generation bed nets, TB drugs)	Insecticide resistance threatens the effectiveness of existing vector control solutions in malaria. Similarly, there is a large unfiled gap with regards MDR-TB and XDR-TB treatment. IF could help create incentives for the discovery, development and uptake for new global health commodities
Engage private sector – Strengthening of local supply chains for health commodities	GF procures an important share of health commodities for the three diseases in recipient countries. Following transition, some countries might lack capacity to procure and manage supply-chains independently. IF could enable partnerships between private sector (e.g. logistics providers) and transition countries
Increase funding – Unlocking additional non-ODA contributions to the Global Fund	GF could create additional impact if it has increased resources to its disposal. The private sector, consumers and/or HNWI's could provide additional resources through IF mechanisms

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Mapping of IF Mechanisms to Use Cases (1/3)

Mechanism	Raise grassroots funds	Incentivize philanthropic funding and investment	Incentivize private sector funding	Leverage private sector investment	Blend private sector funding and investment	Improve incentives and accountability for results	Address market and information asymmetries	Manage implementation risk	Reduce transactions costs	Frontload financing for recipients	Incentivize private sector delivery	Enhance sustainability of programming	Enhance county ownership	Improve harmonization with other donor activities and funding	Improve incentives for behavioural changes
PRIVATE REVENUE MOBILIZATION MECHANISMS															
Consumer Donations	X														
Philanthropic Platforms	X	X	X						X					X	
PUBLIC REVENUE MOBILIZATION MECHANISMS															
Earmarked Taxes or Levies	X													X	
Lotteries	X														
Health Insurance												X	X		X
DEVELOPMENT COOPERATION INVESTMENT MECHANISMS															
Debt Swaps		X											X	X	
Buy Downs										X			X	X	

Note: Use cases in this slide are those that enhance effectiveness and efficiency of GF programs, and/or mobilize additional funding through the GF

Mapping of IF Mechanisms to Use Cases (2/3)

Mechanism	Raise grassroots funds	Incentivize philanthropic funding and investment	Incentivize private sector funding	Leverage private sector investment	Blend private sector funding and investment	Improve incentives and accountability for results	Address market and information asymmetries	Manage implementation risk	Reduce transactions costs	Frontload financing for recipients	Incentivize private sector delivery	Enhance sustainability of programming	Enhance county ownership	Improve harmonization with other donor activities and funding	Improve incentives for behavioural changes
PAYMENT FOR RESULTS MECHANISMS															
Verified Service Delivery						X	X	X			X		X		
Cash On Delivery						X	X	X			X		X	X	
OUTCOME BASED FINANCING MECHANISMS															
Impact Bonds						X	X	X		X	X			X	
Social Success Notes							X			X	X				
INNOVATION AND COST REDUCTION INCENTIVE MECHANISMS															
Challenge Funds and Prizes						X				X	X				
Advance Market Commitments									X	X	X			X	
Seed Funding										X	X				

Note: Use cases in this slide are those that enhance effectiveness and efficiency of GF programs, and/or mobilize additional funding through the GF

Mapping of IF Mechanisms to Use Cases (3/3)

Mechanism	Raise grassroots funds	Incentivize philanthropic funding and investment	Incentivize private sector funding	Leverage private sector investment	Blend private sector funding and investment	Improve incentives and accountability for results	Address market and information asymmetries	Manage implementation risk	Reduce transactions costs	Frontload financing for recipients	Incentivize private sector delivery	Enhance sustainability of programming	Enhance county ownership	Improve harmonization with other donor activities and funding	Improve incentives for behavioural changes
COMMERCIAL INVESTMENT MECHANISMS															
Thematic Bonds									X	X					X
Investment Insurance & Guarantees							X				X				
Securitization										X	X				X
Pooled Investment Funds										X					X
Impact Investment										X	X				X

Note: Use cases in this slide are those that enhance effectiveness and efficiency of GF programs, and/or mobilize additional funding through the GF