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

Suvanand Sahu, Deputy Executive Director, Stop TB Partnership
Yanis Ben Amor, Executive Director, Columbia University, Center for Sustainable Development
Jacqueline Huh, Head, Strategic Initiatives & Innovative Financing, Stop TB Partnership

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

Source: Global Plan to End TB 2018-2022
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**)  

Source: Global Plan to End TB 2018-2022
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

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

Source: WHO

Bangladesh

Source: WHO
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

Source: Research Funding Report: TAG – Stop TB Partnership. 2019
## Total TB R&D Funding by Funder Category, 2018

**Total: $906,125,319**

<table>
<thead>
<tr>
<th>Category</th>
<th>Funding</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>$617,964,570</td>
<td>68%</td>
</tr>
<tr>
<td>Philanthropic</td>
<td>$159,781,877</td>
<td>18%</td>
</tr>
<tr>
<td>Multilateral</td>
<td>$42,887,533</td>
<td>5%</td>
</tr>
<tr>
<td>Private</td>
<td>$85,491,339</td>
<td>9%</td>
</tr>
</tbody>
</table>

**Source:** Research Funding Report: TAG – Stop TB Partnership. 2019
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.
April 10, 2019*  
(TBC)  
Washington, DC  

*On the sidelines of the World Bank/IMF Spring meeting 2020
TB finance task team
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)

<table>
<thead>
<tr>
<th>2020</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase 1:</strong> Core Group Convened</td>
<td><strong>Phase 2:</strong> Key Areas &amp; Opportunities Identified &amp; Analyzed</td>
<td><strong>Phase 3:</strong> Board Guidance Provided</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan. – Mar.</td>
<td>• Finalize TORs</td>
<td>• Finalize TORs</td>
<td>• Finalize TORs</td>
<td>• Finalize TORs</td>
</tr>
<tr>
<td></td>
<td>• Launch nomination &amp; recommendation process</td>
<td>• Identify Chair</td>
<td>• Define vision, mission, and goals</td>
<td>• Identify Chair</td>
</tr>
<tr>
<td></td>
<td>• Announce Core Group members</td>
<td>• Identify key areas &amp; opportunities to explore</td>
<td>• Identify Expert Group members</td>
<td>• Identify key areas &amp; opportunities to explore</td>
</tr>
<tr>
<td></td>
<td><strong>TB Finance Task Team Meeting #1</strong></td>
<td>• Decide on and develop country investment cases</td>
<td><strong>TB Finance Task Team Meeting #2</strong></td>
<td>• Present draft country investment cases</td>
</tr>
<tr>
<td></td>
<td>• Identify Chair</td>
<td><strong>WB/IMF Spring Meeting 2020 (Apr./DC)</strong></td>
<td>• Present on agreed upon key areas &amp; key opportunities</td>
<td>• Present on agreed upon key areas &amp; key opportunities</td>
</tr>
<tr>
<td></td>
<td>• Define vision, mission, and goals</td>
<td><strong>75th UNGA (Sept./NYC)</strong></td>
<td>• Present draft country investment cases</td>
<td>• Draft report for the Board</td>
</tr>
<tr>
<td></td>
<td>• Identify key areas &amp; opportunities to explore</td>
<td><strong>STBP 32nd Board Meeting (Oct./Nigeria)</strong></td>
<td>• Present on agreed upon key areas &amp; opportunities for Board guidance</td>
<td><strong>Stop TB Partnership</strong></td>
</tr>
</tbody>
</table>

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