

Strengthening the case for investment in cancer control

The role of blended finance

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We forge **impact investment partnerships** to take on the finance deficit of the **deadliest non-communicable diseases** worldwide.



Blended Finance

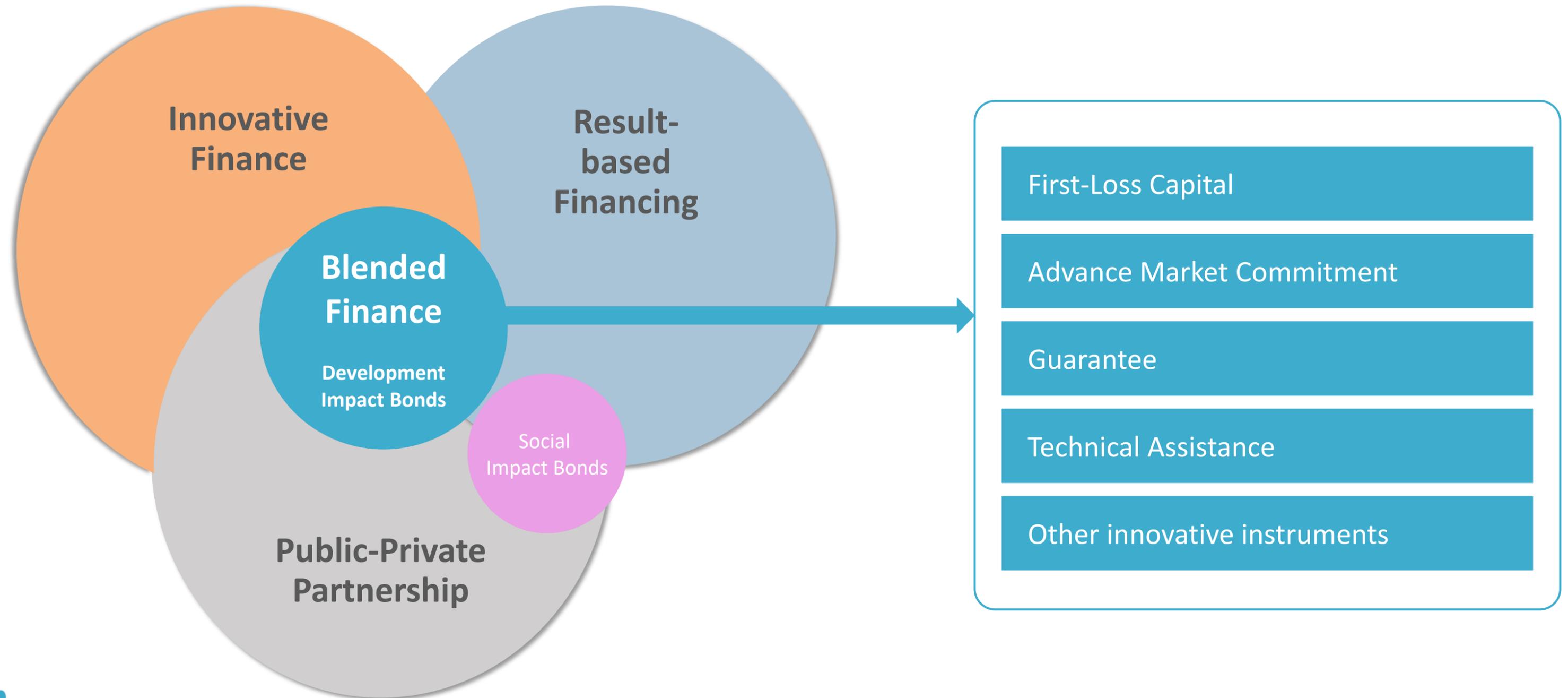
Blended finance is the strategic use of **development or public finance** for the **mobilization of additional finance** towards sustainable development in developing countries.



*source: OECD



Relationships of Innovative Financing Models



A Blended Finance Approach to Cancer Care

First Loss Capital

The catalytical funding takes the junior equity or debt position in the capital structure to absorb first-losses.

Example: Nigeria Cancer Health Fund (CHF), a multilayered funding solution that developed by a coalition of public and private sector partners led by Roche for the bottom of the pyramid Nigerian cancer patients.

Advance Market Commitment

Guarantees of future payments contingent on performance in exchange for upfront investment in new or distressed markets, or to stimulate innovation around new products and services.

Example: Novartis Access provides affordable quality drugs for NCDs, including breast cancer, by volume guarantee

Guarantee

A risk reduction tool that fully or partially protect the investor against various forms of risk, effectively reducing their risk of capital losses. The purpose of guarantees is to attract investors that would otherwise not invest. Guarantees are typically offered by governments, bilateral development agencies, and multilateral development institutions.

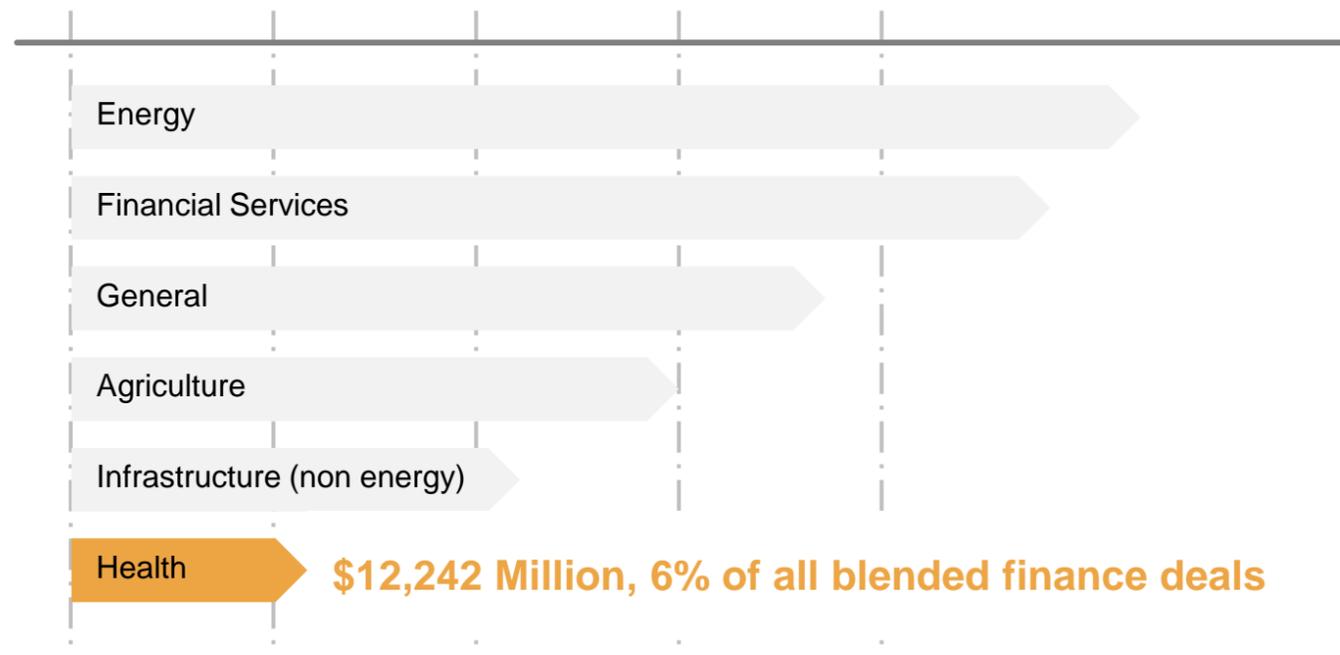
Technical Assistance

Non-financial assistance that includes equipment, infrastructure, training to health workers, etc. to close the knowledge gap and improve operational capacity for launching a new business in LMICs.

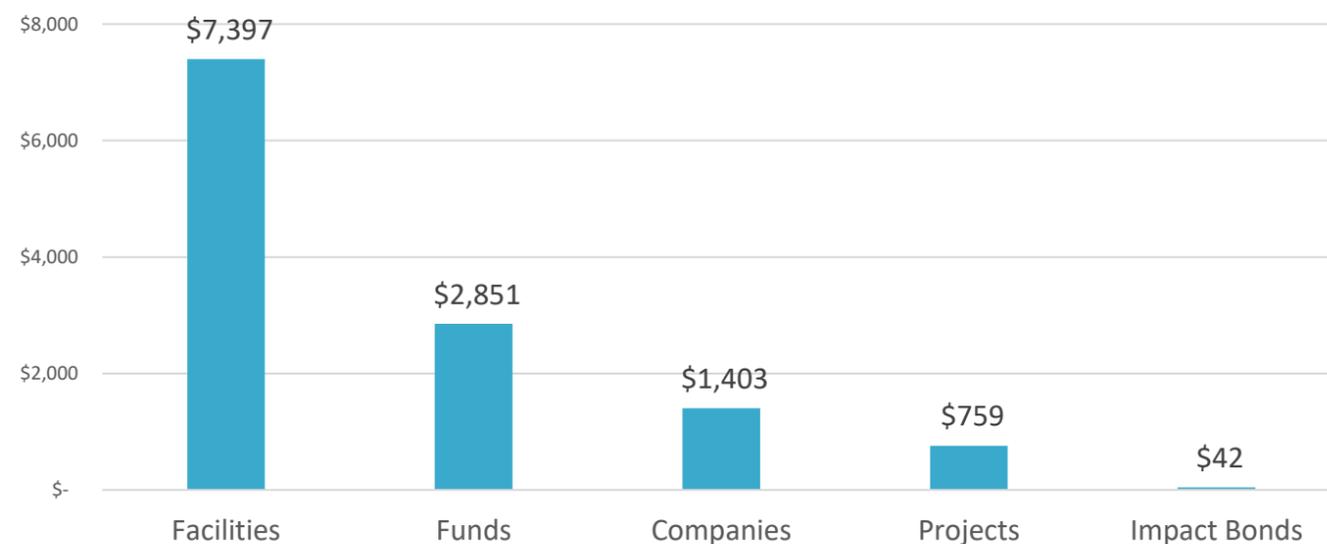


Blended finance transactions in the health sector

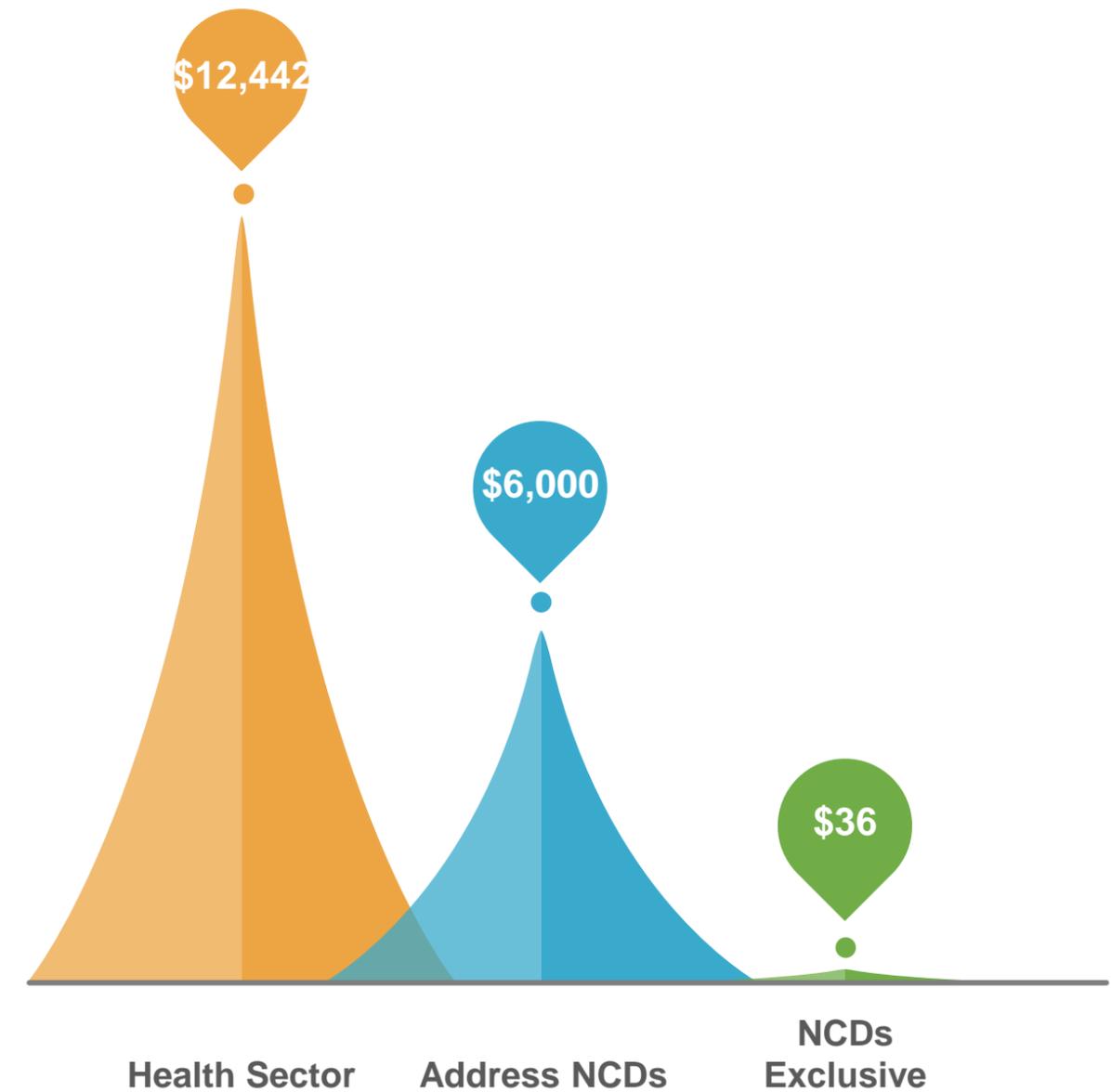
Blended finance transactions by sector



Health related transactions by instrument (US \$m)



Health related blended finance transactions(US \$m)



Data Source: Convergence, 2011-2019 blended finance transactions



Why Blended Finance Hasn't Taken Off for Cancer Control

Challenges

Lack of **impact reporting and transparency**: 40% of transactions have not, or do not intend to, publicly disclose impact reporting

Lack of **incentives** and low **policy priority**: holds true for all NCD financing

High **upfront and administrative costs**

Solutions

Better health data interpretation to transfer outputs into **measurable health, social and economic impacts**. ie. HFI R.Shiny Model

COVID-19 drives a renewed urgency for NCDs. HFI has study and models show that risk groups for NCDs are more likely to develop severe COVID-19 infection

Seek **design-stage funding** to pursue transactions that are too risky or complex to pursue

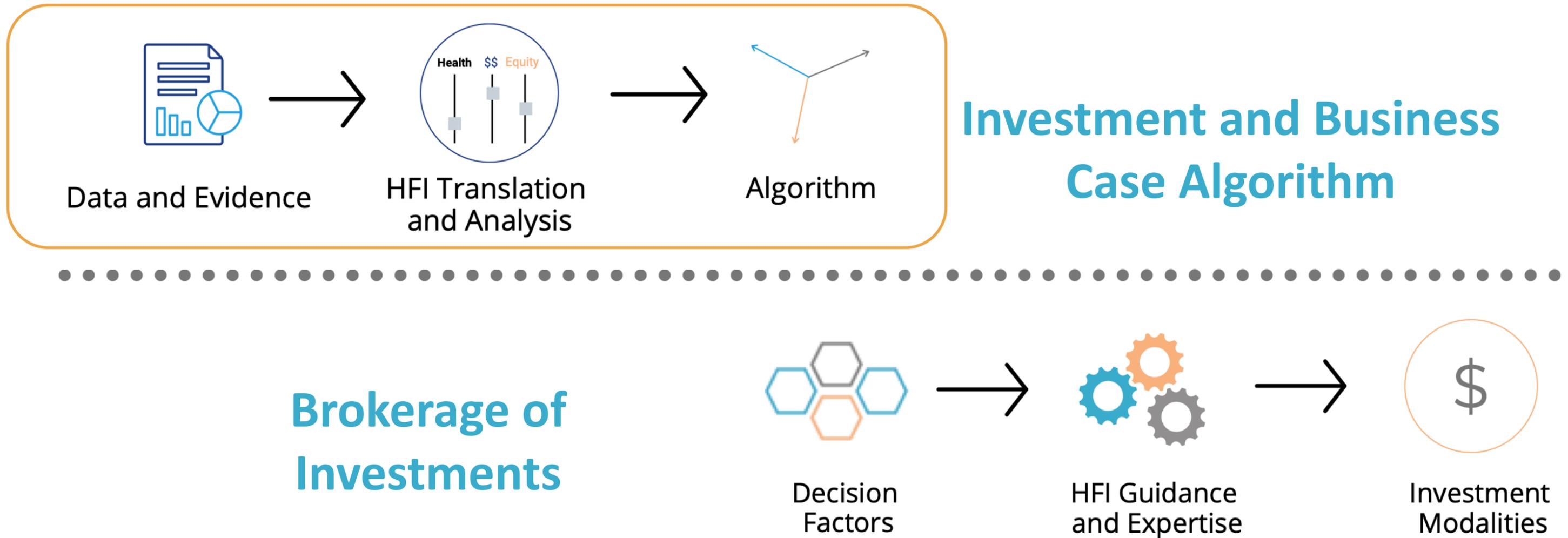


Investing in NCDs - The Health and Wealth Connection



How We Work

Translating economic evidence of NCDs into actionable, high-impact blended finance investment opportunities worldwide.



Blended Finance - 5 Step Framework

Understand the health system / NCD burden distribution

Quantify the opportunity – consider geographic spread, value chain segment, geographic and market considerations

Understand, quantify, and manage risk

Maximize use of technical assistance

Determine the appropriate instrument



Checklist for a Successful Blended Finance Instrument

- ✓ **Intervention is easy to understand**
- ✓ **The impact is measurable via digital means and generates both direct cost savings and improved health outcomes**
- ✓ **Clear map of aligned stakeholders**
- ✓ **Maximize use of technical assistance**
- ✓ **Appropriate transaction size**
- ✓ **Favorable regulatory environment**



Thank You

Please reach out to us at
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to discuss partnership opportunities



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Appendix



Blended Finance and Cancer - How it Works

Basic Principle of traditional investment: the higher the risk, the higher the return

Barriers for private investment in cancer:

- (i) high perceived and real risk, and
- (ii) poor returns for the risk relative to comparable investments



Blended Finance is catalytic and includes strategic structuring of multiple financing resources to:

- (i) leverage public and philanthropic investment
- (ii) provide the necessary de-risking for private sector investment
- (iii) generate moderate risk-adjusted return for projects and investors
- (iv) mobilize necessary private investments for cancer prevention and treatment

UNINVESTABLE



INVESTABLE



Key determinants that favor blended finance

HFI identifies four determinants that guide blended finance solutions for NCDs

