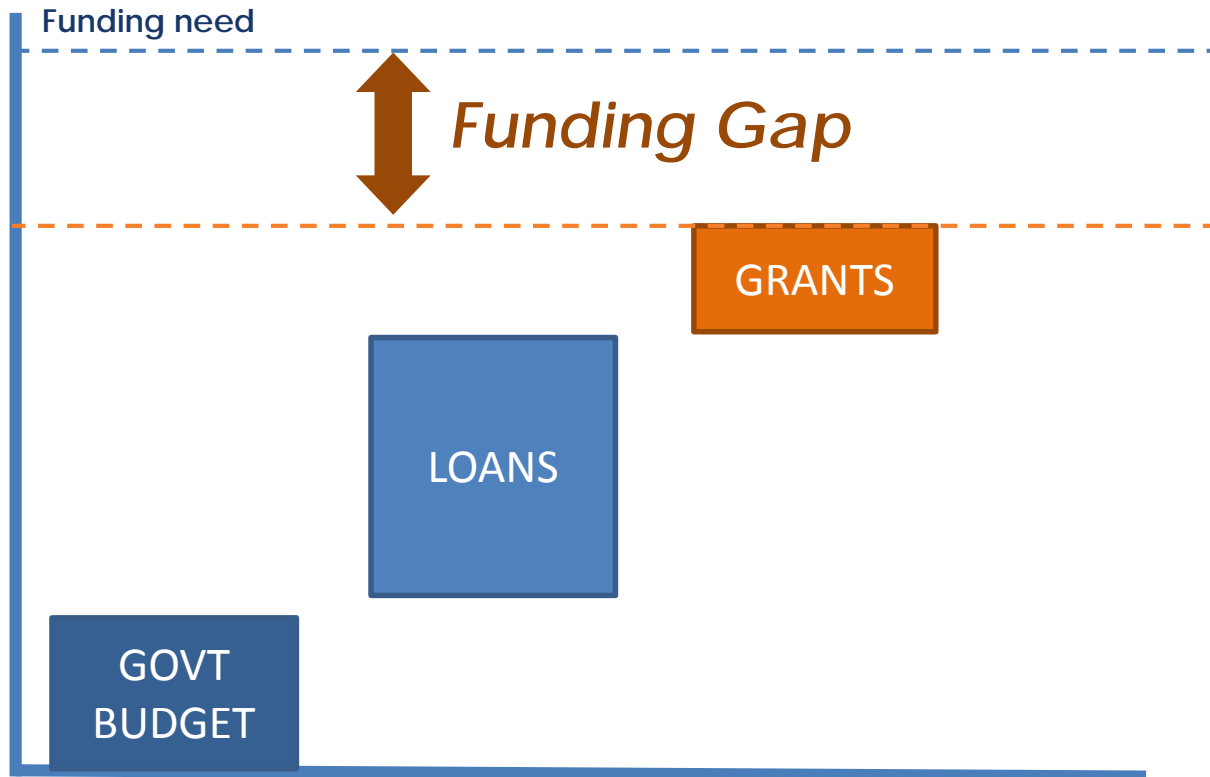


# **The Global Fund and Asian Development Bank Memorandum of Understanding:**

**Increasing the Financing Envelope  
Building Resilient Health Systems**

# Joined forces to achieve more impact

“Health systems are ailing or underfunded: unable to cope with future demands”



**Address health funding gap through cooperation**

# The first step is to coordinate and share

## **Improved Delivery**

- Streamlining funding and reporting
- Improve data collection and evaluation
- Support financial & procurement systems
- Attract additional financing (private sector)

## **Coordination and Alignment of Objectives:**

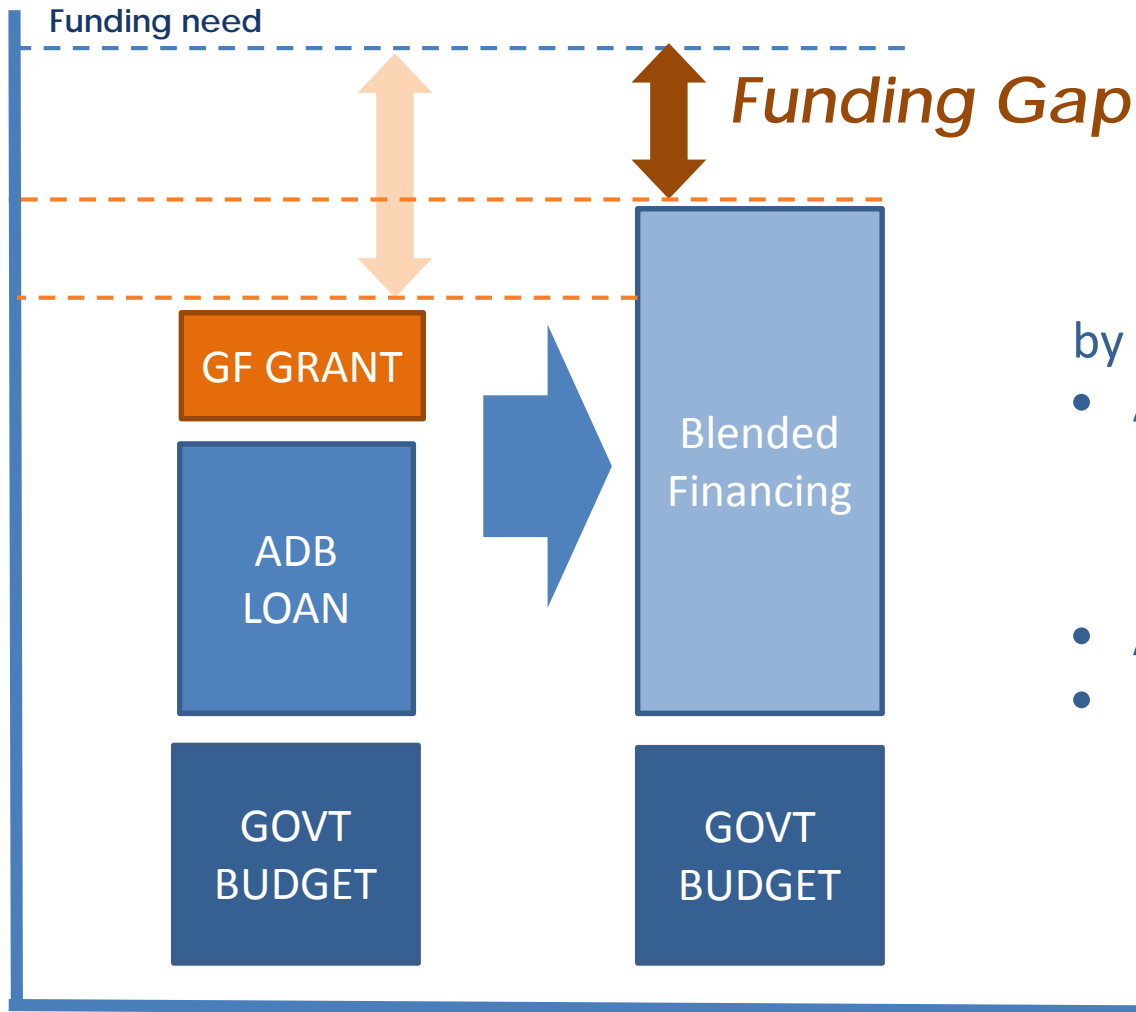
- Country dialogue and regional activities
- Operational plans and funding allocations

## **Knowledge Sharing:**

- Lessons learned
- Regional and global best practices

**Build and Strengthen Resilient Health Systems**

# Value-added (1): Increase available funding

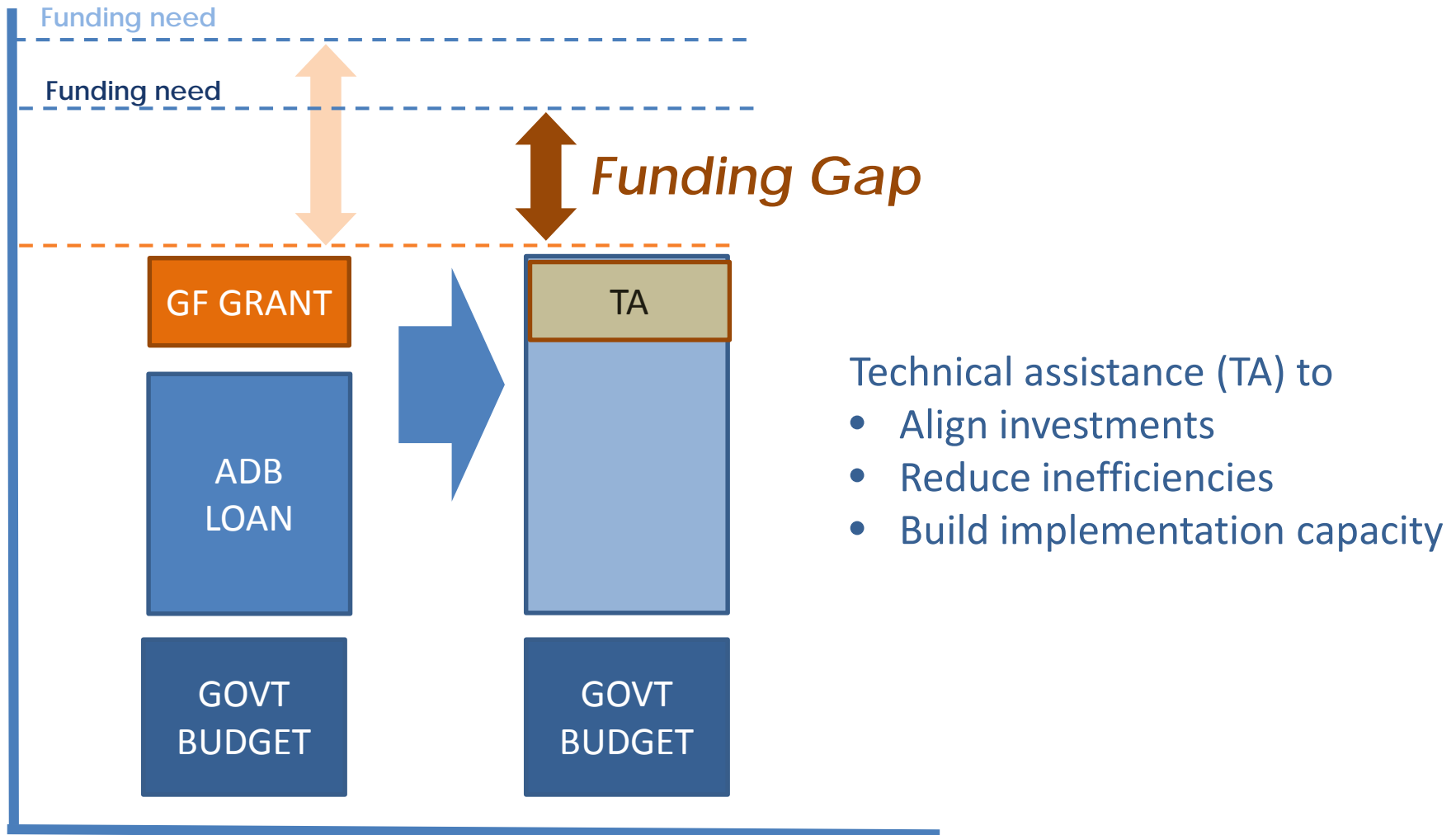


by

- Allowing for larger loans:
  - Lowering interest rate
  - Unlocking lender cap
- Attracting additional grants
- Lowering admin costs

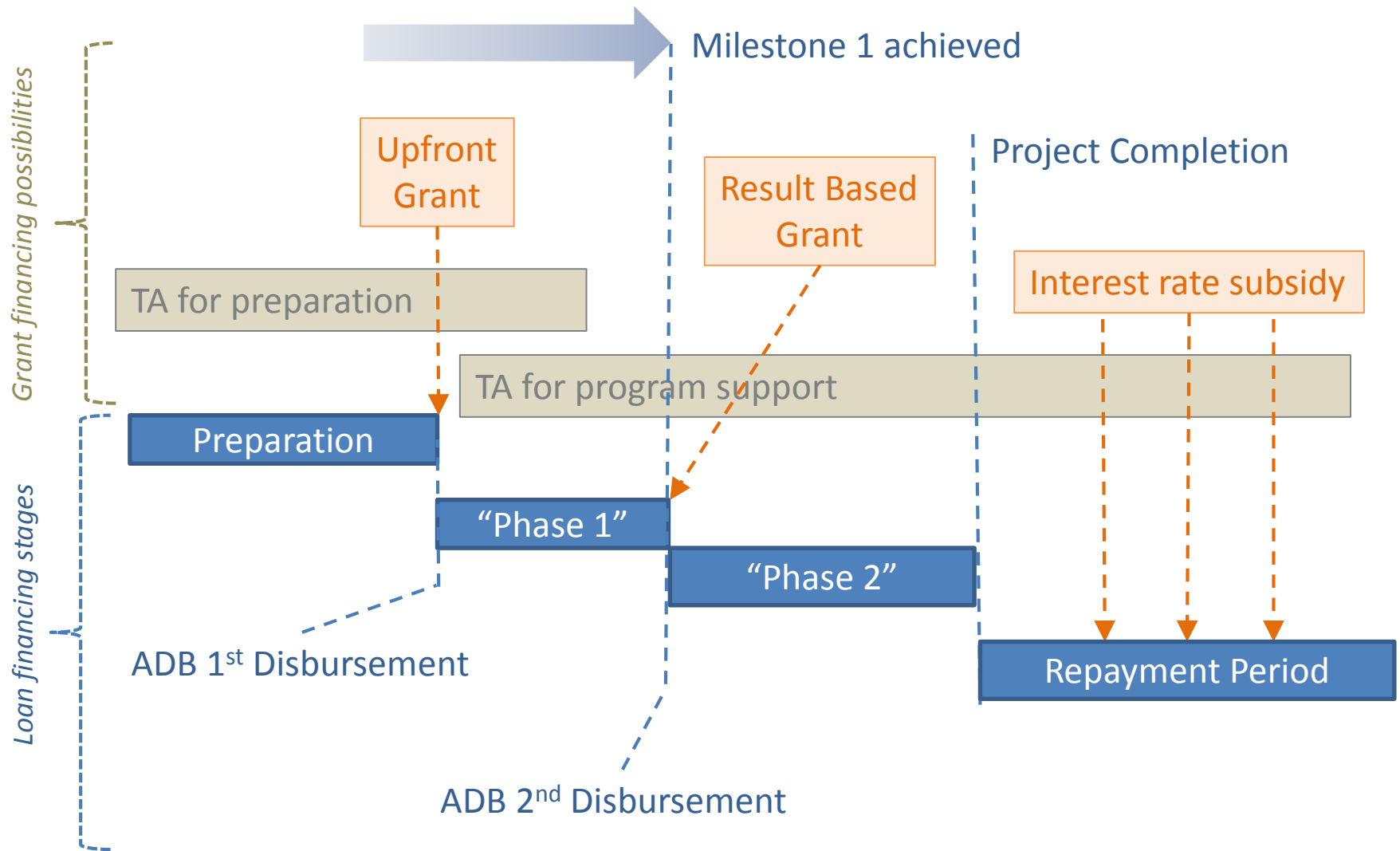
**GF and ADB help narrowing the health budget gap**

# Value-added (2): Reduce funding need



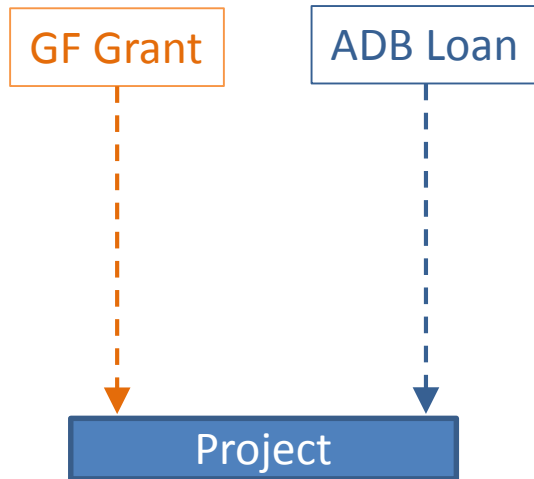
**GF and ADB help narrowing the health budget gap**

# Blending of Loan and Grant in a Project



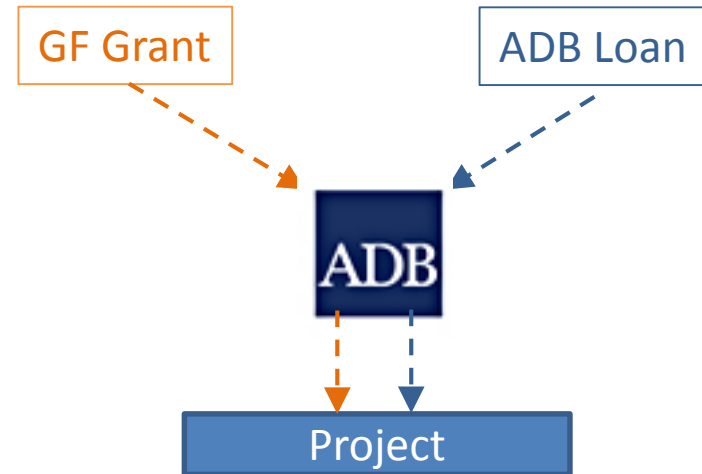
# Levels of Coordination in Blending

## Parallel Co-Financing



- Parallel documentation
- Information sharing
- Coordination of inputs
- Harmonization of outputs

## Joint Financing



- Single counterpart for borrower
- Single procurement system
- Fully pre-agreed criteria
- Streamlined funding and reporting

**Level of delegation depends on alignment of programs**

# Blending Instruments:

## **For countries with constrained borrowing capacity**

- Grants for interest subsidy to lower borrowing cost
- Grants to lower borrowing requirement

## **For countries with ADB lending constraint**

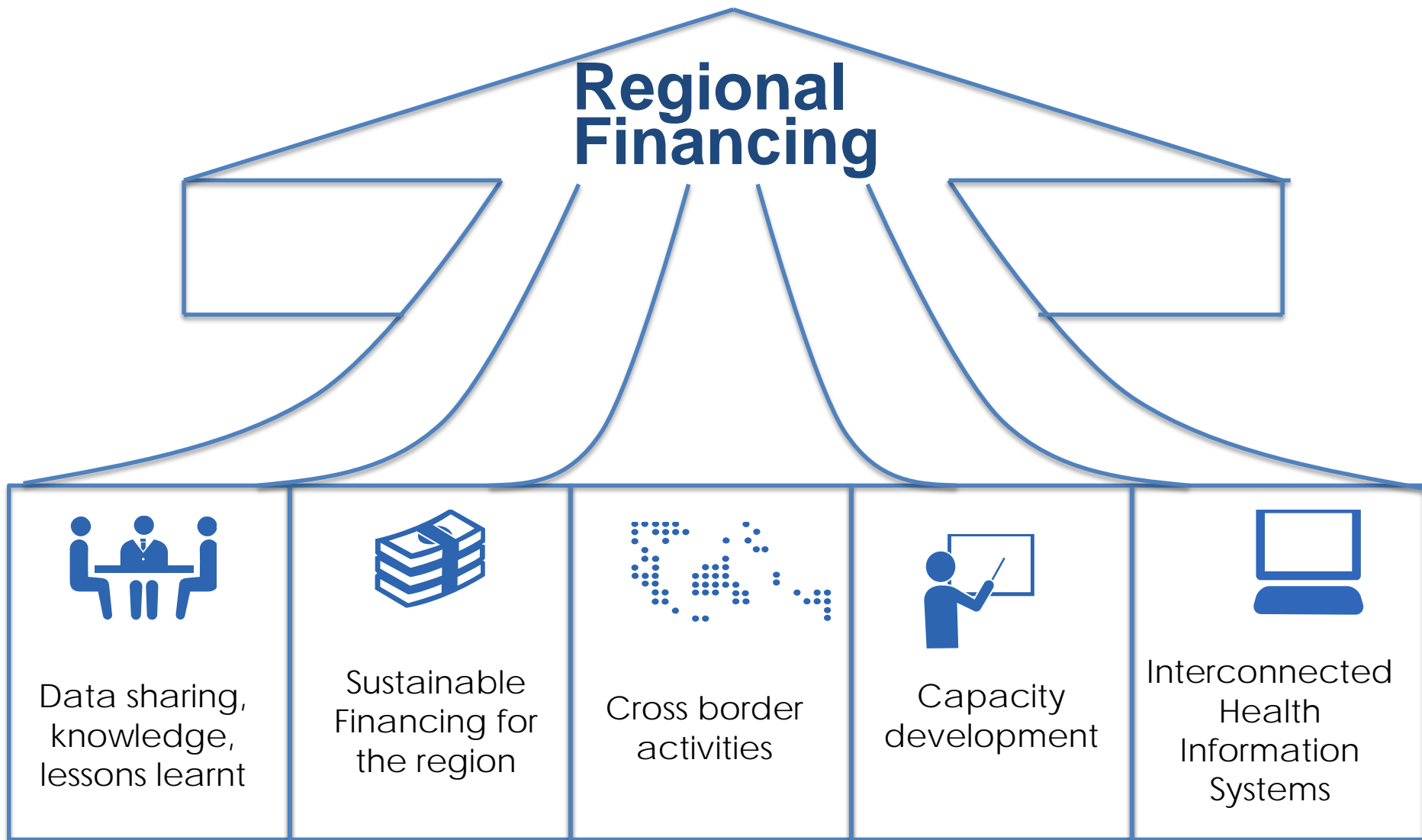
- Grants to lower ADB capital requirements (e.g. through guarantees)
- Country benefits from larger ADB funding envelope (pricing)

## **Attract private investors to increase funding base**

- Grants for credit enhancements (e.g. first-loss guarantees)
- ADB partial risk guarantees to wrap government payment obligations



# Sharing solutions



# Conclusion – Key Messages:

- **Collaboration leverages funds and increases programmatic impact**
- **Blended Financing is a tool that allows financing gaps to be narrowed**
- **Levels of coordination and blending are project and country specific**
- **Collaboration can help tackling regional and shared problems**

**Thank you**

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