



**Asia-Pacific  
Economic Cooperation**

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## **Innovative Finance to Expand Access to Health Care**

Purpose: Information  
Submitted by: Merck



**Eighth High Level Meeting on Health and  
the Economy  
Port Moresby, Papua New Guinea  
16-17 August 2018**

8<sup>TH</sup> APEC HLM ON HEALTH & THE ECONOMY



**MSD**

INVENTING FOR LIFE

**INNOVATIVE FINANCE TO EXPAND ACCESS TO HEALTH CARE**

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Lynn D. Cinelli  
Director, International Policy and Government Affairs, MSD

# FOR MORE THAN A CENTURY, MSD HAS BEEN INVENTING

TO SOLVE SOME OF THE GREATEST CHALLENGES TO PEOPLE'S HEALTH AND WELL-BEING AROUND THE WORLD.



## BUSINESSES

Innovative medicines and vaccines for human and animal health



## 2017 R&D EXPENSE

\$7.3 billion (non-GAAP);  
More than 30 programs in late-stage pipeline across more than 10 disease areas



HEADQUARTERS  
Kenilworth, NJ, U.S.A.  
operating in more than  
140 countries



Merck & Co., Inc.  
is listed on the New York Stock  
Exchange and has a market cap of  
\$150 billion



EMPLOYEES  
worldwide (as of 12/31/17)





*MSD for Mothers* is our  
**10-year, \$500 million initiative**  
to create a world where no woman dies giving life.

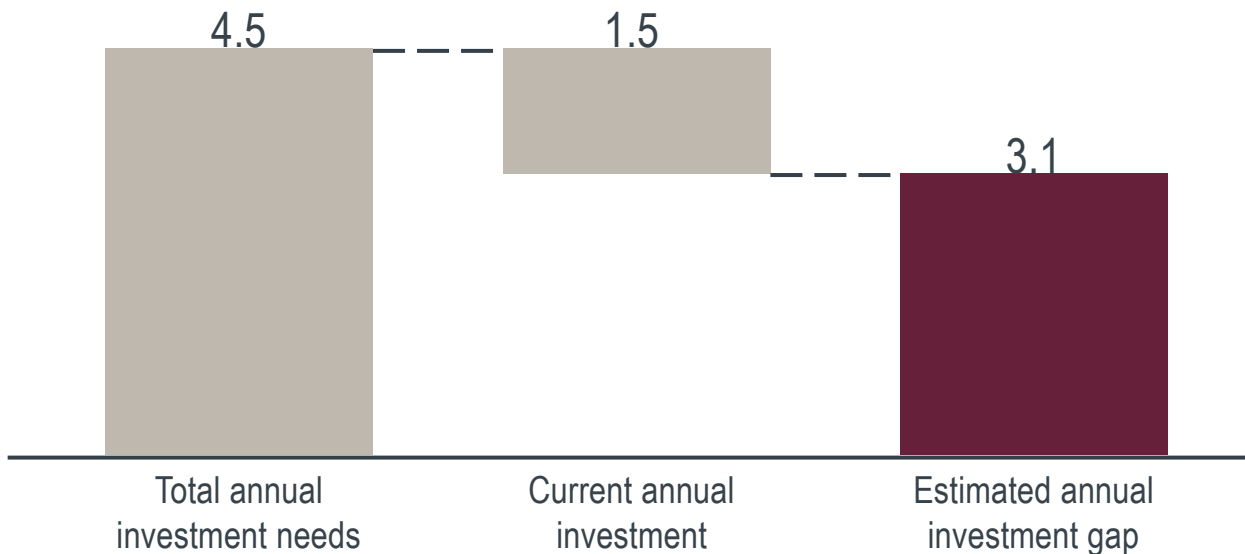
*MSD for Mothers* **has reached more than six million women in over 30 countries around the world,** contributing to the global effort to save women's lives, strengthen health systems and meet the United Nations' Sustainable Development Goals.



MSD for mothers

# Closing the SDG funding gap will require greater private sector investment

There is a projected ~3.1 trillion annual shortfall in funding for the post-2015 global development goals across health, education, food security, climate change and infrastructure



Estimated investment needs in key SDG sectors<sup>1</sup>  
\$US (trillions)

The issue funding gap is **not due to insufficient resources.**

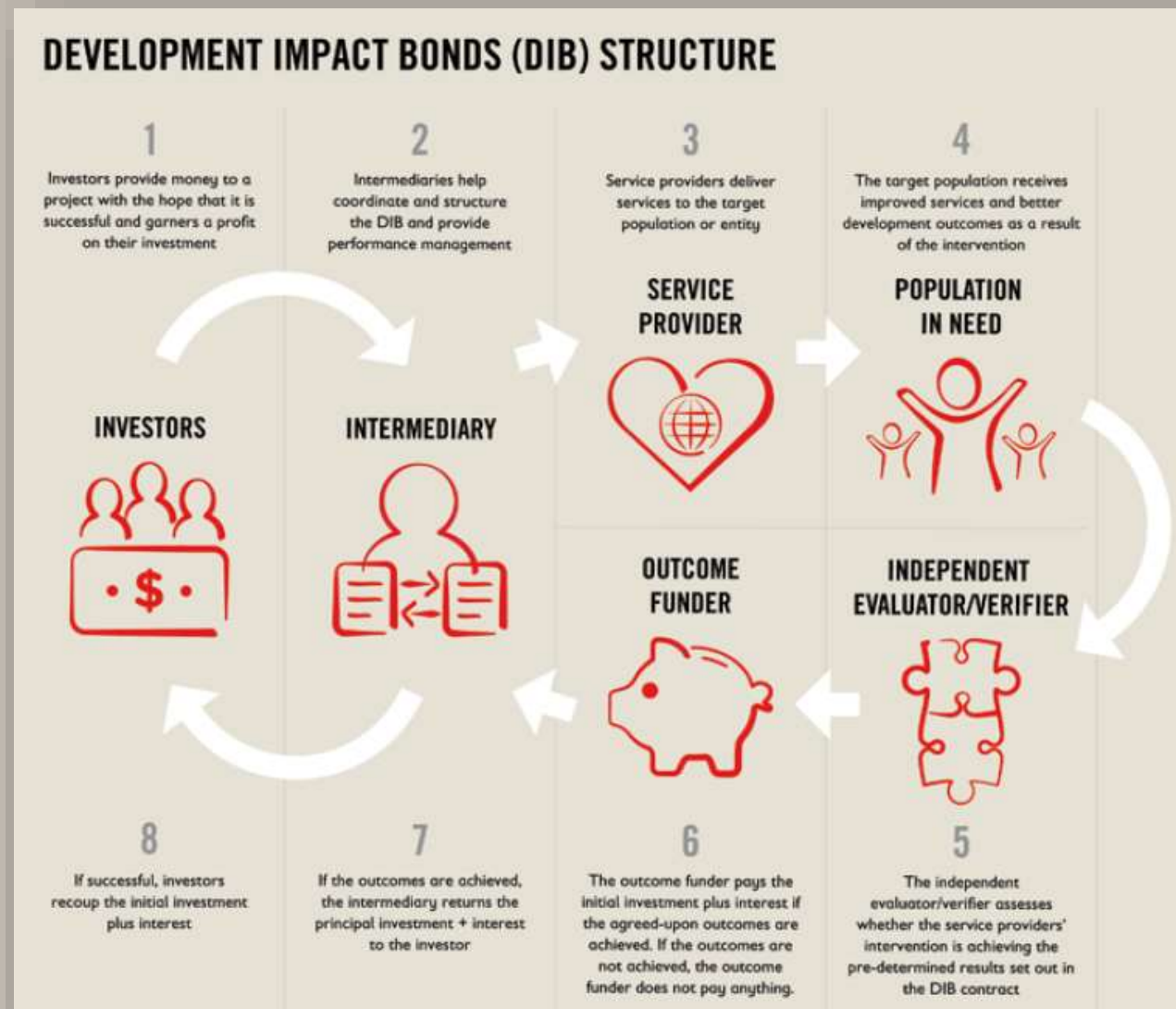
It is due to a **failure to attract new investment** in health and development.

**Closing the funding gap requires innovation in novel financing mechanisms** that have the power to mobilize private sector capital.

Note (1): Current annual investment of \$1.5T includes both public and private investments, defined as capital expenditures. Estimated annual investment gap based on average between low and high estimates. SDG = Sustainable Development Goals.  
Source: UNCTAD, "World Investment Report 2014"



# Development impact bonds can help attract private investment in health and help donors/governments spend effectively - on what works



## MSD for Mothers in India

EVERY

**10** MINUTES

in India a woman dies due to complications during childbirth.



# Utkrist | How it works

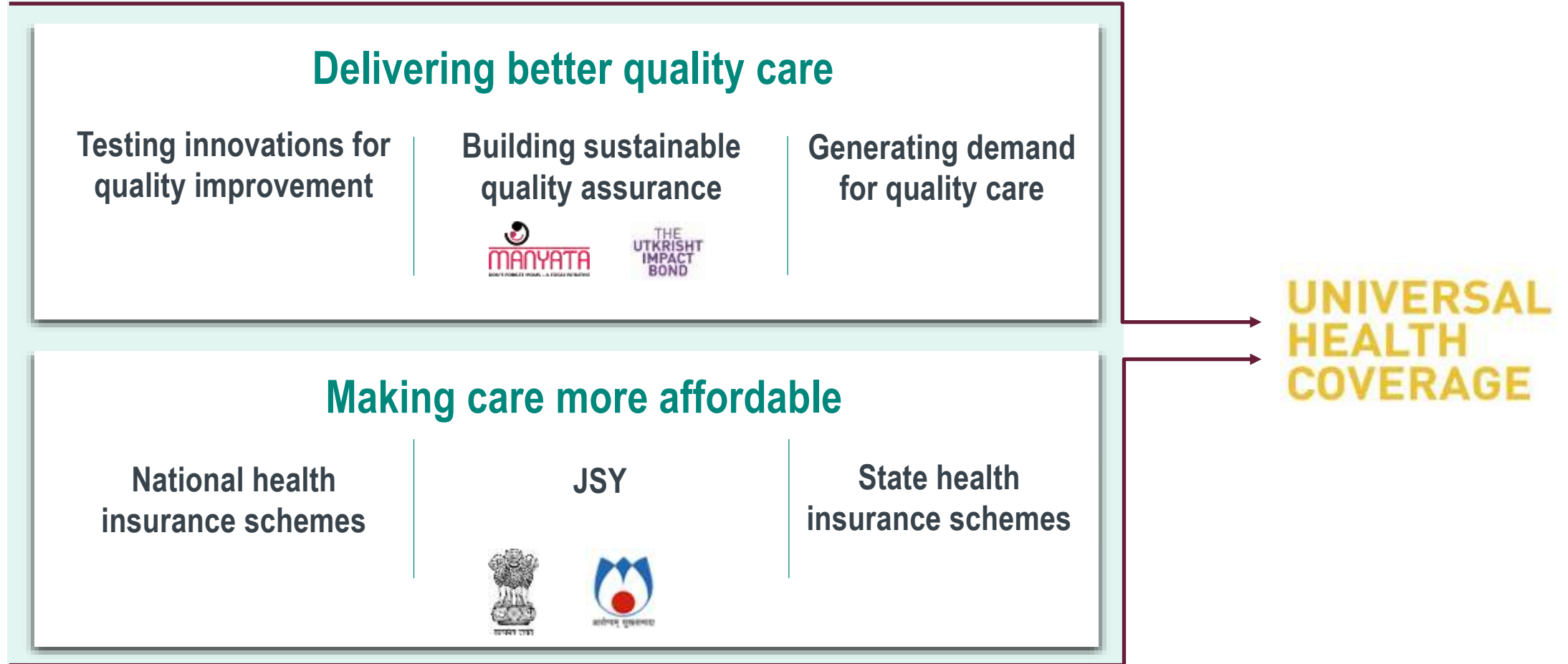
*Improving the quality of private maternal health care in Rajasthan in order to advance efforts in India to achieve Universal Health Coverage and meet SDG targets for maternal and newborn health*



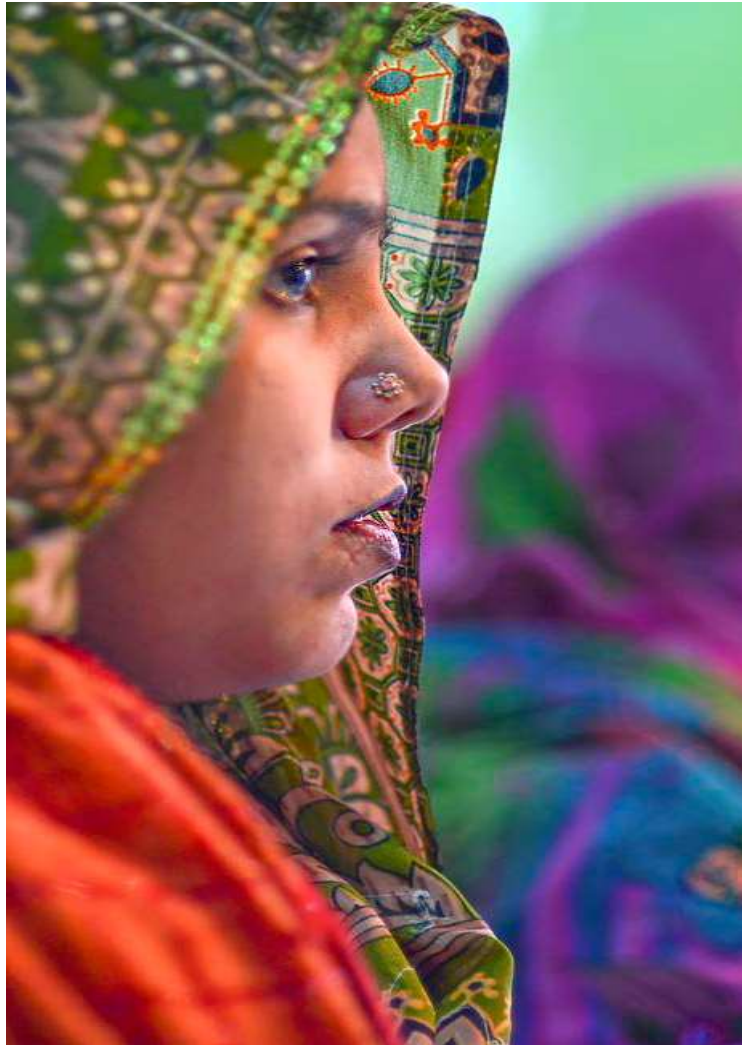
- **Investors provide the implementation manager and service providers** with working capital to improve the quality of maternity care in a high need state (Rajasthan)
- The **independent verifier** assesses service providers' achievements to trigger outcome payments
- **Outcome funders** – USAID and *MSD for Mothers* – pay back the investor the original amount invested, plus returns, if service providers are successful



# Combining Quality With Access To Care



# MSD for Mothers in Asia Pacific



## ● INDONESIA

Project HOPE works to increase access to family planning, promote safe birth practices and reduce anemia among female factory workers.

## ● INDONESIA

Jhpiego is examining the barriers and facilitators private health facilities face in offering the full range of family planning methods to women immediately after childbirth.

## ● MYANMAR

Jhpiego improves health outcomes for women and newborns by strengthening midwifery education and training.

## ● PHILIPPINES

The Zuellig Family Foundation reduces maternal mortality in Samar province by promoting health seeking behaviors and strengthening local health systems.

## ● PHILIPPINES

The UN Foundation focuses on recruiting companies to integrate family planning into workplace education programs.

## ● VIETNAM

PSI broadens contraceptive options for women and their partners by registering underutilized methods and distributing them to underserved women.

## ● AUSTRALIA

Australian College of Midwives helps healthcare organizations work more effectively with Indigenous communities by developing holistic approaches to high-quality maternity care.

## ● INDIA

Reducing maternal mortality across 6 states by supporting a quality certification, and mobile-based solutions that provide evidence-based guidelines and feedback from other mothers.



Back Up



# India | Our Challenge

## Maternal Health



**Every 10 minutes**, a woman dies due to complications of pregnancy and childbirth in India



**15% of all maternal deaths** occur in India – **45,000** annually



**Institutional delivery rates are rising**, but have not reduced maternal mortality as much as anticipated



Almost a quarter of women who do not want to become pregnant are **not using modern contraception**

## The Role of Private Healthcare



India has a mixed health system; when women deliver in facilities, a **quarter of rural women and half of urban women** choose private care



India's private providers are **diverse, fragmented, and poorly regulated**



Clinical maternity care in the local private sector is **inconsistent**, and there is **no standardization** in managing obstetric care



## Implications for MSD

This experimental partnership will offer MSD insights as we consider our role as social impact investors

