

September 10, 2025

Country-Level Experiences in Innovative Health Financing

(Webinar #2 of Innovative Financing for Health in the Asia-Pacific Region Webinar Series)



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#Webinar1 Overview

Context	<ul style="list-style-type: none">• Declining Official Development Assistance (ODA), combined with debt burdens and climate pressures, has created a fiscal crisis for LMICs.• The COVID-19 pandemic showed both the critical importance of health financing and the volatility of donor-driven funds.• These dynamics highlight the urgent need for new, innovative mechanisms to sustain health systems.
Typology of Innovative Financing Tools	<ul style="list-style-type: none">• Range from voluntary contributions (philanthropy, corporate partnerships) to more complex financial instruments. Examples: debt-for-health swaps, catalytic funding.
Key Reflections	<ul style="list-style-type: none">• Innovative financing is complementary, not a substitute for ODA.• Each tool has strengths and limitations - what works for vaccine R&D may not work for long-term service delivery.
Looking Ahead	<ul style="list-style-type: none">• We need to move from global concepts to practical applications, especially in the Asia-Pacific region.

Global & Regional Trends in Health Financing

Global Trends

Debt for health swaps, solidarity taxes, dan blended finance.

Relevance for Asia-Pacific

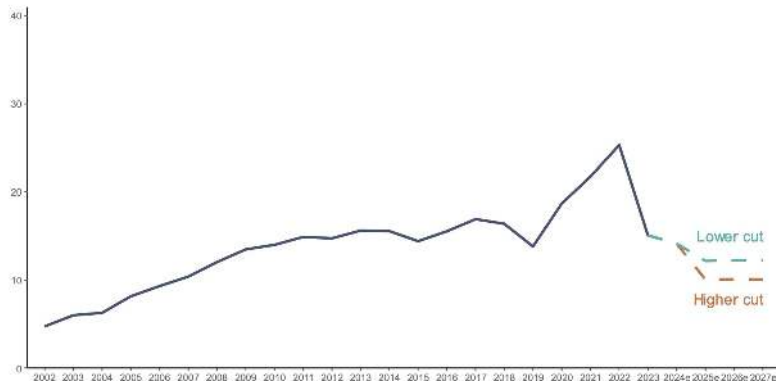
High inequity, fiscal constraints, climate risks, and varying health risks in each country. **Key challenge:** translating global concepts into domestic fiscal policy.


Domestic


Innovative taxation, private sector engagement, concessional global support, and digital innovation
- UHC Financing ([WHO, 2025](#))


Figure 5. ODA for health is projected to continue to decline and could fall to mid-2000s levels


Net bilateral ODA for health from DAC countries, 2010-23 (official data) and 2024-27 (projections), USD billion, constant (2023) prices



 **2010–2022 trend:** steady growth, peaking in 2022 at ~USD 26 billion due to COVID-19 response.

 **2023 collapse:** sharp decline to ~USD 16 billion, a 40% drop from 2022.

 **2024–2027:** Further cuts expected, with **lower cut = –19%** and **higher cut = –33%** below 2023 levels. ODA for health could fall back to **mid-2000s levels**.

 **Implications:** volatility of external health aid undermines sustainability, threatens UHC progress, and risks reversing pandemic preparedness gains.

Why Country-Level Experience Matters

Country	Mechanism	Focus area	Description	Lesson learned
Indonesia	Debt for Health Model	TB, HIV, hepatitis programs and health system strengthening	In December 2024, Indonesia and Germany finalized a landmark Debt2Health agreement where 75 million of Indonesia's debt was converted into direct investments for strengthening public health systems, with the Global Fund (Ministry of Finance, 2024)	<ul style="list-style-type: none"> • Good for TB, but not sustainable. • Donor-driven, limited ownership.
Philippines	The "Sin Tax for Health" Law	Tobacco, alcohol, and sugary drinks	In 2012, increased excise taxes on tobacco and alcohol to provide sustainable, earmarked revenue for Universal Health Care (UHC) programs (World Bank, 2016)	<ul style="list-style-type: none"> • Successful because linked to law & UHC. • Required strong political will.
Thailand	The Thai Health Promotion Foundation (ThaiHealth)	Tobacco and alcohol	A legislated 2% surcharge on tobacco and alcohol excise taxes to provide sustainable and long-term funding for health promotion programs and innovative projects. Collaborates with government agencies, civil society networks, the private sector, and communities (Pongutta, et al., 2019)	<ul style="list-style-type: none"> • Successful because institutionalized in a fund. • Needed legal backing & public support.

Notes: Not all tools are equal, integration into domestic systems is key, and regional cooperation can help countries learn adaptation strategies.

From Innovation to Sustainability: Domestic Resource Mobilization for Health

Innovative Mechanisms

(Debt swaps, Solidarity taxes, Blended finance)



Integration with Domestic Budgets & Tax Policy

(Philippines Sin Tax, Thailand ThaiHealth, Indonesia Tobacco Tax - Potential Earmarking) - sustainability, predictability, ownership.



Sustainable UHC Financing

(Predictable, country-owned, equitable)

Challenges:

- Political resistance to earmarking.
- Volatility of “sin taxes” as consumption declines.
- Public financial management capacity.

Thank You