

## **Anti-Malaria Bed Nets Delivered to Zambia Ahead of Schedule to Save Thousands of Lives Through an Innovative Health Financing Mechanism**

*Pledge Guarantee for Health will help streamline the aid pipeline to get health supplies to countries in record time, saving lives, reducing costs and eliminating waste*

**WASHINGTON, DC & LUSAKA, ZAMBIA (February 22, 2011)** – Today, more than 800,000 anti-malaria bed nets have arrived and been distributed in Zambia three months ahead of schedule and before the peak of the deadly rainy season, thanks to a deal reached by the Government of Zambia, the World Bank, UNICEF, Stanbic Bank Zambia, part of the Standard Bank Group and the United Nations Foundation, supported by the African Leaders Malaria Alliance and the UN Secretary-General's Special Envoy for Malaria.

This deal marks the inaugural transaction of the Pledge Guarantee for Health (PGH), a new financial tool developed by the UN Foundation, through the Reproductive Health Supply Coalition, with help from Dalberg Global Development Advisors, and funded by the Bill & Melinda Gates Foundation, that streamlines the procurement of lifesaving health supplies. The \$4.8 million deal will provide anti-malaria bed nets to 1.6 million people and potentially avert tens of thousands of malaria cases, saving the lives of thousands of children in Zambia, who are more at risk of catching malaria during the rainy season.

Kapembwa Simbao, the Honorable Minister of Health for the Republic of Zambia said, “Congratulations and many thanks to the partners who worked quickly and efficiently to pilot this innovative finance mechanism in Zambia. This coordinated and rapid response accelerated the distribution of malaria control interventions and ultimately saved lives in my country.”

“The process is new, but the goal of Pledge Guarantee for Health is simple: to more quickly and effectively reduce childhood deaths from easily preventable diseases,” said Kevin Starace, Executive Director of Global Health Innovation at the UN Foundation. “The PGH helps streamline the flow of aid dollars, reducing inefficiencies and premiums that governments pay on health commodities due to bottlenecks in the grant disbursement process.”

Here is how it works. PGH facilitates short-term loans to developing country recipients on the basis of pending aid commitments. This enables recipients to avoid stock-outs, emergency shipments, and high costs that can arise when they must wait for funding to replenish supplies of critical medicines. The PGH is flexible, and transactions are structured to accommodate needs of both recipients and donors. Thanks to PGH facilitating the process and guaranteeing the bank loan, health supplies are procured up to eight months faster, and commodity premiums are reduced by up to 83 percent.

“We applaud the efforts of countries like Zambia and development partners to create a system that gets health aid to where it's needed fast and in time to avert emergencies,” said Eva Jarawan, Health Manager for the World Bank's Africa Region. “Innovative financial mechanisms like the Pledge Guarantee can make a real difference in delivering anti-malaria bed nets and other vital health supplies quickly and efficiently to communities which need them the most.”

In Zambia, once the guarantee was issued, it took the Government of Zambia and UNICEF less than three weeks to deliver the bed nets to the district-level.

Richard Gush, CEO of Standard Bank Corporate and Investment Banking, said that Standard Bank was pleased to be part of a partnership that will save lives. “We are privileged to be involved in this project, the first under the auspices of the PGH, and to be able to contribute through providing a financial solution that could help solve a continental problem.”

“We recognize that the African private sector has a leadership role to play when it comes to creating solutions to meet Africa's development challenges and being responsive to the needs of the communities in which it operates.”

“While Zambia has made tremendous progress in malaria prevention in recent years, the recent resurgence reported by the World Health Organization highlights the need to remain vigilant and ensure that nets are not only financed, but arrive on time,” said Ray Chambers, the UN Secretary-General’s Special Envoy for Malaria. “The success of this innovative deal provides us with an important new tool in the fight to end deaths from malaria by 2015.”

The percentage of Zambian households owning at least one anti-malaria bed net increased from 38 percent in 2006 to 64 percent in 2008. With the additional bed nets, Zambia will be able to make more progress toward achieving the health-related Millennium Development Goals.

The Bill & Melinda Gates Foundation investment in PGH is part of an initiative announced last year that commits a total of \$400 million in program-related investments (PRIs) during a two-year period to deepen the impact of the foundation’s work through non-traditional means. These include the use of financial tools such as low-interest loans, loan guarantees and equity investments to secure financing for the charitable activities of select organizations and programs that fall within its core focus areas.

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#### **About the World Bank**

The World Bank reduces poverty and boosts opportunity for people in developing and middle-income countries around the globe. Led by 187 member countries, the Bank mobilizes development knowledge and financing in education, health, infrastructure, agriculture, and other key priorities to improve the social and economic well-being of people in need. [www.worldbank.org](http://www.worldbank.org)

#### **About UNICEF**

UNICEF is on the ground in over 150 countries and territories to help children survive and thrive, from early childhood through adolescence. The world’s largest provider of vaccines for developing countries, UNICEF supports child health and nutrition, good water and sanitation, quality basic education for all boys and girls, and the protection of children from violence, exploitation, and AIDS. UNICEF is funded entirely by the voluntary contributions of individuals, businesses, foundations and governments. For more information about UNICEF and its work visit: [www.unicef.org](http://www.unicef.org)

#### **About the Bill & Melinda Gates Foundation**

Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving people’s health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, it seeks to ensure that all people—especially those with the fewest resources—have access to the opportunities they need to succeed in school and life. Based in Seattle, Washington, the foundation is led by CEO Jeff Raikes and Co-chair William H. Gates Sr., under the direction of Bill and Melinda Gates and Warren Buffett. Learn more at [www.gatesfoundation.org](http://www.gatesfoundation.org) or join the conversation on [Facebook](#) and [Twitter](#).

#### **About Standard Bank**

Rooted in Africa with strategic representation in key sub-Saharan and other emerging markets, Standard Bank is a bank with a global sweep. Standard Bank is a leading African banking group focused on emerging markets globally which now spans 17 countries across the African continent and 15 countries outside Africa. The international expansion has taken it to key financial centres of the world including Brazil, Russia and China.

Standard Bank's Corporate and Investment Banking division is a leading global emerging markets corporate and investment bank and offers its clients banking, trading, investment, risk management and advisory services in developing economies throughout the world. It has specific sector expertise in industries relevant to its global footprint, with strong sector value propositions in: mining & metals; oil, gas & renewables; telecommunications & media, power & infrastructure and has recently placed a high focus on innovative solutions for development. The International Development Group was established in early 2001 and signifies the importance Standard Bank places on its clients dedicated to facilitating the achievement of the Millennium Development Goals in Africa.

For further information visit: [www.standardbank.com](http://www.standardbank.com)

### **About the African Leaders Malaria Alliance (ALMA)**

ALMA is an alliance of 37 African heads of state and government and the African Union. ALMA was founded by African heads of state and government to utilize their individual and collective power across country and regional borders to accelerate progress towards zero malaria related deaths by 2015. President Jakaya Mrisho Kikwete of the United Republic of Tanzania is the founding chair of ALMA and President Ellen Johnson Sirleaf of the Republic of Liberia is the Deputy Chair of ALMA. For more information, please logon to [www.alma2015.org](http://www.alma2015.org).

### **About Dalberg Global Development Advisors**

Dalberg Global Development Advisors is a strategic consulting firm that works exclusively to raise living standards in developing countries and address global issues like climate change. Dalberg is for-profit but not profit-maximizing; it only takes projects that will advance its social mission. The firm's work helps governments, foundations, international agencies, NGOs, and Fortune 500 companies to make sustainable improvements in the lives of disadvantaged and underserved populations around the world. Founded in 2001, Dalberg now has 120 people from 29 nationalities working in 10 offices around the world. They bring expertise gained in the private sector to bear on problems commonly dealt with in the public and non-profit spheres. The firm takes a holistic approach to global development, touching topics from access to finance and energy policy to public health and human rights. Recent projects have included the development of the Affordable Medicines Facility – malaria (AMFm), the GreenNYC sustainable city initiative, the U.S. government's strategy for rebuilding Haiti, and a range of business models for companies and agencies hoping to serve people at the base of the pyramid. For more information, visit <http://www.dalberg.com>.

### **About the United Nations Foundation**

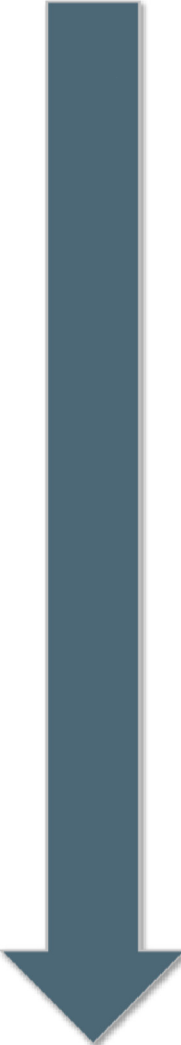
The United Nations Foundation, a public charity, was created in 1998 with entrepreneur and philanthropist Ted Turner's historic \$1 billion gift to support UN causes and activities. We build and implement public/private partnerships to address the world's most pressing problems, and work to broaden support for the UN through advocacy and public outreach. Through our campaigns and partnerships, we connect people, ideas, and resources to help the UN solve global problems. These campaigns focus on reducing child mortality, empowering women and girls, creating a new energy future, securing peace and human rights, and promoting technology innovation to improve health outcomes. These solutions are helping the UN advance the eight global targets known as the Millennium Development Goals (MDGs). For more information, visit [www.unfoundation.org](http://www.unfoundation.org).

### **About the Government of Zambia**

In 2005, the Government of Zambia began a Malaria Booster Project (MBP), with a US\$20 million IDA credit from the World Bank. The original Project Development Objective (PDO) was to increase access to, and use of, interventions for malaria prevention and treatment by the target population. The target population was the population of Zambians living in all the 72 malaria endemic districts of the country. The priority groups among this target population were children under the age of five years, pregnant women and all those infected with malaria. In November 2009, the project was approved for a Level 1 restructuring. There were available co-financing resources to support this restructuring from the results-based financing (RBF) grant which Zambia received through a competitive selection process. The grant provided an opportunity to broaden the scope of the project which now includes some of the original malaria interventions as well as additional maternal and child survival interventions. In the restructured project, the specific activities to be financed through the grant will use RBF as a tool for improving coverage of a core set of maternal and child health interventions. The new additional financing would provide an opportunity to scale up the malaria component of the restructured project while maintaining the successes in the malaria program supported during the first phase of the program. The PDO will remain the same: "To increase coverage of interventions for

malaria prevention and treatment and other key maternal and child health interventions”. For more information, visit <http://www.moh.gov.zm/>.

## Pledge Guarantee for Health – Zambia Transaction Timeline



Date	Activity
<b>May, 2010</b>	• <b>Zambia Additional Financing Request:</b> Government of Zambia requests additional financing to the World Bank
<b>Oct. 2010</b>	• <b>PGH approached:</b> UN Special Envoy for Malaria and ALMA approach PGH seeking bridge financing for Zambia transaction
<b>Nov. 1, 2010</b>	• <b>Agreement to explore bridge financing:</b> GoZ, UNICEF and World Bank agree to look at bridge financing option
<b>Nov. 15, 2010</b>	• <b>Transaction team selected:</b> PGH selects Clifford Chance and Stanbic Zambia
<b>Nov. 17, 2010</b>	• <b>Stakeholder aligned:</b> Stakeholders commit to using PGH to provide bridge financing, and meeting held with MOH, WB, UNICEF, and PGH
<b>Nov. 24, 2010</b>	• <b>PGH approved:</b> PGH investment committee greenlights transaction
<b>Nov. 29, 2010</b>	• <b>Credit approved:</b> Stanbic Zambia credit committee approves GoZ loan with 50% PGH guarantee
<b>Dec. 3, 2010</b>	• <b>Cost estimates refined:</b> WB and GoZ agree on project costs, and UNICEF works with supplier to refine distribution schedule
<b>Dec. 9, 2010</b>	• <b>WB loan approved:</b> WB approves GoZ loan
<b>Dec. 9, 2010</b>	• <b>Bank L/C application and loan documentation signed:</b> PGH, Stanbic Zambia and GoZ sign bridge financing agreements
<b>Dec. 15, 2010</b>	• <b>L/C effective:</b> Stanbic Zambia extends letter of credit to UNICEF on behalf of the GoZ, and UNICEF extends purchase order
<b>Dec. 28, 2010</b>	• <b>Net delivery commenced:</b> Supplier begins delivering nets into country
<b>Jan. 3, 2011</b>	• <b>Majority of nets delivered:</b> UNICEF has delivered 88% of nets to district outposts
<b>Jan. 31, 2011</b>	• ALMA Heads of State agree to promote and accelerate the financing of sustainable malaria interventions during the 16 <sup>th</sup> African Union Summit in Addis Ababa, Ethiopia
<b>Feb. 11th, 2011</b>	• <b>WB funds disbursed:</b> WB releases funds upon completion of outstanding pre-conditions • <b>Loan repaid:</b> Stanbic Zambia loan and financing charges repaid