First-of-its-kind development impact bond launched in Cameroon to save newborn babies

- Money will fund scale up of Kangaroo Mother Care (KMC) in Cameroon to help newborns survive and thrive;
- The Cameroon Kangaroo Mother Care Development Impact Bond (Cameroon KMC DIB) aims to reach more than 2,200 newborns with life-improving care;
- The investor, Grand Challenges Canada, will provide the upfront funding required to implement the program; the two outcomes funders, the Government of Cameroon—with financing from the Global Financing Facility—and Nutrition International, will pay the investor only when results are achieved, ensuring an effective and efficient use of development funds;
- Other partners include: the World Bank, the Fondation Kangourou Cameroun, Social Finance, and MaRS Centre for Impact Investing.

A newly launched development impact bond (DIB) is funding a health practice that will save and improve hundreds of newborn lives in Cameroon. This ground-breaking USD 2.8 million DIB is the first DIB globally to focus on newborns, the first DIB to focus on maternal and child health in Africa, and whose design has been led by the government of Cameroon.

Every year, 20,000 newborn babies die in Cameroon. Low birth weight (LBW) and prematurity are leading risk factors for neonatal mortality. Kangaroo Mother Care is a proven and globally recommended health practice for babies born early or small, which involves holding the baby skin-to-skin on the mother’s or other caregiver’s chest, ideally feeding them only breastmilk, minimising time in hospital and having close follow-up of the mother and baby once they return home. Research has shown that KMC offers even greater protection against newborn mortality than traditional incubator care.

With the financial support of the Government of Canada, Grand Challenges Canada will provide USD 800,000 dollars in upfront funding to upgrade health facilities and train health practitioners. The Fondation Kangourou Cameroun will use the capital to build critical

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1 Charpak, N. (2017). Twenty-year Follow-up of Kangaroo Mother Care Versus Traditional Care. PEDIATRICS Volume 139. Available at: https://pediatrics.aappublications.org/content/pediatrics/early/2016/12/08/peds.2016-2063.full.pdf
infrastructure, purchase specialized equipment, and provide professional KMC training for staff and ongoing support in health facilities across Cameroon.

As outcomes are achieved – notably an increase in access to quality KMC and the resulting improvements in weight gain for LBW or premature newborns – the Government of Cameroon via the Ministry of Public Health, with the support of the Global Financing Facility (USD 2 million), and Nutrition International (USD 800,000) as outcomes funders will pay Grand Challenges Canada for each unit of outcomes achieved. If the results achieved are aligned with expectations, Grand Challenges Canada will receive its principal plus interest. Outcome funders only pay the investors when results are achieved—meaning an efficient and effective use of their funding—with the upfront investor potentially getting a good return on investment, doing well by doing good.

The DIB will support government efforts to improve access to KMC in 10 hospitals across the country. Once implemented, this program will provide life-improving care for more than 2,200 newborns by 2021. With support from the Fondation Kangourou Cameroun, centres of excellence will be created in 4 regions. Using a train-the-trainer model, these centres will then build the capacity of other hospitals to promote and implement KMC. This will ensure that the practice of KMC is embedded in the public healthcare system, ensuring sustainability and further scale-up after the DIB.

The Cameroon Ministry of Public Health, Grand Challenges Canada and Nutrition International have led the design of the Cameroon KMC DIB, with support from Social Finance and MaRS Centre for Impact Investing. This DIB is part of the government’s broader results-focused health system strengthening effort, which also includes a national level performance-based financing (PBF) program – where service provider payments are based on their performance – contracting with public and private facilities to deliver essential health services. This PBF program is financed with support from the World Bank and the Global Financing Facility. With these pay-for-performance innovative financing instruments, the Government of Cameroon will be able to deliver results and greater accountability in its health programs across the country.

Statement from the Government of Cameroon:

“To be able to tackle newborn mortality, we need a national approach. Through the Development Impact Bond (DIB), we shall implement KMC in several hospitals thus laying the foundation for it to be scaled across the whole country. The DIB approach ensures accountability which contributes to achievement of set objectives. It’s an exciting way to work towards our goals and build new partnerships along the way.”

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Please find additional quotes and background information below:

Cameroon KMC DIB

- Timeline: Feb 2019 to March 2021
- Work with 10 hospitals in 5 regions:
  - Littoral
    - Laquintinie Hospital in Douala
    - Bonassama District Hospital
    - HGOPED
  - South West:
    - Buea Regional Hospital
  - Centre
    - HGOPY
    - Bafia District Hospital
    - Yaounde University Teaching Hospital
  - Adamaoua
    - Ngaoundere Regional Hospital
    - Ngaoundere Protestant Hospital
  - North:
    - Garoua Regional Hospital

Development Impact Bond (DIB)

DIBs are an innovative way of financing international development. Governments and donor agencies are increasingly deploying innovative financing mechanisms such as DIBs to overcome funding gaps and improve value for money of international development funds whilst increasing the efficiency and efficacy of programs.

DIBs are performance-based, meaning that investors are only paid a return if a set of pre-agreed independently evaluated targets are met. This dramatically reduces the risks of funding non-performing programs for governments and development partners, who pay out only after a successful result is achieved. By going beyond inputs, the DIB mechanism enables a shift in government and donor financing towards focusing on results, and incentivizes investors and implementers to consider the most effective ways to deliver health outputs and ultimately outcomes, rather than meeting a set of pre-determined input metrics.

Partners

Global Financing Facility — The Global Financing Facility (GFF) is a multi-stakeholder partnership that supports governments to bring partners together around a country-led plan, prioritizing high-impact but underinvested areas of health. Innovative financing to mobilize private sector capital at scale is a key focus area for the GFF, which leverages expertise and institutional platforms across the World Bank Group, including its private sector arm the International Finance Corporation. As a pathfinder for new models of sustainable development finance, the GFF Trust Fund has been supporting the Government of
Cameroon on the Newborn Development Impact Bond, building on the experiences across GFF countries with payment for results for health and nutrition programs.

"Using innovative financing tools to achieve life-saving results is a key part of the GFF’s strategy to scale and support sustainable ways for governments to finance health and nutrition,” said Mariam Claeson, Director of the GFF. “We are excited to see how this will deliver a great return on investment – in monetary value for investors, and most important, in lives saved and improved, for families, governments and development partners.”

**Government of Cameroon** — The Government of Cameroon has identified KMC as a promising route to improving maternal and newborn health in the country. It has included KMC in its Health Sector Strategy 2016-2027, and is looking to the Cameroon KMC DIB to support the expansion of KMC in the country.

**Grand Challenges Canada** — Grand Challenges Canada is a funder and enabler of innovation in Canada and on the global stage. Funded by the Government of Canada, Grand Challenges Canada has supported Kangaroo Mother Care delivery innovations for many years, including a pilot project in Cameroon in 2016 which ultimately led to the creation of the Fondation Kangourou Cameroun.

“This is a first for us,” said Karlee Silver, Co-CEO of Grand Challenges Canada. “We’re interested in seeing how impact bonds and other innovative financing tools can deliver positive social outcomes for local communities and whether they can scale tested interventions more effectively than traditional grant funding.”

**Nutrition International** — Founded in 1992, Nutrition International is a global organization dedicated to delivering proven nutrition interventions to those who need them. Working in partnership with countries, donors and implementers, its experts conduct cutting-edge nutrition research, support critical policy formulation, and integrate nutrition into broader development programs. In more than 60 countries, primarily in Asia and Africa, Nutrition International nourishes people to nourish life.

"Despite its 30-year proven track record in saving newborn lives around the world, quality KMC has not yet been scaled up globally; it’s a public health home run waiting to happen,” said Joel Spicer, President and CEO of Nutrition International. “KMC not only increases survival rates but also helps give newborns the best start in life by promoting early and exclusive breastfeeding to strengthen their health and nutrition. As a global nutrition organization, that has been our focus. This partnership will encourage governments to scale up KMC so that more low birth weight and preterm babies reap the multiple health and nutrition benefits.”

**Social Finance** — Since Social Finance launched Impact Bonds in 2010, the concept has captured widespread interest across the globe. There are currently more than 120 Social Impact Bonds in 24 countries, mobilising more than $400m of investment into tackling
complex social issues such as youth unemployment, homelessness and re-offending. Social Finance has led the design and launch of the Cameroon KMC DIB and continues to play a performance management advisor role as the DIB is rolled out.

“We are excited to see the engagement of the Government of Cameroon as both an outcomes funder and operational partner, a first in the evolving market for Development Impact Bonds,” said David Hutchison, Social Finance’s CEO. “This is an important milestone for Social Finance’s work in the international development arena. We look forward to supporting the implementation team on the ground and continuing to learn from the project.”

*World Bank* — The World Bank Group is a vital source of financial and technical assistance to developing countries around the world, with the goals of ending extreme poverty and boosting shared prosperity. Improving health is integral to achieving these goals. The Bank Group provides financing, state-of-the-art analysis, and policy advice to help countries expand access to quality, affordable health care; protect people from falling into poverty or worsening poverty due to illness; and promote investments in all sectors that form the foundation of healthy societies.

*MaRS Centre for Impact Investing* — MaRS Centre for Impact Investing (MCII) works with investors, governments, foundations, ventures and service providers to create funding solutions to better tackle persistent social challenges. Since 2011, MCII has helped put more than $150 million to work in improving lives and communities. MCII worked closely with Grand Challenges Canada in originating the Cameroon KMC DIB, and co-led the design and capital raise for the DIB in collaboration with the other project partners.

“This project showcases Canada’s leadership in innovative financing and its commitment to maternal and child health outcomes around the world,” said Adam Jagelewski, Lead Executive of MaRS Centre for Impact Investing. “MaRS is excited to build on its experience and share the lessons learned from this DIB in order to grow and improve the market for outcomes-based funding approaches.”

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