

# Corporate Sector Involvement in Malaria Financing

*CAMA Meeting*

*Abuja, Nigeria*



July 2014



# Malaria has a direct impact on private sector performance, supporting the case for private sector involvement in malaria programming

## *Why should the corporate sector invest in fighting malaria?*

- 1 Malaria has a profound effect on the economy, therefore impacting private sector growth and potential

  - ▶ ¾ of companies in Africa reported that malaria negatively impacts their business\*
  - ▶ \$12 billion of GDP lost in Africa per year due to malaria\*\*
- 2 Sickness and death due to malaria has a real earnings impact on individual companies. For example, in Malawi, malaria can cost companies on average \$42,000 – \$870,000 in earnings loss per year

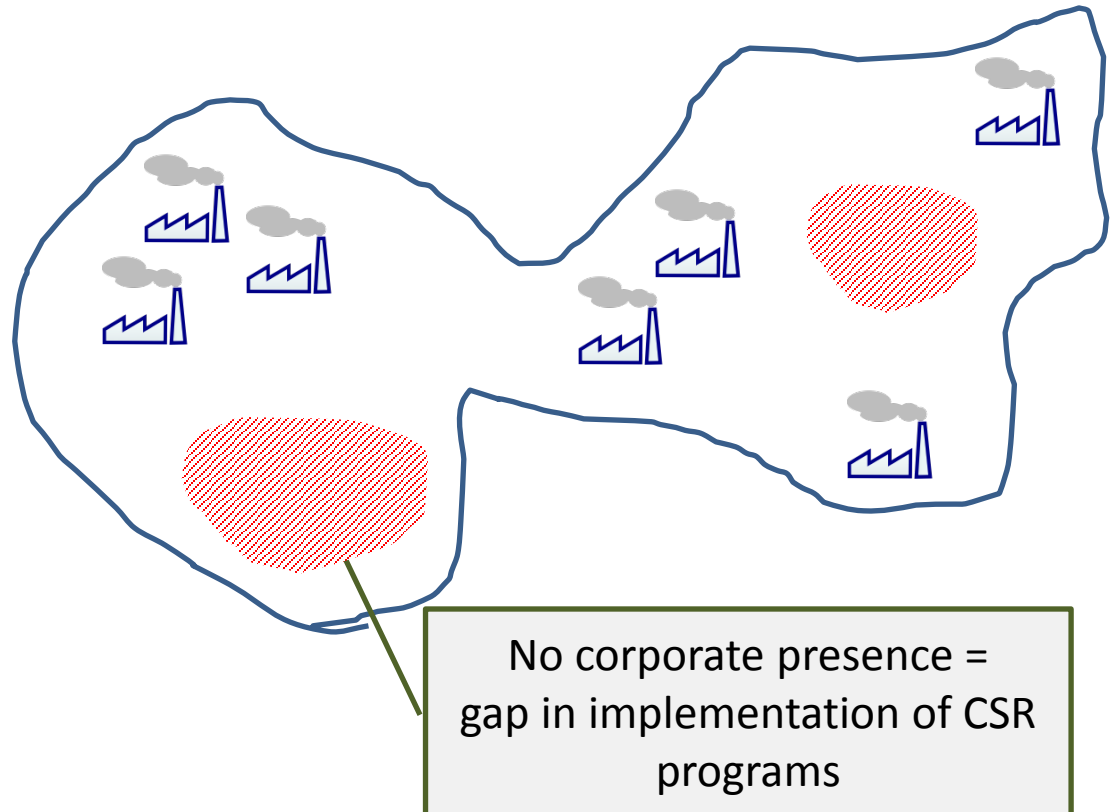
  - ▶ Malaria negatively impacts productivity, leads to higher headcounts, and can lead to on-the-job safety issues
- 3 Malaria is a good investment: With sustainable financing, malaria is preventable and treatable at low cost

  - ▶ At \$5 - \$8 per case averted,\*\*\* malaria control is a “best buy” in global health
- 4 Greater investment in malaria and public health can improve corporate image, customer satisfaction and boost sales

# CSR systems in most African states are fragmented, inefficient, and rarely well-aligned with government strategies.

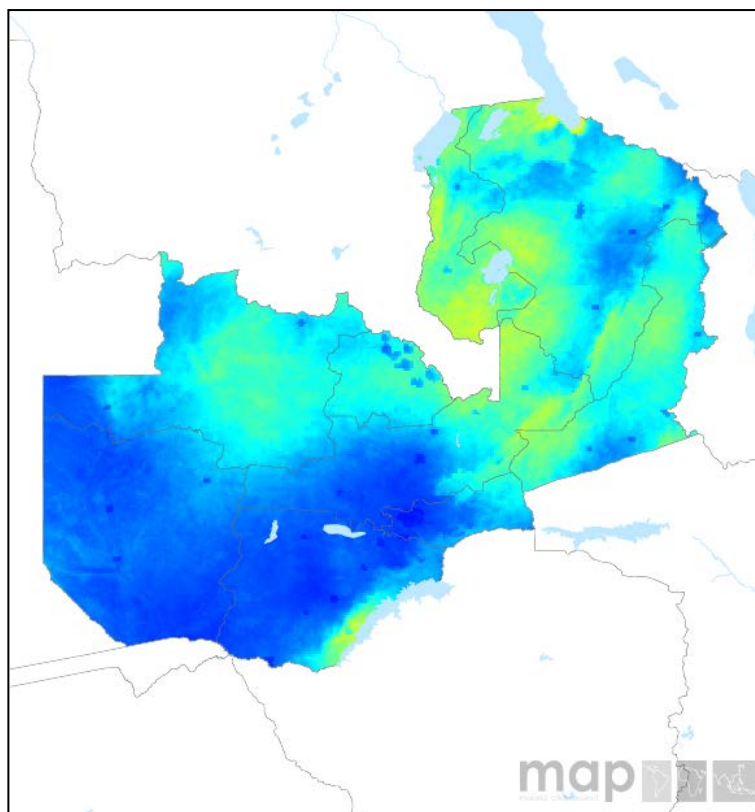
- ▶ Corporations typically prefer to **invest in the areas immediately nearest their operations**
- ▶ Corporate presences rarely mirror the greatest health burdens in a country
- ▶ With numerous corporations conducting their own CSR programs, it is exceedingly **difficult for governments to coordinate and align** with their own strategies and goals

## Illustrative distribution of corporations across a country

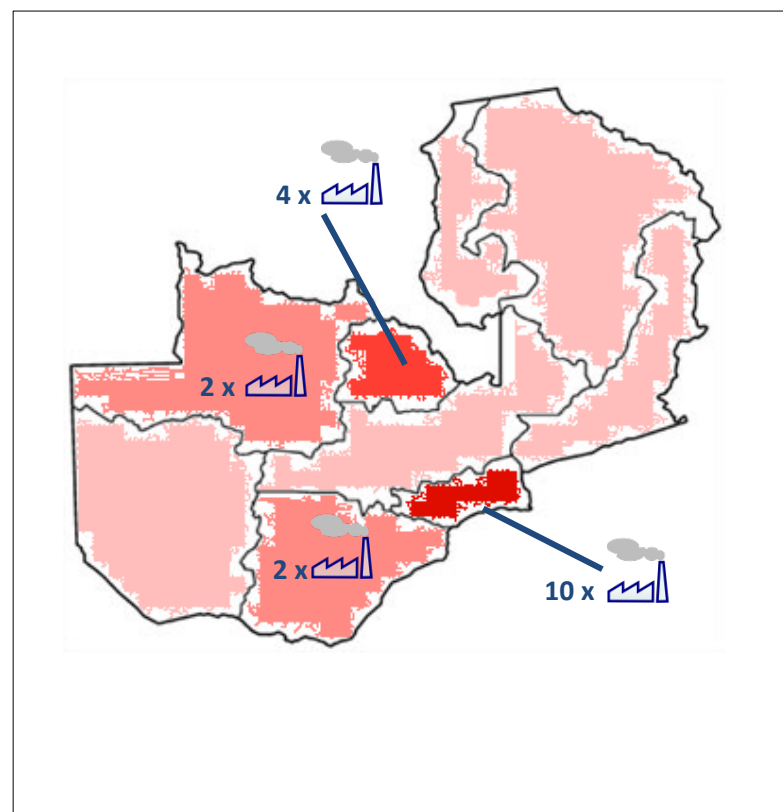


There's a discrepancy between geographic locations of corporations and health burden, leading to suboptimal resource allocation.

## Geographic distribution of malaria prevalence in Zambia



## Major corporate presences in Zambia



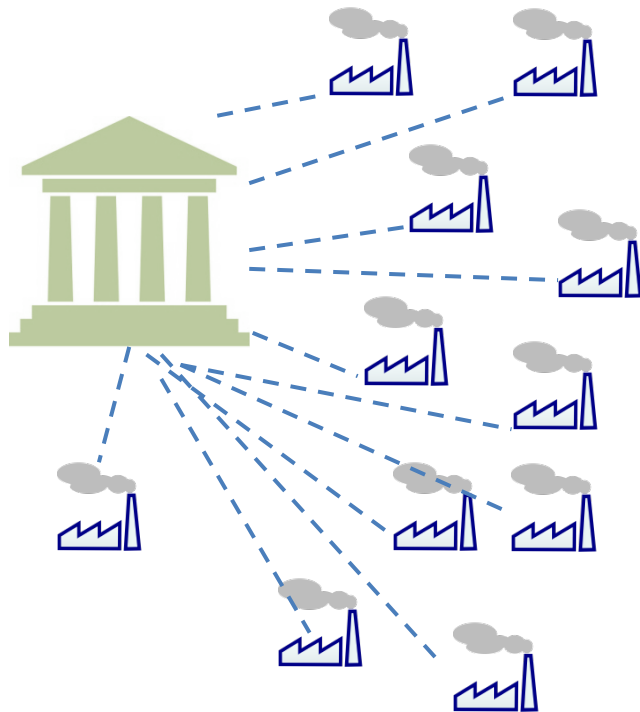
Source: Malaria endemicity map is from [www.map.ox.ac.uk](http://www.map.ox.ac.uk) and corporate map of Zambia is derived from locations of recipients of a Zambia MOH survey of the corporate sector.

- Illustrative Only -

It is difficult, time-consuming and expensive for governments to coordinate and manage relationships with all CSR actors.

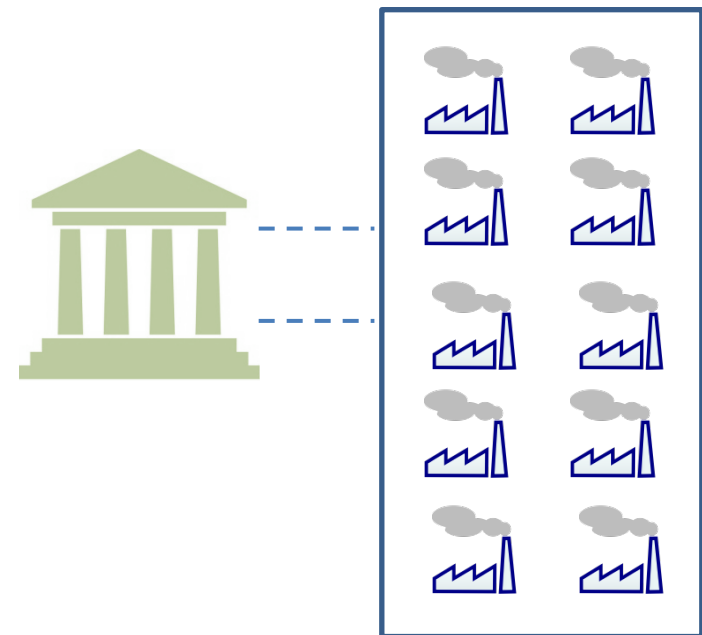
Today's system

Numerous relationships,  
difficult to manage/monitor



CSR Fund

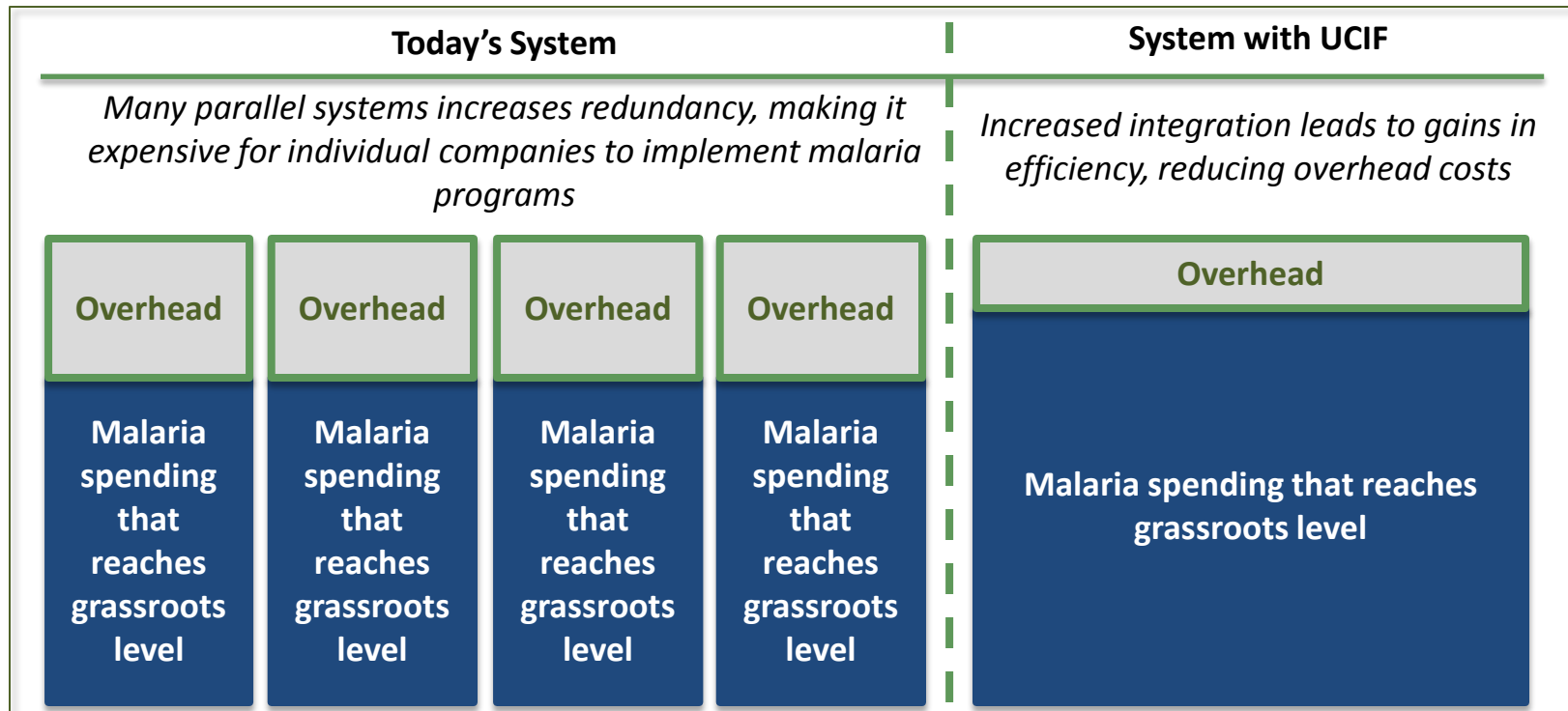
Streamlined relationship,  
simple to align



# The corporate community has the opportunity to pool resources, integrate programming, and achieve more impact for less

A centralized corporate fund against malaria would create a vehicle for the corporate sector to join together to fight malaria, allowing participating companies to:

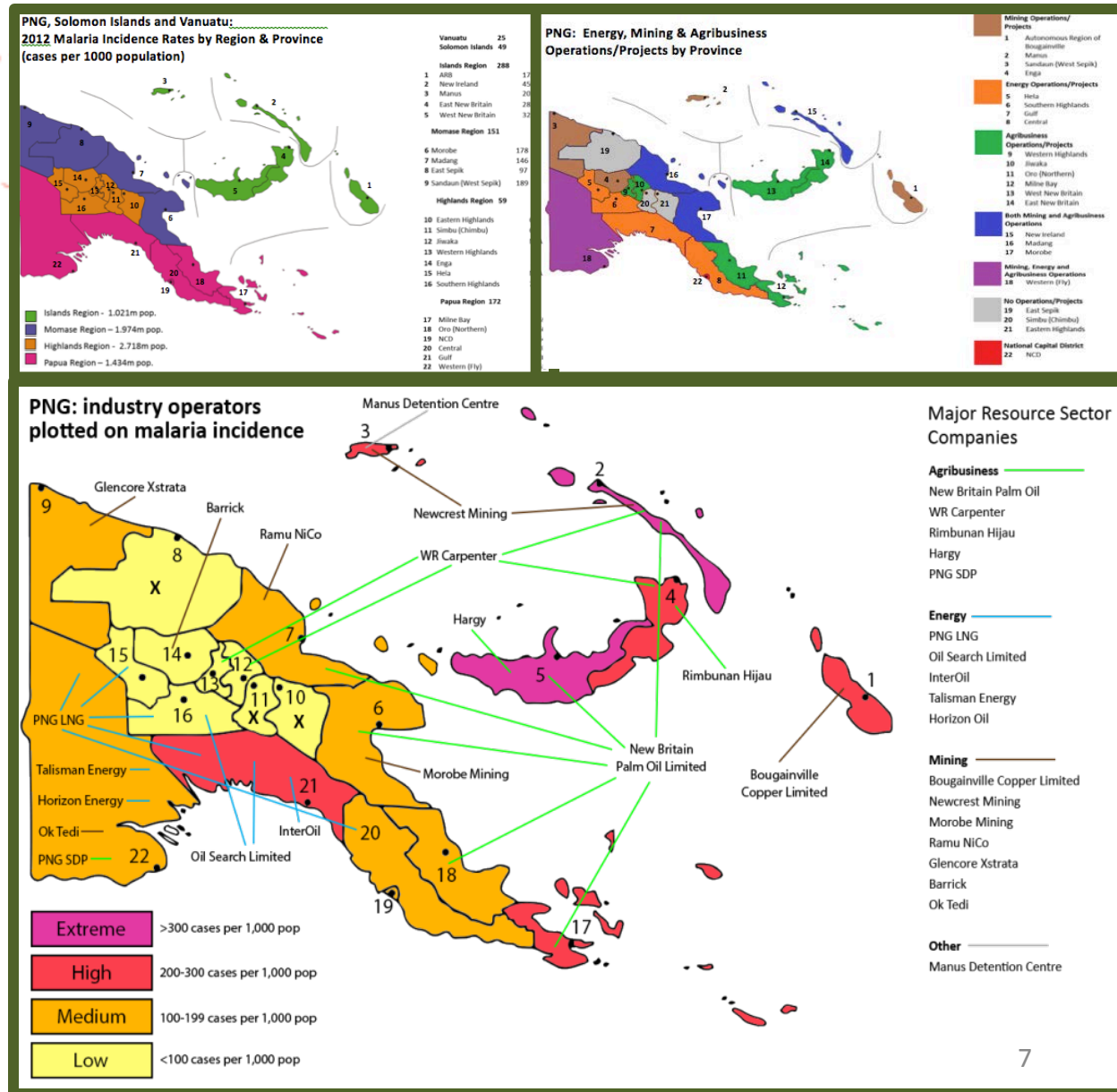
- ▶ Play a leading role in averting deaths from malaria
- ▶ Demonstrate corporate citizenship
- ▶ Improve efficiency and impact from investments in fighting malaria
- ▶ Decrease costs associated with running individual programs
- ▶ Foster easier relations with the local government



# A similar initiative is currently underway in Papua New Guinea



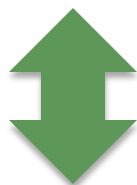
- ▶ The PNG Industry Malaria Initiative (PIMI) in Papua New Guinea is the first known attempt to create a united corporate consortium against malaria
- ▶ Launched in September 2013, PIMI has already attracted 17 members, including subsidiaries of large corporations like Chevron and Exxon
- ▶ PIMI currently functions as a consortium, where companies launch coordinated malaria programming in districts where they have a key presence
- ▶ In the future, PIMI plans to create a fund to conduct programming in the geographic gaps



This fund would be created, designed and operated by the corporate sector, but would also include government and third-party representatives

## BOARD OF TRUSTEES

- ▶ The Board of Trustees body would determine spending strategy and ensure implementation
- ▶ Membership would include participating companies and relevant government ministries
- ▶ The Board would receive quarterly reports from the Portfolio Manager, overseeing the costs and demands on the fund.



## TECHNICAL ADVISORY BOARD

- ▶ Contains experts from the health sector, providing guidance to the Board of Trustees on malaria programming, including when to scale up programming, key regions to target, and types of inventions to implement



## PORTFOLIO MANAGER

- ▶ Responsible for executing investment decisions made by the Board of Trustees
- ▶ Creates reports on investments, accounting, and results



# There are a variety of advantages if the corporate community were to pursue a centralized investment fund for malaria

## Advantages of a United Corporate Investment Fund against Malaria:

### ▶ ***Easier government relations***

- Easier for companies to work with one entity, instead of coordinating with multiple federal and district health organizations
- Easier for the government to interact with one entity, rather than managing dozens of relationships with different organizations

### ▶ ***Increased efficiency***

- Economies of scale and reduced overhead costs
- Increased coordination leads to better targets programming
- Decreased transaction costs by centralizing corporate-government relationship
- Shared information and understanding of baseline costs and needs
- Shared capacity (including human capital) and resources

### ▶ ***Demonstration of corporate citizenship***

- Participating companies show themselves to be invested in the welfare of Malawi's citizens, boosting the company's local image and international image
- Participating companies will be able to tout greater gains, since each dollar they spend will go further than previous malaria programming

### ▶ ***Greater participation from smaller companies***

- Lower barriers of entry may attract new capital from smaller organizations that would otherwise not be able to afford launching large-scale malaria programming efforts

# Summary and Applications within Malaria

## **A centralized investment fund for malaria**

- Corporations can band together, pooling resources, to achieve greater impact with less money
- A centralized fund can achieve economies of scale, enhance coordination and ease/facilitate the participation of smaller corporations
- Corporations benefit by increasing value for money and the government simplifies its relationship with the corporate community

## **Potential applications in Nigeria**

- Under the leadership of the PSHA, major Nigeria corporations can launch a pilot in 2-3 states and assess benefits of the model
- If successful, Nigeria has the potential to create a world-class corporate community that plays a central role in driving down a disease that kills more than 250,000 Nigerian children per year
- Auxiliary benefits of a successful initiative include broad economic improvement and GDP growth through increased productivity, ease of doing business, reduction in health system costs, improved learning for children and reduced absenteeism

Questions?

