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OUTCOME REPORT

ROUNDTABLE 6B

Climate – Health Blended Finance Bold Bets



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1. Introduction

The **Climate and Health Solutions (CHS) India Conclave**, jointly organized by the Ministry of Health and Family Welfare, Government of India, and the Asian Development Bank, took place in Delhi on **25-26th September 2024**. The two-day Conclave aimed to address the emerging challenges at the intersection of climate change and public health, offering a platform for policymakers, experts, and stakeholders to collaborate on developing actionable strategies for India's health sector. The event facilitated discussions on the intertwined issues of environmental sustainability and healthcare delivery, bringing together representatives from government, health organizations, academia, multilateral agencies, and the private sector.

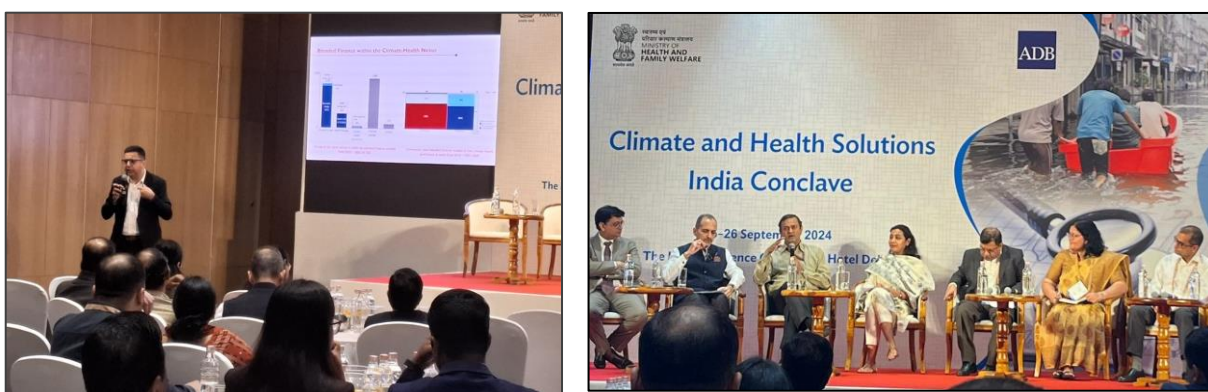
Roundtable 6B (RT6B): Climate-Health Blended Finance Bold Bets, hosted by IPE Global on September 26th, 2024, focused on innovative financing solutions to address the mounting challenges at the nexus of climate change and public health. The session examined how blended finance mechanisms can be leveraged to catalyze market-based solutions in this critical space, with particular attention to the unique needs of scaling innovations and small and medium-sized businesses. The roundtable brought forth priority areas and bold investment opportunities where blended finance could create maximum impact. The session also showcased successful "make-in-India" solutions that have effectively utilized blended finance to scale their operations, demonstrating the practical application and potential of innovative financing mechanisms in addressing climate-health challenges.

The Outcome Report captures the key discussions, insights, and recommendations from RT6B, with a particular focus on innovative financing mechanisms and their potential to drive transformative change in addressing climate-related health challenges. The report is intended for policymakers, healthcare investors, development partners, financial institutions, and other key stakeholders involved in developing strategies for climate resilience and strengthening health systems in India. It provides valuable insights and actionable recommendations for leveraging blended finance to create sustainable, scalable solutions at the intersection of climate change and public health.

2. Session Overview

The **Round Table 6B (RT6B): Climate-Health Blended Finance Bold Bets** session, held on **September 26, 2024, at 10 AM**, in New Delhi aimed to identify and catalyze innovative financing solutions that could effectively address the growing challenges at the intersection of climate change and healthcare in India. The session was designed to explore pathways for leveraging blended finance mechanisms to accelerate the development and deployment of climate-health solutions, while ensuring their accessibility and affordability, particularly in resource-constrained settings.

The session's objectives were fourfold: to understand the landscape and urgency of financing needs in the climate-health space, to identify priority sectors and bold investment opportunities for blended finance interventions, to explore innovative financing structures that could effectively combine public, private, and philanthropic capital for maximum impact, and to highlight homegrown innovations that have successfully scaled their impact through strategic use of blended finance mechanisms.



These objectives were pursued through a carefully structured flow of discussions. The session began with a presentation of key findings from a recent IPE Global and the Bridgespan Group study, which provided evidence-based insights into priority areas requiring urgent intervention through blended finance. This was followed by expert panels exploring various innovative financing mechanisms, from hybrid funds to outcome-based financing models, drawing upon successful experiences and learnings from both domestic and international contexts. Special emphasis was placed on understanding implementation challenges and potential solutions, particularly in the context of early-stage innovations and scaling requirements. The discussions were enriched by showcases of successful market-based solutions that have effectively utilized blended finance for scale. These real-world examples demonstrated the practical application of innovative financing mechanisms and provided valuable insights for future initiatives in the climate-health space. The session concluded with focused deliberations on creating an enabling ecosystem for blended finance, including regulatory frameworks, risk mitigation strategies, and collaborative platforms.

3. Speakers and Participants

The session brought together a strategic mix of voices from across the blended finance ecosystem, ensuring representation from government agencies, development partners, financial institutions, and healthcare innovators. This diversity of perspectives - from policy makers to practitioners, funders to implementers - enriched the discussions with insights from different operating contexts and priorities.

Welcome and Presentation:

- **Himanshu Sikka**, Project Director, USAID-supported SAMRIDH Healthcare Blended Finance Facility; and Chief Strategy & Diversification Officer, IPE Global

Session Moderator:

- **Aanchal Jain**, Lead – Blended Finance, USAID-supported SAMRIDH Healthcare Blended Finance Facility

Panelists:

- **Major General (Dr. Prof.) Atul Kotwal**, Executive Director, National Health Systems Resource Centre
- **Mr. Gautam Chakraborty**, Senior Health Finance Specialist, USAID
- **Ms. Jaya Singh**, Policy and Programme Lead, Asia Pacific Region at FCDO
- **Dr. Dinesh Arora**, Principal Health Specialist, Asian Development Bank
- **Mr. Madhav Joshi**, CEO, India Health Fund

Presentation on Innovations:

- **Dr. Vijender Jeph**, Lead – Health-tech Innovations, USAID-supported SAMRIDH Healthcare Blended Finance Facility

4. Key Themes Discussed

The session facilitated rich discussions on the evolving landscape of blended finance in addressing climate-health challenges, bringing together diverse perspectives from the government, private sector, and development partners. Several critical themes emerged, underscoring the urgent need to reimagine financing mechanisms to better address the interconnected risks posed by climate change and public health challenges.

Current Landscape of Climate-Health Financing in India

In his opening presentation, Himanshu Sikka, Project Director of USAID-supported In his opening presentation, Himanshu Sikka, Project Director of USAID-supported SAMRIDH Healthcare Blended Finance Facility, set the context by presenting key findings from the recent IPE Global and the Bridgespan Group report. He emphasized that climate change represents the single biggest health threat facing humanity, highlighting that 5 out of 20 Indians are highly vulnerable to extreme weather events, and 90% of Indians are susceptible to public health issues and food shortages caused by climate change. The presentation provided a comprehensive analysis of blended finance trends in India, revealing that the market has expanded eightfold from 2010 to 2022, achieving an impressive 18% compound annual growth rate and surpassing global averages. In the past decade, blended finance transactions have accounted for approximately USD 5 billion of funding in India, with the climate-focused sector comprising 40% of all blended funding, second only to financial services. While health-focused initiatives secure around 15% of this funding as the third most prioritized area, the climate-health intersection is still emerging, currently constituting only about 3% of deals, predominantly focused on WASH solutions.

The presentation highlighted the crucial role of development agencies and global funds as key concessional scale providers, with these entities dedicating over 10% of their contributions to the climate-health intersection in India. Their strategic focus on WASH initiatives and infectious disease control has served as a catalyst, inspiring additional capital from other scale providers. While the Government of India and corporate entities have emerged as prominent funders of scale capital, their engagement has also primarily centered on WASH initiatives. An interesting pattern emerged in the analysis of financing instruments: **approximately 60% of funding for climate-health comes from concessional debt, risk insurance, and guarantees.** These instruments have been particularly effective in driving big bets in well-established sectors like climate energy and health infrastructure due to their risk-return and scalability benefits.

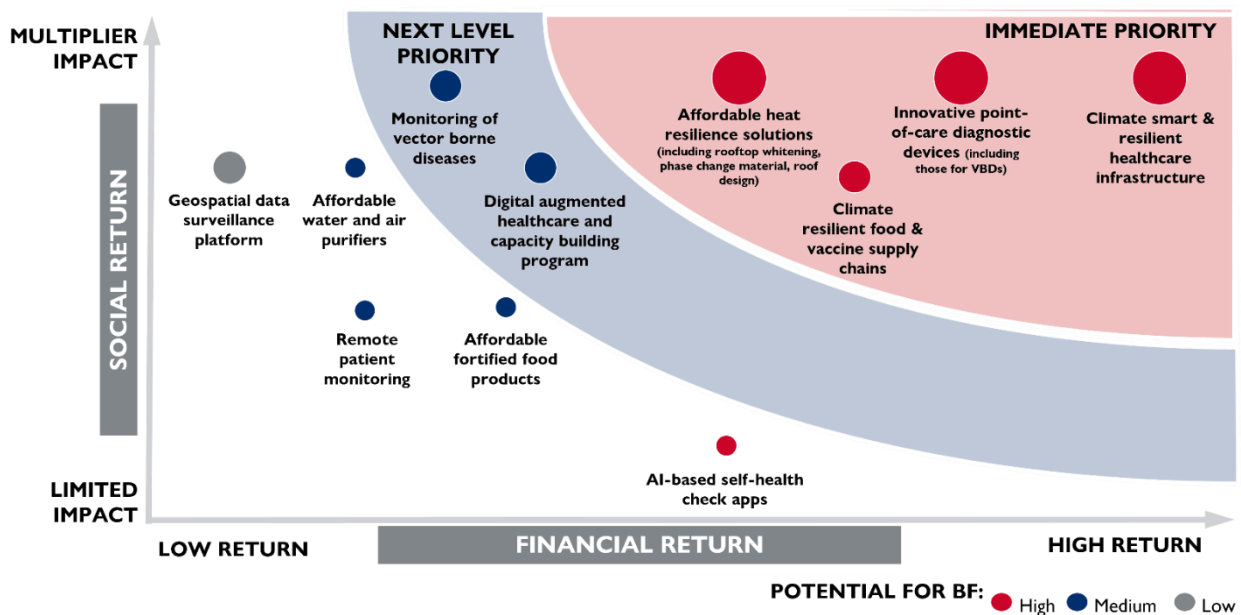
A key highlight of the presentation was the mapping of the climate-health continuum, which identified twelve high-priority themes ranging from climate-focused mitigation strategies to health-specific interventions. Through a rigorous prioritization framework that **evaluated opportunities based on their potential social return, financial return, and fit for blended finance**, the study identified several promising investment opportunities.

Immediate Priorities:

- Affordable heat resilience solutions
- Innovative point-of-care diagnostic devices
- Climate-smart healthcare infrastructure
- Climate-resilient food and vaccine supply chains

Medium-Priority Actions:

- Technologies for monitoring vector-borne diseases
- Digital augmented healthcare
- Capacity building of workforce



The analysis underscored how current funding patterns show significant concentration in specific areas – for instance, 95% of climate-sector transactions exclusively focus on renewable energy solutions – leaving critical gaps in addressing broader climate-health challenges. This comprehensive evaluation made clear the need for more diverse and innovative financing approaches to better address the full spectrum of climate-health challenges, with particular focus on these identified priority areas.

Multi-sectoral Partnerships as Catalysts for Change

The discussions emphasized that addressing climate-health challenges requires unprecedented collaboration across sectors. The surge in global and national climate-health initiatives makes inter- and intra-sectoral coordination essential for building climate-resilient health infrastructure. Participants highlighted how Development Finance Institutions can create policy-based loans, while international partnerships like those between ASEAN, FCDO, ADB, and others demonstrate the power of collaborative action. These partnerships are particularly

crucial as they bring together diverse capabilities and resources, from technical expertise to financial capital, necessary for tackling complex climate-health challenges.

Mainstreaming Climate Perspectives Across Healthcare

A fundamental theme that emerged was the necessity of integrating climate considerations into every aspect of healthcare delivery. As emphasized during the discussions, this integration needs to span across infrastructure, diagnostics, national health programs, and logistics. The Indian Public Health Standards (IPHS) were highlighted as exemplifying this approach, emphasizing both structural climate resilience (like earthquake-proof and heat-resilient facilities) and non-structural elements (such as climate-resilient equipment). Participants stressed that this comprehensive integration is crucial for building lasting resilience in healthcare systems.

Evolving Role of Government in Enabling Private Sector Participation

The discussions revealed a significant shift in government's approach to private sector engagement in healthcare. With private sector now providing 70% of healthcare delivery, there is growing recognition of its role as a crucial partner. However, participants emphasized that government must play a proactive role in creating an enabling environment through appropriate regulations and safeguards for private sector investors in climate and health initiatives. This includes developing regulatory frameworks that protect investor interests while ensuring alignment with public health goals.

Innovation in Financing Structures

The session highlighted how climate-health solutions require diverse and adaptable financing models at different stages of development. Several innovative structures were proposed, from seed grants for early-stage innovations to concessional capital for scaling high-impact solutions. Particular emphasis was placed on hybrid funds that can ensure long-term sustainability while addressing immediate needs. These models were noted to be most effective when complemented by technical assistance and strategic deployment of targeted grant funding for hard-to-reach areas.

Strategic Risk Mitigation Through Blended Finance

A recurring theme was the potential of blended finance in derisking investments, particularly in the startup ecosystem. While this approach has shown success in sectors like energy and logistics, participants noted its largely untapped potential in health. Green catalytic funding and guarantee-based grants were highlighted as particularly promising tools, capable of addressing multiple priorities simultaneously – from profit and climate impact to gender equality and social inclusion. This multi-dimensional approach was seen as key to mobilizing resources more effectively and creating lasting impact across sectors.

These themes reflected the complex nature of financing climate-health initiatives and highlighted the need for innovative, collaborative approaches to address these challenges

effectively. The discussions consistently emphasized that success in this space requires not just financial innovation, but also strong partnerships, enabling policies, and a comprehensive approach to building climate resilience across healthcare systems.

5. Challenges and Gaps Identified

A. Systemic and Operational Challenges

▪ Underfunding in Health Sector

- Persistent resource constraints, particularly for climate-resilient health infrastructure and innovative healthcare solutions.
- Urgent need to simultaneously address both existing healthcare gaps and emerging climate-related health risks.
- Supporting long-term implementation of climate-health initiatives

▪ Cross-Sectoral Coordination

- Institutional silos and bureaucratic barriers impede the integration between human health, veterinary medicine, and environmental health sectors.
- Inconsistent communication channels and shared protocols across different sectors.

▪ Policy and Regulatory Framework

- Inconsistent and sometimes outdated regulatory frameworks, particularly for public-private partnerships across primary, secondary, and tertiary care.
- Pressing need for policies that support integrated approaches while ensuring proper governance and outcomes.

B. Financial and Market Challenges

▪ Private Sector Engagement

- Difficulty in attracting investments to low-return areas like primary healthcare and safe water
- Limited feasibility of certain revenue streams
- Insufficient de-risking mechanisms, especially for innovations
- Need for impact bonds and risk-mitigation strategies to make investments viable

▪ Blended Finance and Sustainability

- Complex process to blend concessional capital with private funding
- Need for extended government support for projects with low initial returns, such as remote patient monitoring
- Insufficient funding and resource allocation mechanisms for surveillance programs

C. Innovation and Implementation Gaps

▪ Research and Development Limitations

- Insufficient investment in research and development for AI-based solutions
- Limited quality data availability for AI training in healthcare services
- Inadequate funding for sustained innovation in climate-health solutions

▪ Equity and Access

- Limited funding to scale affordable and inclusive climate-resilient healthcare solutions

6. Recommendations

A. Prioritization of High Impact Projects:

- The immediate priority should focus on climate-smart and resilient healthcare infrastructure, innovative point-of-care diagnostic devices, and affordable heat resilience solutions, as identified in the image's "Immediate Priority" section.

B. Phased Funding Models:

- Long-term hybrid funds that begin with grants and shift to interest-based or returns-driven financing over a period of years offer a sustainable solution for financing healthcare and climate projects.

C. Community-based Financing:

- Participatory financing mechanisms, as exemplified by Bihar's Self-Help Groups, should be expanded to ensure equitable allocation of resources, particularly in vulnerable communities impacted by climate change.

D. Collaborative and Blended Financing:

- Collaborative efforts between governments, private sector players, and international donors are crucial for scaling climate-smart healthcare solutions.
- Blended finance models should be further explored to bridge funding gaps.

E. Enhancing Regulatory Mechanisms:

- Improved regulatory checks and balances are necessary for the effective implementation of PPP models in healthcare.
- There should be clearer links between financing and health outcomes, along with proper oversight.

F. De-risking to Attract Investment:

- De-risking strategies, especially for primary healthcare and innovation sectors, should be prioritized to make them attractive for private investment.

7. Innovations Presented

A. Heat and Health Mapping & Management | Early Warning Systems

Solution 1: Climate Risk Observatory Tool

The Climate Risk Observatory and Decision Support System (CRO-DSS) is a web-based platform designed to monitor and manage climate-related risks.

B. Climate Resilient Health Infrastructure

Solution 1: Redwing labs

Redwing Labs' drone network streamlines medical product deliveries.

Solution 2: Blackfrog Technologies

Blackfrog Technologies uses active rapid cooling technology and develop products for safe last-mile transport of vaccines and other biological samples.

Solution 3: Pluss Technologies

Celsure® boxes are made from 'phase change materials' using the concept of thermal energy storage, to maintain inside temperature without electricity.

Solution 4: GNRC

GNRC Hospitals has innovatively integrated climate change mitigation into its operations. The construction of a hospital from bamboo is a key initiative in this regard.

C. Ambient Air Pollution Monitoring & Control

Solution 1: Biomoneta

Biomoneta creates solutions to prevent the spread of infections in hospitals & and other healthcare facilities.

Solution 2: Airth

AIRTH anti-microbial air purifiers patented with IIT Bombay and tested from CSIR-NPL and FRAC for microbial removal, can remove 99.99% of pathogens within 10 minutes.

D. Climate Ready HR for Climate-Health Blended Finance Bold Bets

Solution 1: SkillTree Consulting

Skill Tree Consulting aims to enhance healthcare in rural and remote India by offering specialized short-term courses.

Solution 2: CDOT

CDOT addresses gaps in healthcare delivery by training Community Health Facilitators.

Solution 3: Wipro GE

Wipro GE's training division bridges the gap between innovative technology and skilled healthcare professionals through expert-developed courses and tailored training programs.

The above three solutions can help in education and training of health workers regarding Climate and Health.

Solution 4: Medprime Technologies

MedPrime Technologies tackles shortages of pathologists in rural and tier 2 & 3 cities with its AI-powered telepathology solutions.

E. Climate, VBD and One Health

Solution 1: Moskeet

Moskeet is a data platform that leverages Artificial intelligence, and sensors (IoT) to prevent mosquito-borne diseases.

Solution 2: Ramja Genosensor

PRATHMASENSE, rapid, user-friendly, and cost-efficient solution for detecting microbial infections and antimicrobial susceptibility/resistance in less than 2 hours.

Solution 3: RapidDx Technologies

A quick antimicrobial susceptibility test (AST) platform to shorten the time between sample collection and susceptibility detection.

Solution 4: Ameliorate Biotech

Ameliorate Biotech developed single rapid diagnostic test for the early detection of malaria, chikungunya, and dengue and can also detect co-infection.

F. NCD, Mental Health & Nutrition

Solution 1: Qure.ai

AI-enabled chest X-ray solution (qXR) that can identify up to 30 distinct lung abnormalities in under a minute.

Solution 2: Salcit Technologies

Salcit has developed “Swaasa,” a proprietary platform that can screen people for lung conditions by analyzing the recording of a 10-second audio clip of solicited cough and using AI.

Solution 3: Emoneeds

The solution helps in diagnosing and treating people struggling with mental health problems digitally and in person.

Solution 4: Neurosynaptic Communications

A comprehensive end-to-end platform that provides home care, screening and doctor consultations for non-communicable diseases.