

# **Financing and Funding Models from the Health Sector and Application for Road Safety**

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# BRIDGING TRANSPORT AND HEALTH

**Prevention** in the Transport Sector (e.g., safer roads, vehicles, and speed management, prevention of impaired driving from alcohol and related products)

## PREVENTION



**Response** in the Health Sector (e.g., emergency response and post-crash care)

- A reduction in pre-hospital response time from 25 minutes to 15 minutes can cut deaths by 33%
- 🚑 Support emergency medical services, ambulance fleets and strengthened referral systems
- Invest in post-crash and trauma care as part of universal health coverage
- 🏥 Improve rehabilitation services and disability-inclusive health systems

## AT THE SCENE



## POST-CRASH CARE



## HEALTH FINANCING FUNCTIONS

- **Revenue Raising** (sources of funds, including government budgets, compulsory or voluntary prepaid insurance schemes, direct out-of-pocket payments by users, and external aid)
- **Pooling of Funds** (the accumulation of prepaid funds on behalf of some or all of the population)
- **Purchasing of Services** (the payment or allocation of resources to health service providers)

## REVENUE RAISING

- **Health taxes and “earmarking” them for health**
  - Earmarking part of “VAT”, airplane tickets, Zakat, and other taxes/funding sources for health
- **Compulsory pre-payments/premiums to national health insurance systems** (for specific populations)
- **Grants from external partners** (local and international philanthropies, global funds, development agencies of developed countries)

## ELEMENTS FOR EARMARKING OF HEALTH/OTHER TAXES/FUNDING SOURCES

- Link of the taxes on the products/activities and the health value – decreased use will lead to improved health outcomes
- Presence of a separate fund to receive the health taxes
- Extent of earmarking is context-specific – “**Hard or Soft Earmarks**”

## DEVELOPING MEMBER COUNTRIES (DMCS): EXAMPLES

Excise taxes on tobacco, alcohol, and sugar-sweetened drinks are “earmarked” for UHC spending or health promotion.

**ThaiHealth (2001)** is an autonomous health promotion agency funded by an earmarked 2% surcharge on alcohol and tobacco excise taxes (100\$ million annually).



*Funding supports road safety awareness campaigns, especially around drink-driving prevention and helmet use.*

**Philippines Sin Tax Reform (2012):** Raised taxes on tobacco and alcohol; part of the revenue was earmarked for the Universal Health Care as well as funding **PhilHealth (National Health Insurance)**.

## GLOBAL FUNDS AND PHILANTHROPIES

**Driven by Millennium Development Goals and now – Sustainable Development Goals (SDGs)**

- **The Global Fund:** Provides grants to fight HIV/AIDS, tuberculosis, and malaria.
- **GAVI (the Vaccine Alliance):** Finances vaccine procurement and immunisation programs.

## Philanthropies

## POOLING OF FUNDS

### **National Health Insurance** (separate from the general fund)

- Mongolia, People's Republic of China
- India, Maldives, Nepal
- Indonesia, Philippines, Viet Nam, Thailand, Lao PDR
- Pakistan, Armenia, Georgia, Uzbekistan

### **Other types of health insurance**

- Explore 3<sup>rd</sup> party liability insurance to pay for emergency care

### **Health Public-Private Partnerships** (harnessing private financing)

## PURCHASING OF SERVICES

### Results-based or Performance-based Financing

Funding disbursement is tied to specific health outcomes (e.g., vaccination rates, reduced maternal mortality).

**India's National Health Mission (NHM) 2013** is one of the largest government performance-based incentive in the world.

- States received additional funding for achieving health and nutrition goals (e.g., immunisation, family planning).
- Strengthen monitoring and reporting systems.



**Application to Road Safety:** Incentivise local governments for improvements in safety metrics, including enforcement of traffic laws and public awareness campaigns.

## PURCHASING OF SERVICES

- The Dana Alokasi Khusus or known as “**Indonesia’s DAK**” (Special Allocation Fund) – transfers to local governments to use for health
- **National Health Insurance payments for government health services** (primary care and/or hospital care)

## PURCHASING OF SERVICES

### **Deploy Health Technology Assessment and Health Economics Tool**

Using cost-effectiveness to prioritise public health spending, especially for determining health benefit packages in Indonesia, the Philippines, and Thailand.



**Application:** cost-effective analysis for high-impact, low-cost road safety interventions