



Financially Sustainable Veterinary Services

Banking on Animal Health

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Preliminary remarks

- **Economic importance** of the livestock sector (which contributes 40% of the global value of agricultural output and supports the livelihoods and food and nutrition security of almost 1.3 billion people)... narrative
- Animal health and welfare is an **investment, not a cost**. The case for financing Veterinary Services is compelling, with high returns on investments, up to 86% when considering pandemic risk
- Veterinary Authority, Veterinary Services, and Veterinary domain are defined; financing must be considered along the **continuum of public and private actors**

Yet, globally, Veterinary Services remain chronically underfunded

Estimated cost of Veterinary Services

The global cost of Veterinary Services has been recently estimated by the World Bank

- US\$2.3 billion/year for PVS core competencies in LMICs
- US\$5 billion/year to improve on-farm biosecurity in areas of highest density of livestock

The cost must be estimated at country level, however

- To reflect actual needs and the local context
- Shared cost between public and private sector
- Shared cost between domestic and international resources (1/3-2/3)

Animal Wealth & Welfare is the ultimate investment

- Considering the many benefits and co-benefits
- De-risk investments in animal productions (terrestrial and aquatic) and reduce the need for emergency response related costs

How to approach financing in practice?

Financing Veterinary Services is a shared responsibility

- Understanding “**who will benefit?**” from the investments could guide the question of “**who should finance?**”
 - Financing for “high risk” reduction (e.g., pandemic) should come from global sources, and such a financing should be provided as grants or through highly concessional financing
 - For “lower risk”, on the hand, financing should fall under domestic resources of the jurisdiction at risk
 - Finally, where local public or private benefits are identified, those likely to benefit from the proposed interventions should finance them
- However, there are usually **multiple co-benefits** coming from a single set of One Health interventions, providing simultaneously private, domestic and global public good
- And most often, beneficiaries would **not have the resources** to invest in the required measures

There is need for a nuanced approach beyond “who benefits pays”

A pragmatic approach towards an effective financing framework...

... is to consider the **expected benefits** from the investment, but also the **nature of the risks** that are addressed, and **financing capacity** of those who benefit from the investments

What are the risks?

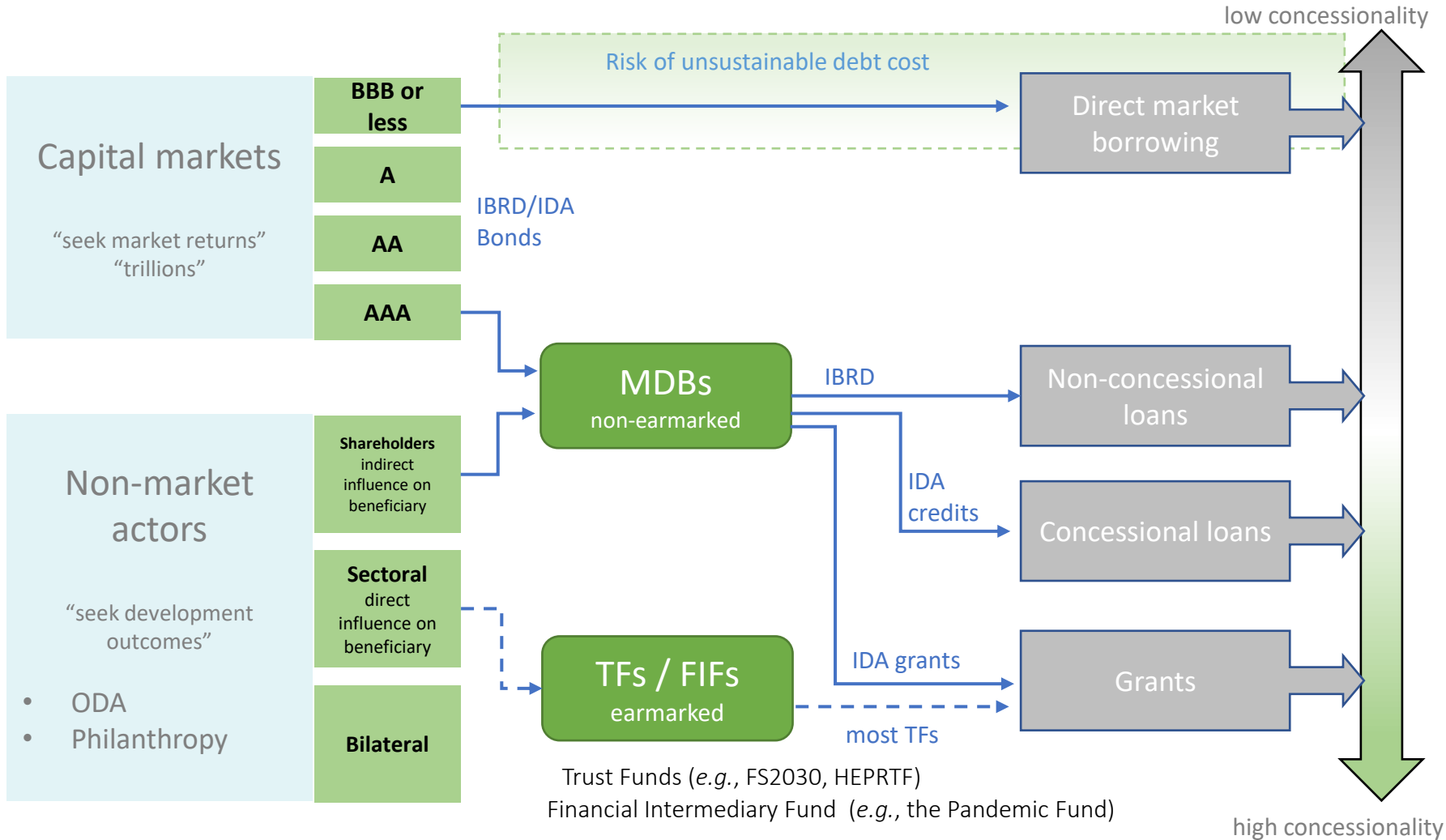
Who benefits?

		Global population, global spread	Local population, localized spread	Poor households, minimal spread
High risk areas (hotspots)	International resources transferred to domestic agencies	Grants (new funding source or from existing sources such as climate financing)	Market or concessional loans	High-Concessional loans
	Domestic resources	-	Public services	Income support/public services
	Private resources	-		Microfinance, insurance, Household budget
Lower risk areas	International resources transferred to domestic agencies	High-Concessional loans	-	-
	Domestic resources	-	Public services	Income support/public services
	Private resources	-		Microfinance, insurance, household budget

An ecosystem of financing mechanisms for Veterinary Services

SUPPLY OF FINANCE

DEMAND FOR FINANCE



The **Agriculture & Food portfolio** of the World Bank support Veterinary Services through livestock operations which have increased to about US\$700 million in new lending per year. Most of the growth has been in Africa, South Asia, and Central Asia. Currently, the World Bank has US\$1.9 billion in active investments in livestock.

IDA20 commitment to support at least 20 countries to mainstream One Health

FoodSystem2030 TF, with US\$12 million catalytic grants in regions for One Health

Pandemic Fund to strengthen prevention guided by One Health. Design to co-financing and co-investment. US\$2 billion in capital. 19 projects in 37 countries (US\$336 million for US\$1.77 billion in co-financing. \$6 mobilized for every \$)

Engaging the private sector is critical, but not only because of its financing capacity

Private-sector companies have much to lose from disease outbreaks. However, they are often only marginally involved in the implementation of initiatives to reinforce prevention at the source

Number of tracks have been identified, including:

- **Increasing awareness** of the risks posed by animal diseases, poor animal health and welfare on value chains
- **Leverage strong institutional platforms, incentives and accountability** to foster private sector collaboration in support of the Veterinary Services, and Veterinary Domain
- **Engage private sector** in planning and implementation to reinforce Veterinary Services, leveraging relevant assets and capabilities (*e.g., in implementing biosecurity and biosafety standards, providing information or combatting misinformation, empowering communities, etc.*)
- Where the private sector may contribute to the risks of emerging infectious diseases as a result of their business activities, such as livestock production (*e.g., antimicrobial resistance, zoonoses, food safety*) or extractive industry (*e.g., environmental degradation*), **they should make appropriate investments** in risk mitigation, prevention and preparedness
- Governments may also want to consider encouraging or even mandating **impact assessments, safeguards**, as well as ESG (Environmental, Social, and Corporate Governance) **standards that include animal health and welfare**

World Bank, From Panic and Neglect to Investing in Health Security (2017)

World Bank, Good Practice Note on Animal Health and Welfare for the ESF (2020)

There is a strong business rationale and a role for the private sector to step up on Veterinary Services

Thank you very much for your attention



Key messages:

- Narrative to support Veterinary Services
- Just framework for investments
- Shared responsibility, public and private sector