

CASE STUDY: CAMEROON CATARACT DEVELOPMENT IMPACT BOND



INTRODUCTION

The Cameroon Cataract Development Impact Bond (DIB) marked a breakthrough in eye care funding, piloting an innovative results-based financing model to address cataract blindness in Cameroon. Launched in 2018, this pioneering initiative mobilised philanthropic, public, and private capital to deliver quality cataract surgeries, aiming to transform the lives of thousands who were blind or visually impaired due to cataracts. The bond's model incentivised the achievement of measurable outcomes, setting a new standard in sustainable health financing across low-resource regions.

WHAT IS A DIB?

DIBs are an innovative financial instrument built on a promise. Three parties are involved: an investor; a service provider; and an outcome funder. Outcome funders are usually philanthropic foundations or development agencies (i.e. donors) who commit to pay if an intervention generates a specific social outcome (the promise).

This promise is then used to draw in investors, who provide much-needed start-up funding to a social enterprise. The investors make this payment comfortable in the knowledge that, if the enterprise achieves the social outcome and these results are verified by an independent third party, then they make a financial return.

The outcome funders, for their part, only pay returns for successful social outcomes. It's therefore a mechanism that has clear benefits for each of the three main parties.

THE NEED

Cameroon, like many low-income countries, faces a high burden of cataract blindness. With limited access to affordable, quality eye care, those affected often endure years of visual impairment, leading to a cycle of reduced independence, economic hardship, and social isolation. Cataracts remain the leading cause of blindness in Cameroon, accounting for 50% of cases¹. The limited infrastructure, scarce trained eye care professionals, and low public awareness posed additional barriers to addressing this urgent health need.

A key reason why cataract blindness persists in developing countries is because of a lack of funding. Public health systems are chronically under-funded and private providers concentrate on for-profit

¹ Bourne R. A Way Out of the Dark. *VISION 2020: The Right to Sight – what's next in the global challenge to reduce vision impairment and blindness?* Texere Publishing Ltd. 2021 Feb 25. URL: <https://theophthalmologist.com/subspecialties/a-way-out-of-the-dark> [accessed 2021-06-22]

services for wealthier patients. As a result, people on low incomes often miss out on services. NGOs attempt to fill the gaps, but their impact is limited by their relatively small size.

OBJECTIVES

The primary goal of the Cameroon Cataract DIB was to restore sight to 18,000 patients over a five-year period. By focusing on high-quality, affordable cataract surgery, the DIB aimed to not only provide life-changing treatment but also strengthen Cameroon's health system. To drive lasting impact, the bond prioritised these key objectives:

1. **Improve** access to cataract surgeries for underserved populations.
2. **Deliver** high-quality surgical outcomes that meet international standards.
3. **Establish** a sustainable financing model that reduces reliance on traditional donor funding.

THE APPROACH

The Cameroon Cataract DIB brought together multiple partners to share both the risks and rewards of the initiative. The DIB was structured to pay service providers based on performance metrics like the number and quality of surgeries performed. If the set targets were met or exceeded, outcome funders would reimburse investors along with a potential return. Key partners in the bond included:

- **The Fred Hollows Foundation** – brought expertise in eye health and cataract surgery.
- **Sightsavers** – led the on-ground execution and ensured quality of care.
- **The Conrad N. Hilton Foundation** served as an outcome funder, ensuring long-term accountability.
- **Key partnerships** – USAID's Development Finance Corporation (DFC) and Netri Foundation provided upfront investment, bridging gaps in traditional funding.

LESSONS LEARNED

1. **Outcome-driven funding is key:** Linking funding to tangible results proved effective in improving the quality and reach of services.
2. **Partnership models drive impact:** Collaboration between public, private, and nonprofit sectors was essential to achieving the DIB's ambitious targets. Upon reflection, the partnership contracting could have been less complicated.
3. **Sustainability needs local capacity:** Developing local health infrastructure and skilled personnel was vital for the long-term impact of the project.

CONCLUSION

The Cameroon Cataract DIB has set a powerful precedent for using impact bonds in global health. It demonstrated that results-based funding can be a sustainable solution to addressing complex health challenges in underserved regions. Through this initiative, Cameroon has made significant strides toward reducing cataract blindness, showcasing the transformative power of innovative financing in global eye health.