

# Disability-specific mechanisms for financing inclusion of persons with disabilities: A global overview

Background paper for the Global Disability Inclusion Report



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# 1 Introduction

There are a variety of mechanisms that national governments can use to finance programmes and services that support inclusion of persons with disabilities. The most common approach is where a given programme or service is financed by allocations from national or sub-national budgets. However, governments may also create disability-specific mechanisms to support inclusion of persons with disabilities. These can include different kind of funds dedicated to disability-focused expenditure, and rules which earmark a certain portion of government revenue or expenditure towards disability inclusion. While these disability-specific mechanisms exist in many countries across the globe, to date there has been limited comparative analysis of their key features.

The purpose of this paper is to provide a review of existing disability-specific financing mechanisms, describing their characteristics, and providing tentative lessons on their effectiveness based on existing evidence. Key questions guiding the review are:

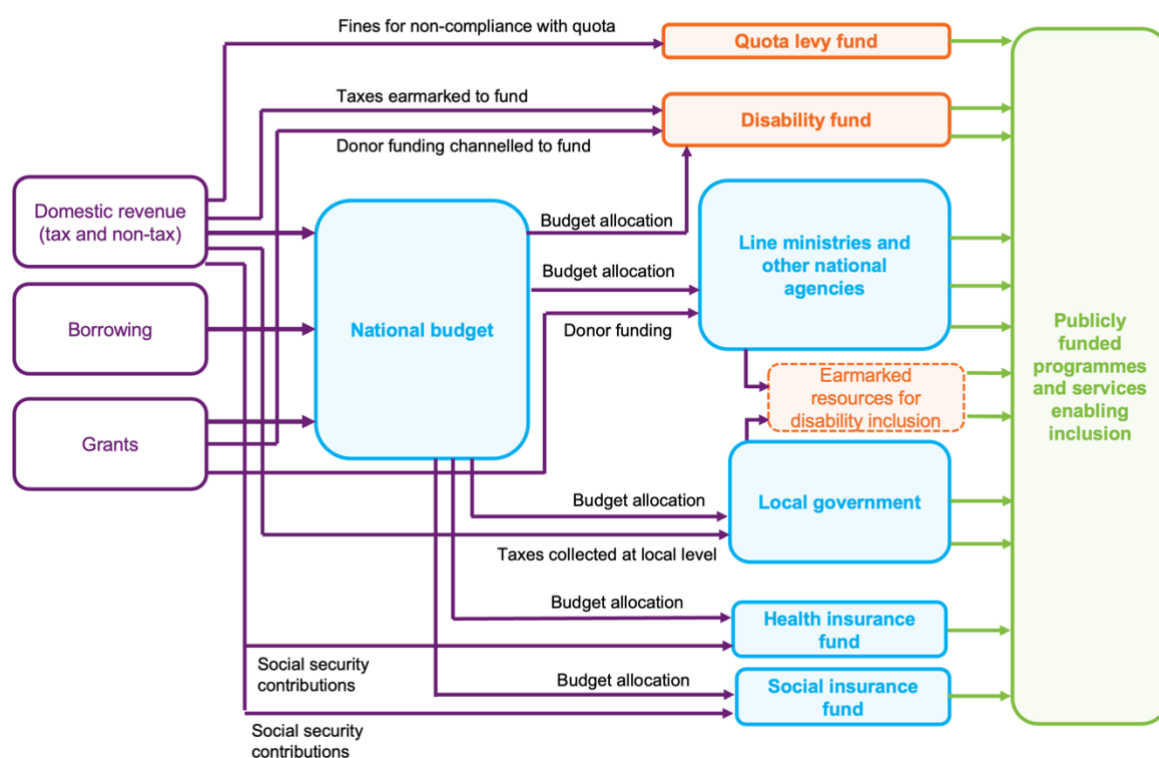
- What are the **objectives** of disability-specific financing mechanisms? What is the logic for their use as opposed to general budget allocations to disability-related goods and services.
- What are the **sources of funding** for different disability-specific financing mechanisms?
- What are the **range of programmes and services** that these mechanisms seek to finance? What do they finance in practice?
- What is the **scale of the resources** channelled via these financing mechanisms? What disability-related programmes and services fall outside the scope of these financing mechanisms?
- **How effective** are these mechanisms considered to be relative to their stated objectives?

The paper is structured as follows. Section 0 locates different kinds of disability-specific financing mechanisms within the broader public finance context. Section 0 explores the configuration and experience of different kinds of disability funds, and Section **Error! Reference source not found.** describes approaches to account for disability in financing and allocation of local government budgets.

## 2 Disability-specific financing mechanisms within the broader public finance context

**Government programmes and services provided to persons with disabilities can be financed in different ways.** The main financing mechanisms are illustrated by the visualisation in Figure 1, where the green boxes to the right indicate different programmes and services which may be financed in different ways. The broad financing channels are as follows:

**Figure 1: Simplified visualisation of channels to finance public programmes and services supporting disability inclusion (disability-specific mechanisms are in orange)**



1. **Via allocations from national and sub-national government budgets.** At a national level, this involves the allocation of resources to a given programme or service, drawing on the full range of sources financing from national or local budgets (tax and non-tax revenues, borrowing and grants). At a sub-national level, local governments may make allocations to disability-related programmes and services drawing on general allocations to local governments from a national level, as well as local sources of funding. Within this scenario, it is possible that programmes or services are part-financed by grants or loans from international organisations.
2. **Via disability-specific financing mechanisms.** These mechanisms involve a set of rules or institutional structures by which certain resources are earmarked to support programmes and services supporting persons with disabilities. Two notable examples illustrated in Figure 1 include:
  - a. **Disability funds**, which may draw on a variety of source of funding (including budget allocations, earmarked taxes and donor grants) and make their own allocations to

given programmes or services. One notable type of fund is those that draw on levies from employment quota systems.

- b. **Other disability-specific financing mechanisms.** The most notable example is where a portion of the budget of a government department or subnational government is earmarked to activities supporting disability inclusion.
3. **Via social security schemes which are managed independently from the national budget.** The most notable examples are social insurance and health insurance funds. These involve the provision of a set of entitlements based on fulfilling certain requirements – usually relating to the duration and amount of contributions paid to a scheme by workers and/or employers. Such schemes may provide a range of disability-related benefits including cash benefits for disability, assistive devices and rehabilitation. The extent to which these schemes are integrated with the national budget process varies considerably and, in some cases, they are part-financed by the national budget.

This paper discusses the disability-specific financing mechanisms introduced in the second item in the list above. While certain elements of social security schemes can be considered disability-specific, for the purpose of this paper they are considered to fall within a mechanism with a broader social protection or health function.

## 3 Disability funds

**Disability funds exist in various countries across the globe.** These include Argentina, Bolivia, Cambodia, China, Kenya, India, Malawi, Yemen, Thailand and Zambia. A summary of the key features of some of these funds are outlined in Table 1. Kenya is notable for having two funds in place.

### 3.1 Origin, objectives and governance

**Disability funds typically have their origin in disability legislation.** Most of the funds included in this review were created through national disability laws, where dedicated articles within these laws define these funds' sources of funding, expenditures they will cover and their governance. In some cases, specific legislation or regulations have been developed to guide the management and operations of these funds, such as a 2011 decree on the Fondo Nacional de Solidaridad y Equidad (National Solidarity and Equity Fund) in **Bolivia**, and an issuing of regulations for the Disability Trust Fund in **Malawi** in 2020. There is a large degree of similarity in the way that disability funds are defined in a number of laws across countries, although others have a distinct framing. The similarity between some laws suggests that authors of legislation in some countries have often drawn on legislation from other countries.

**Notably, various countries have disability funds defined in legislation that have not been implemented to date.** These include **Tanzania** (Persons with Disabilities Act 2010), **Eswatini** (Persons with Disability Act 2018), **Sierra Leone** (Persons with Disability Act 2011) and **Sri Lanka** (Protection of the Rights of Persons with Disabilities Act 1996). In some of these countries, discussion is ongoing on the establishment of these funds in practice.

**The specific motivation for establishing disability funds is generally not precisely defined.** While disability laws set out funding sources and the use of funding (discussed below), they tend not to define the specific rationale for such funds as opposed to financing programmes and services for persons with disabilities from general budget allocations or other sources. For example, Kenya's Persons with Disabilities Act 2003 defines the use of the National Development Fund for Persons with Disabilities in broad terms as simply being for "the benefit of persons with disabilities in Kenya." (Article 32 (2)). Such framing is common across different funds. The way in which the framing of funds has often drawn on laws in other countries suggests there may not have always been deep consideration on the overarching logic and purpose of such funds.



**One notable type of fund with a more specific function are employment quota levy funds.** Many countries across the world have disability employment quota systems by which employers must ensure that a minimum percentage of their employees are people with disabilities. An ILO review identified 103 countries that have some of quota system in place, with about a quarter of these having systems in which employers who do not meet their quota obligation are required to pay a levy or fine. This fine is usually made to specific funds, although in some cases it is made to the national budget. Countries with employment quota levy funds include China, France, Germany, Mongolia, Montenegro and Thailand, among others (ILO, 2019). As discussed below, these funds tend to draw on a single source of funding (from employment quota levies), while their activities are often more narrowly focused on activities relating to the employment of persons with disabilities.

**Disability funds may also exist at sub-national level, but these appear to be relatively rare.** For example:

- In **India**, the Rights of Persons with Disabilities Act (2016) (Article 88) sets out that states should establish state funds for persons with disabilities. The act itself is not clear on the purpose of such funds, stating that they “shall be utilised and managed in such manner as may be prescribed by the State Government”. In practice, only six of the 36 states or union territories have such a fund in place (Madhya Pradesh, Odisha, Rajasthan, Sikkim, Tamil Nadu and Telengana).
- **Kenya** is another country where – in addition to two national level disability funds – there are country-level funds in place. These need to be understood in the context of the country’s moves towards greater devolution since the adoption of the 2010 constitution, which have involved greater power being provided to the country’s 47 county governments. As an illustration, 9 counties have their own dedicated acts on persons with disabilities, while 20 are in the process of developing such legislation. Two counties (**Bungoma** and **Kisii**) have their own disability funds in place, although only in Bungoma has the fund been operationalised (National Council for Persons with Disabilities, 2024).

## 3.2 Sources of funding

**The sources of revenue for disability funds defined in legislation vary substantially.** These are generally defined in the disability legislation that provides the legal foundations of these schemes and may be elaborated in other legislation. The main sources of funds defined by law are summarised in Table 1 above. The main specified sources of revenue include:

- **Allocations from the national budget:** This is defined as a potential source of revenue in the most funds reviewed (the exceptions being **Argentina** and **India**)
- **Donations** are another common source of potential funds, be they from national or international actors. Argentina’s Fondo Nacional para la Inclusión Social de las Personas con Discapacidad (FONADIS) specifically mentions legacies as a source of funding.
- **Fines:** Fines from employers that do not fulfil employment quotas are a key source (if not always the sole source) of funding for quota levy funds. Another example of a fund drawing on revenue from fines is Argentina’s FONADIS which is part-financed by penalties paid by people who issue checks that are rejected in the banking system for reasons including lack of funds.

- **Earmarked taxes** are stated as a potential source of revenue in **Thailand** (relating to some part of product and service taxes) and in **Yemen**.
- **Revenue from assets** can also be a source of income for disability funds. In many cases legislation specifically refers to interest on accumulated funds being a source of revenue. For **Kenya**'s National Fund for the Disabled of Kenya, a significant portion of revenue comes from rental income (See Box 1 below).
- **Other sources:** These include revenue from lotteries (Thailand). Another source of revenue described in law is sometimes transferred assets from previously existing funds (Thailand, India).

**In practice, the mix in sources of funding is often significantly narrower than that defined in law.** For example, while the laws underpinning funds in Malawi and Zambia set out a range of potential sources of funding, in practice these funds draw exclusively on allocations from the government budget. Box 1 describes the characteristics of the two disability funds in Kenya, including their distinct sources of funding. A strong reliance on budget allocations also appears to be common for funds that exist at the subnational level in India and Kenya, which are financed out of state or county level budgets.

**The mix of funding sources for employment quota funds also varies.** In Thailand, the Fund for Empowerment of Persons with Disabilities is almost exclusively financed from the from the quota levy system (Box 2), despite a wide range of revenue sources being set out in law. This echoes the picture of many funds relying on a narrower set of revenue sources. The Persons with Disabilities Foundation (PWDF) shows a different situation. While the fund draws on resources from implementation of the employment quota system, revenue from this source has only equalled between 8 and 16 per cent of total revenue in recent years (Cheechang, 2025).

## Box 1: Disability funds in Kenya

Kenya is notable for having two national disability funds in place, which vary in terms of their funding model and the activities they support.

### **National Fund for the Disabled of Kenya**

#### *Background*

The National Fund for the Disabled of Kenya (NFDK) has a relatively novel financing model which combines donations, property investment and a grant from the national government. The fund was established to manage funds raised in a major national fundraiser (or *harambee*) in 1980 presided over by then President Kenya, Daniel Toroitich arap Moi. The fund was established as a permanent endowment fund in 1981 and was later incorporated under the Trustees (Perpetual Succession) Act Cap. 164 of the Laws of Kenya on 6 April 1989, making it a form of public entity.

#### *Funding model*

Rather than disburse the funds raised from the *harambee* (around KSH 20 million, or USD 2.7 million) to activities across the country, it was decided to invest them in property and use the rental revenue to maintain the sustainability of the fund. Over the years, the fund has drawn on this revenue and further donations to finance support for persons with disabilities, and further property investment. The fund now owns four properties, and the fund was valued at KSH 2.14 billion as of 2020 (USD 20.2 million)<sup>1</sup>, with anticipated annual rental revenue of KSH 130 million. Since 2009, the NFDK has also received an annual grant from the national government which was KSH 200 million as of the financial year 2023-24. The revenue of the fund (from rental income, the government grant and other donations) is managed using a “50-25-25” formula. This allocates 50 per cent for the care and assistance of people with disabilities, 25 per cent for administration and management, and the remaining 25 per cent for investment (National Fund for the Disabled of Kenya, 2021).

#### *Activities*

The main form of support provided by the NFDK are “donations” provided to either individuals or institutions that apply to the fund for support. Donations to individuals mainly come in the form of assistive devices or tools of trade. Donations to institutions focus on livelihood products, purchase of materials and repairs to buildings. The NFDK also supports a smaller number of big grants which support flagship projects such as construction of new facilities. Finally, the NFDK also engages in advocacy and supports sport scholarships.

### **National Development Fund for Persons with Disabilities**

#### *Background*

The National Development Fund for Persons with Disabilities (NDFPWD) was established by Kenya’s Persons with Disability Act of 2003 under the management of the National Council for Persons with Disabilities (NCPWD) which was established by the same act.

#### *Funding model*

The Disability Act lists government budget allocations, interest and donations as potential source of the fund but, in practice, the fund is fully financed by an annual government allocation. As illustrated in Table 2 from the NCPWD’s financial statements for 2022-23, the fund constitutes one of various grants from the State Department of Social Protection, which also include grants for operations, for the cash transfer to persons with severe disabilities, and programmes relating to albinism, autism and other developmental disabilities. The NCPWD also received donations, which amounted to KSH 11.6 million in 2022-2023.

**Table 2: Unconditional grants to the NCPWD from the State Department for Social Protection (2022-2023)**

Description	Grant value (KSH)	% of total	% to total (minus CT-PWSD)
<b>Operational grant</b>	214,250,000	16%	45%
<b>Cash transfer to Persons with Severe Disabilities</b>	891,500,000	65%	
<b>Persons with Albinism support program</b>	74,999,333	6%	16%
<b>Autism &amp; Other Developmental Disabilities</b>	52,749,667	4%	11%
<b>Development fund</b>	129,500,000	10%	27%
Total	1,362,999,000	100%	100%

Source: NCPWD (2024)

### Activities

The NCPWD does not report specifically on the activities conducted under the fund, however, it appears to be a key source of funding for undertaking activities which do not fall under other dedicated programmes noted in Table 2. These services include direct support to persons with disabilities in the form of education assistance, economic empowerment programmes and assistive devices, as well as support to educational infrastructure and equipment, and sign language training across government (National Council for Persons with Disabilities Kenya, 2024).

### Box 2: Funding sources of Thailand's Fund for Empowerment of Persons with Disabilities

Thailand's Fund for Empowerment of Persons with Disabilities was established as part of the Persons with Disabilities Empowerment Act 2007, replacing (and transferring assets from) the Rehabilitation Fund for Persons with Disabilities established in 1991.

The Persons with Disabilities Empowerment Act 2007 (Article 24) sets out a range of potential sources of income for the fund including government subsidy, donations, quota levies, lotteries and some portion of product or services taxes. In practice, however, virtually all income for the fund comes from levies on employers. The payment of these levies is defined in the same Act (Articles 33 and 34) which sets out that employers should employ a minimum number of workers with disabilities, and failure to do so should incur a fine. The specific quota and fine is set out by regulations of the Thai Ministry of Labour.

Data from 2022 and 2023 shows that more than 99.5 per cent of the income of the fund came from the levy on employers and enterprises, with the remaining sum primarily from interest on accumulated funds. Total income of the fund was THB 1,775 million in 2023 (USD 43 million), although the total accumulated fund was THB 12,544 million (USD 376 million) resulting from ongoing underspend of the fund.

<sup>1</sup> Assuming an exchange rate of KSH 106 per 1 USD, based on exchange rates derived from IMF (2024)

### 3.3 Activities financed by these funds

**The activities financed by disability funds vary substantially.** The legislation that underpins disability funds usually sets out the range of activities that can be financed from the fund (summarised in Table 1 above). One first point of variation is the specificity of the legislation, with some defining a narrower set of programmes or services, and others setting out a more elaborate set of potential activities. India's National Fund for Persons with Disabilities, for example, is almost exclusively focused on support to and showcasing of persons with disabilities in art, handicraft, music, dance, sport and STEM. At the other end of the spectrum, funds in Argentina and Kenya outline a relatively long and wide-ranging list of activities. The most common types of support defined relate to education, livelihoods (including the provision of loans), assistive devices, and health and rehabilitation. Other activities across countries include research, training, cash benefits, cultural activities, and activities relating to cooperation, advocacy and awareness. Detailed data on the nature of activities implemented in practice is relatively scarce, but there is information for some countries. For example, the Handicap Care and Rehabilitation Fund (HCRF) in Yemen (Box 3) has supported a wide range of individual support to persons with disabilities including education, health and provision of assistive technology, as well as support to local associations to deliver training and rehabilitation.

**One important distinction is whether support is provided directly to individuals, or via other service providers.** In most cases, disability funds appear to support a mix of direct support for individuals (such as in the form of assistive technology) and support for project activities implemented by government and non-government organisations. This is the case, for example, with the two disability funds in Kenya (see Box 1 above) and in the case of Yemen (see Box 3 below). In some cases, however, disability funds have a dedicated focus on supporting activities implemented by organisations delivering programmes and services for persons with disabilities. For example, the guidelines for Malawi's Disability Trust Fund set out that applications for fund resources can be made by either government or non-government organisations implementing disability programmes and services (Disability Trust Fund Regulations, 2020).

**One notable type of expenditure that is not usually covered by disability funds are regular cash benefits.** In all of the countries reviewed, regular cash benefits to persons with disabilities (where they exist) are not included within the expenditures of disability funds. This is the case in Kenya, India, Thailand and Argentina, which all have dedicated non-contributory disability allowances and grants. The separate financing in Kenya is despite the fact that the Persons with Disabilities Act 2003 specifically includes the provision of allowances to persons with disabilities as under the scope of the National Development Fund for Persons with Disabilities. It is also the case in countries such as Malawi and Zambia where general cash transfer schemes reach (and are sometimes specifically tailored to) persons with disabilities. One important caveat is that one-off or short-term cash transfers may be provided through projects implemented by such funds, for example, in the case of livelihood programmes.

### Box 3: The Handicap Care and Rehabilitation Fund (HCRF) in Yemen

Yemen's Handicap Care and Rehabilitation Fund (HCRF) was established as part of Law No. 2 of 2002 (the Law Concerning the Care and Rehabilitation of the Disabled) which is the country's primary disability legislation. The purpose of the fund was to provide stable financial resources to support various activities and projects for the care and rehabilitation of persons with disabilities. The sources of financing for the fund have been defined as:

- Allocations from the national budget
- Specific levies, taxes and charges, including those related to **customs, airline tickets, tobacco sales, movie tickets, cement sales, telecommunications services and vehicle licensing.**
- Other grants, donations and aid

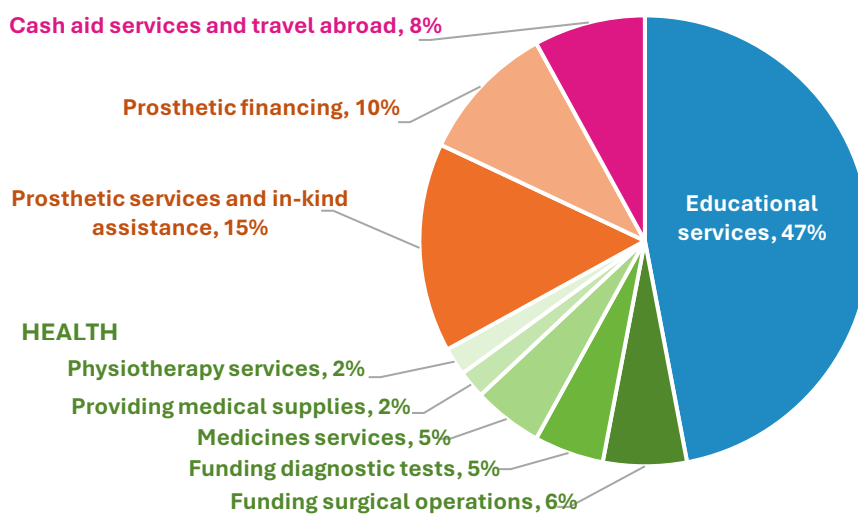
The identification of dedicated taxes and charges as a source of financing is a notable feature of the fund. As of 2019, there has been slightly over 100,000 persons with disabilities registered by the fund.

The HCRF has provided support to persons with disabilities through two main modalities. The first is through **direct support to individuals** based on their assessed needs. Figure 2 provides a summary on the services provided to persons with disabilities from the establishment of the fund up to 2019.<sup>2</sup>

- Nearly half of services related to **education**, which includes support such as provision of tuition fees, learning materials and transportation allowances.
- **Health**-related services made up around 20 per cent, including covering of diagnostic tests and surgical operations, provision of medicine and medical supplies, and physiotherapy services.
- The remaining portion related to provision and financing of **prosthetics** and **other in-kind services**, as well as **cash aid**, and support to **travel abroad for medical treatment.**

One challenge identified with such activities is that it has not always been well integrated with broader service provision, for example, via the broader health and education systems.

Figure 2: Services to people with disabilities by HCRF since the establishment until the end of 2019



Source: UNICEF (2020)

As well as individual support, the HCRF has provided **institutional support to local associations** (mainly OPDs or other community-based organisations) mainly in the field of rehabilitation and training. This has included covering running costs and other project-based interventions.

The escalation of the armed conflict in Yemen since 2015 has had a major impact on the operations of the HCRF. The destruction of infrastructure and key institutions has majorly affected the revenue sources of the HCRF, which was estimated to have fallen by 50 per cent as of 2020. This has majorly affected the delivery of services.

Source: UNICEF (2020)

**While the activities of employment quota levy funds are usually focused on employment, there is variety in the breadth of activities.** In some cases, these funds are used primarily to support employers in fulfilling the quota, for example, by adapting their workplace for persons with disabilities. This is in line with the recommendation of the ILO that the main use of levy funds should be “to provide support to employers who comply with the quota obligation in full or in part, such as in the form of subsidies to workplace adaptation, provision of technical advice and measures to enhance the employability of job seekers with disabilities” (ILO, 2019, p. 14). In other countries, funds are used to support a wider population of persons with disabilities. For example:

- The main activities listed under **Thailand’s** Fund for Empowerment of Persons with Disabilities include loans provided to individual persons with disabilities and caregivers for career development and business expansion, as well as broader activities around the empowerment of persons with disabilities. For example, in 2023, nearly half of expenditure was on loans for persons with disabilities (THB 818 million) with the remaining funding allocated to projects implemented by government (THB 401 million) or the private sector (THB 488 million) (UNICEF, 2025).
- The Persons with Disabilities Foundation (PWDF) in **Cambodia**, while receiving some funding from the employment quota system, is focused on provision of rehabilitation services through a set of physical rehabilitation centres operating across the country (Cheechang, 2025) .

### 3.4 Scale of disability funds

**The scale of disability funds in terms of revenue or expenditure is very small in all countries.**

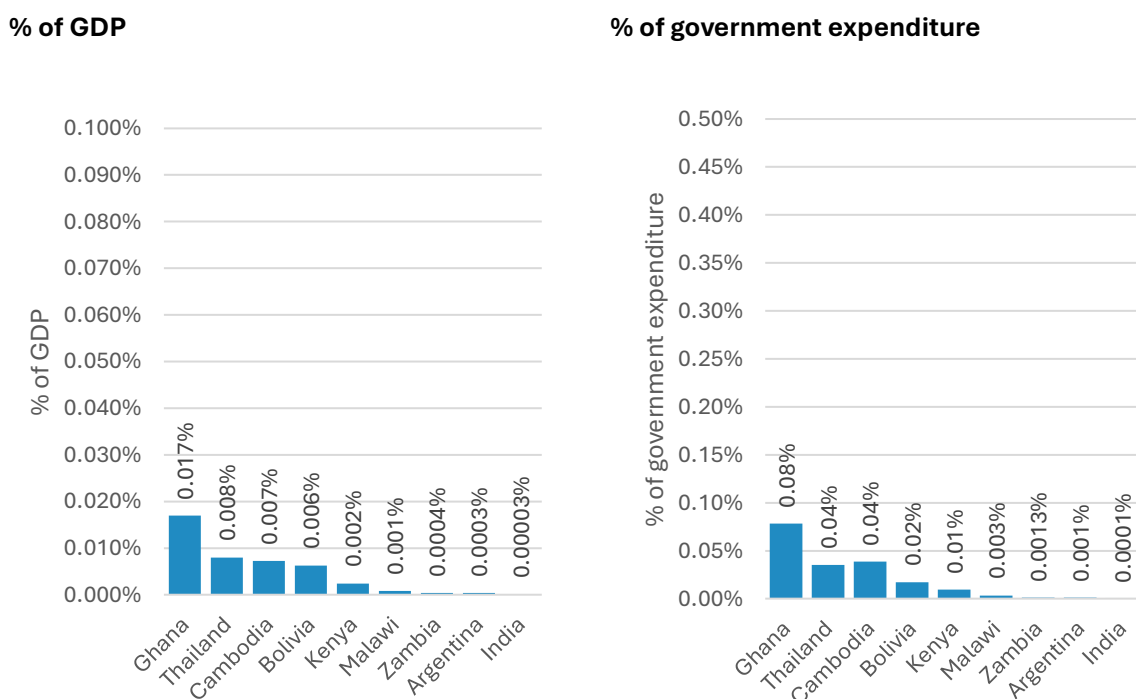
Figure 3 shows either the expenditure of disability funds (Thailand, Bolivia and India) or the allocation to such funds in the case they are financed exclusively by the national budget (Kenya, Malawi and Zambia). The largest of the funds (in Thailand) is equal to 0.008% of GDP, while the smallest of these funds (in India) is equal to 0.00003% of GDP. The low level of expenditure in India is linked to the schemes very narrow scope (see previous section). Ghana’s District Assemblies Common Fund (DACF) – discussed below in Section 4 – is also included even though it is not technically a disability fund. The scale of these small levels of expenditure is difficult to interpret, but one relevant measure is that the expenditure of the fund in Thailand is less than one 12,000<sup>th</sup> of 1 per cent of GDP. This axis of Figure 3 (first panel) is also set to the maximum value is 0.1 per cent of GDP, which was identified in the Global Disability Inclusion Report as an approximate threshold at which countries can begin implementing a basic package of support for persons with disabilities (Cote &

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<sup>2</sup> It appears that this data relates to the number of services, rather than the monetary value of the services. It also appears only to relate to individual support, not support provided via institutions.

Banks, 2025). The scale of all disability funds falls far short of this benchmark. For the second panel, an equivalent threshold of 0.5 per cent of government expenditure is used.

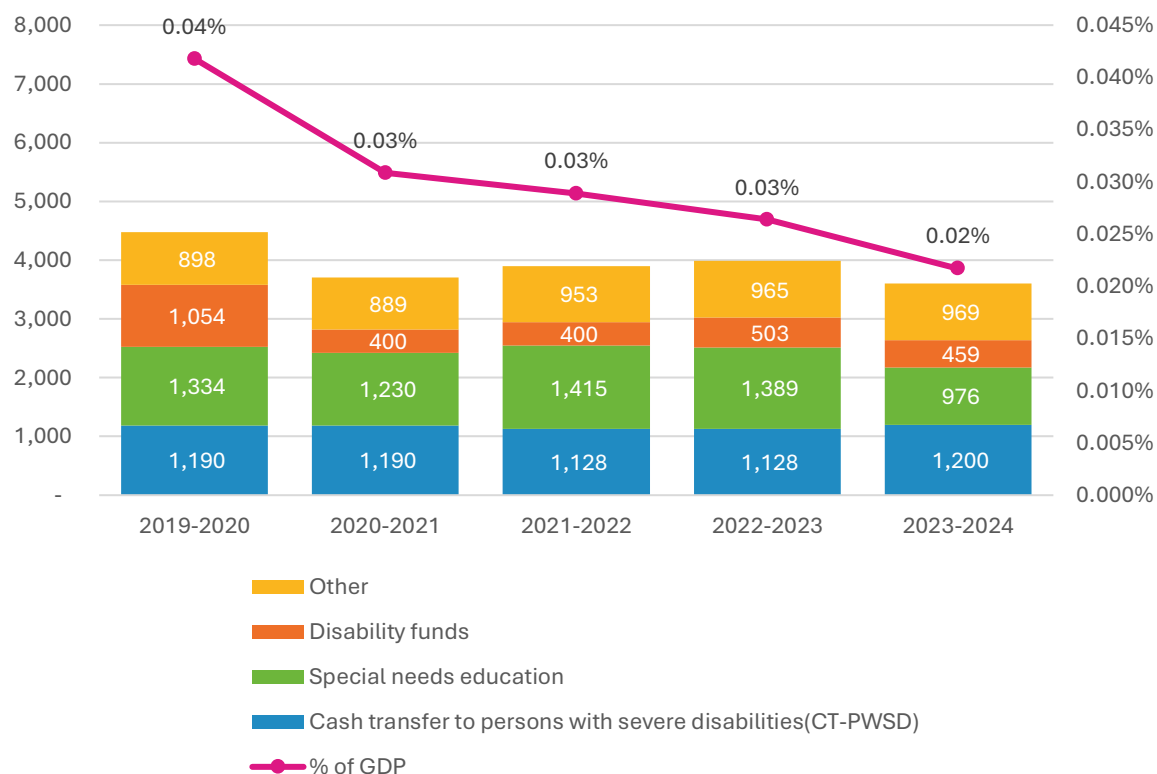
**Figure 3: Annual revenue or expenditure by disability funds, % of GDP**



**One way of putting these levels of revenue and expenditure into perspective is to compare them to other disability-related expenditures.** Figure 4 shows the situation in Kenya where – despite having two relatively established disability funds – the allocation from the budget varied between 10 and 24 per cent of total disability-focused expenditure in the years 2019-2024.<sup>3</sup> Kenya is also a context where combined disability-focused expenditure is low at 0.04 per cent of GDP. By comparison, in Thailand, where the government spends around 0.1 per cent of GDP on the non-contributory disability allowance, this expenditure is around 11 times the expenditure from the disability fund. Thailand can also be considered as a country with relatively low levels of expenditure on its disability allowance, compared to countries such as Argentina, Brazil, Georgia, Mauritius, Namibia and South Africa spending between 0.4 and 0.7 per cent of GDP on non-contributory disability cash benefits.

<sup>3</sup> This figure excludes expenditure on the Access to Government Procurement Opportunities (AGPO Program), given some uncertainty on the share of expenditures that directly support persons with disabilities.

**Figure 4: Budget allocations to disability funds alongside other disability-related expenditures in Kenya.**

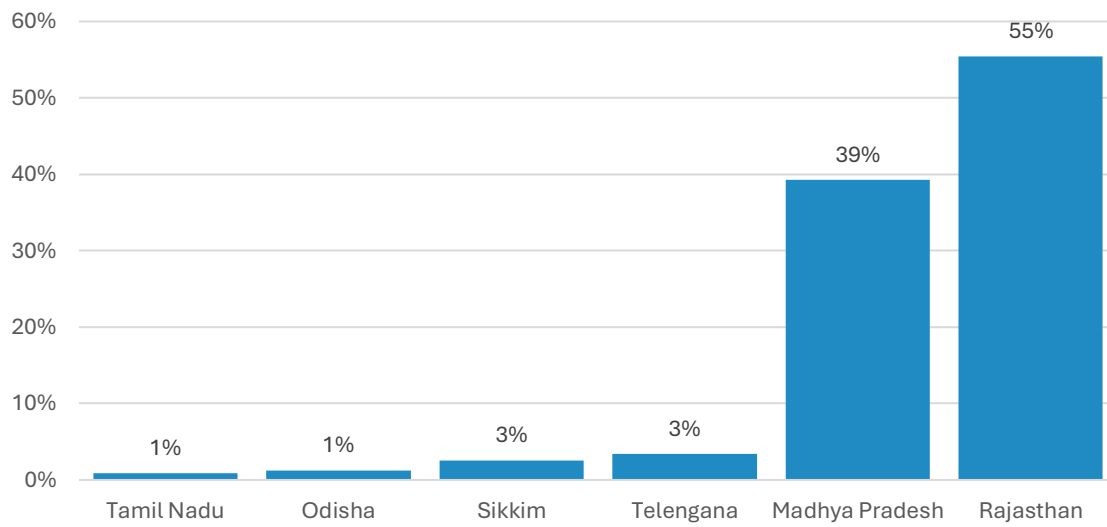


Source: Consolidated budget analysis undertaken for the Global Disability Inclusion Report (Author’s calculations)

Note: This figure excludes expenditure on the Access to Government Procurement Opportunities (AGPO Program), given some uncertainty on the share of expenditures that directly support persons with disabilities.

**Available evidence of sub-national disability funds also suggests that they constitute a small share of overall expenditure on disability.** Analysis of state-level budgets in India shows that, for most of the 6 states with state-level disability funds, less than 3 per cent of disability expenditure is allocated via disability funds (Figure 5). The main exceptions appear to be Rajasthan and Madhya Pradesh, although the data from the latter should be treated with some caution given 2023-24 was the first year in which an allocation was made to the fund.

**Figure 5: Percentage of total state-level allocations to disability allocated to state disability funds in India, 2023-24 (budget estimates)**



Source: Detailed state-level budget analysis undertaken by the Centre for Inclusive Policy

## 4 Other disability-specific financing mechanisms

**Beyond disability funds, various governments have introduced or proposed mechanisms to earmark certain government funds towards disability inclusion.** Typically, these involve an earmarking of a percentage of a specific flow of resources (such as grants to local governments) or a percentage of a total budget of a given institution towards activities supporting persons with disabilities. Relevant examples include:

- **Ghana** provides one of the most established – and best documented - example of earmarking for disability inclusion. This mechanism involves an allocation of 3% of the District Assemblies Common Fund (DACF) towards disability inclusion. The case is described in more detail in Box 4.
- The **Philippines** had an instruction that all government agencies and departments (including local governments) should earmark 1 per cent of expenditures to people with disabilities and older persons, but this instruction is no longer formally in place at the national level (Box 5).
- In **Peru**, between 2018 and 2022, annual budget laws mandated that at least 0.5 per cent of the budgets of local and regional governments should be allocated to services for people with disabilities. There is, however, no readily available evidence on the extent to which this was implemented in practice, and the stipulation was not present in the 2023 budget law (UNICEF, 2023).
- In **Jordan**, a directive was issued by the Prime Minister’s Office for all departments and line ministries to allocate a minimum of 1 per cent of their annual budgets to disability inclusivity.<sup>4</sup> Information is not readily available on how this is implemented in practice (Wong & Lokot, 2024).
- In **Kenya**, Bungoma county appears to have included the provision within its County Integrated Development Plan by which 1 per cent of its “social budget” should be allocated to persons with disabilities, although this is rarely implemented in practice (National Council for Persons with Disabilities, 2024).

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<sup>4</sup> This information is based on a presentation made by a delegation from Jordan at the Technical Workshop “Financing the Acceleration of Disability Inclusion in Low and Middle-Income Countries” held in Washington DC, 26-28 February 2025.

#### Box 4: District Assemblies Common Fund in Ghana

Ghana has system in place by which 3 per cent of resources transferred from central to local government is earmarked to support persons with disabilities. This is a component of the District Assemblies Common Fund (DACF), a mechanism by which 5 per cent of total central government revenue is provided to all Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana for local development activities. This is an arrangement rooted in the 1992 Constitution of Ghana and is part of broader processes towards fiscal decentralisation. Of this total allocation, different activities are earmarked a defined share of these revenues, including 3 per cent for persons with disabilities. This allocation is often described as a form of “disability fund” (Abdul Karimu et al., 2024; National Council on Persons with Disability Ghana, 2010; Opoku & Nketsia, 2021).

The use of these resources has been primarily orientated towards supporting livelihood activities. The main aims of the DACF for persons with disabilities were described in 2010 guidelines of the National Council on Persons with Disability as relating primarily to minimising poverty of people with disabilities in the informal economy, and “enhancing their image through dignified labour”. In practice, the use of the DACF has tended to focus on livelihood activities. Originally, this involved giving grants as startup capital – in the form of one-off cash grants – to persons with disabilities without formal employment in order to support livelihood generation. However, from 2018 the fund operations moved to provision of in-kind items or equipment. The use of the funds has gradually expanded to cover other activities including educational support, medical support, provision of assistive devices and capacity building of OPDs. Persons with disabilities secure support by directly applying to their MMDA (Abdul Karimu et al., 2024).

Research on the implementation of the DACF allocation to disability has found mixed experiences. Some beneficiaries of the fund have reported the important impact of the scheme on making their livelihood activities more profitable, in turn enhancing their sense of dignity and their participation in family and community life. However, one commonly reported issue has been that the amount of support provided by the fund is inadequate, both when provided as a cash grant or when provided in kind. In some cases, this appears to relate to MMDA officials spreading the allocation thinly in order to reach as many people with disabilities as possible (Abdul Karimu et al., 2024; Opoku & Nketsia, 2021).

To a large extent, the low level of support results from the relatively small size of resources allocated to disability under the DACF, equal to only 0.02 per cent of GDP as of 2024.<sup>5</sup> This, in turn, relates to the fact that – despite the presence of the DACF – levels of fiscal decentralisation in Ghana remain low. Nevertheless, the arrangement may provide a mechanism to automatically channel greater resources to support disability inclusion if the country moves towards greater fiscal decentralisation over time.

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<sup>5</sup> Authors’ calculations based on expenditure of GHS 172,747,630 as of 2024 (Parliament of Ghana, 2024) and economic data from the IMF (2024)

### Box 5: Earmarking of government agency allocations to disability in the Philippines

The earmarking government agency expenditures towards disability in the Philippines has its roots in directives of the President issues in 2002 to support the implementation the Asian and Pacific Decade of Persons with Disabilities (2003-2012). A proclamation by the President instructed all government departments and agencies – including local government – to allocate not less than 1 per cent of their expenditures to activities supporting persons with disabilities (President of the Philippines, 2002). This was integrated into the 2003 General Appropriations Act (the annual national budget law) with guidelines issued by the Department of Budget Management and Department of Social Welfare and Development. These guidelines, however, describe how the 1 per cent earmarking is also intended to cover programmes and services to support older persons, as well as persons with disabilities (Department of Budget and Management & Department of Social Welfare and Development, 2003). While this provision technically expired at the end of the Decade for Persons with Disabilities (in 2012) a Department of Interior and Local Government memo repeated this instruction (Department of the Interior and Local Government, 2014).

In practice, it appears that the awareness of and implementation of this instruction have been uneven over time. OPDs have used the instruction as part of their advocacy and engagement with the governments especially at the local level. Nevertheless, much of this advocacy took place once the formal instruction had expired. The number of local governments passing an ordinance to institutionalize earmarking of expenditures is increasing. The effectiveness of the 1 per cent earmarking target in advocacy has also been mixed given that this represents a small allocation to fund services for both older persons and people with disabilities. Indeed, in some cases this level of expenditure has already been exceeded.<sup>6</sup>

#### **Another form of disability-specific financing is to account for disability in the way in which allocations to different government units are calculated, such as in grants to local government.**

Sierra Leone provides one example of this approach. Under the Local Government Act 2004, certain government functions were devolved to newly created councils, and transfers are made from central government to local councils annually to cover the cost of these functions (UNICEF, 2024). One of these functions relates to “social welfare” which includes activities supporting persons with disabilities and other vulnerable groups such as older persons, children requiring care and migrants. Notably, the formula used to calculate the transfer to local councils for the social welfare function is weighted to account for both the population of persons with disabilities, and the population aged 60 and over (Ministry of Finance, 2021). An overarching challenge, nevertheless, are the very low levels of transfers made to local governments, which are generally considered well below what is required to fulfil their devolved functions at a minimum level (UNICEF, 2024). This should be understood within the context of very low levels of government revenue and expenditure in Sierra Leone by regional comparison and the fact that Sierra Leone has one of the lowest levels of fiscal decentralisation in the world.

**Similar approaches to allocation of local government budgets were not identified in other countries.** A recent report assessing the disability landscape in Kenya reflected on a lack of account taken for disability prevalence in budget allocations, noting that “current budget allocations for programmes at the national and county levels do not utilise available evidence on disability status from the population census and other surveys” (National Council for Persons with Disabilities, 2024).

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<sup>6</sup> Based on discussions with Abner Manlapaz, Board Member of Life Haven Center for Independent Living

**It should, nevertheless, not be taken for granted that weighting government transfers to local governments according to disability data is always appropriate.** Given the significant challenges in measurement of disability prevalence there are risks that adjusting budget transfer formulas according to disability may disadvantage some local governments. This may be the case – for example – where methodologies used to measure disability prevalence are less effective in certain areas (e.g. rural areas) than others. Similar issues may arise with the use of data from disability registries, if uptake is lower in some areas of the country than others.

## 5 Conclusions

**This paper points to a number of preliminary conclusions based on a mapping of existing disability-specific financing mechanisms.** As highlighted throughout the paper, thorough analysis of disability-specific financing mechanisms at a national level remains relatively scarce.

Nevertheless, the analysis in this report points to some emerging conclusions:

**There is generally a lack of clarity about the distinct objective of disability funds.** In most cases, the funds appear to have been established in order to support financing of measures included in national disability laws. However, there is rarely a clear articulation of how these funds should interact with and complement other funding channels, such as general allocations to programmes and services from the national budget. The functioning of disability funds would likely benefit from a more precise definition of their function within the wide landscape of disability-related programmes and services.

**While disability funds often have ambitions for a relatively broad set of funding sources, in reality these are usually far narrower.** The two main sources of funding for disability funds (with some exceptions) tend to be either budget allocations or levies from employment quota systems. There is little evidence of any such funds benefitting in a significant way from donations or support from development partners. Quota levy funds are a notable model by which funds rely exclusively or primarily on fines from employment quota schemes.

**Disability funds support a variety of activities, but it is not clear how they fit into broader government service provision.** Activities typically span across areas including education, health, assistive technology and livelihoods. However, in many countries, support is also provided through other government channels, such as the education, health and social welfare systems. Available evidence does not provide a clear picture of the contribution that disability funds make to service delivery in these sectors. There are also areas that disability funds tend not to finance, most notably regular cash benefits. It is likely that more precise definition of the activities that fall within the scope of such funds may make them more effective in both securing resources and implementing effective programmes to support inclusion.

**The actual expenditure of (or allocations to) disability funds tend to be very small** both as a share of government and disability-related expenditure. This experience raises questions as to whether such funds can provide significant resources to support disability inclusion.

**In addition to disability funds, some governments have put in place rules to earmark a portion of certain funding flows or budgets to disability inclusion.** These cases remain relatively rare, with the main case being Ghana which is often described as a form of “disability fund”.

**Overall, there is a need for better evidence on the role that disability-specific funding mechanisms can play.** The analysis in this report has primarily drawn on primary documents from disability-financing mechanisms (such as reports of disability funds), or pieces of research where disability-specific financing mechanisms are not the main topic of investigation. Analysis of the role of disability-specific funding mechanisms would benefit from dedicated research which locates them within the broader national environment of disability programmes and support.

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