



Photo by Curt Carnemark / World Bank

Guatemala has made significant progress on several health indicators in the past 25 years, but maternal mortality and chronic malnutrition rates remain high. Between 1990 and 2013, under-five mortality declined sharply from 81 to 31 deaths per 1,000 live births. The maternal mortality ratio also declined between 1990 and 2014; however, at 93 deaths per 100,000 live births in 2014, the maternal mortality ratio remains higher than the average of 71 deaths per 100,000 live births in the Latin America and the Caribbean Region.¹ The prevalence of chronic malnutrition also decreased from 55 percent in 1995 to 46.5 percent in 2014/15,² but it remains the highest in the region and among the highest in the world, especially among rural, poor, and indigenous populations. Maternal mortality and chronic malnutrition are intimately linked; the major drivers of chronic malnutrition in Guatemala include poor maternal health, inappropriate child feeding practices, and limited access to safe water, sanitation, and quality health services. Less than half of the population had regular access to primary health care services and only 49 percent of rural residents had access to improved sanitation in 2015.

Constraints related to budgeting, flow of funds, and spending efficiency limit the ability of the government of Guatemala to expand access to quality social services. Public expenditures on health's share of GDP (2.2 percent) was lower than the average in the region (3.7 percent) in 2014. The government's revenue-generating capacity is very low compared with other low- and middle-income countries and private spending as a share of total health expenditure is almost twice as large as the public share.

PRIORITIES

Recognizing the interrelationship between human capital development and economic growth, the government's National Development Plan 2016–2020 emphasizes the need for improvements in health and education, and for the reduction of chronic malnutrition. The government also updated its Health Care Model, adopting a life-cycle multidimensional (individual-family-community) approach and integrating complementary aspects of traditional indigenous health beliefs and practices. The Global Financing Facility (GFF) is supporting implementation of the multisectoral National Strategy to Prevent Chronic Malnutrition (NSPCM), which expands provision of quality nutrition and health services to mothers and children, promotes community-based behavioral change interventions, improves access to safe drinking water and sanitation, and enhances coordination across sectors.

COMPLEMENTARY FINANCING

In buying down interest rates on the Crecer Sano Nutrition and Health Project loan from the International Bank for Reconstruction and Development (IBRD) for implementation of the NSPCM, the GFF will link disbursements to results on a set of indicators related to strengthening and expanding the number of children under age two who are beneficiaries of the conditional cash transfer (CCT) program and adoption of healthy behaviors, including exclusive breastfeeding in the 7 departments (out of 22) prioritized by the NSPCM. Almost all of these departments have predominantly indigenous populations. Further gains in the efficiency of public spending will be achieved by piloting a fiscal observatory in the health sector. The GFF will also provide technical assistance for strategic procurement to reduce inefficiencies related to essential medicine supplies, one of the largest expenditure categories for the Ministry of Health. Transparency in public spending in the health sector will be promoted by involving civil society in the fiscal observatory and the monitoring of public spending. The GFF Secretariat will provide technical support toward the development of a health financing strategy that

¹ World Development Indicators (WDI).

² Encuesta Nacional de Salud Materno Infantil (National Maternal and Child Health Survey) 2014/15: Guatemala.

analyzes options to sustainably finance universal health coverage in Guatemala. The GFF, together with other partners, will also contribute to domestic resource mobilization by evaluating the effectiveness of the new national model of care to deliver results and reach underserved areas, which will enable the government to demonstrate the progress made in health and nutrition.

IDA, IBRD & GFF TRUST FUND FINANCING

Through a US\$9 million grant, the GFF Trust Fund will buy down the interest rates and other related charges on a US\$100 million IBRD loan for the Crecer Sano Nutrition and Health Project toward the achievement of targets for selected indicators linked with implementing the NSPCM freeing up domestic resources for the CCT program targeting the poor and improving the efficiency of health spending. The GFF will also provide technical assistance toward (a) increasing the efficiency and transparency of public health spending, (b) developing long-term financing options for the health sector, (c) contributing to the domestic resource mobilization agenda by showing the public that paying taxes results in returns in the health sector, (d) improving the conceptual and operational design of the Ministry of Health's Model of Care, and (e) improving data and evidence-based policy making for health and nutrition and increasing focus on results in health service delivery and the CCT program.

IMPLEMENTATION

The IBRD/GFF Trust Fund-supported project was approved in fiscal year 2017. However, implementation has been delayed because of the lengthy process of obtaining government clearances. In March 2018, the Finance Commission of Congress issued a favorable opinion on the project, which was the last government requirement before it could be submitted to the full Congress for approval.

To mobilize support to obtain Congressional approval, the World Bank team organized an event on May 11, 2018 in Guatemala to engage with members of Congress, government officials, representatives of civil society organizations, think tanks, and partners/donors. The team presented the benefits of investing in nutrition based on global experience, the multisector approach that worked in other countries, the importance of implementing the multisectoral approach in Guatemala, and how the Crecer Sano Project with GFF cofinancing would support it through a performance-based interest buy-down and technical assistance. During the event, the President of the Finance Commission of Congress formally committed to champion the project within Congress. The Minister of Health also actively participated in the event and expressed his commitment to support the project. It was clear from discussions during the event that the project has strong support across the board although concerns were raised about the project's institutional arrangements even though this was proposed by the Cabinet. After the event, the government informed the World Bank that it was necessary to restructure the project's institutional arrangements and transfer

the Project Implementing Unit from the Ministry of Social Development–Social Development Fund Unit to the Ministry of Health as a condition for Congressional approval.

Finalization of the GFF technical assistance strategy has been delayed due to changes in the health sector since August 2017, which required the World Bank–GFF team to engage in new consultations.

The agenda for reproductive, maternal, newborn, child, and adolescent health and nutrition has had significant progress. For example, consultations with the government, development partners, civil society, and private sector organizations were held to identify priority areas for the technical assistance strategy for the IBRD investment. In consultations this year, the Minister of Health and his team showed great interest in moving forward with activities in the proposed technical assistance strategy, especially in the areas of the fiscal observatory and public finance management, integrated networks in health services, and the service delivery indicators survey. The World Bank–GFF team met with focal points for each of the main themes discussed and prepared the technical assistance strategy proposal, which was submitted to the GFF Secretariat in April 2018. A GFF mission is planned during the last week of June to discuss the activities and deliverables for the first 12 months that have been approved for funding by the GFF with focal points from MSPAS and launch the first activities of the approved work program.



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Photo by Maria Fleischmann / World Bank

ABOUT THE GLOBAL FINANCING FACILITY

The Global Financing Facility (GFF) is a multi-stakeholder partnership that is helping countries tackle the greatest health and nutrition issues affecting women, children and adolescents. The GFF supports governments to bring partners together around a country-led plan, prioritizing high-impact but underinvested areas of health. The GFF Trust Fund acts as a catalyst for financing, with countries using modest GFF Trust Fund grants to significantly increase their domestic resources alongside the World Bank's IDA and IBRD financing, aligned external financing, and private sector resources. Each relatively small external investment is multiplied by countries' own commitments—generating a large return on investment, ultimately saving and improving lives.

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