



Photo by Andrea Borgarello

Ethiopia has made remarkable progress in improving reproductive, maternal, child, and adolescent health and nutrition (RMNCAH-N). Since 1990, under-five and maternal mortality fell by 67 and 69 percent, respectively, and contraceptive prevalence rates increased from 3 to 42 percent. According to the Ethiopia Demographic and Health Survey in 2016, the prevalence of stunting has decreased from 58 percent in 2000 to 38 percent, ranging from 15 percent in Addis Ababa to 46 percent in Amhara region. This progress has been facilitated, in part, by the flagship Health Extension Programme, which enabled the delivery of high-impact, cost-effective basic services to all Ethiopians, particularly women of reproductive age and children.

Despite these gains, challenges remain in ensuring equitable access to quality essential RMNCAH-N services. For instance, although neonatal mortality is declining, the decline is at a slower rate than child mortality and continues to be a challenge. The per capita health expenditure increased from US\$5.6 to US\$28.4 between 1999/2000 and 2013/2014, potentially increasing domestic resources for health. However, out-of-pocket payments are higher (at 34 percent) than most other countries in the region and the proportion of the population enrolled in insurance schemes remains low such that impoverishing and catastrophic expenditures remain barriers to the use of essential RMNCAH-N care.

## PRIORITIES

The Health Sector Transformation Plan (HSTP) places universal access to RMNCAH-N care at the center of the government's vision for human development. The plan includes initiatives to scale up high-impact interventions for RMNCAH such as adolescent and youth-focused reproductive health services and community-based nutrition services, improve quality and equity of health care, increase the use of technology and innovation in health care, build systems for emergency preparedness and response, and roll out the second-generation Health Extension Program and Health Development Army.

## COMPLEMENTARY FINANCING

The total cost of the HSTP is US\$15.6 billion (base case). The remaining gap of US\$3.2 billion is 21 percent of the total cost of the HSTP. The government is the main funding source, providing 40 percent, while Community-Based Health Insurance (CBHI) is covering 11 percent, and nine donors are aligning funding, financing 27 percent of the HSTP.<sup>1</sup>

## GFF LINK TO IDA AND IBRD TRUST FUND FINANCING

The International Development Association/Global Financing Facility (GFF) Trust Fund and the Power of Nutrition co-financed *Health Sustainable Development Goals Program-for-Results (PforR)* was approved in May 2017, which contributes to improved RMNCAH-N outcomes by helping Ethiopia move toward universal health coverage and a more sustainable health care financing system. The program aims to improve the delivery and use of a comprehensive package of maternal, newborn, and child health services; build the government's capacity in key areas including fiduciary management; coordinate the early years and nutrition multisectoral agenda; support the expansion of community-based health insurance; and strengthen

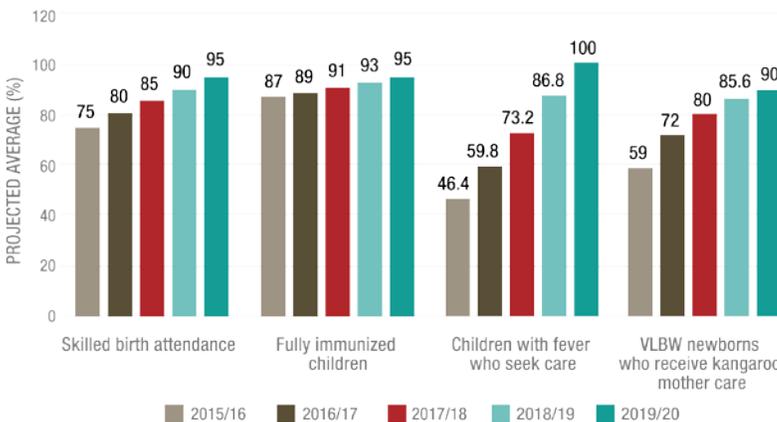
<sup>1</sup> Adapted from the Health Sector Transformation Plan 2016–2020. The resource mapping is based on estimates given by donors; most of them could not provide an accurate estimate of their budget beyond 2017. Ideally, this exercise would need to be updated annually to provide a more accurate picture of the funding gap and donors' contributions.

the national civil registration and vital statistics (CRVS) system. Disbursement-linked indicators cover maternal and child nutrition, child immunization, skilled birth attendance, and quality of health service delivery for drug supply systems, antenatal/postnatal care, family planning services, and adolescent health, among others.

## HEALTH FINANCING REFORMS

The government of Ethiopia has developed a second health financing strategy, which aims to transition from a system reliant on out-of-pocket payments for health care to health insurance for all Ethiopians. The strategy, which is being reviewed for finalization, proposes to launch Social Health Insurance and to scale up community-based health insurance coverage to 80 percent of districts by 2020 as well as to foster domestic resource mobilization through prioritizing health in the national budget and innovative financing interventions. The HSTP also aims to improve efficiency of health spending through results-based financing, pooled procurement, and the launch of an integrated financial management information system.

### HEALTH SECTOR TRANSFORMATION PLAN (HSTP) TARGETS



## IMPLEMENTATION/RESULTS

Within the first few months of implementation, PforR disbursements have been achieved for disbursement-linked indicators (DLIs) related to institutional deliveries and community-based health insurance outcomes. Significant investments are being made linked to nutrition and reproductive health to meet the 2018 DLI targets for RMNCAH targets. With GFF support, Ethiopia is moving rapidly to scale up and strengthen the CRVS system that includes overall support from the Federal Vital Events Registration Agency—transitioning from manual paper-based registration to an electronic registration system, which is essential for timely,

accurate, and efficient registration. Preparation of a costed CRVS information technology strategy, system design, and procurement of required information and communication technology equipment is underway. A procurement implementation manual is being developed with the technical support of the program, and linkages between routine health activities such as immunization and events registration are improving.

The GFF is supporting a diverse and ambitious health financing portfolio in Ethiopia. Significant analytical work, training, and capacity building are supporting the government’s implementation of its new health financing strategy for universal health coverage. Progress has also been made with a portfolio of analytical work and advisory services planned for fiscal year 2019 to support the development of a sound and productive private health sector engagement strategy.

In addition, a workshop was conducted jointly with the Ministry of Health bringing more than 60 representatives from the private sector, nongovernmental organizations, professional associations, the health sector, and the Ministry of Finance. The discussion revolved around three topics: policy and regulatory environment, financing and investment in health care, and strengthening public-private partnership dialogue. To continue support in advancing the dialogue, a mission was held in May 2018 that led to the creation of an umbrella organization for non-state actors engaged in the health sector, named “Ethiopian Healthcare Federation”.



**THE HSTP PLACES UNIVERSAL ACCESS TO RMNCAH-N CARE AT THE CENTER OF THE GOVERNMENT’S VISION FOR HUMAN DEVELOPMENT. IT ALSO AIMS TO IMPROVE EFFICIENCY OF HEALTH SPENDING THROUGH RESULTS-BASED FINANCING, POOLED PROCUREMENT, AND THE LAUNCH OF AN INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM.**



Photo: Natalia Cieslik / 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.

## CONTACTS

For more information about the GFF's work in Ethiopia, please visit our website at [www.globalfinancingfacility.org/Ethiopia](http://www.globalfinancingfacility.org/Ethiopia)

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