

The Global Financing Facility (GFF) empowers countries to tackle the greatest health and nutrition issues affecting women, children and adolescents. As an innovative approach to financing for low- and lower-middle-income countries to significantly increase investment in their own people, the GFF is saving and improving lives and increasing countries' ability to thrive in the global economy.

Already benefitting 26 countries, the replenishment process currently underway will enable the GFF to expand to the 50 countries facing the most significant needs in terms of maternal, newborn and child deaths and the health and wellbeing of women, children and adolescents.

The GFF is a country-led platform. Through the GFF process, governments engage multiple stakeholders in defining high-impact priorities that are based on rigorous analytical work and focused on what really works. Countries are also able to identify and tackle major bottlenecks in health systems, including how service delivery can be improved to reach those who do not have access to essential healthcare.



Photo: Dominic Chavez

After priorities are established, a country's health strategy is financed through a relatively modest GFF Trust Fund grant that is linked to **IDA** and **IBRD** financing. The grant serves to catalyze and maximize the impact of multiple sources of health financing: increased domestic resources, private sector financing, and aligned bilateral funding. By establishing programmatic priorities and reforming how health is financed, countries are maximizing the effectiveness and impact of IDA resources. Because the GFF process demands rigor and a data-driven approach, it helps countries to invest in data and monitoring, which in turn continues to improve long-term capacity and decisions around prioritization and allocation of funding.

### IDA IS A MAJOR SOURCE OF FINANCING FOR HEALTH IN LOW-INCOME COUNTRIES

As one of the largest sources of financing for low-income countries, IDA provides concessional loans and grants for programs that boost economic growth, reduce inequalities and improve people's living conditions. IDA resources are country-programmed and allocated. In consultation with World Bank teams, each government determines how IDA resources are allocated among the national priorities of their development agenda—including health as well as other sectors that affect women and children, for example education and social protection. These decisions are typically made by ministries of finance and/or of planning, which ensures that IDA financing is closely linked to national plans and budgets.

Following its most recent record replenishment, IDA's ability to support countries has increased significantly, with US\$75 billion raised for the three-year period from July 2017 to June 2020 (IDA18). Responding to heightened global ambitions and escalating risks, IDA18 presents a paradigm shift in how it mobilizes finance to help IDA clients achieve their development goals. The IDA18

replenishment is the largest in IDA's 56-year history and heralds a significant step change in its policy and financing framework. The scale, transformation and innovation of IDA18 presents a unique opportunity, and responsibility, for IDA as a critical implementation agent for achieving World Bank Group goals and the 2030 Agenda: to use these funds for maximum impact and client support.<sup>1</sup>

### IN IDA17,

IDA commitments to health increased by 50% to US\$4.6 billion in IDA17, compared with US\$3.1 billion in IDA16. Additional growth is expected under IDA18.

IDA investment in human capital can substantially accelerate countries' progress on the Sustainable Development Goals (SDGs), helping to advance their economic growth, and to closing the US\$33 billion annual financing gap for reproductive, maternal, newborn, children and adolescent health and nutrition (RMNCAH-N).

	IDA NET COMM AMT	SHARE (%)
HEALTH SECTOR	8.3	7.6%
SOCIAL SECTOR (Health+Education+ Social Protection)	31.1	28.5%
<b>IDA TOTAL</b>	<b>109.1</b>	<b>100.0%</b>

*IDA Net Commitments, US\$ billion, as of January 31, 2017*

## THE GFF HELPS MAXIMIZE THE IMPACT OF IDA FINANCING

The GFF is helping countries to drive systemic change by supporting their governments in convening partners and agreeing on a country-led plan that identifies a common set of priorities to improve the health of their people—starting with women, children and adolescents. Historically underinvested areas, such as sexual and reproductive health and rights, newborn survival, adolescent health, and nutrition, are prioritized. By focusing and increasing countries' domestic resources and aligning them with IDA financing, external financing and private sector resources, the GFF acts as a catalyst, leveraging existing development aid and crowding in additional funding—helping support a comprehensive and integrated approach to health finance.

<sup>1</sup> <http://documents.worldbank.org/curated/en/348661486654455091/Report-from-the-Executive-Directors-of-the-International-Development-Association-to-the-Board-of-Governors-Additions-to-IDA-Resources-Eighteenth-Replenishment>

## THE GFF COMPLEMENTS AND ENHANCES IDA IN SPECIFIC WAYS:

**1. As a country-driven multi-stakeholder partnership and platform,** the GFF supports governments in bringing partners together around a common set of priorities with focus on results; this leads to **synergies being identified between IDA funding and the financing of other development partners, which enable the IDA financing to achieve more and stronger results in aggregate.**

### IN CAMEROON,

the GFF process resulted in much stronger collaboration between financing from IDA (which focused on supply-side readiness) and financing from the French and German governments (which addressed demand-side constraints)—ultimately improving the effectiveness of both IDA and the bilateral financing.

**2. The GFF contributes to increasing the efficiency of available resources, including IDA,** by providing financing and technical support to develop and fund one Investment Case, which prioritizes a set of high-impact interventions and thus strengthens allocative efficiency of expenditures in health. Because the GFF helps governments to determine programmatic priorities and reform its approach to financing health, the process improves a country's capacity for financial management and increases rigor, governance and accountability.

### THROUGH THE GFF PROCESS IN THE DEMOCRATIC REPUBLIC OF CONGO,

the government and key stakeholders agreed on an Investment Case that set out some important strategic shifts that will improve efficiency by channeling funds, including additional IDA financing, to areas that are highly cost-effective but that have historically been underfinanced in the country, such as family planning and nutrition.

**3. The GFF is multi-sectoral.** Although there is a significant emphasis on RMNCAH-N with a focus on the highest-impact health and nutrition interventions and the main drivers of coverage of these interventions across sectors, the GFF process helps **identify synergies across different sectors and streams of IDA financing.** Program examples include investments in social protection and in the water and sanitation sectors. The latter contributes to child mortality reduction and reduction in stunting and illustrates how the GFF can maximize cross-sectoral benefits of IDA investments.

### IN BANGLADESH,

GFF Trust Fund financing is supporting both the health and the education sectors, and has led to the identification of synergies across the sectors that will benefit adolescent girls, by reducing drop-out rates, keeping girls in secondary school, and thereby reducing early marriage and adolescent pregnancy. This makes IDA financing for the health and education sectors work more effectively to improve the lives of ultimate beneficiaries in a comprehensive way.

**4. The GFF process increases sustainability** by not only scaling up funds for RMNCAH-N, but also by strengthening future continuity of IDA investments by fostering domestic resource mobilization for health. Thus also increasing the predictability of financing for health, since domestic resources tend to be less volatile than external ones, the GFF process reduces countries' dependency on external funds and supports countries' overall progress toward universal health coverage—a key goal and commitment of the 2030 agenda.

### IN MOZAMBIQUE,

the joint GFF/IDA support ensures the stability of public expenditure on health in the first three years of the project with a government commitment to increasing the share afterward. In Kenya, the GFF supports incentives for counties to increase the allocation of resources for health.

**5. Through its blended financing model,** the GFF helps reduce the dependency on single-source financing. This increases the predictability and sustainability of financing for critical health outcomes. For example, the currently severe shortfall in funding for family planning can be alleviated in the future by incentivizing governments prioritize and make commitments in their budgets for family planning and other high-impact interventions across the RMNCAH-N continuum. With GFF support for domestic resource allocation, alignment of several bilateral donors and private sector crowding-in of capital, the risk that comes with dependency on “vertical” disease-, condition- or intervention-specific funding will be mitigated.

**6. Engaging civil society organizations,** in the GFF adds citizen voice and increases accountability for resources for women, children and adolescent health across all stakeholders and financing, including IDA. GFF helps to move from routine stakeholder consultations to active engagement of civil society organizations in the shaping, implementation and accountability of IDA and other resources that support a results-focused investment case and implementation agenda.

**7. The GFF helps governments in economic transition to keep a focus on equitable expenditures on social services.** In addition to the general benefits above that apply across the IDA portfolio, the GFF plays a role in those countries that are graduating from IDA financing and becoming eligible for support from IBRD only. By working with countries as they transition from IDA to IBRD, the GFF helps smooth the process and incentivizes continued investment in the health and wellbeing of women, children and adolescents—especially in neglected communities. The GFF supports countries in medium- to longer-term planning related to health financing, which is important for avoiding abrupt transitions and interruptions in service delivery. Flexible GFF trust fund grant financing can be used to “buy-down” IBRD loans to more concessional levels. For example, in Guatemala, where the GFF Trust Fund is supporting a buy-down of an IBRD loan, the government has agreed in exchange to take the savings from the reduced interest payments (an estimated US\$9 million), match these with US\$9 million in government resources, and invest the total amount in improving the nutritional status and health of the indigenous population.

**8. The GFF brings scale to health funding.** The GFF Trust Fund to IDA leverage ratio is between 1:5 and 1:6, expanding much-needed resources for countries to advance the health agenda and have impact at scale.

**In turn, IDA financing benefits GFF Trust Fund investments.** In addition to the fact that the GFF brings benefits to IDA, it is important to note that the operational linkages the GFF has to IDA are advantageous to the GFF and its country support. The World Bank hosting of the GFF Secretariat and seamless implementation across World Bank and GFF engagements bring down transaction costs. Drawing on the full capacity of the World Bank Group, the GFF is administered by a small, highly experienced secretariat. The leanness and efficiency is possible through jointly financed IDA and GFF Trust Fund projects, which are prepared and supervised by World Bank Group staff, and application of the same World Bank governance and fiduciary standards to both. This link also improves efficiency for country governments who do not need to sign separate agreements with the GFF Trust Fund, report separately or establish different management structures. Through the World Bank's daily engagement with ministries of finance, the GFF also has a ready entry point into broader economic policy dialogue as well as connections with a whole set of experts in public financial management, in part affording the GFF the ability to influence the overall effectiveness of health spending.