

UPDATE ON NEW COUNTRIES TO BE FINANCED BY THE GFF TRUST FUND

OVERVIEW

This paper provides an update on the opportunity for adding new countries to be financed by the GFF Trust Fund and describes the process for selecting the countries.

SUMMARY OF FINDINGS

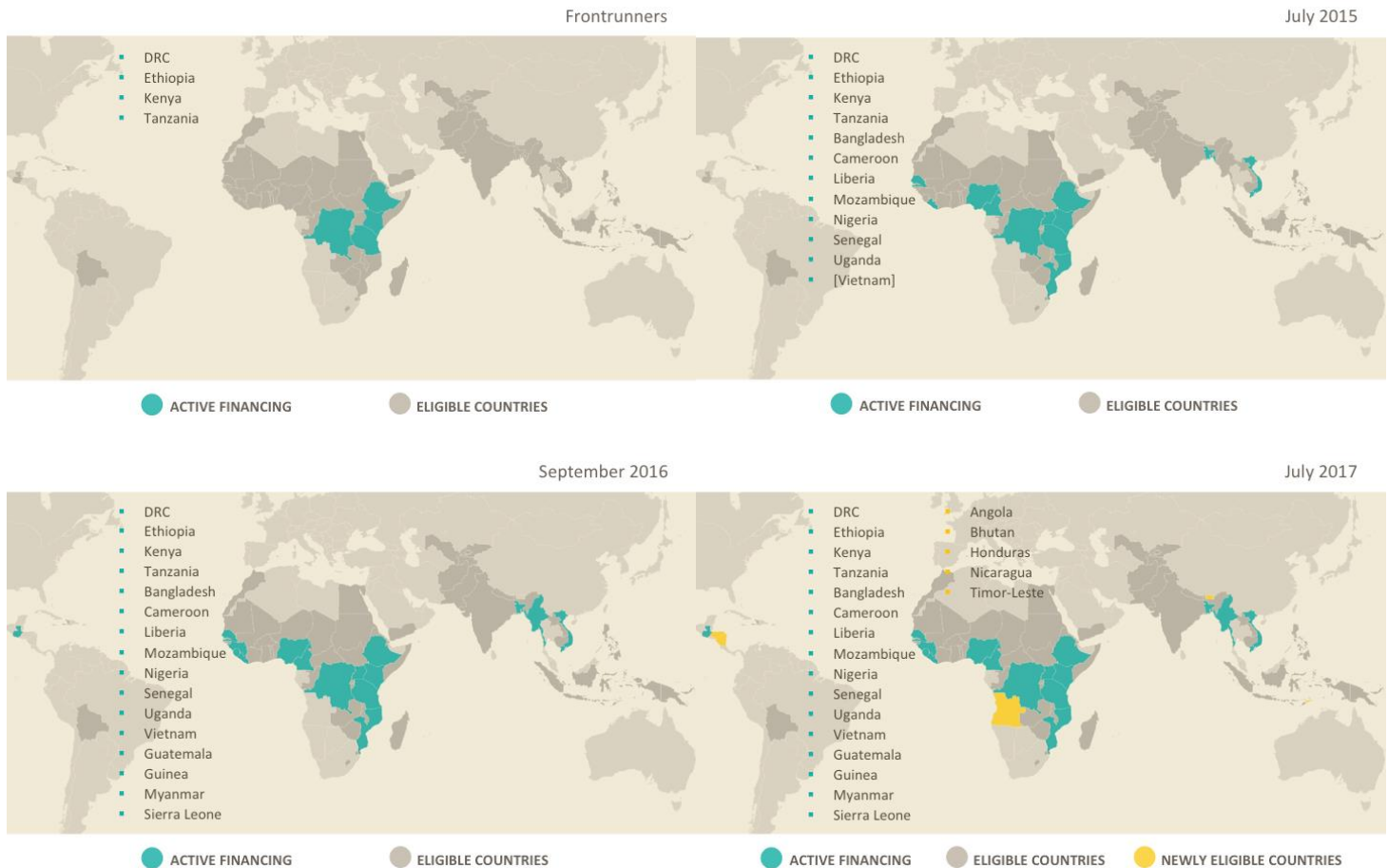
As a result of new funding commitments and high demand from countries, the GFF Trust Fund will soon finance between 8 and 12 new countries, using a process agreed at the Third Investors Group meeting (June 2016).

ACTION REQUESTED

This paper is for information only.

BACKGROUND

The GFF has expanded progressively since its inception. As shown in the following maps, initially four “frontrunner” countries received GFF Trust Fund financing. A total of 12 additional countries have selected to receive financing in two waves since then, bringing the total number of countries supported to 16.



The countries eligible to be part of the GFF were originally determined based on an assessment by the Countdown to 2015 initiative that identified 75 countries that face high burdens with respect to reproductive, maternal, newborn, child, and adolescent health. The Oversight Group (the predecessor to the Investors Group) decided to focus on the 63 of these that were classified by the World Bank as either low- or lower-middle-income countries. Of these 63, one (the Democratic People’s Republic of Korea) is not a member of the World Bank Group and so cannot receive financing from the GFF Trust Fund.

Two changes to the list of eligible countries were made in 2017. First, Countdown to 2030 (the successor to Countdown to 2015) revised its list of countries, which resulted in the addition of four countries to the initial set (Bhutan, Honduras, Nicaragua, and Timor-Leste). Second, one country (Angola) that was not previously included because it had been classified as upper-middle income was reclassified as lower-middle income and so has been included. The full set of eligible countries is included in the Annex.

CURRENT OPPORTUNITY AND PROCESS FOR ADDING NEW COUNTRIES

New financing has recently been committed to the GFF Trust Fund, which creates an opportunity to expand the GFF approach to a new set of countries.

- At the launch of the replenishment process for the GFF Trust Fund at the United Nations General Assembly in September 2017, the Bill & Melinda Gates Foundation announced a generous new contribution of US\$200 million to the GFF Trust Fund;
- At the Family Planning 2020 summit in July 2017, the governments of Canada and the United Kingdom made targeted contributions to the GFF Trust Fund of CA\$20 million and GBP30 million, respectively.

The number of new countries that can be financed by these contributions is a function of the volume of financing each country receives from the GFF Trust Fund. In the GFF Business Plan, a resource allocation formula was agreed that set the parameters for GFF Trust Fund grants*, and to date, on average countries have received US\$26 million from the GFF Trust Fund.

The process to selecting new countries was discussed at the Third Investors Group meeting, in Geneva, Switzerland in June 2016. At that meeting a set of criteria for the selection of countries were agreed:

- Country criteria:
 - Disease burden;
 - Unmet need related to sexual and reproductive health and rights;
 - Income status;
 - Comparison of financing vs. need;
 - Commitment to increase domestic financing for reproductive, maternal, newborn, child, and adolescent health (RMNCAH);
 - Commitment to use International Development Association (IDA) or International Bank for Reconstruction and Development (IBRD) financing for RMNCAH;
 - Commitment to mobilize additional complementary financing and/or leverage existing financing;
 - Commitment to engage private sector resources to improve RMNCAH outcomes;
 - Commitment to the Global Strategy;
 - Existence of/or plan for an effective, broadly representative country platform;
- Portfolio balance:
 - Geographical diversity;
 - Ability to contribute to learning agenda.

It was also clarified at that meeting that the Trust Fund Committee makes the decisions about the selection of countries.

To support the Trust Fund Committee in this process, the GFF Secretariat has taken a number of steps to review the eligible countries against the criteria agreed at the Third Investors Group meeting.

First, an assessment of the objective metrics has been carried out. To enable comparisons between countries for areas such as disease burden and income status, the Secretariat followed the approach agreed in the Business Plan process for combining these metrics in the resource allocation formula. Thus each country was assessed using the following formula:

- Objective assessment = Need² * Population^{0.5} * Income^{-0.125}

* See Annex 8 of the GFF Business Plan for further details on the resource allocation methodology.

As described in greater detail in the Business Plan, “need” in this formula is a composite of eight RMNCAH indicators.[†]

To assess the metric of “financing vs. need”, an analysis of each country’s development assistance for health per maternal and child death was undertaken.

Second, to understand better some of the subjective metrics included on the set of criteria from the Third Investors Group, as well as out of recognition of the importance of country ownership in a GFF context, a letter was sent from the GFF Secretariat to all eligible countries asking if they would be interested in being part of the GFF.

Third, an assessment of the opportunities for financing from IDA and IBRD was undertaken. IDA recently completed its largest replenishment ever, which makes US\$75 billion available for commitment to development priorities over the next three years. Decisions about the allocation of this financing are typically made early in each three-year IDA cycle (which began in July 2017), creating an enormous opportunity to increase the volume of concessional financing available for RMNCAH.

Finally, to assess opportunities for complementary financing, the GFF Secretariat engaged with a number of key financiers on the Investors Group to better understand the opportunities for aligned external financing.

Based on this process, the Trust Fund Committee is expected to identify 8 to 12 new countries to be financed.

An update on the status of country selection will be provided orally at the Sixth Investors Group meeting.

[†] Ibid.

ANNEX: LIST OF COUNTRIES ELIGIBLE FOR FINANCING FROM THE GFF TRUST FUND

Countries marked with an asterisk (*) are currently receiving GFF Trust Fund Financing.

Country	World Bank Income Classification	World Bank Lending Category
*Bangladesh	Lower-middle-income country	IDA
*Cameroon	Lower-middle-income country	Blend
*Democratic Republic of the Congo	Low-income country	IDA
*Ethiopia	Low-income country	IDA
*Guatemala	Lower-middle-income country	IBRD
*Guinea	Low-income country	IDA
*Kenya	Lower-middle-income country	Blend
*Liberia	Low-income country	IDA
*Mozambique	Low-income country	IDA
*Myanmar	Lower-middle-income country	IDA
*Nigeria	Lower-middle-income country	Blend
*Senegal	Low-income country	IDA
*Sierra Leone	Low-income country	IDA
*Tanzania	Low-income country	IDA
*Uganda	Low-income country	IDA
*Vietnam	Lower-middle-income country	IBRD
Afghanistan	Low-income country	IDA
Angola	Lower-middle-income country	IBRD
Benin	Low-income country	IDA
Bhutan	Lower-middle-income country	IDA
Bolivia	Lower-middle-income country	IBRD
Burkina Faso	Low-income country	IDA
Burundi	Low-income country	IDA
Cambodia	Lower-middle-income country	IDA
Central African Republic	Low-income country	IDA
Chad	Low-income country	IDA
Comoros	Low-income country	IDA
Congo	Lower-middle-income country	Blend
Côte d'Ivoire	Lower-middle-income country	IDA
Djibouti	Lower-middle-income country	IDA
Egypt	Lower-middle-income country	IBRD
Eritrea	Low-income country	IDA
Gambia	Low-income country	IDA
Ghana	Lower-middle-income country	IDA
Guinea-Bissau	Low-income country	IDA
Haiti	Low-income country	IDA
Honduras	Lower-middle-income country	IDA
India	Lower-middle-income country	IBRD
Indonesia	Lower-middle-income country	IBRD
Kyrgyzstan	Lower-middle-income country	IDA

Laos	Lower-middle-income country	IDA
Lesotho	Lower-middle-income country	IDA
Madagascar	Low-income country	IDA
Malawi	Low-income country	IDA
Mali	Low-income country	IDA
Mauritania	Lower-middle-income country	IDA
Morocco	Lower-middle-income country	IBRD
Nepal	Low-income country	IDA
Nicaragua	Lower-middle-income country	IDA
Niger	Low-income country	IDA
Pakistan	Lower-middle-income country	Blend
Papua New Guinea	Lower-middle-income country	Blend
Philippines	Lower-middle-income country	IBRD
Rwanda	Low-income country	IDA
Sao Tome and Principe	Lower-middle-income country	IDA
Solomon Islands	Lower-middle-income country	IDA
Somalia	Low-income country	IDA
South Sudan	Low-income country	IDA
Sudan	Lower-middle-income country	IDA
Swaziland	Lower-middle-income country	IBRD
Tajikistan	Lower-middle-income country	IDA
Timor-Leste	Lower-middle-income country	Blend
Togo	Low-income country	IDA
Uzbekistan	Lower-middle-income country	Blend
Yemen	Lower-middle-income country	IDA
Zambia	Lower-middle-income country	IDA
Zimbabwe	Low-income country	Blend

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