

SESSION #1: THE GLOBAL FINANCING FACILITY AND PRIVATE SECTOR



Why: Two trends led to the creation of the Global Financing Facility (GFF)

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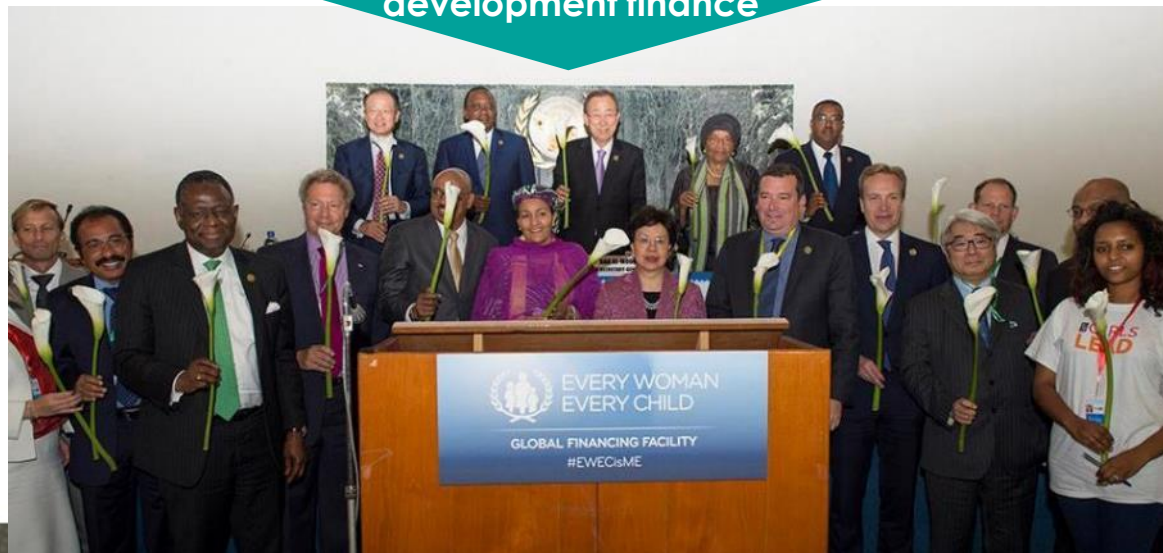
Insufficient progress on maternal and child health (worst among MDGs), and traditional sources of financing are not enough to close the gap.

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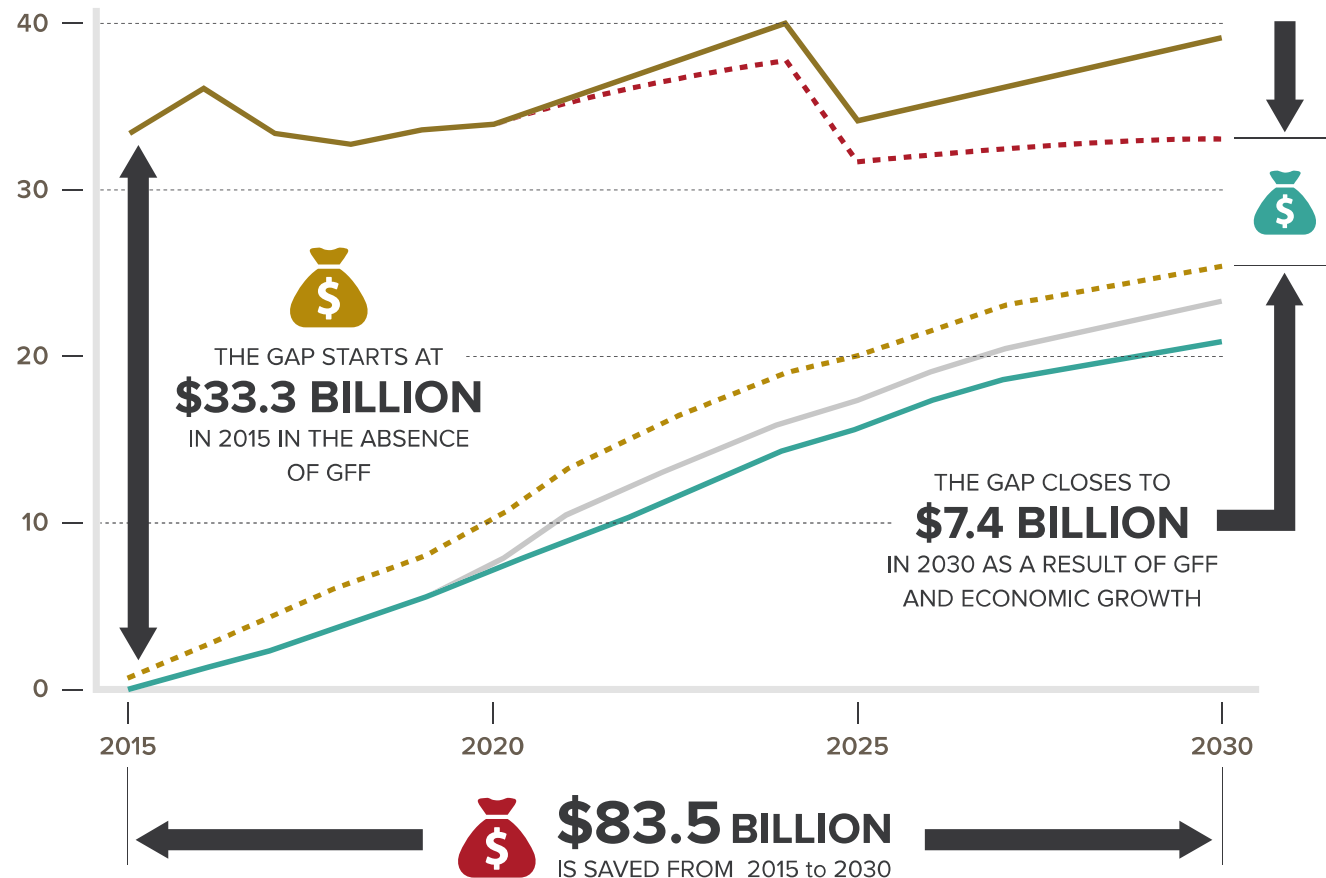
The world is **changing** ...

- ▶ Development assistance is at record levels, but is only a fraction of private financing from remittances and FDI
- ▶ Domestic financing far exceeds external resources

Need for a new model of
development finance



GFF objective: bridging the funding gap for women's, adolescents', and children's health and nutrition



The combined effect would **prevent 24-38 million deaths** by 2030

- Total incremental financing (domestic financing and development assistance for health, including GFF Trust Fund and IDA/IBRD)
- Incremental domestic financing crowded-in as a result of the GFF
- Incremental domestic financing related to economic growth
- Incremental resource needs (after efficiency gains related to the GFF)
- Incremental resource needs (no GFF)

GFF Countries

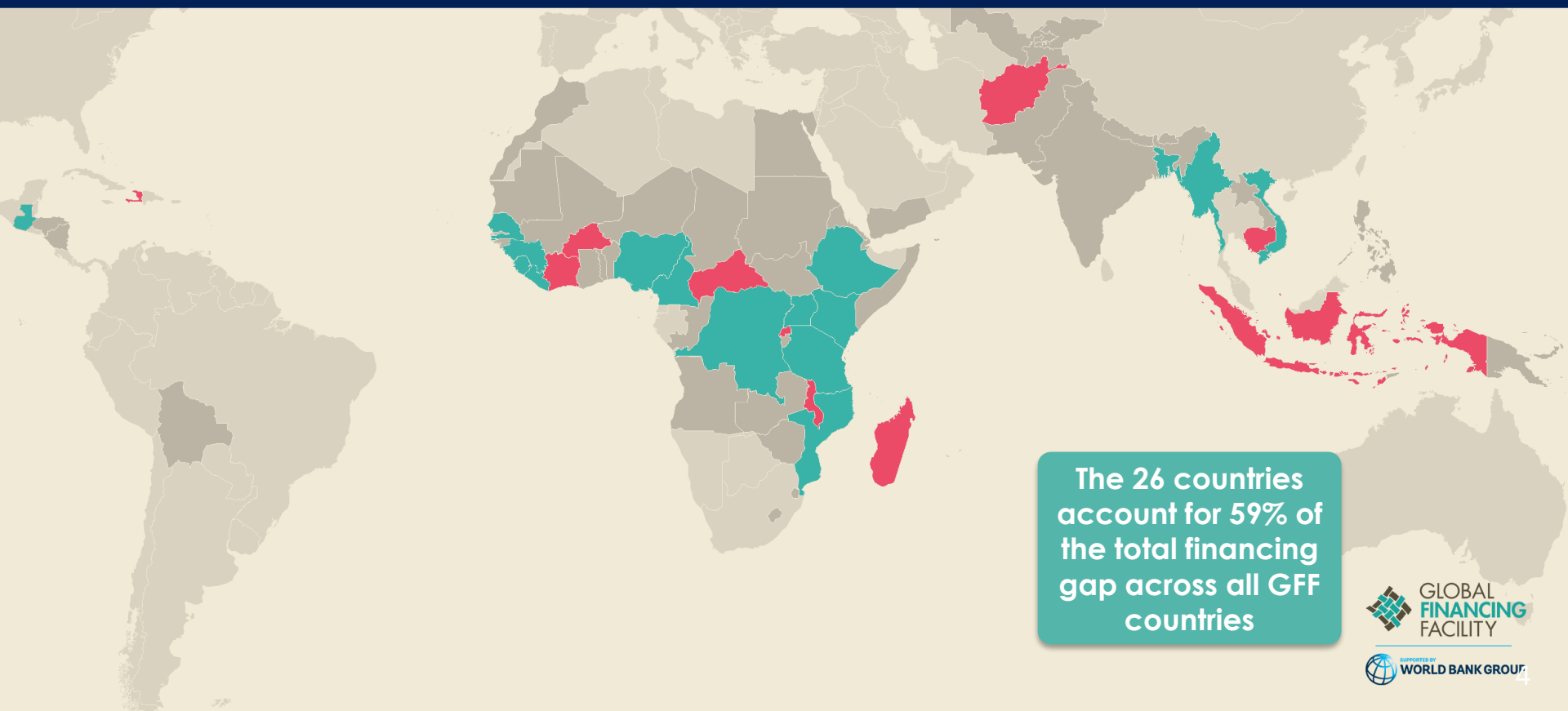
DRC
Ethiopia
Kenya
Tanzania
Bangladesh
Cameroon

Liberia
Mozambique
Nigeria
Senegal
Uganda
Guatemala

Guinea
Myanmar
Sierra Leone
Vietnam
Afghanistan
Burkina Faso

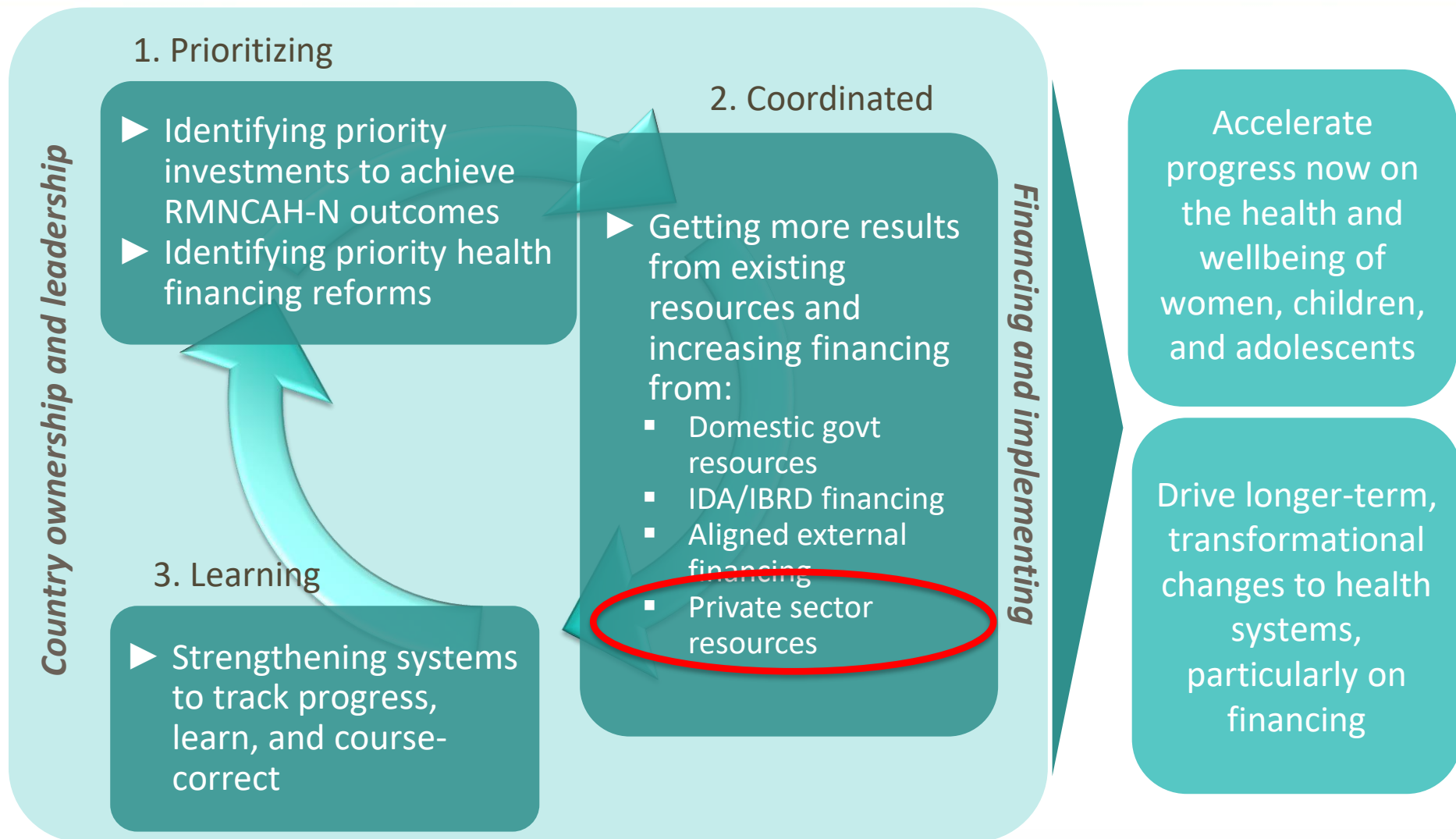
Cambodia
Central African Republic
Côte d'Ivoire
Haiti
Indonesia
Madagascar

Malawi
Rwanda

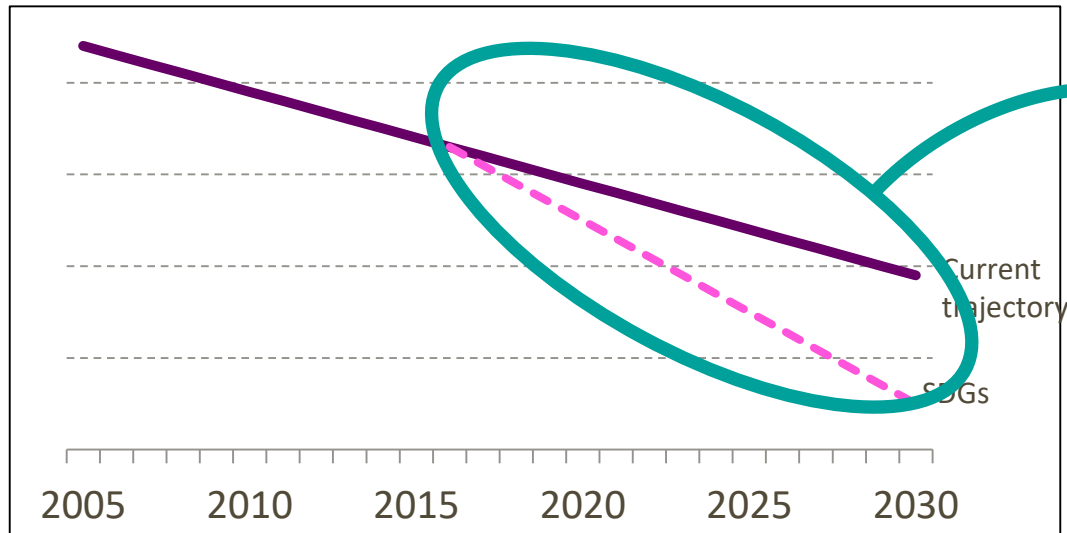


The 26 countries
account for 59% of
the total financing
gap across all GFF
countries

How the GFF drives results



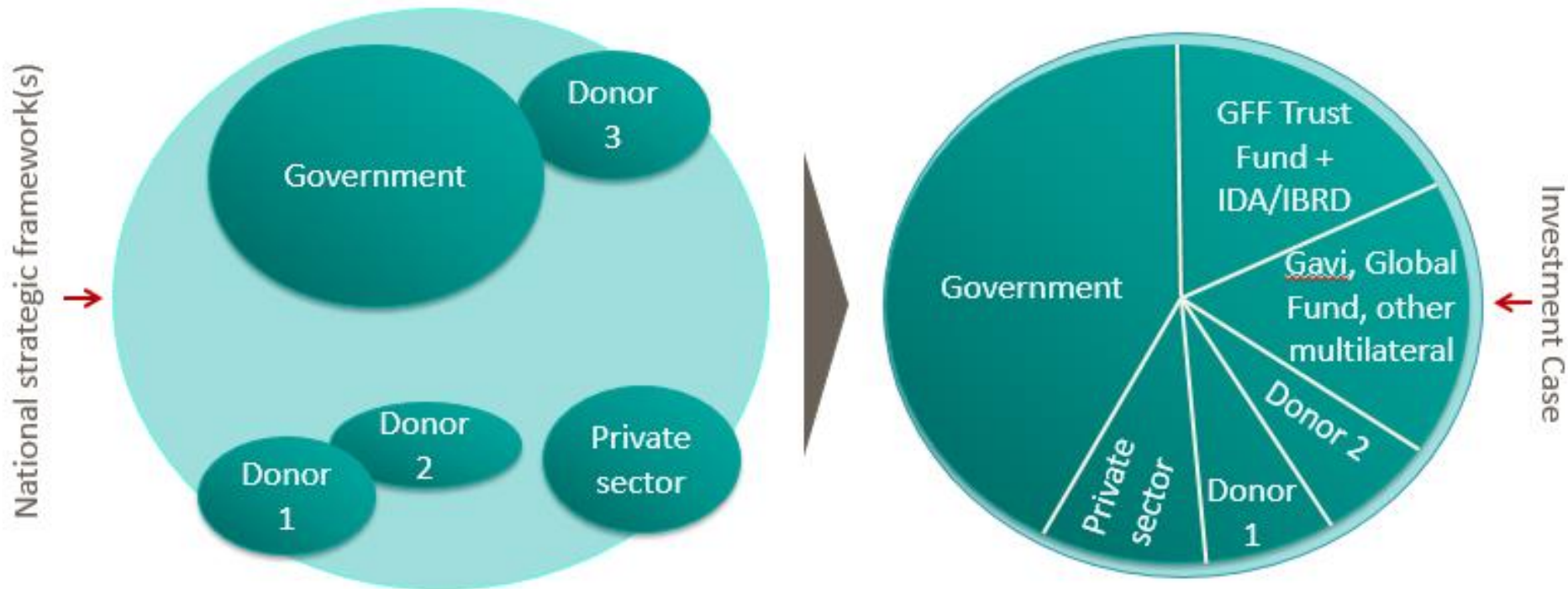
Catalyzing improved results through prioritization



Objective: identify what needs to happen to get on a **trajectory to reach the SDGs**

- ▶ Short-term: **key investments** (prioritized within resource constraints) needed to achieve RMNCAH-N results (Investment Cases):
 - **Health systems strengthening** and **multisectoral approaches** alongside high-impact RMNCAH-N interventions
 - Focusing on **equity**
- ▶ Long-term: **key reforms** to health financing systems (health financing strategies/implementation plans)

Increasing and better aligning financing behind nationally-owned priorities in Investment Cases



Process brings together partners to provide **complementary financing**:
Improving alignment behind a clear set of priorities → reducing gaps and duplications → more results

GFF Partners



BILL & MELINDA
GATES foundation

Canada



MINISTRY OF FOREIGN AFFAIRS
OF DENMARK
Danida



USAID
FROM THE AMERICAN PEOPLE

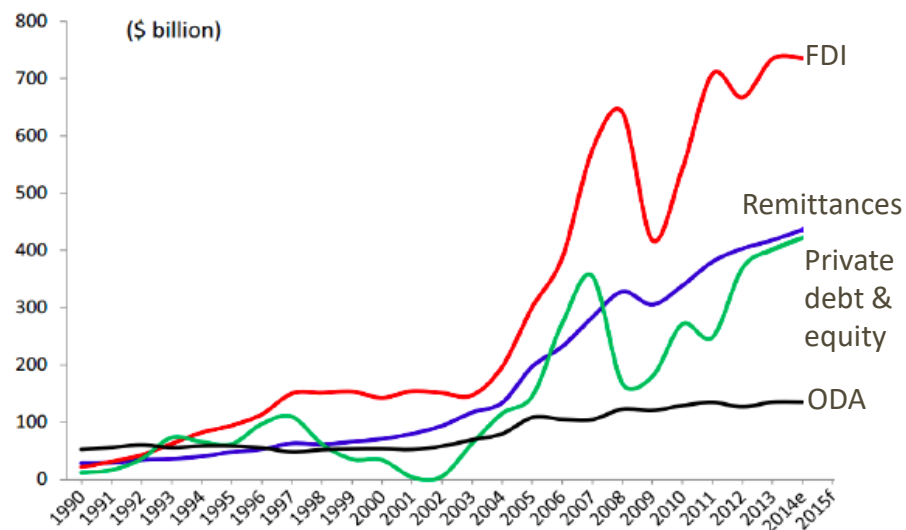


Why leverage private resources for RMNCAH-N?

Poor women and children already rely heavily on the private sector for care...



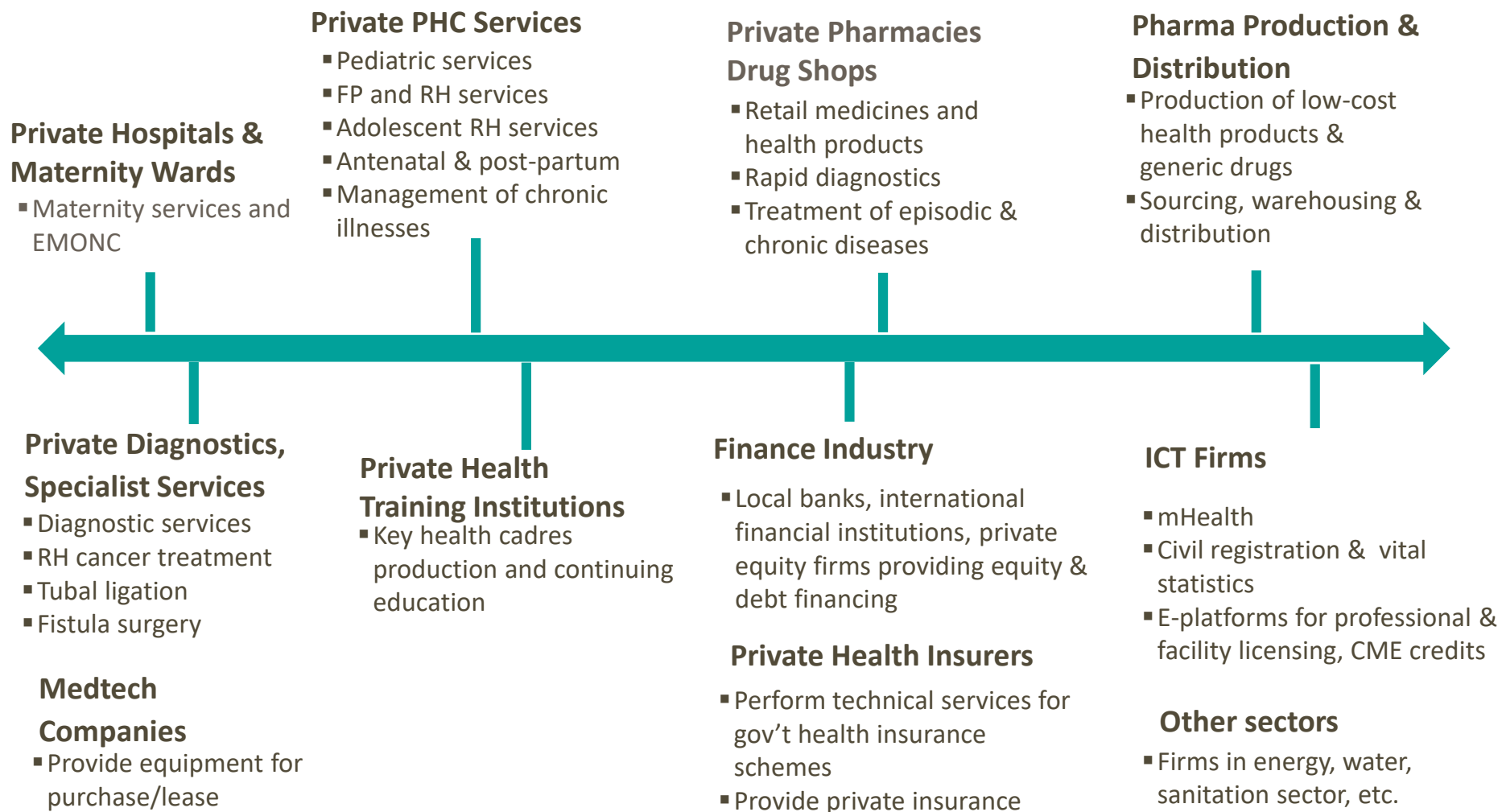
...and growth in private investment flows can provide additional resources...



Private sector can:

1. Provide financial resources e.g., innovative financing, complementary financing
2. Bring disruptive innovation e.g., new models of delivering health services and products
3. Provide critical capacity and expertise complementary to government e.g., contracting for essential health services

Broad range of private sector actors in health systems...



**Private service providers may be not-for-profit or for-profit*

Integrating private sector into Investment Case priorities

Challenges

- Lack of clarity on objectives for public-private dialogue (PPD)
- Inappropriate classification of private sector in health
- Private sector in health often heterogeneous and fragmented; difficult to engage effectively
- Lack of data available in initial phase of GFF process
- Limited in country capacity to manage private sector engagement effectively

What can GFF countries do?

- Leverage GFF multi-stakeholder country platform for PPD around IC priorities
- Identify and engage key private sector stakeholders early to bring in innovation, expertise and resources
- Private sector analysis in early stages of GFF Investment Case
- Build government capacity for managing private sector (e.g., establish/strengthen PPP units, contract management expertise, etc.)

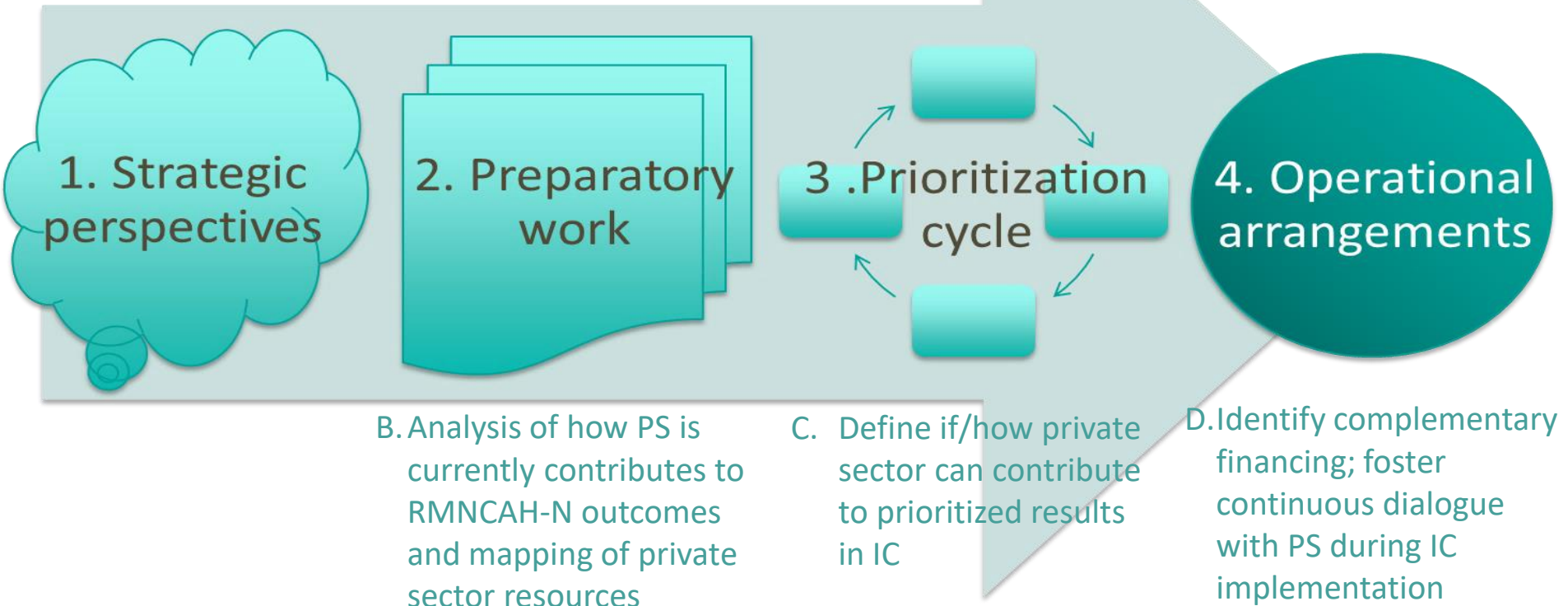
MM4H: A strategic approach to private sector

- In initial GFF countries, there were challenges for governments to make strategic decisions on where and how to partner with private sector
- Challenges included: lack of data on private sector, insufficient capacity to engage private sector, lack of clear entry points for private sector in Investment Case process, representation in country platform etc.
- For new GFF countries, MM4H training is provided as a resource to build capacity for **systematic, strategic, data-driven engagement with private sector** in priority RMNCAH-N areas
- Building on the MM4H workshop, draft action plans on private sector engagement can be refined, validated by government and stakeholders, and used to bring partners and resources together through the steps of GFF process

The ABCD of integrating private sector in GFF Investment Case process

Governance arrangements

A. Ensure PS representation in country platform and dialogue through IC process



A: GFF partnership at the country level: the country platform

Partners

- ▶ Government
- ▶ Civil society (not-for-profit)
- ▶ Private sector
- ▶ Affected populations
- ▶ Multilateral and bilateral agencies
- ▶ Technical agencies (H6 and others)

Approach

- ▶ Not prescriptive about form
- ▶ Build on existing structures while ensuring that these embody two key principles: **inclusiveness and transparency**



- ▶ Diversity of approaches:
 - Most countries used existing structures
 - Alternative is to establish new country platform/national steering committee

Roles

- ▶ Preparation and finalization of Investment Case and health financing strategies
- ▶ Complementary financing
- ▶ Coordination of technical assistance and implementation support
- ▶ Coordination of monitoring and evaluation

A: Private sector in GFF country platforms

- Platform for dialogue and shared objectives between private sector, government and development partners
- Private health sector often organized around common area of interest
- Federations may not include broader range of actors e.g., financial institutions, logistics companies etc.
- Who can represent private sector in GFF country platform?
 - Private health sector federations
 - Ideally inclusive of both for profit and not-for-profit actors across health system areas
 - If multiple health associations exist (e.g., FBO, private for profit, etc.), choose common representative for the constituency to inform/get feedback from various groups throughout process
 - If country focus on specific health systems area at start of Inv. Case, can represent on platform e.g., supply chain- logistics providers
 - Private sector alliances of companies across sectors (not health specific)

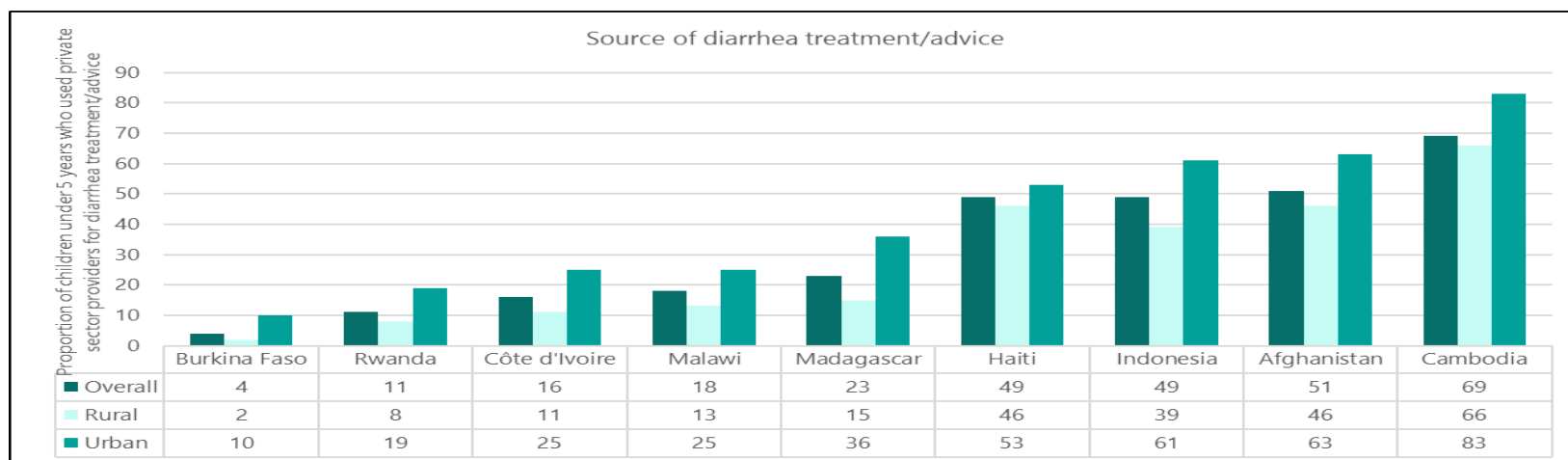
A: Private sector working group in country platform

- Important to engage broad set of private sector actors for Investment Case process
- One private sector representative on overall country platform; leads smaller “private sector working group” created to outline PS contribution to Inv. Case priorities
 - PS representative is accountable to PS constituency; two way information flow between constituency and country platform
 - Working group will focus on defining role of private sector in achieving Inv. Case results (capacity, expertise, innovation, resources, etc.)
 - Helps draw in wider range of private sector expertise (beyond service provision), particularly in countries where private sector not well organized
- Broad consultations with private sector can be held from time to time at specific points in Inv. Case process

B: Essential analysis of private sector role

At the start of the GFF Investment Case process:

- DHS data analysis of care-seeking for key RMNCAH-N services: where is private sector is playing significant role in service delivery?
- Analysis across income quintiles and rural/urban variation critical
- Analysis helps MoH engage appropriate private sector representatives in country platform and identify opportunities for contracting, PBF, vouchers, etc.



Private sector resource mapping:

- Consult with private sector for financial or in-kind contribution to priorities
- Include key partner private sector RMNCAH-N initiatives funded outside of GFF TF but with aligned objectives (e.g., USAID SHOPS Plus), valuable resources can often be overlooked

B: Options for additional private sector analysis

If Health System Area(s) Identified

If Health System Area(s) Not Identified

Health Market Analysis

Moderate investment

Private Sector Assessment

Substantial Investment

Market Scoping

Modest Investment

- Deep dive analysis of specific health system area linked to RMNCAH-N priority
 - Analyses interaction between supply, demand, policy context in specific health system area
 - Can be done as part of overall Investment Case analytical work
- MoH open to partnering with PS but *not identified* opportunities
 - Conduct Private Sector Assessment
 - Landscape overall health sector
 - Systematic review of policy environment, regulatory regimes
 - Analysis of supply/ demand in several health system areas
 - Recommendation of private sector opportunities
- MoH open to partnering, not identified opportunities, *limited time and resources*
 - Conduct market scoping as part of IC analysis; uses existing data (e.g. MOH stats, DHS, NHA): Health financing analysis
 - Demand and supply analysis of DHS in RMCAH focus areas
 - Summary of PS policies

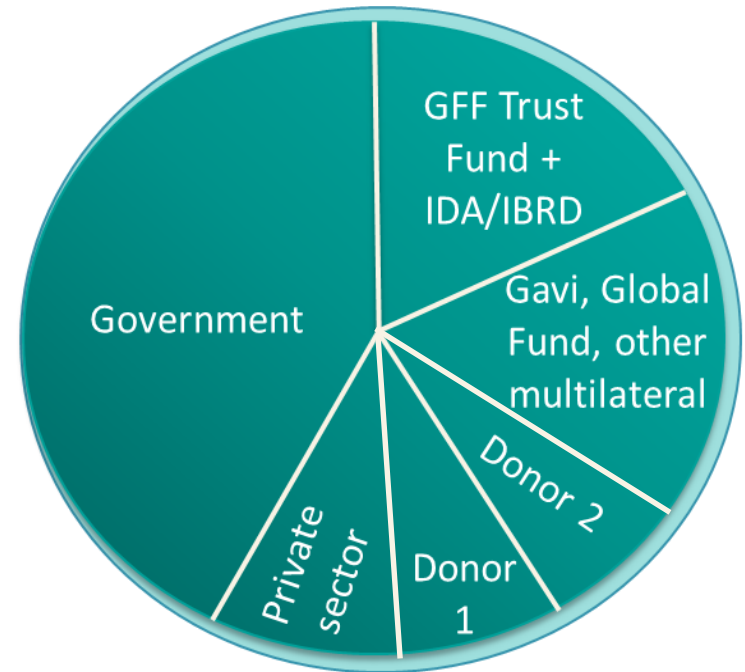
➤ Analysis can be financed by GFF Investment Case, partners (USAID/World Bank/IFC, etc.)

C. Define if/how private sector can contribute to country priorities

Examples of PS engagement	Sample Indicators
1. Policy and Dialogue	<ul style="list-style-type: none">▪ Private sector representation in GFF country platform▪ Level of dialogue between public and private sectors in Investment Case discussions
2. Information Exchange	<ul style="list-style-type: none">▪ Information flows between public and private sectors▪ Private sector facilities linked to national HMIS and disease surveillance
3. Regulation	<ul style="list-style-type: none">▪ X policy drafted/implemented/enforced to support private sector provision of quality RMNCAH-N services▪ Registration of private health facilities
4. Financing	<ul style="list-style-type: none">▪ Private sector philanthropic funding/in kind contribution for Investment Case priorities▪ Private investment in RMNCAH-N areas
5. Provision of Services	<ul style="list-style-type: none">▪ Purchasing arrangements to pay for services/goods provided by private sector (contracts, PBF, vouchers, service level agreements, etc.)▪ Private sector innovations (in product or process) to improve access/quality/affordability of services

D. Operationalization

- Complementary financing:
 - Private sector philanthropy
 - Private sector investment
- Results framework and M&E:
 - Indicators/targets for private sector contributions to IC (including service delivery)
 - Roles and responsibilities who is accountable for delivery of result, how results will be tracked, etc.)
- Continued dialogue through implementation:
 - Public-private dialogue throughout implementation enables refinement and modification when needed for achieving proposed results
- Private sector opportunities beyond IC process
 - Analysis/dialogue around partnership can continue after IC process, particularly where deep dive assessments are being undertaken



GFF's private sector strategy pathways

1. Developing innovative financing mechanisms to catalyze private sector capital for Investment Cases
 - Performance-based grants to buy-down interest rate of IBRD loans (Guatemala, Vietnam)
 - Catalytic grants to de-risk private investments for RMNCAH-N for low-income populations
2. Facilitating partnerships between global private sector and countries
 - Global companies e.g. MSD for mothers (US\$10 million GFF TF contribution + technical expertise)
 - Private sector representation on GFF Investors Group (MSD for Mothers, Philips, Abt Associates)
3. Leveraging private sector capabilities in countries to deliver on Investment Cases
 - Service delivery: contracting for primary care (e.g., Cameroon, Nigeria, DRC)
 - Private sector partnerships to mobilize resources (e.g., Cameroon)
 - Private sector innovation in access and quality of care (Nigeria)
 - Supply chain solutions: private sector contracting for last mile distribution (Senegal)

Resources:

Global Financing Facility private sector

<https://www.globalfinancingfacility.org/partner/10>

GFF Managing Markets for Health online course

<https://m4h.sps.ed.ac.uk/>

GFF-USAID Uganda Private Sector Assessment (RMNCAH excerpt)

https://www.globalfinancingfacility.org/sites/gff_new/files/documents/Uganda-Private-Sector-Contributions-to-RMNCAH.pdf

USAID SHOPS Plus

www.shopsplusproject.org

Range of experiences tailored to country context...

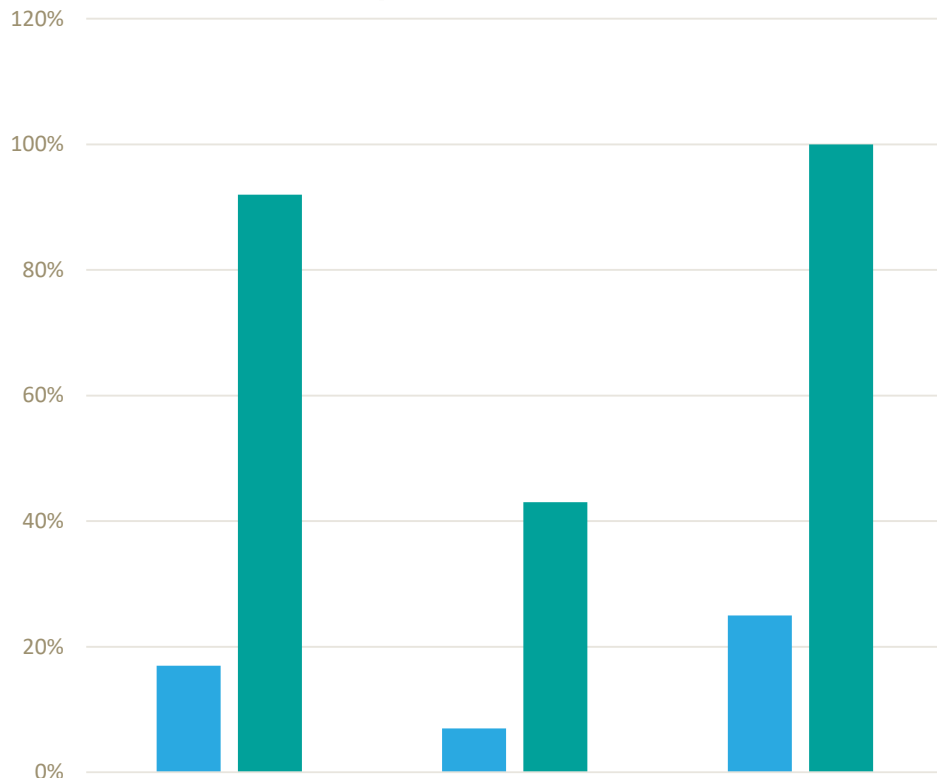
- Cameroon- service delivery, additional resources
- Nigeria- innovation for fragile contexts
- Senegal- supply chain innovation

Cameroon: Service Delivery

- Evidence based approach: over half of health facilities private, hence included in GFF-supported performance-based financing (PBF) project
- With PBF, private facilities have same performance contracts as public facilities for provision of a package of services
- All health facilities with a PBF contract receive:
 - PBF subsidies proportional to their performance;
 - Coaching and quarterly supervision to improve performance;
- All PBF facilities produce monthly reports for the MOH
- Subsidies are higher for private sector to match higher costs of provision
- Successful PBF pilot is now being scaled up nationwide

Cameroon PBF stimulated the private sector to increase availability of services...

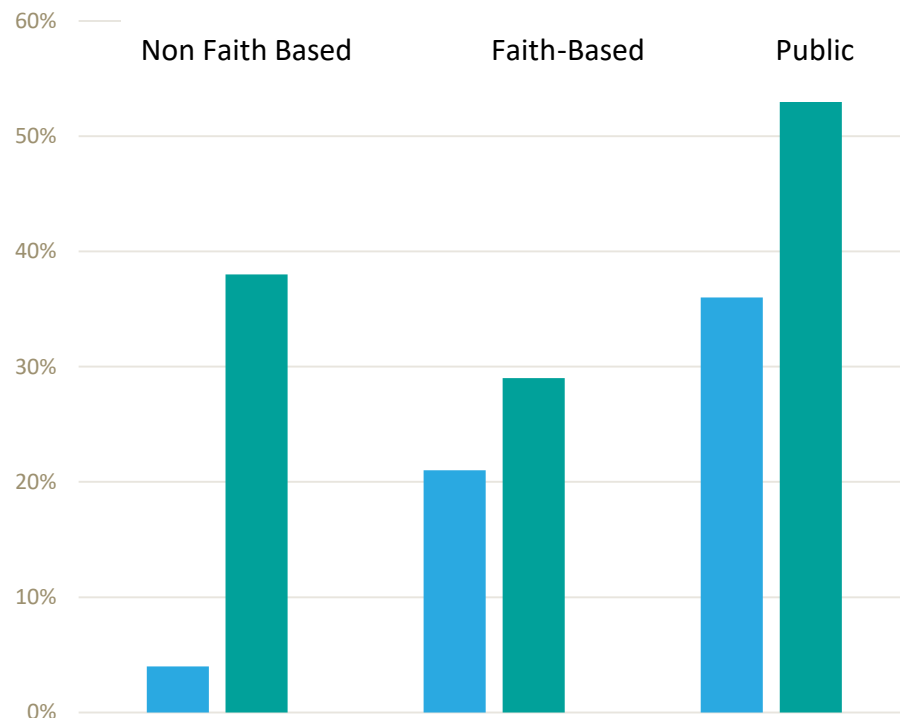
% of health facilities providing FP at the start of PBF and during the ten following quarters



% of health facilities offering FP at the start of PBF

% of health facilities offering FP during the ten months following PBF

% of health facilities providing PMTCT at the start of PBF and during the ten following quarters



% of health facilities offering PMTCT at the start of PBF

% of health facilities offering PMTCT during the ten months following PBF

Cameroon: Mobilization of additional private sector resources for RMNCAH-N

- Through local private sector alliance, Cameroon MoH and private sector companies had discussions about GFF Investment Case (e.g., oil and telecom companies)
- Private sector asked what resources they could contribute towards RMNCAH priorities in Inv. Case
- Companies such as Addax Petroleum, Orange Cameroon and MTN Cameroon have agreed to support:
 - Provision of biomedical equipment for delivery and newborn care
 - Mass media communication
 - SMS for health
- MoH leadership and outreach was critical in this process

Nigeria: Service Delivery Innovation Challenge (SDIC)

- Successfully contracted private sector in conflict-affected areas of N.East (public sector health infrastructure was severely damaged)
- Nigerian Federal Ministry of Health (FMOH) wanted private sector innovation and expertise in GFF Investment Case
- Innovation challenge:
 - FMOH partnered with Healthcare Federation of Nigeria (HFN), Private Sector Health Alliance of Nigeria (PSHAN), Sterling Bank, World Bank, GFF and IFC to launch Nigeria Service Delivery Innovation Challenge
 - Private sector proposals invited for RMNCAH-N service delivery innovations for fragile settings, with the top 3 proposals included in Nigeria's Investment Case
 - High level support: Minister of Health and Vice-President of Nigeria attended showcase event; signaling effect for private sector

Nigeria: Criteria for innovations

The solutions short-listed linked to the GFF investment case priorities and complemented Governments capacity and initiatives under 4 tracks:

- Coverage of RMNCAH & Nutrition Services
 - Quality of Care
 - Civil Registration and Vital Statistics
 - Access to Medicines
- GFF focus is on scaling results, not pilots: innovations had to be in post-pilot stage

S/N	Innovators	Name of Innovation	Type of Organisation	Problem Statement	Thematic Area
1	InStrat Global Health Solutions Ltd	VTR Mobile and CliniPAK	For Profit	TRACK 2: Quality of Care & TRACK 3: Civil Registration and Vital Statistics	R + AH
2	H. Care City Ltd	Health Literacy Promotion	Social Enterprise	TRACK 1 - Coverage of RMNCAH and Nutrition Services	R + AH
3	PharmAccess & the Society For Health	SafeCare, Social Marketing and Franchising	Non Profit	TRACK 2: Quality of Care	RMNCAH + N
4	One Medical	One Medical (Cloud EMR)	For Profit	TRACK 3: Civil Registration and Vital Statistics	R + AH
5	Wellbeing Foundation Africa	MamaCare Antenatal and Postnatal Programme	Non Profit	TRACK 1 - Coverage of RMNCAH and Nutrition Services	Maternal Health
6	Healthnob	Healthnob	Social Enterprise	TRACK 1 - Coverage of RMNCAH and Nutrition Services	RMNCAH + N
7	Africare	Maternal Waiting Homes (MWHs)	Non Profit	TRACK 1 - Coverage of RMNCAH and Nutrition Services	Maternal Health
8	RxAllng	RxAllng	Social Enterprise	TRACK 4: Access to Medicines	RMNCAH + N
9	Riders for Health	Riders	Social Enterprise	TRACK 1 - Coverage of RMNCAH and Nutrition Services	Maternal Health

Nigeria: Lessons learnt from Innovation Challenge

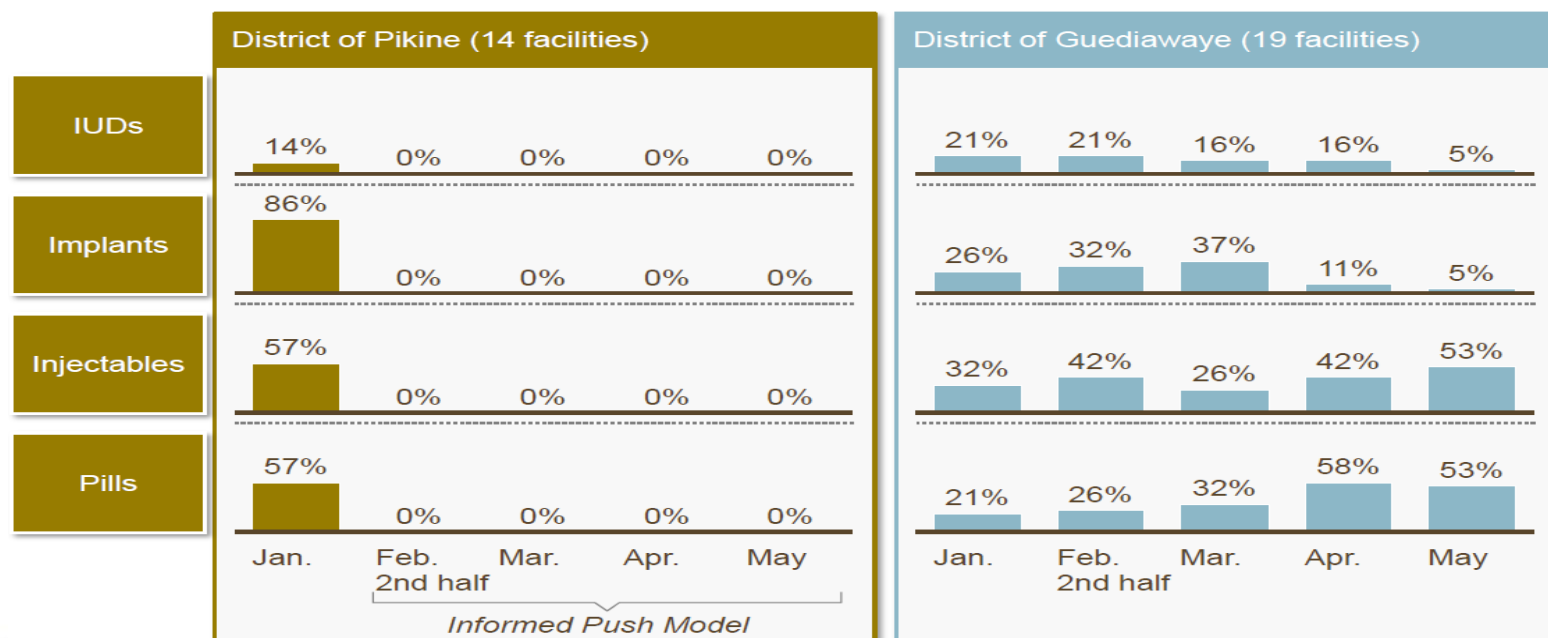
- **Leadership and political will:** critical to identify high-level champions from both government and private sector to bring key stakeholders together
- **Clarity around objectives and criteria** for innovations, with a strong link to the Investment Case priorities
- **Transparency of selection process** is essential to gain adequate participation from private sector
- **Financial sustainability** over longer term an important consideration in selection of proposals

Senegal: Supply chain innovation with private sector

- Senegal's FP progress on FP inhibited by severe and persistent stockouts of essential FP commodities in public facilities (implants 85%, injectables 42%)
- BMGF and MSD for Mothers supported supply chain innovation pilot for FP commodities called Informed Push Model, launched in 2012
- Using private distributors to transport commodities to the last mile, average stockout rate of FP commodities reduced to <2%

Results of IPM launch across comparison districts (2012)

% of health facilities with a product stocked-out for at least one day in the given period



Key elements of the “push” model

The former “pull”-based supply chain

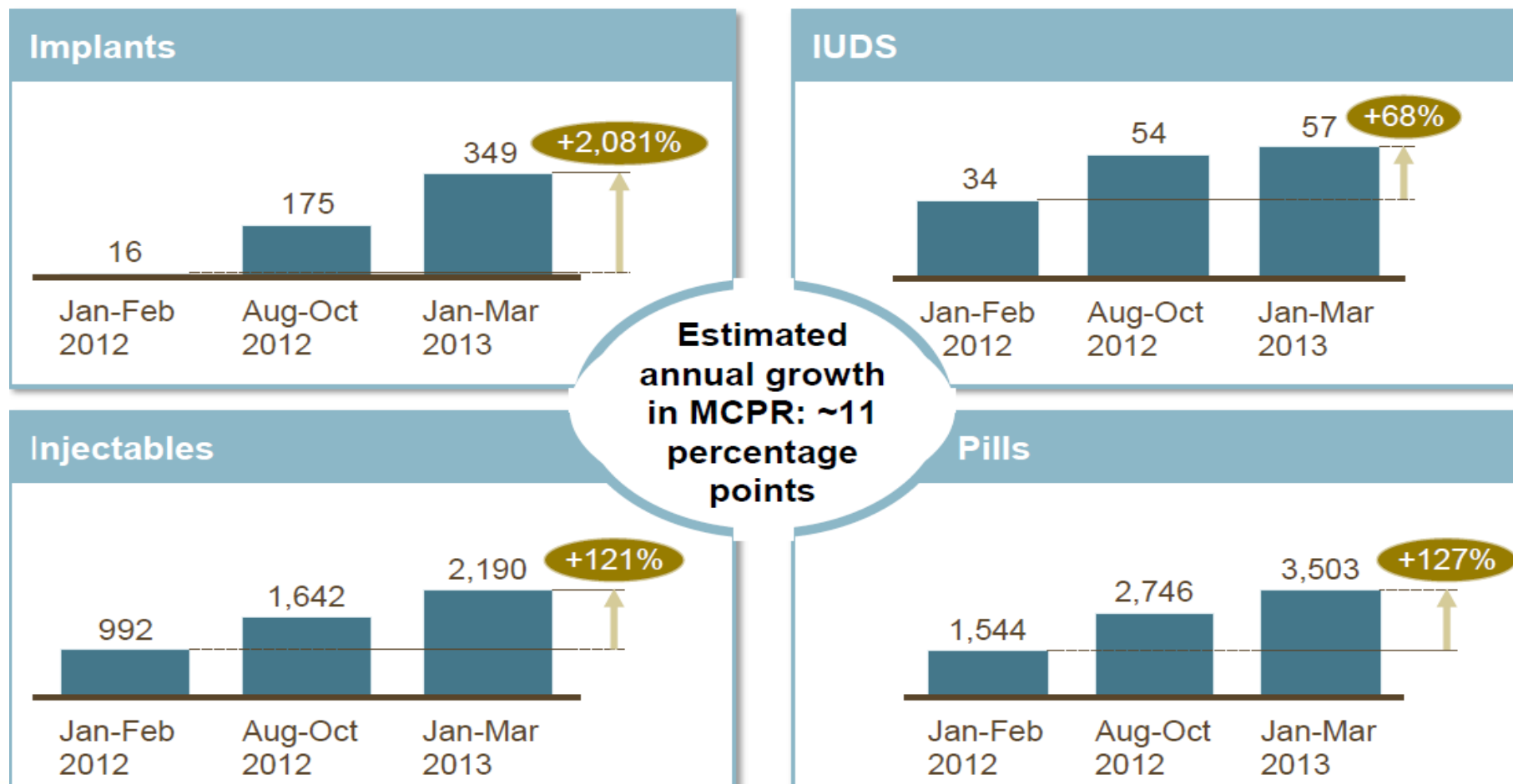
- **Medical staff responsible for logistics** (forecasting, ordering, collecting the products from local warehouse)
- **Pull system** based on **forecasting** and **orders**
- **Products are paid for** by health centers and health posts **prior to sale**

The integrated “push”-based supply chain

- **Regular scheduled delivery of products** with **no order required**
- Operator **collects and compiles data on consumption and stock levels** on each delivery and **immediately sends** to managers
- Products are **paid for after sale at the health center**

Senegal: Availability of commodities increased uptake...

Monthly average consumption and absolute growth in pilot district after one year of IPM:



Senegal: Scale up and transition

- Success of FP pilot led to expansion of the IPM model nationwide for FP commodities, followed by introduction of other health products
- Senegal government now expanding IPM model nationwide for ~100 products under “Jegesi naa” (to district level) and “Yeksi naa” (to last mile service delivery point) programs
- GFF and other partners supporting IPM expansion with transition financing:
 - Pharmacie Nationale d’Approvisionnement du Sénégal (PNA) takes over nationwide operations from IntraHealth International
 - A sustainable financing plan to be put in place mid-2018