

# FINANCING THE INVESTMENT CASE



# AGENDA

1. What does it mean to finance the Investment Case (IC)?
2. Why is Resource Mapping/ Expenditure Tracking central to financing the IC?
3. What are some of the health financing questions that have been addressed by Resource Mapping?
4. What kind of support can GFF provide for Resource Mapping/ Expenditure Tracking?
5. What are our objectives going forward to ensure the Investment Case (IC) is fully financed?

1. What does it mean to finance the Investment Case?

# What does it mean to finance the Investment Case?

To determine how to finance the IC, it is critical to understand:

- ▶ **How is the health sector financed?**
- ▶ **How much** do we need **to finance the IC?**
- ▶ **What specific programs and activities are currently being funded and where** from domestic and/or external sources?

# What does it mean to finance the Investment Case?

## How is the health sector financed?



### High donor reliance

Largest share of funding for health sector comes from external sources



### Partial donor reliance

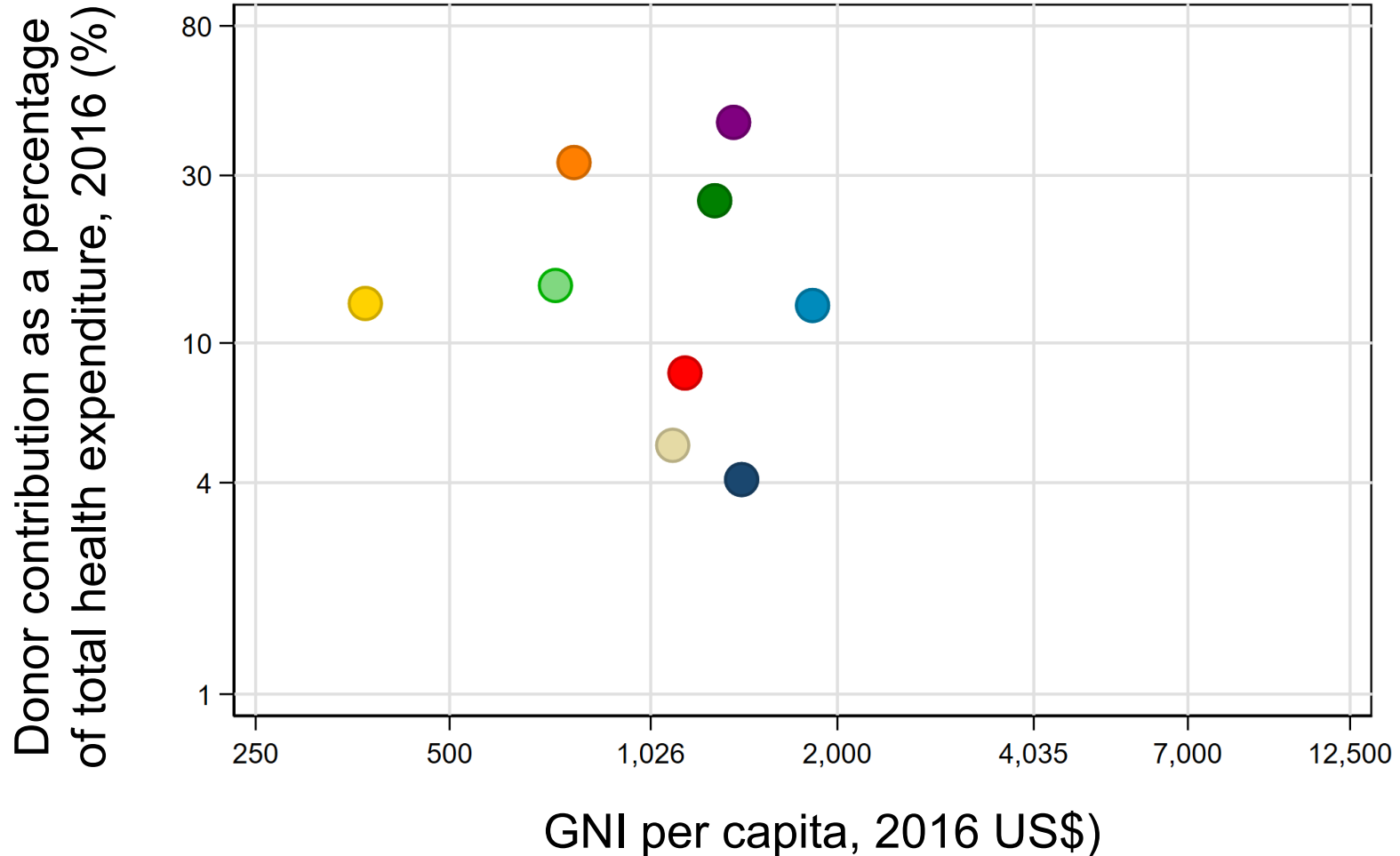
Significant share of financing from domestic government budget, but external funding also accounts for large share of health sector funding



### Low donor reliance

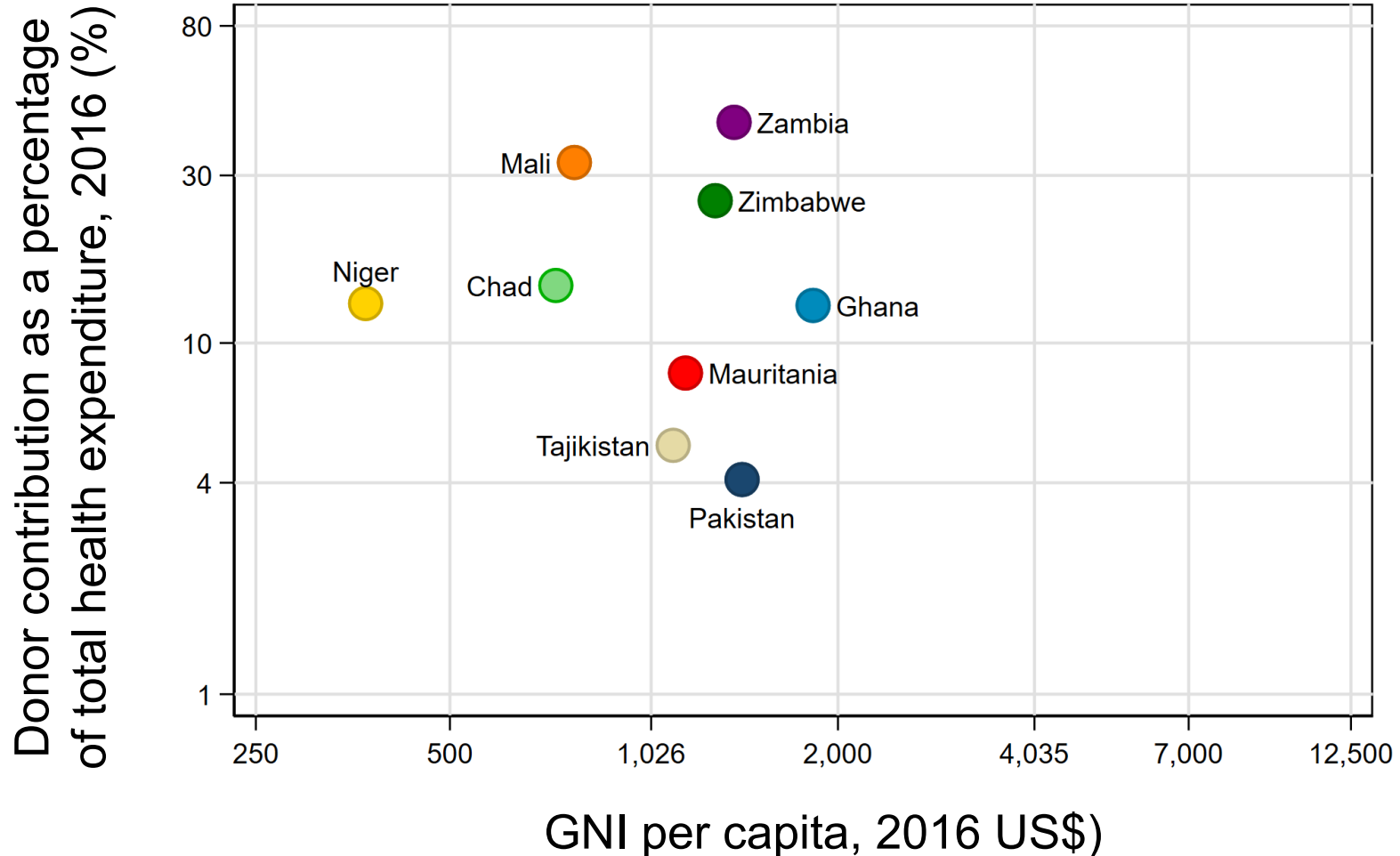
Very little dependence on external sources for health sector funding

# Donor contribution to total health expenditure in the new GFF countries – guess who is where ?



(Both axes expressed in log scale. DAH includes resources channeled through both public and private channels)

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# What does it mean to finance the Investment Case?

## How much do we need to finance the IC?

### ▶ What is the **funding gap**?

Cost of IC – Total resources available = funding gap

### ▶ **How** can we **fill this gap**?

- Domestic Resource Mobilization: More money for health?
- Efficiency: More health for the money?



# What does it mean to finance the Investment Case?

**What specific programs and activities are currently being funded** from domestic and/or external sources and **where?**

- ▶ **Domestic resources:** how are activities being funded?
  - Where are resources being allocated?
  - Where does actual expenditure take place?
  
- ▶ **External resources:** what are donors funding?
  - What activities are implementing partners engaging in?
  - Are there certain provinces/ districts that receive most of the funding, while others have huge gaps?
  - Where does actual expenditure take place?

## 2. Why is Resource Mapping/Expenditure Tracking central to financing the Investment Case?

# How does RM link with financing the IC?

## What is resource mapping?

- ▶ Any exercise that aims to rapidly capture both forward-looking budget data and high-level past budget from government and/or external partners
- ▶ **In the context of GFF, RM pertains to mapping external and government budget linked to IC priorities**
- ▶ Depending on context, such an exercise could go beyond the scope of the IC and focus on mapping the resources of a National Health Plan

# How does ET link with financing the IC?

## What is expenditure tracking?

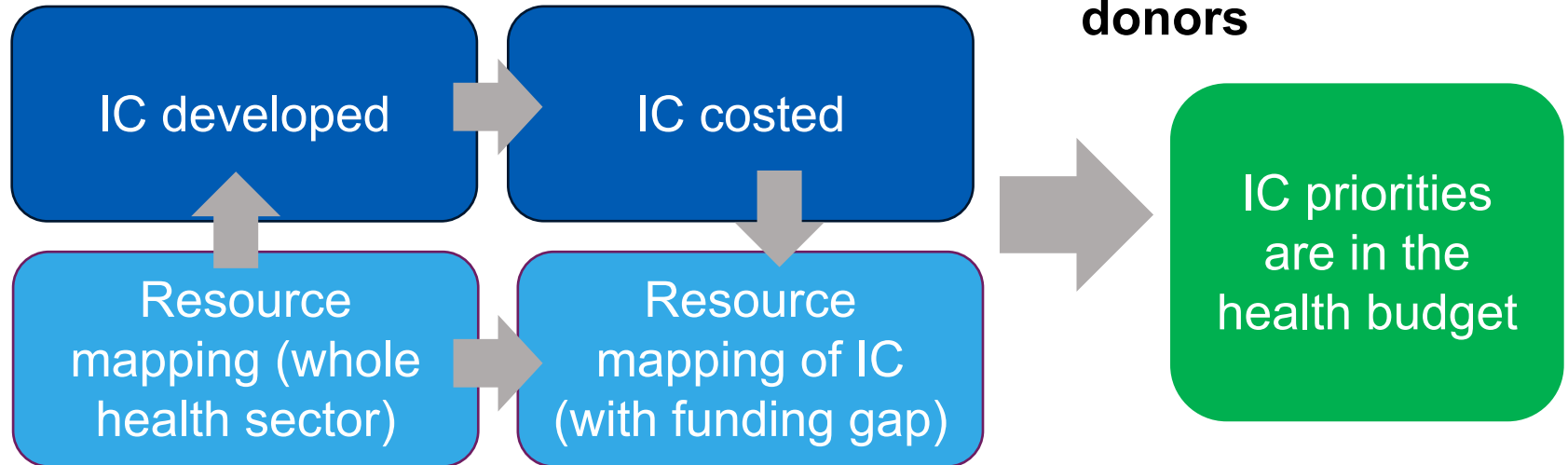
- ▶ Expenditure tracking routinely captures the ongoing expenditures in the health sector
- ▶ **In the context of GFF, ET includes tracking government and external expenditures linked to the IC priorities at various administrative levels**
- ▶ Both RM/ET can be sector-wide or tailored to country needs with deep dives into specific programs or be multisectoral

# Where does Resource Mapping align/support the IC process?

## Inform prioritization of the IC:

If the envelope is not large, then IC needs to be reprioritized

Inform the planning and budget process of governments and donors



Funding gap cannot be identified (IC not yet developed, costed)

Funding gap can be identified (IC developed, costed)

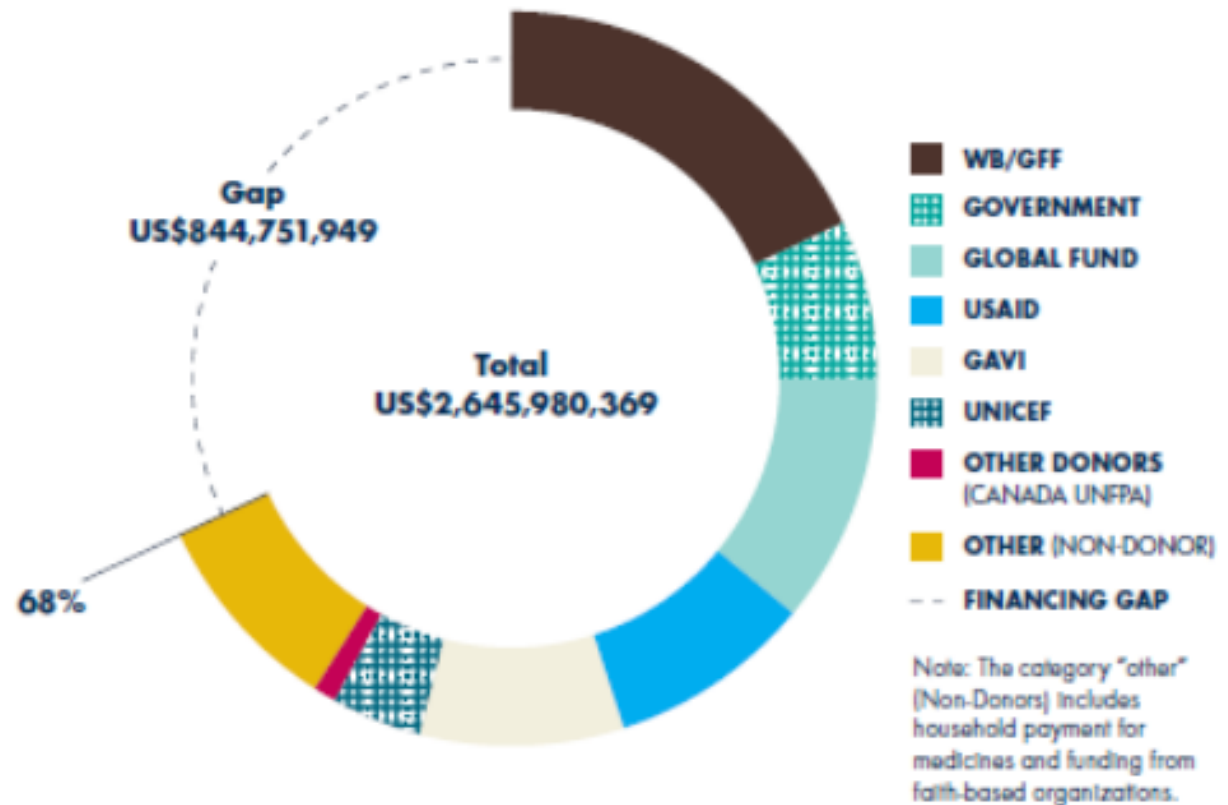
**Assess allocative efficiency.** Assess if some priorities over-funded, others underfunded

**3.** What are some of the health financing questions that have been addressed by Resource Mapping?

# Cameroon: the RM determined how much the country needs to fund the IC

How is the health sector financed? How much do we need to finance the IC?

Generate detailed information on the funding gap

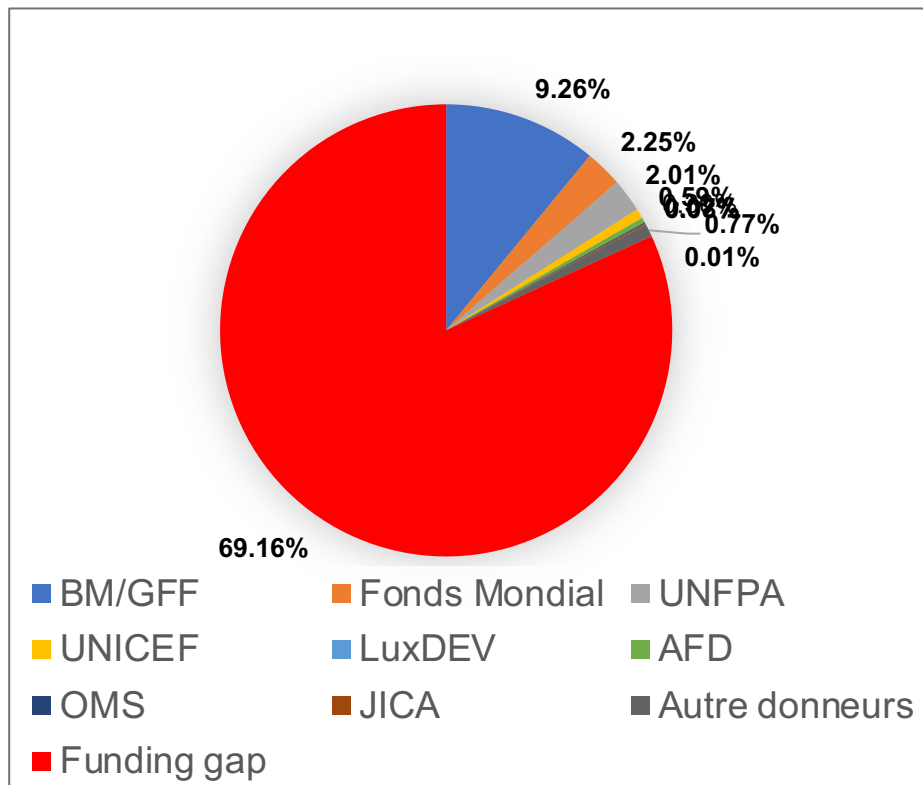


# Senegal: RM used for further prioritizing the IC

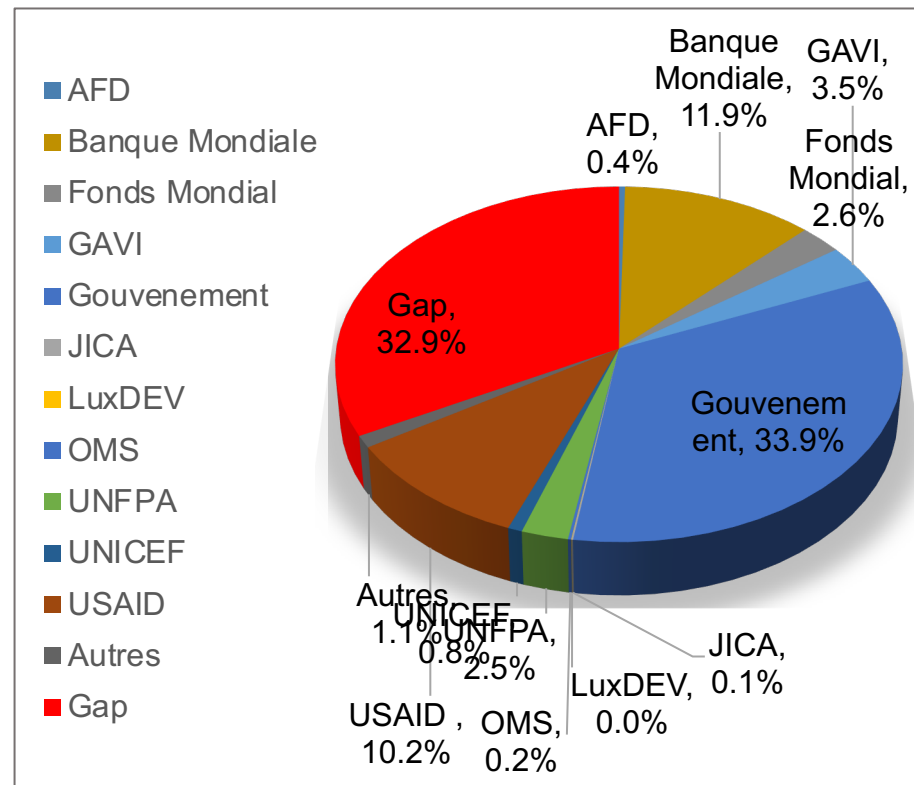
## How much do we need to finance the IC?

Senegal: Funding gap too high, hence further prioritization needed

Initial Resource Mapping



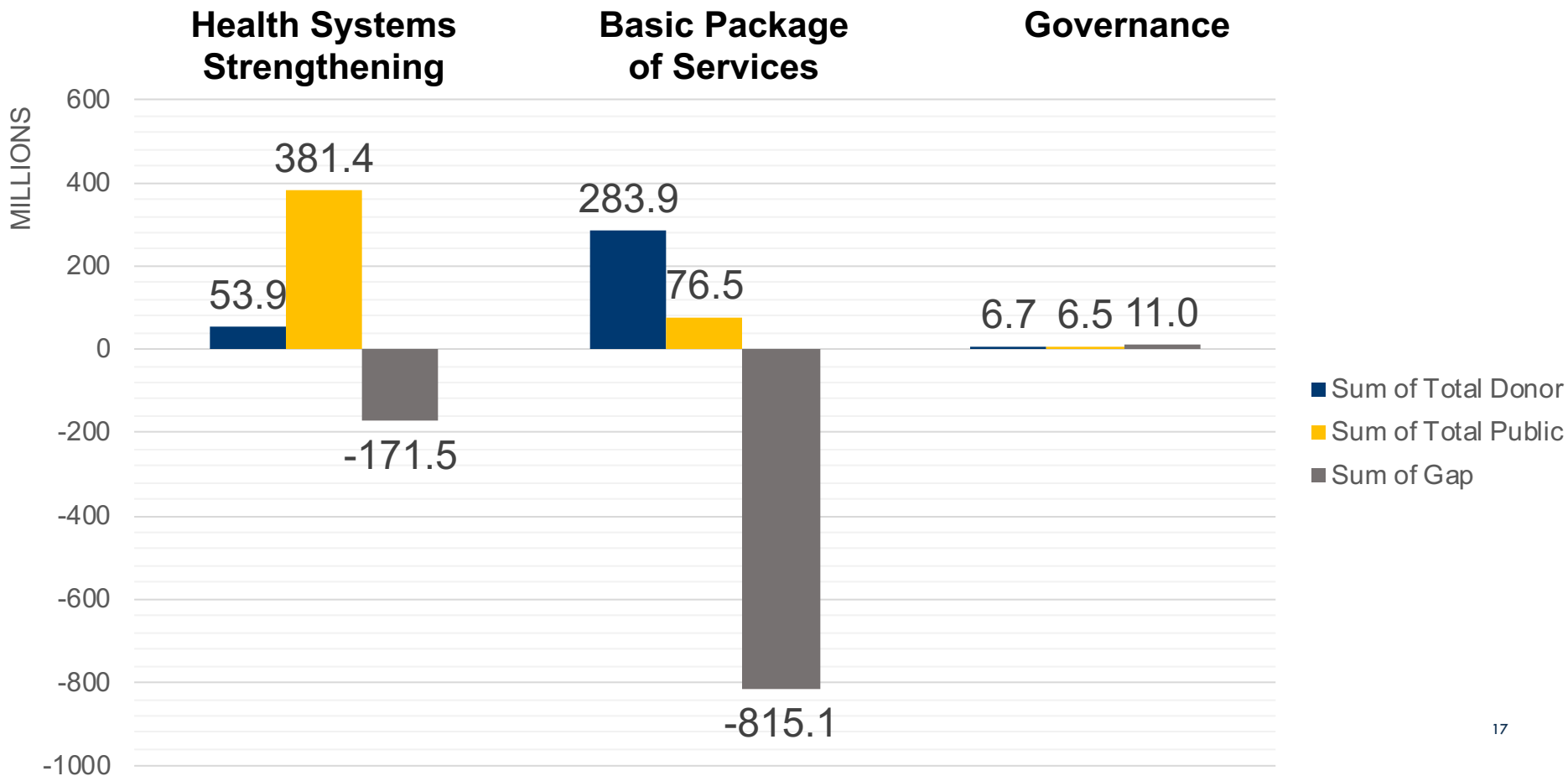
Final Resource Mapping





# DRC: RM determined funding gaps for main priority areas

What specific programs and activities are currently being funded from domestic and/or external sources?



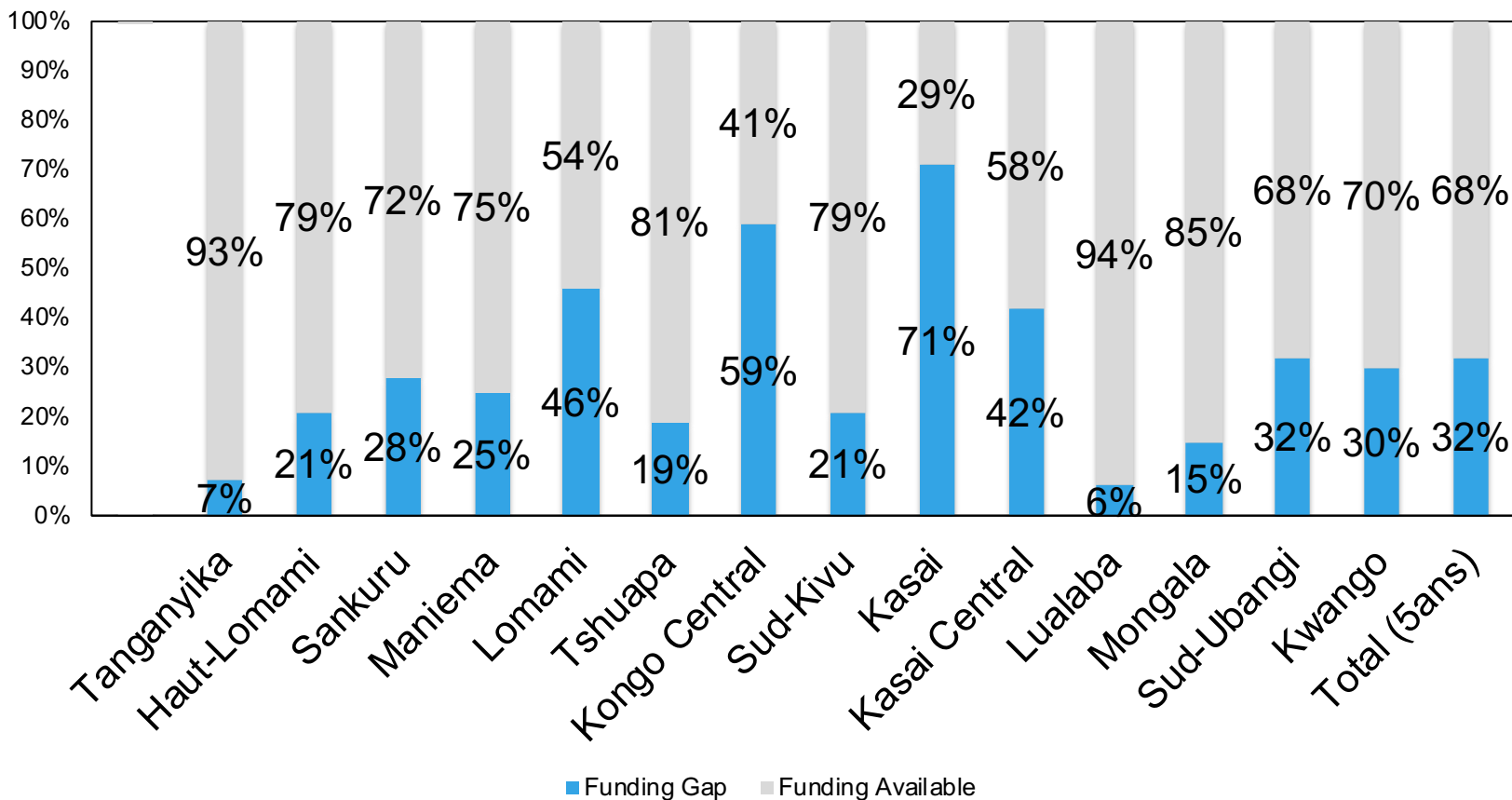
# Liberia: Activity mapping of external resources helped understand partner activity at district level

What specific programs and activities are currently being funded from domestic and/or external sources?

IC Priorities	National	Gbarpolu	Grand Bassa	Grand Kru	River Cess	River Gee	Sinoe
<b>Quality Emergency Obstetric and Neonatal Care</b>							
Construction and Renovation of Health Facilities	World Bank (Redemption)						
Focused Antenatal Care							
Quality Maternal and Newborn Health – Labor and Delivery: EmONC	CHAI, UNICEF, USAID, World Bank/GFF	CHAI, UNFPA, World Bank/GFF	CHAI	CHAI	CHAI, UNFPA, World Bank/GFF	CHAI, USAID	CHAI, UNFPA, World Bank/GFF
Child Health	GAVI, UNICEF	World Bank/GFF	Other	UNICEF	UNICEF, World Bank/GFF	UNICEF	UNICEF, World Bank/GFF
Ensure functioning supply chain	CHAI, UNICEF, USAID, World Bank	CHAI	CHAI	CHAI	CHAI	CHAI	CHAI
Improve Community Participation in Maternal Child Health Outcomes	Other	Other					Other
Prevention and Treatment of Breast and Cervical Cancers			GAVI				

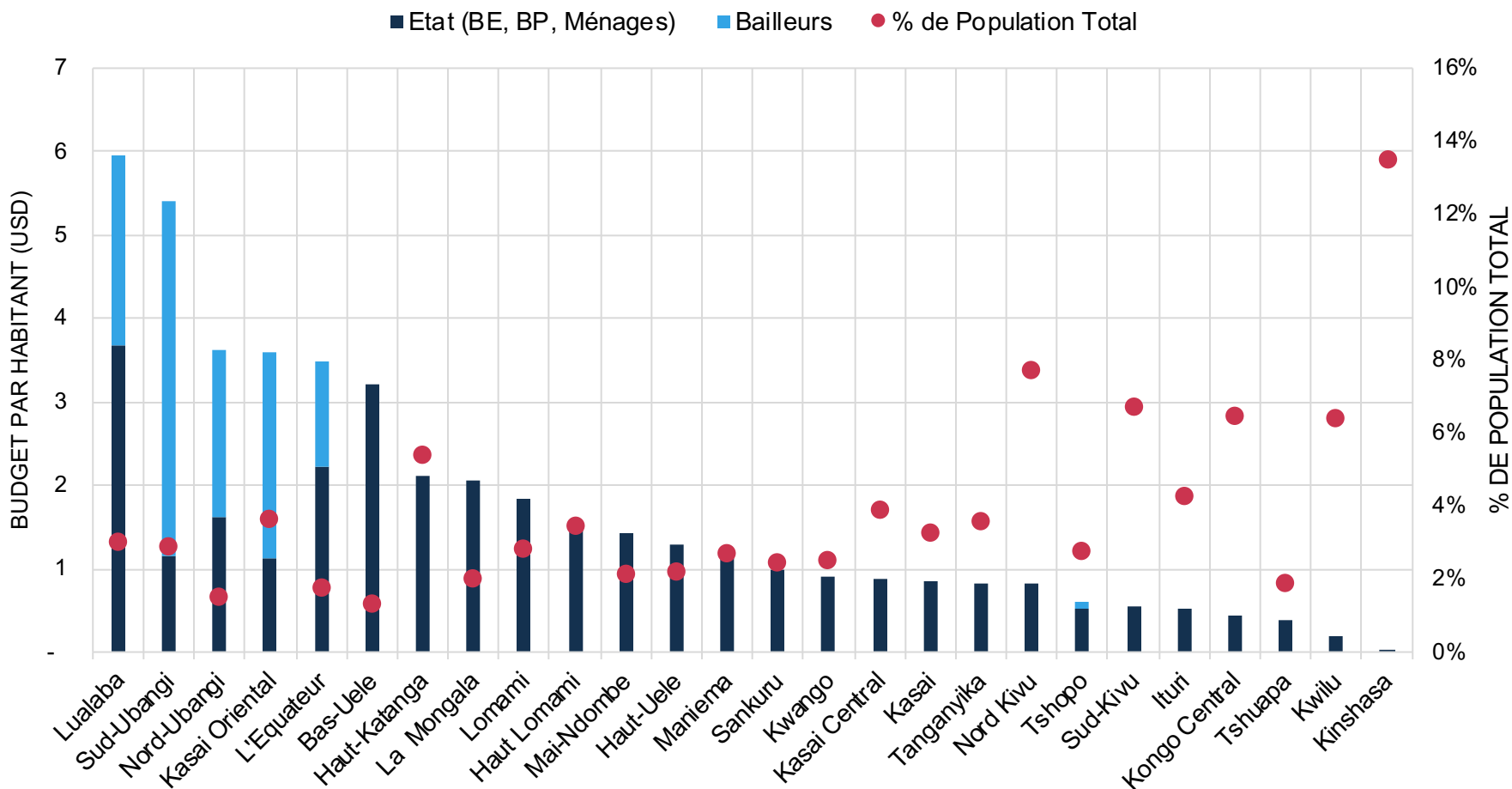
# DRC: the RM determines the provinces with the highest funding gaps

What specific programs and activities are currently being funded from domestic and/or external sources and where?



# DRC: the RM determines how equitably resources are allocated across geographic areas

## How equitably are resources allocated across geographic areas?



4. What kind of support can GFF provide for Resource Mapping/ Expenditure Tracking?

## Varying levels of support provided by GFF for RM/ET

GFF countries can access support from different partners, including from the GFF Secretariat. The level of support needed on RM-ET for each respective country will differ. GFF countries, can ask for the following support from the GFF Secretariat.

- ▶ Additional financial support for ongoing work (little to no TA)
- ▶ Consultant firm/ consultants (STC) based on scope of work
- ▶ Collaboration with WB governance team for ET
- ▶ Hands-on TA (including development of tool for RM/ET)
- ▶ Strengthening knowledge and capacity for RM/ET

# Standardization of Resource Mapping and Expenditure Tracking

## Standardized RM/ET tool developed by GFF and applied in GFF with no RM exercise

- ▶ User-friendly, Excel-based interface + accompanying implementation guide
- ▶ Creates a standardized approach
- ▶ Maps to Investment Case
- ▶ Customizable to adapt to country context
- ▶ Adaptable to existing data collection and budgetary processes
- ▶ Captures both forward-looking budget data and past expenditures
- ▶ Produces automatic outputs to facilitate analysis of results

# How long does RM process take?

## Preparation

**1-2 Months**

- Purpose and scope of the analysis
- Desk review of existing data
- Team roles and responsibilities
- Stakeholder engagement
- Process for data collection and analysis

## Data Collection

**2-6+ months**

(Highly variable depending on context and data available)

- Adapt data collection tools
- Conduct data collection – mapping from donors and domestic sources
- Conduct data collection – tracking
- Iterate, as necessary

## Data Analysis

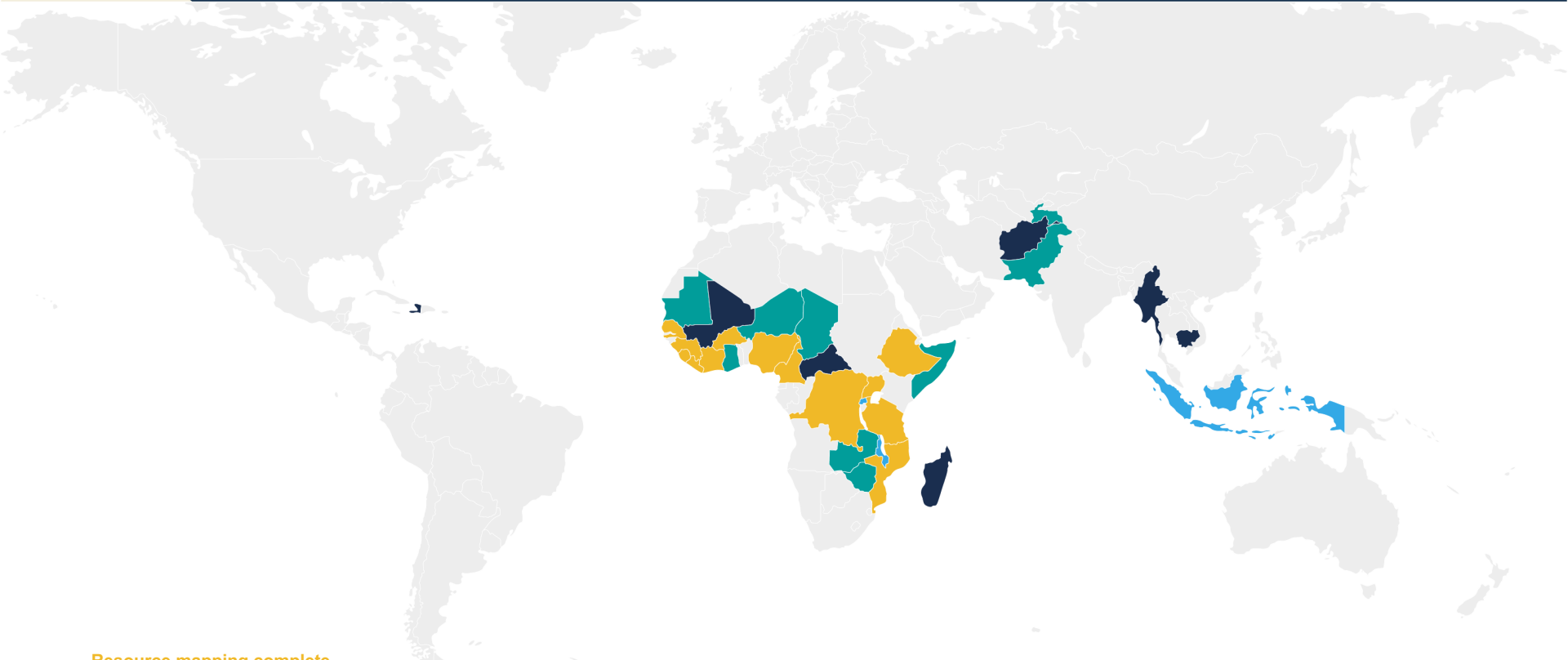
**2-3+ Months**

(May require revisions as additional data collected)

- Data Analysis complete
- Disseminate results
- Conduct stakeholder engagement
- Promote data use for decision- and policy-making
- Establish process for institutionalisation



# Where are we now?



**Resource mapping complete, PFM reforms in health sector underway, resource tracking to commence**

- Burkina Faso
- Cameroon
- CIV
- DRC
- Ethiopia
- Guinea
- Liberia
- Mozambique
- Nigeria
- Senegal
- Sierra Leone
- Tanzania
- Uganda

**Resource mapping ongoing**

- Afghanistan
- Cambodia
- CAR
- Haiti
- Madagascar
- Mali
- Myanmar

**Resource mapping ongoing, limited supported by GFF in some cases\* (but no direct TA)**

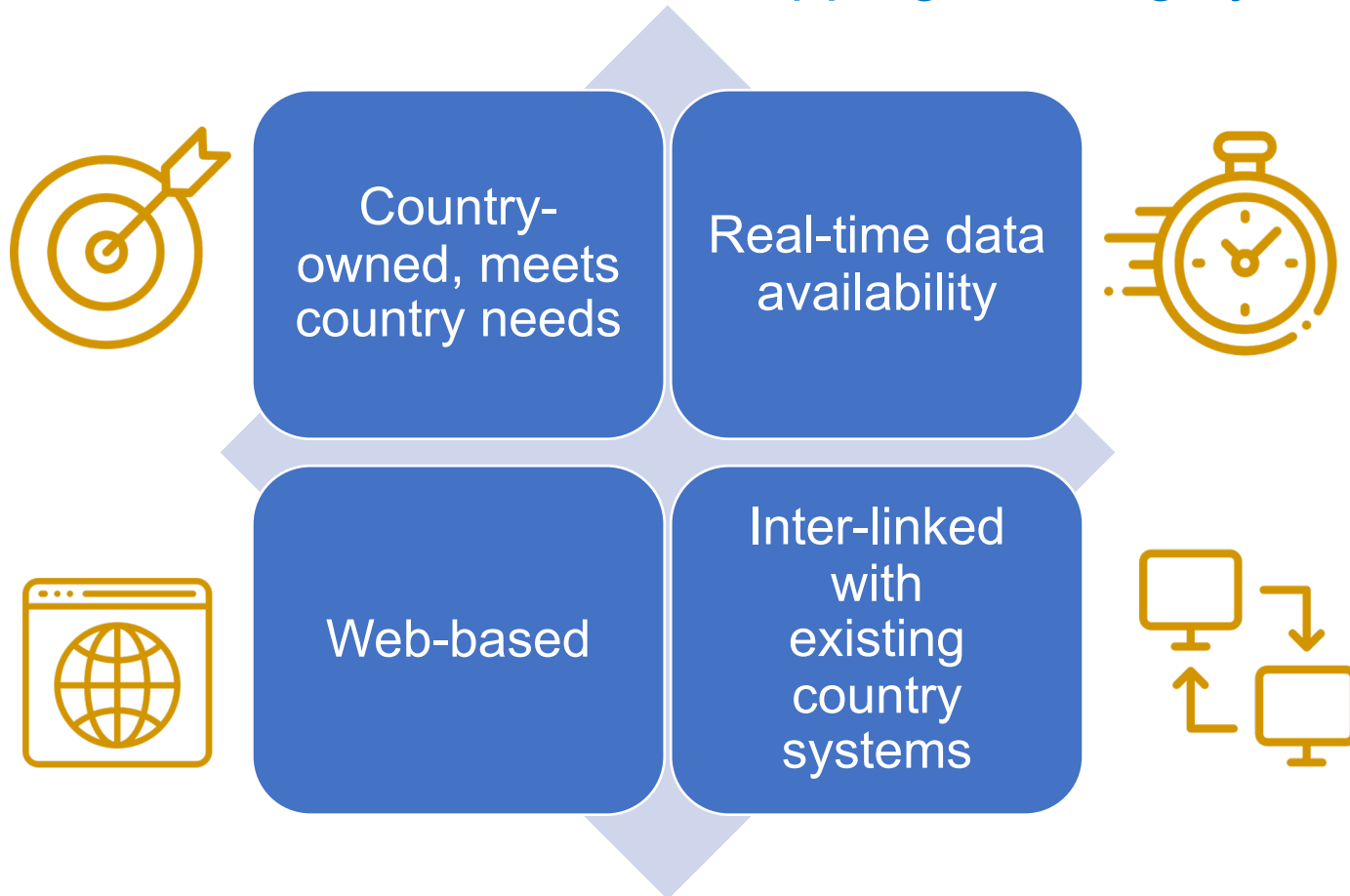
- Indonesia
- Malawi
- Rwanda

**Initial discussions started on resource mapping and tracking**

- Chad
- Ghana
- Mauritania
- Niger
- Pakistan
- Somalia
- Tajikistan
- Zambia
- Zimbabwe

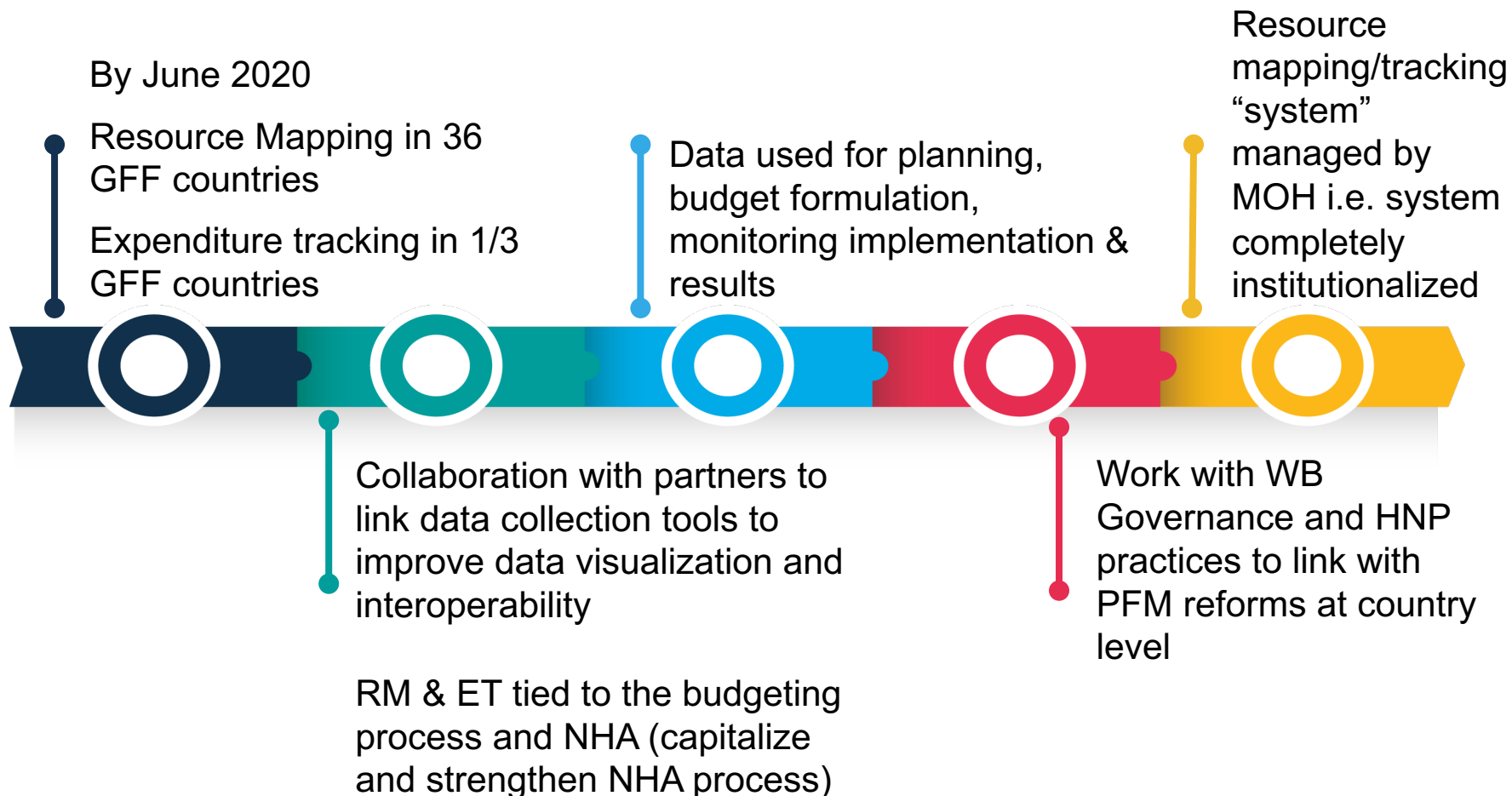
# Where do we want to go with RM/ET?

## Characteristics of the resource mapping/tracking system



# Where do we want to go with RM/ET?

## Short, medium, and long-term objectives



4. What are our objectives going forward to ensure the Investment Case is fully financed?

# How do we make sure the IC is fully financed?

To fully finance the IC (no funding gap), we have to **link domestic and external resource allocation** with IC financing...

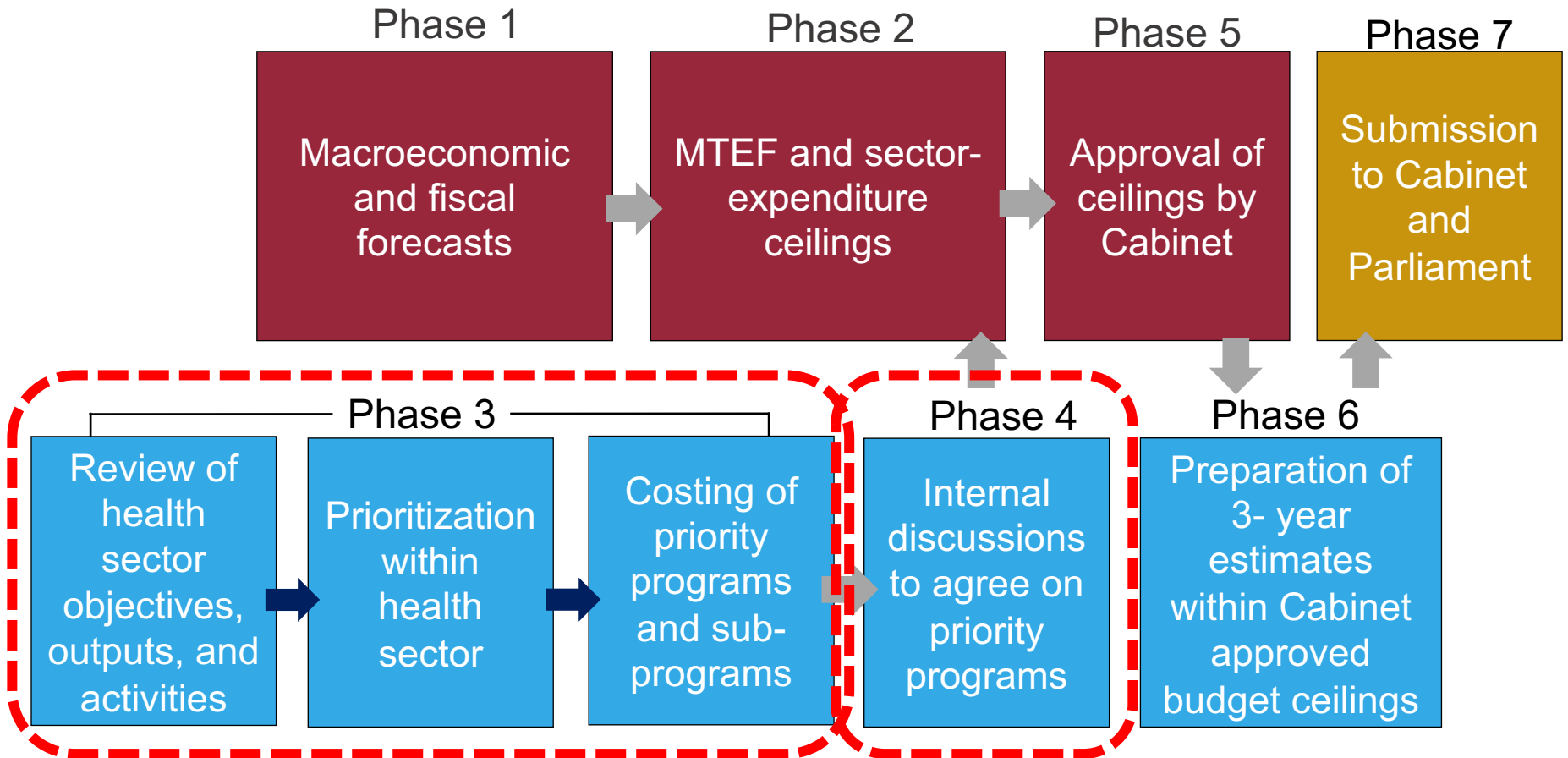
## ▶ **Domestic resource allocation:**

- Are IC priorities are well categorized in the budget? How is this done without program-based budgeting?
- What is the domestic budget process?
- How are budgetary decisions made within MoH?

## ▶ **External resource allocation:**

- Are development partners aligned behind the IC?
- What are the different processes donors use (e.g. timelines for finalizing budgets, timelines for disbursement, etc.)?

# How do we link domestic resource allocation with IC financing?



**IC financing embedded into domestic budget preparation process**

■ Activities within the MoF    ■ Activities within the MoH

# How do we make sure external funding is aligned to the IC?

Linking **external resource allocation** with IC financing involves:

- ▶ Detailed activity mapping to determine if activity financed by donors actually align with the IC
- ▶ Discussions with donors on results of resource mapping
- ▶ Developing a roadmap on best to align external resources in the most efficient and equitable manner



# THANK YOU

Learn more



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[GFFsecretariat@worldbank.org](mailto:GFFsecretariat@worldbank.org)



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