

## GFF APPROACH TO HEALTH FINANCING

### Health Financing in Support of Universal Health Coverage

The UHC agenda is a key priority of many GFF-supported countries and partners. The GFF's value add specifically lies in supporting countries with domestic resource mobilization (DRM) efforts and with prioritizing and implementing measures to improve allocative efficiency (spending more on the most cost-effective services) and technical efficiency (ensuring that these services are delivered effectively). Every country is different, but common areas of support are related to prioritizing spending on frontline services; linking spending to outputs and performance; improving the distribution of human resources; addressing weaknesses in the supply chain; and expanding a comprehensive package of services to all citizens as the resource envelope expands. The development of Health Financing Strategies (HFS) was initially the

cornerstone of GFF's approach to strengthening sustainable health financing at the country level. While it is important for governments to have a longer-term strategic vision for financing health, the process can be lengthy and politically challenging. As the GFF has evolved, the focus in health financing has shifted toward supporting implementation — developing roadmaps for a reform agenda and aligning technical assistance, advocacy, capacity building and financial incentives around that agenda.

Supporting an implementation-focused agenda effectively requires working multisectorally, both within the government and with other stakeholders. In Mozambique, for example, the close collaboration between World Bank governance and health teams helped link the country-led Investment Case (IC) and the IDA operation to the government's budgeting and planning process using disbursement linked indicators (DLIs).

In Cameroon, the Investment Case target to increase the share of government health spending going to primary and secondary care was also integrated in the World Bank's budget support program. The GFF is increasingly using multisectoral collaboration to support implementation of the prioritized health financing reforms.

### Increasing Domestic Resource Mobilization

Making progress toward UHC requires increasing public, pooled resources for the health sector. The GFF's domestic resource mobilization efforts focus on countries that have the fiscal space to raise the priority of health in the budget—countries with positive economic growth, significant public revenue, and low prioritization of health. In some cases, because of sudden decentralization (Kenya) or tightening fiscal

#### Financial incentives to leverage reform

**Cameroon** has experienced high economic growth, but benefits have not been shared equitably, and regional inequalities in health outcomes are large. Improving equity and allocative efficiency is key to the Investment Case, which aims to increase the proportion of the government's health budget allocated to primary and secondary care from eight percent in 2017 to 20 percent by the end of 2020. To support implementation of the reforms needed to reach this target, this indicator has also been integrated in the World Bank's budget support program. The original target was reached in 2018 and spending on primary and secondary care represents 21 percent of the budget in 2019.

conditions (Mozambique), emphasis may initially be placed on protecting rather than increasing the health budget. Recognizing that even with favorable macroeconomic conditions, Ministers of Finance face competing demands from various sectors, the emphasis of the GFF approach is on supporting the health sector with the advocacy and evidence needed to make compelling budget requests (including through the Investment Case). In many countries, improving the execution rate of the existing health budget is an important prerequisite for making such a request. Strong economic growth in Myanmar, for example, benefited the health sector, but because of weak public financial management arrangements, only 64 percent of that budget was executed in 2017/18. Technical assistance on public financial management is therefore a key area of support across the GFF portfolio.

The DRM agenda is highly political. It requires the alignment of all stakeholders and financial and technical instruments around a common vision. The GFF supports the convening of key stakeholders by governments, using existing structures and dialogues. It provides technical assistance where needed, supports efforts to link to global and regional initiatives, and fosters cross-country learning. The partnership with the Joint

Learning Network<sup>1</sup>, for example, aims to build the capacity of ministries of health to effectively engage in budget negotiations by learning from the experiences of other countries. Cameroon, Côte d'Ivoire, Liberia, Senegal, and Uganda took part in the Joint Learning Network's DRM track, with support of the GFF, in 2018–19. Leveraging the P4H<sup>2</sup> partnership will also be important for improving country level coordination and link the funding with the financing dialogue.

#### **Joint Advocacy for Domestic Resource Mobilization in Côte d'Ivoire**

A key objective of the GFF in Côte d'Ivoire is to ensure that the health sector, especially the part catering to the most vulnerable population groups, benefits more from sustained economic growth. The investment case argues for at least a 15 percent annual increase in the public health budget—a commitment made at the GFF replenishment event in Oslo in November 2018 and reinforced by the country's Vice President at Côte d'Ivoire's first National Dialogue on Health Financing, in May 2019 and more recently by the Prime Minister at the Global Fund's replenishment in Lyon. All stakeholders—the government, the private sector, civil society, and other development partners—committed to supporting an ambitious reform agenda aimed at improving the equity and efficiency of spending. Under the leadership of the prime minister and the minister of health, Côte d'Ivoire established the National Platform for Health Financing, which held its first meeting in July 2019. This multisectoral platform aims to ensure effective implementation of these commitments and to better align external resources with the government's agenda and budget. Partners are exploring how to link to this platform for future funding decisions and use their financial instruments to support and incentivize this reform agenda.

### **The Role of the Investment Case as a Prioritized National Health Strategy**

The country-led Investment Case remains the key tool for prioritizing health and nutrition interventions and aligning resources. As countries with limited resources move toward UHC, policy makers face difficult choices regarding which services to expand first and which groups to target. The Investment Case process supports countries in making these trade-offs. In the Democratic Republic of Congo, for example, policy makers realized that the 2016-2020 Plan National de Santé (PNDS) was too ambitious given the country's

<sup>1</sup> <http://www.jointlearningnetwork.org/>

<sup>2</sup> <https://p4h.world/en/who>

resources. They used the Investment Case to prioritize PNDS interventions, focusing on delivering a limited package of reproductive, maternal, newborn, child, and adolescent health and nutrition (RMNCAH-N) services and services to treat HIV, tuberculosis, and malaria. The Investment Case was then used to update the 2019-2022 PNDS. To ensure that these priorities are adequately financed—not only by development partners but also by government resources—the GFF provides technical assistance linking the Investment Case to the government planning and budgeting cycle.

Effectively tracking resources has proven essential to ensuring accountability. In Ethiopia, for example, an assessment examining how the Health Sector Transformation Program’s (HSTP) priorities are reflected in the budget revealed that less than 10 percent of the government’s expenditures were linked to the high-priority reforms laid out in the HSTP. These findings can now help to define technical assistance needed to support government efforts to accelerate budget formulation and execution reforms.

Progress toward UHC requires not only making the most efficient and equitable use of existing resources, but also reforming the health financing system to ensure that the benefit package can be gradually expanded, in terms of both population coverage and services included. Although the Investment Case should by no means replace a broader health financing strategy, it should include the reforms that can do the most to increase the efficiency or volume of available domestic resources. Focusing on a few reforms to be included in the Investment Case helps both external and domestic financiers focus their political and financial capital, building momentum in the larger reform process.

### **Accelerating Progress through Collaborative Action**

Delivering on the ambitious health financing agenda requires collective action by development partners. Effectively linking financial incentives provided by multilateral and bilateral financiers—including bilateral donors, Gavi, and the Global Fund to Fight AIDS, Tuberculosis and Malaria, with support from technical partners such as the World Health Organization (WHO)—creates a powerful mechanism for supporting implementation of the needed health financing reforms. The donor coordination agenda is country specific, and in heavily donor-dependent countries, such as the Democratic Republic of Congo, mechanisms to pool resources can greatly improve efficiencies. In rapidly growing, transitioning countries (such as Côte d’Ivoire), more emphasis is placed on joint advocacy, incentivization of domestic reforms and exploring co-financing arrangements to increasingly use government systems for channeling external resources. To this end, the World Bank and the Global Fund have recently signed a co-financing framework agreement that outlines a new approach for joint financing of investment-type operations between the two organizations, as well as results-based financing.

As part of the Global Action Plan<sup>3</sup>, several multilateral agencies (including Gavi, the Global Fund, WHO, World Bank, and the GFF) have been intensifying collaboration under the health financing accelerator, which focuses on intensified joint advocacy, joint technical support (such as the analysis of fiscal space), increased deployment of joint funding mechanisms, and increased consensus on what does and does not work in domestic financing policies for UHC. Côte d’Ivoire has been one of the focus countries of this collaboration. It has benefited from improved dialogue among multilaterals, as demonstrated by a joint mission of six institutions (the WHO, P4H, Gavi, the Global Fund, the World Bank, and the GFF) in support of the first meeting of the National Platform for Health Financing in June 2018.

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<sup>3</sup> <https://www.who.int/sdg/global-action-plan>