**TAKING STOCK: IPPF Recommendations on the Global Financing Facility (GFF)**

*February 2018*

Purpose of briefing:

* The GFF’s first replenishment is an important moment to take stock of the GFF as a financing mechanism; to gain clarity on how it has delivered on its objectives so far; and to assess challenges encountered in its implementation to date.
* IPPF welcomes the ambition of the GFF to increase resources available for reproductive, maternal, newborn, child and adolescent health and nutrition (RMNCAH-N) from different funding sources, as well as its efforts to rally RMNCAH-N stakeholders and financiers around country-developed Investment Cases determining country priorities for investment and ensure better alignment of external support. Yet, we also see several challenges to the GFF living up to its ambitions and have identified several areas that we would like to see GFF stakeholders and financiers address moving forward.
* In this briefing we set out recommendations on the GFF around five topical areas. These are
  1. **Transparency of the GFF on funding mobilised, including for SRHR;**
  2. **Clarity on how funding decisions are made and coordinated;**
  3. **Risk of diversion of donor resources;**
  4. **Funding model of the GFF (use of loans; private sector resources); and**
  5. **Civil society participation in the GFF.**

Background:

The GFF is currently active in 26 focus countries.[[1]](#endnote-1) These countries were announced at different times following the inception of the GFF in 2014 and are now at different stages of the roll-out and implementation of the GFF.[[2]](#endnote-2) Ten of the countries were announced in November 2017 only.[[3]](#endnote-3) As of September 2017, a total of eleven projects supported by USD 307 million in GFF Trust Fund grants, linked to USD 1.8 billion in financing from the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD), had been approved.[[4]](#endnote-4)

In September 2017, the GFF launched the first replenishment for its Trust Fund with a funding target of USD 2 billion. If reached, this would allow for an expansion of the GFF to a total of 50 countries (including the current 26 focus countries) over the 2018-23 period. A total of 67 countries are eligible to receive funding from the GFF Trust Fund. So far, funding commitments under the replenishment were made by the Bill and Melinda Gates Foundation (BMGF) in the amount of USD 200 million and Japan in the amount of USD 50 million. The GFF Trust Fund had previously received contributions from the governments of Canada, Denmark[[5]](#endnote-5), Norway and the United Kingdom, the BMGF, and MSD for Mothers. As of July 2017, contributions to the GFF Trust Fund amounted to approximately USD 525 million equivalent.[[6]](#endnote-6) The GFF replenishment will involve engagement by GFF stakeholders around a number of events throughout 2018 and will culminate in a replenishment event in December 2018.[[7]](#endnote-7)

**1. Transparency of the GFF on funding mobilised, including for SRHR**

The GFF is envisioned as a pathfinding model in a new era of development financing that seeks to mobilise additional resources for reproductive, maternal, newborn, child and adolescent health and nutrition (RMNCAH-N) from four funding sources: (i) domestic government resources, (ii) financing from the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD), (iii) aligned external donor financing, and (iv) private sector resources. However, **beyond the resources provided by the GFF Trust Fund and IDA/IBRD, little concrete information has so far been made available on the resources provided in support of Investment Cases**. A GFF replenishment document[[8]](#endnote-8) gives examples of resources the GFF has mobilised under the above four categories but acknowledges that “it has not yet been possible to achieve the full benefits of all four sources of financing in every GFF country”. It suggests that aligned external financing from multi- and bilateral partners accounts for approximately 55 per cent of the total financing for the initial set of Investment Cases, but also says that “most of this financing would have been committed even in the absence of the GFF” and points to the challenges with quantifying “what share of the commitments to the Investment Case represent new resources that would not have been available without the GFF process”.

A GFF factsheet on sexual and reproductive health and rights (SRHR)[[9]](#endnote-9) released in 2017 suggested that SRHR had been identified as a priority in all of the then 16 GFF focus countries, and that nearly 30 per cent of GFF Trust Fund and linked IDA and IBRD financing “contribute to SRHR”. However, no further detail or breakdown of this figure was provided, and no information was given on support for SRHR from other funding sources, beyond GFF Trust Fund and IDA/IBRD resources. A more recently released GFF factsheet on SRHR[[10]](#endnote-10) says that SRHR have been identified as a priority within the RMNCAH-N continuum in all of the 26 current GFF countries, thus including the countries that were announced only in November 2017 but does not explain how this assessment was made.

***Recommendation:***

In order to gain clarity on the impact of the GFF on RMNCAH-N financing and to understand if the GFF model is delivering on its promise, it will be important for the GFF to be **more** **transparent on the resources made available** in support of GFF Investment Cases from all funding sources and to disaggregate funding **by thematic areas, such as SRHR, including family planning**, as well as on a **country-by-country basis**. The GFF’s current replenishment and expansion to a larger set of countries present an opportune moment for the GFF to put in place structures that will allow for such greater transparency moving forward.

**2. Clarity on how funding decisions are made and coordinated**

GFF countries are expected to identify priorities for investments by GFF financiers in Investment Cases developed in inclusive, country-led processes bringing together the full set of RMNCAH-N stakeholders. GFF Investment Cases have so far been finalised and are publicly available for eight GFF countries.[[11]](#endnote-11) GFF Project Appraisal Documents (PADs), which determine activities to be funded by GFF Trust Fund and IDA/IBRD resources, have been finalised and are publicly available for eleven countries.[[12]](#endnote-12) Several of these **PADs were approved ahead of the finalisation of the respective Investment Cases**, which prompts questions about the extent to which the latter could influence the funding allocations determined in the PADs. A review of some of the early Investment Cases and PADs furthermore showed that a prioritisation of family planning in Investment Cases did not necessarily translate into funding allocated to this area through the respective PADs.[[13]](#endnote-13)

The GFF Trust Fund and IDA/IBRD are to provide only a portion of the funding for the implementation of GFF Investment Cases, with other funding to come from complementary donor funding and domestic and private sector resources. However, **little information is available on funding made available for Investment Cases from these other funding sources or on how and when decisions on such funding are made**.

***Recommendation:***

Priorities identified in GFF Investment Cases should translate into GFF investments. **Funding decisions must be transparent and well-coordinated between all financiers involved** to ensure that **priority areas identified in Investment Cases are not neglected in GFF funding decisions**.

There is a need for **more clarity on how funding decisions are made** and on **how they are effectively coordinated between all financiers involved** to ensure that priorities identified in Investment Cases do not get neglected. It puts in doubt the impact and value of stakeholders’ efforts, including of civil society, to engage with the Investment Case country prioritisation process, if Investment Cases are not shown to consistently influence GFF funding allocations.

**3. Risk of diversion of donor resources**

As highlighted above, the GFF estimates that close to 30 per cent of GFF Trust Fund and linked IDA and IBRD financing “contribute to SRHR”. It is not clear how this figure was arrived at and this should be further clarified. However, regardless, it is without question that only a portion of any donor resources invested in the GFF Trust Fund (if any) can be expected to be channelled to SRHR. This is problematic if donor investments in the GFF Trust Fund come from SRHR-specific donor budget lines. As explained in Aligning to 2020[[14]](#endnote-14) in relation to support for family planning, “if donors reallocate from direct support of family planning to support of the GFF, their family planning dollars may be “diluted” by support for other interventions – potentially representing a net drop in total family planning financing”.

***Recommendation:***

Donor investments in the GFF Trust Fund should **not lead to a reduction in overall donor resources invested in SRHR**. Donors should be keenly aware that only a portion of any investments they make in the GFF Trust Fund can be expected to be allocated to SRHR and should take this into account in their funding decisions.

**4. Funding model of the GFF (use of loans; private sector resources)**

A key feature of the GFF funding model is the mobilisation of financing from the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD) as well as of private sector resources.

*IDA and IBRD:*

Most of the current 26 GFF focus countries are IDA-eligible; only Guatemala, Indonesia and Vietnam are IBRD-only countries. In Guatemala and Vietnam, GFF Trust Fund resources are being used to “buy down” IBRD loans to concessional terms, bringing these loans closer to the rates of IDA financing, which these countries are no longer eligible to receive.[[15]](#endnote-15) The GFF says that the GFF approach encourages countries to use more of their IDA/IBRD financing to improve health outcomes than they would have otherwise.[[16]](#endnote-16)

Civil society stakeholders, including IPPF, have raised concerns around the impact that the use of loan financing may have on the sustainability of health financing and the already high levels of out of pocket (OOP) financing of health services in GFF focus countries.[[17]](#endnote-17) Loan financing increases countries’ debt burden and may inadvertently lead to higher OOP financing as countries struggle to repay the loans. It is generally accepted that loan financing of annually recurring operating costs, such as the costs of health services, increases the overall financial burden of these costs for recipient countries.[[18]](#endnote-18)

The meeting report from the 6th GFF Investors Group Meeting in November 2017 suggests that Investors Group members raised concerns around the possible impact of the GFF on country indebtedness and asked for **clarity on “the question of [the] GFF possibly driving country indebtedness”**.[[19]](#endnote-19)

***Recommendation:***

The use of loans is a key element of the GFF financing model, yet it may potentially negatively affect countries’ ability to provide sustainable health financing. The GFF should **make available sufficient grant assistance** to ensure that access to essential health services, including sexual and reproductive health services, information and supplies, can be ensured without loan financing of annually recurring operating costs.

The emphasis of domestic resource mobilisation efforts should be on the **real mobilisation of** **domestic resources, particularly through progressive tax systems**. A financing of annually recurring operating costs through loans is not sustainable.

*Private sector:*

The GFF Investors Group adopted a Private Sector Engagement Strategy in March 2016.[[20]](#endnote-20) The strategy sets out three main pathways for the GFF’s private sector engagement: (i) developing innovative financing mechanisms to catalyse private sector capital for Investment Case financing; (ii) facilitating partnerships between the global private sector and countries; and (iii) leveraging private sector capabilities in countries to deliver on Investment Case objectives.

The strategy points to “limited data and analytical work [being] available globally on private sector in health” as a key challenge to the GFF’s private sector engagement. It further suggests that its engagement with the private sector will be “equity-driven and prioritize the most disadvantaged women, children and adolescents” as well as “values-driven, with an emphasis on social impact rather than purely commercial returns”. A recent GFF replenishment document says that “[t]o date, the GFF’s efforts in the private sector have been relatively small scale”.[[21]](#endnote-21)

Civil society stakeholders have expressed concerns regarding increasing donor interest and efforts in working with private sector entities and in mobilising private sector resources in support of development objectives, including health.[[22]](#endnote-22) Concerns have related to the possible negative impact on poor and marginalised groups’ access to health services, limited compliance with development effectiveness principles, possible negative impact on countries’ fiscal space, and risks of a diversion of donor resources from more tested financing approaches.

***Recommendation:***

The GFF itself acknowledges the limited evidence base on best practices and impact of private sector approaches in health. It further accepts that it has not at this point managed to live up to its ambitions of mobilising substantial sums of private sector resources in support of its efforts.

Given the various concerns raised by civil society regarding increasing donor engagement with the private sector, it is essential for the GFF to be **fully transparent on its work with the private sector**. The GFF should provide **detailed information on the criteria that guide its private sector engagement efforts** as well as **regular updates** on its work with the private sector and any new partnerships.

The GFF should in particular explain **how it** **will operationalise the principles** set out in its Private Sector Engagement Strategy that its work with the private sector will be **“equity-driven and prioritize the most disadvantaged women, children and adolescents”** as well as **“values-driven, with an emphasis on social impact rather than purely commercial returns”.**

**5. Civil society participation in the GFF**

Possibilities for civil society involvement with GFF processes at national level so far have **differed from country to country, were often limited, and in many cases dependent upon initiation by civil society actors**. Challenges to civil society engagement have included limited information on the GFF being made available to civil society, limited government commitment to civil society involvement, a lack of clear and inclusive engagement structures for civil society, and a divide between national and international NGOs, with the latter being more involved in country processes than the former.

In April 2017, the GFF Investors Group adopted a Civil Society Engagement Strategy, which describes ways in which civil society can contribute to GFF processes and outlines roles and responsibilities of various stakeholders in promoting meaningful engagement of civil society.[[23]](#endnote-23) In November 2017, the Investors Group approved a Costed Implementation Plan[[24]](#endnote-24) for the Strategy and committed USD 300,000 in support of country-level civil society engagement during 2018. The Partnership for Maternal, Newborn and Child Health (PMNCH) committed an additional USD 500,000 for 2018 in support of the Plan.[[25]](#endnote-25) The Guidance Note on Inclusive Multi-stakeholder Country Platforms in Support of Every Woman Every Child,[[26]](#endnote-26) also released in 2017, serves as another guidance document for civil society engagement with the GFF.

Civil society is represented on the GFF Investors Group by two members, as well as two alternating members. They are selected in a process managed by the PMNCH NGO constituency and are appointed for a two-year period. The current two civil society representatives are from the Africa Health Budget Network and Jhpiego.[[27]](#endnote-27)

***Recommendation:***

**Clear processes for civil society engagement with GFF country processes should be put in place and operationalised**, based on the GFF Civil Society Engagement Strategy and Costed Implementation Plan and the Guidance Note on Inclusive Multi-stakeholder Country Platforms.

Governments and other official stakeholders involved in GFF country processes should put in place more **systematised engagement structures for civil society** and **clearly communicate opportunities** for civil society engagement throughout different stages of the process, such as through setting out a roadmap for the national GFF process, highlighting engagement opportunities. Particular effort should be invested in **outreach to a broad set of civil society stakeholders, including those representing marginalised population groups**.

The GFF should provide **funding support for civil society engagement with GFF country processes on a continuing basis**, beyond the USD 300,000 currently committed. In addition, complementary donor financing outside of formal GFF structures, including for civil society-led accountability efforts, as called for in the GFF Civil Society Engagement Strategy, should be provided.

1. See here for a list of the current GFF focus countries: <https://www.globalfinancingfacility.org/where-we-work>. [↑](#endnote-ref-1)
2. For more information on progress across the focus countries, see the Country Portfolio Update of the 6th GFF Investors Group Meeting in November 2017, available at: <https://www.globalfinancingfacility.org/sites/gff_new/files/documents/GFF-IG6-3.pdf>. [↑](#endnote-ref-2)
3. See GFF Press Release, Ten Countries Join Global Financing Facility to Save the Lives of Millions of Women, Children and Adolescents, November 2017, available at: <https://www.globalfinancingfacility.org/ten-countries-join-global-financing-facility-save-lives-millions-women-children-and-adolescents>. [↑](#endnote-ref-3)
4. See Press Release, Global Financing Facility in Support of Every Woman Every Child Launches Replenishment to Save Lives of up to 38 Million Women, Children and Adolescents by 2030, September 2017, available at: <http://www.worldbank.org/en/news/press-release/2017/09/20/global-financing-facility-launches-replenishment-to-save-lives-of-up-to-38-million-women-children-and-adolescents-by-2030>. [↑](#endnote-ref-4)
5. See Ministry of Foreign Affairs of Denmark, Grants below DKK 39 million, Support to the Global Financing Facility (GFF), December 2017, available at: <http://um.dk/en/danida-en/about-danida/danida-transparency/danida-documents/grants-below-dkk-37-million/>. Denmark made a commitment in the amount of DKK 25 million (USD 4 million equivalent). [↑](#endnote-ref-5)
6. See GFF Replenishment Document A New Financing Model for the Sustainable Development Goals Era: The Global Financing Facility in Support of Every Woman Every Child, available at: <https://www.globalfinancingfacility.org/sites/gff_new/files/First-GFF-Replenishment-Document_EN.PDF>. [↑](#endnote-ref-6)
7. See the GFF Replenishment website for a roadmap and more information on the replenishment: <https://www.globalfinancingfacility.org/gff-replenishment>. [↑](#endnote-ref-7)
8. See GFF Replenishment Document A New Financing Model for the Sustainable Development Goals Era: The Global Financing Facility in Support of Every Woman Every Child. [↑](#endnote-ref-8)
9. GFF Fact Sheet: Sexual and Reproductive Health and Rights, available at: <https://www.globalfinancingfacility.org/sites/gff_new/files/documents/Sexual-Reproductive-Health-Rights.pdf>. [↑](#endnote-ref-9)
10. Available at: <https://www.globalfinancingfacility.org/sites/gff_new/files/SRHR_GFF-FactSheet-EN.pdf>. [↑](#endnote-ref-10)
11. Cameroon, DRC, Ethiopia, Kenya, Liberia, Mozambique, Tanzania and Uganda [↑](#endnote-ref-11)
12. Bangladesh, Cameroon, the DRC, Ethiopia, Guatemala, Kenya, Liberia, Mozambique, Nigeria (for an emergency project focused on North East Nigeria), Tanzania and Uganda [↑](#endnote-ref-12)
13. Please see PAI, The Global Financing Facility and Family Planning, October 2016, available at: <http://pai.org/wp-content/uploads/2016/11/PAI-GFF-and-FP-Brief-110116.pdf>. [↑](#endnote-ref-13)
14. Rachel Silverman, Amanda Glassman, Aligning to 2020 – How the FP2020 Core Partners Can Work Better, Together, 2016, available at: <https://www.cgdev.org/sites/default/files/Aligning-to-2020.PDF>. [↑](#endnote-ref-14)
15. See GFF Replenishment Document A New Financing Model for the Sustainable Development Goals Era: The Global Financing Facility in Support of Every Woman Every Child, p. 10f. [↑](#endnote-ref-15)
16. Ibid. [↑](#endnote-ref-16)
17. See Global Financing Facility (GFF) Country Consultations Fact Sheet: Lessons Learned from GFF Front Runner Countries – Kenya and Tanzania, available at: <https://www.ippf.org/sites/default/files/gff_country_factsheet.pdf>. [↑](#endnote-ref-17)
18. See Hoehn, K; Compernolle, L and S Koenig, Post-2015 Financing for Reproductive Health Supplies, Rapid Assessment – Advocacy Mapping, 2015, p. 32ff, available at <https://www.rhsupplies.org/uploads/tx_rhscpublications/Post-2015_financing_for_Reproductive_Health_Supplies.pdf>. [↑](#endnote-ref-18)
19. See GFF 6th Investors Group Meeting Report, p. 9, available at: <https://www.globalfinancingfacility.org/sites/gff_new/files/GFF-IG6-Final%20Report.pdf>. [↑](#endnote-ref-19)
20. GFF Private Sector Engagement Strategy, available at: <https://www.globalfinancingfacility.org/sites/gff_new/files/documents/Private%20Sector%20Engagement%20Strategy.pdf>. [↑](#endnote-ref-20)
21. See GFF Replenishment Document A New Financing Model for the Sustainable Development Goals Era: The Global Financing Facility in Support of Every Woman Every Child, p. 13. [↑](#endnote-ref-21)
22. See, for example, Countdown 2030 Europe, Six Criteria for Donor Engagement with the Private Sector, available at <http://www.countdown2030europe.org/storage/app/media/uploaded-files/C2030E_Six%20Criteria%20for%20Donor%20Engagement%20with%20the%20Private%20Sector_Jan2018.pdf>. [↑](#endnote-ref-22)
23. See GFF Civil Society Engagement Strategy, available at: <https://www.globalfinancingfacility.org/sites/gff_new/files/documents/GFF-IG5-5%20CS%20Engagement%20Strategy.pdf>. [↑](#endnote-ref-23)
24. See Implementation Plan for the GFF Civil Society Engagement Strategy, available at: <https://www.globalfinancingfacility.org/sites/gff_new/files/documents/GFF-IG6-10.pdf>. [↑](#endnote-ref-24)
25. See GFF Fact Sheet, GFF Engagement with Civil Society Organizations, available at: <https://www.globalfinancingfacility.org/sites/gff_new/files/CSOs_EN_Web.pdf>. [↑](#endnote-ref-25)
26. See Guidance Note: Inclusive Multi-stakeholder Country Platforms in Support of Every Woman Every Child, available at: <https://www.globalfinancingfacility.org/sites/gff_new/files/GFF%20Country%20Platform%20guidance%20note.pdf>. [↑](#endnote-ref-26)
27. See GFF Fact Sheet, GFF Engagement with Civil Society Organizations. [↑](#endnote-ref-27)