

**The Global Financing Facility (GFF) for women, children and adolescents' health and nutrition** was launched in July 2015 with the objective of reducing maternal, newborn and child mortality and improving the health and wellbeing of women, children and adolescents. It does this by mobilizing additional funds for health and obtaining more results from existing resources. Efforts to strengthen domestic resource mobilization are at the core of the GFF approach. Closing the gap in financing for reproductive, maternal, newborn, child and adolescent health and nutrition (RMNCAH-N) services will require not only leveraging external resources, but also importantly, increasing domestic funds for health. Ensuring the sustainability of these investments, will also require increasing domestic funds to replace diminishing development assistance for health as countries' incomes grow. The GFF focuses on mobilizing public domestic resources for health, since public spending for health<sup>1</sup> is central to sustaining progress towards universal health coverage<sup>2</sup>.

<sup>1</sup> All health expenditure incurred by governments as well as social health insurance and mandatory private insurance.

<sup>2</sup> WHO/HIS/HGF/PolicyBrief/15.1



Photo: Dominic Chavez

In the first 16 countries, GFF support to domestic resource mobilization has focused on three areas:

- i) identifying potential additional sources of sustainable resources for health;
- (ii) increasing the prioritization of health in the budget (i.e. increasing the share of health in the government budget) and;
- (iii) increasing health-specific revenues, mainly from sin taxes. In support of this agenda, the GFF Secretariat is also working with different partners to intensify collaboration.

### IDENTIFYING POTENTIAL ADDITIONAL SOURCES OF SUSTAINABLE RESOURCES FOR HEALTH

In addition to supporting countries to develop or strengthen an existing health financing strategy (e.g. Ethiopia, Myanmar, Senegal and Uganda), the GFF has provided technical assistance to evaluate fiscal space for health in beneficiary countries (e.g. Cameroon and DRC) and support more effective dialogue between the Ministry of Health and the Ministry of Finance. This is an important step for countries that want to identify and mobilize sources of additional public domestic funds for the sector.

### INCREASING THE PRIORITIZATION OF HEALTH IN THE BUDGET

The GFF platform also has directly supported the prioritization of health in the budget, increasing the share of health in the government's budget, through the country investment case (IC) for RMNCAH-N and health financing strategies, identifying high-impact interventions and efficient service modalities.

This has been reflected in the [IDA/IBRD/GFF](#) operations, as shown in the following examples:

- **Mozambique:** The IC and health financing strategy in Mozambique identified the need to maintain and eventually increase the government's budget for health to ensure the sustainability of the investments in RMNCAH-N agreed on in the IC. In support of this, the national program that is financing the IC (supported by IDA, GFF, Canada, the Netherlands and USAID) has agreed with the government on disbursement linked indicators (DLIs)<sup>3</sup>, including to maintain and later increase the percentage of total domestic government expenditure allocated to health. The resources linked to this DLI are provided if domestic expenditure on health remains stable the first three years and then if it increases in the subsequent two years.

The total value of the DLI is US\$13.5 million. When the target is achieved (i.e. the percentage of total domestic health expenditure out of the total domestic government expenditure is at least 8.5%) in the first year, US\$3.75 million will be disbursed and in subsequent years, US\$3.25 will be disbursed. In the current tight fiscal environment, a great achievement of the GFF process is that the Ministry of Finance decided to maintain expenditures for health in the budget.

- **Tanzania:** The IDA/GFF operation disburses against agreed on results, using DLIs. These DLIs disburse resources to the different levels of government (i.e. national, regional, local government and health facilities), if they achieve results. This shifts the focus from inputs to building a strong health system at all levels from community to district to national level that will benefit women, children and adolescent health and nutrition. One of the DLIs focuses on institutional strengthening at all levels, which has 6 results against it, including at national level increasing the share of health in total government budget. The annual disbursements will only take place if the six results are achieved. In year one, if results are obtained, the amount is equal to US\$ 15 million; after that, it will be the same amount plus the undisbursed amounts of previous years.

- **Kenya:** Given the decentralized nature of service delivery in Kenya, the investment framework identified the need to increase the share of resources going to health in the counties—the level of government responsible for the provision of primary health care—to help improve RMNCAH-N outcomes. In this regard, through the IDA/GFF co-financed project, county governments are encouraged to allocate at least 20% of their budget to health on an increasing scale.

Through the project, each county receives an annual allocation based on improved performance on a composite of key RMNCAH-N indicators. One of the eligibility criteria is that the county allocates at least 20% of budget to health. In the first year, after fulfilling basic conditions, all counties are eligible to receive seed funding (for a total of US\$12.5 million). For year two, the performance based allocation is of US\$27.5 million; in the remaining three years, it is US\$30 million.

- **Guatemala** (buy-down): The GFF is catalyzing innovative approaches to domestic resource mobilization in Guatemala, where a \$9 million grant from the GFF Trust Fund is enabling the government to improve nutrition outcomes by accessing financing from the IBRD at lower interest rates through a performance-based “buy-down” of the interest and loan charges. The government of Guatemala has committed to using the resources that are freed up from debt payments and matching them with domestic resources. Thus, they will reinvest the combined amount of \$18 million towards the conditional cash transfer (CCT) program, which targets families with children between 0-15 years, promoting regular health visits for children aged 0-6 years and pregnant women, and school attendance for children aged 6-15 years. Previously, domestic financing to the CCT program was often interrupted. This structure will not just improve the sustainability of the CCT program but also ensure timely disbursement of CCTs to families.

To strengthen the dialogue with the Ministry of Finance and advocate for a higher prioritization of the health sector in the Government budget, it is important for the sector to demonstrate better use of resources. In this regard, the GFF has supported countries in improving efficiency in health spending and increasing the focus on results through the IC. In all countries, the IC identifies priority high-impact interventions to improve RMNCAH-N outcomes and thus improve allocative efficiency. Additional efforts to improve efficiency vary across countries: some are taking measures to ensure a higher proportion of health expenditure going to frontline providers, whereas others are aiming to improve public financial management (PFM). For instance, in Cameroon, in line with the IC and with the support of a World Bank Development Policy Operation, the government committed to increase budget allocations to the primary and secondary health care level from 8% of public budget for health in 2017 to at least 15% in 2018 and 20% in 2019. In **DRC** and **Guatemala**, the work has centered on the need to improve budget execution rates. In **Senegal**, donors (USAID; Gavi, the Vaccine Alliance; the Global Fund; Luxembourg and the WB/GFF) are planning to co-finance a common workplan of the fiduciary unit of the Ministry of Health and Social Action in charge of managing external funding. The long-term agenda is to strengthen the fiduciary unit of the Ministry of Health to expand the amount of funding channeled through country systems, while the

<sup>3</sup> DLIs: In IDA/IBRD Program-for-Results operations or in investment project financing with results-based activities, financing or loan/credit proceeds to the borrowers (governments) are only disbursed after targets of the pre-agreed DLIs are achieved.

short-term agenda is to improve disbursements and budget execution of existing external program.

In **DRC**, the IC and the health financing strategy has focused on improving the efficiency of external funding through single contract and regular resource mapping. Partners—including the Global Fund; UNICEF; the World Bank; Gavi, the Vaccine Alliance; UNFPA and USAID—have signed a memorandum of understanding to partner with the government to better align and harmonize their interventions to increase access to essential maternal and child health services in some of the 14 provinces of the IC. Additionally, the government has set a mechanism called “single contract” or “contrat unique” at provincial level, which is a pooling system at the province level involving all donors.

In **Liberia**, efforts to improve efficiency have centered on improving budget allocation and health budget execution at both central and decentralized levels.

### INCREASING HEALTH-SPECIFIC REVENUES

Additionally, the GFF, jointly with the World Bank, is supporting efforts to increase sector-specific revenues, by providing technical assistance in the design and/or implementation of these taxes, particularly sin taxes:

- Alcohol (**Liberia**)
- Tobacco (**Mozambique, Sierra Leone** [enacted] and **Senegal**)
- Evaluation on feasibility of earmarking taxes for health (**Uganda, DRC**)
- Technical assistance to develop proposal for leveraging third-party motor vehicle insurance for health (**Uganda**)

Several GFF countries are trying to develop or strengthen a social health insurance scheme. The GFF is providing technical assistance to ensure that these efforts lead to a more equitable way of financing health care. This type of support is being provided in **Sierra Leone** (e.g. integration of a performance-based financing scheme within the social health insurance scheme), **DRC** (feasibility study for the creation of a new social health insurance scheme), and is likely to be also provided in **Burkina Faso**, which recently became a GFF-supported country.

### FINALLY, THE GFF SECRETARIAT IS COLLABORATING WITH PARTNERS TO FOSTER THIS AGENDA IN 10 NEW COUNTRIES AND TO STRENGTHEN THE EFFORTS IN THE 16 EXISTING ONES

Some of these efforts include:

- Partnering with the Joint Learning Network to build capacity on domestic resource mobilization: The GFF will sponsor five additional countries to participate as observers; some of these countries could include Cote d'Ivoire, DRC, Uganda, Cameroon and Senegal.
- Exploring ways to leverage the capacity of the World Bank units that work directly with Ministries of Finance to strengthen overall domestic resource mobilization and public financial management in health to improve budget preparation, monitoring and execution, and thus strengthen the argument for increasing domestic resources for health (Macroeconomic and Fiscal Management, Governance).
- Working with the World Bank, the Global Fund and Gavi, the Vaccine Alliance, to intensify collaboration on sustainable financing in countries.