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Toward harmonised health systems funding

1. Background

The GAVI Alliance Board has been closely engaged with the various initiatives which aim to ensure that the service delivery platforms for health become more effective and efficient. Immunisation, like all interventions, needs to have a strong health systems base. A Health Systems Strengthening (HSS) window, based on the principles of equity of access to funding, was launched to address this need. GAVI HSS was intended to be catalytic; it could not address all health systems needs. Within the overall context in countries, it was intended to leverage other support, to be as aligned as far as possible with national planning processes, and to ensure that investments in immunisation were maximised. The GAVI Alliance Board, in addition, has long recognised that there are significant gaps in health systems support, and the ‘stop/start’ nature of some funding, has been detrimental to ensuring better health outcomes.

Based on its experience with the in-country context, the GAVI Board has also repeatedly voiced its support for long-term predictable financing and this has helped to catalyse significant new interest in health systems financing. GAVI is uniquely positioned in this debate, as it has helped stimulate the development, and implementation of, innovative financing mechanisms. One of these, the IFFIm, is now being seriously considered as a model to increase funding for health systems.

Fragmentation of the international health architecture has long been a concern for countries, and for funders. The Board asked the Secretariat to explore how to work more closely with the International Health Partnership. The Secretariat has been participating in all the relevant working groups and processes¹, including the coordinating body of the IHP, the Scaling Up Reference Group. Recent PPC discussions noted the importance of strong health systems to ensure sustainable delivery of vaccines, the more rapid introduction of new vaccines, and reaching the hard to reach.

2. Recent developments

Two significant events have taken place since the Board last met:

Ministerial IHP+ Review, February 2009: The Communiqué from this meeting, convened by WHO and the World Bank to bring together Ministers of Health with Bilateral donors and development agencies, recommended development partners consider the ‘joint assessment’ and common monitoring frameworks of national health plans as their guiding principles for support. This is in line with the Paris and Accra declarations. It was recommended that the GAVI Alliance should align itself as much as possible with these principles. The communiqué also included a recommendation that the

¹ These include the working groups on common assessment mechanisms, results based financing and monitoring and evaluation.

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GAVI Alliance and the Global Fund to fight AIDS, TB and Malaria (GFATM) ‘...(should) jointly explore opportunities for common programming and funding support for health systems strengthening...’; At the same time the GAVI HSS guidelines and application make reference to the IHP+ processes and aim for better harmonisation and alignment with the IHP+ principles.

A High Level Task Force on Innovative International Financing for Health Systems (HLTF) was established, and met most recently in March 2009. Prime Minister Gordon Brown and World Bank President Robert Zoellick are co-chairs. In addition the HLTF contains several other world leaders, including Jens Stoltenberg, Prime Minister of Norway, Dr Margaret Chan, Director-General of WHO, and Minister Tedros of Ethiopia. Two working groups have been established:

- HLTF Working Group 1 is tasked with costing health system needs
- HLTF Working Group 2 is evaluating innovative finance mechanisms that could generate additional resources. A GAVI Secretariat member (Alice Albright) is part of this group, and IFFIm has been identified as a potential funding instrument, alongside several others, including UNITAID type mechanisms².

The HLTF will deliver its final report to the UN General Assembly in September 2009.

This board paper outlines next steps, and asks for the Board’s continued support and guidance on this (fast moving) process.

3. Current status

The HSS window has built considerable experience and recognition for the GAVI model, having been very well received by developing countries. This experience, together with the lessons we shall obtain from the HSS evaluations being conducted in 2009, means GAVI is well placed to inform the work outlined below.

In the 72 poorest countries that are GAVI’s focus, and also in the subset of 49 countries that are a particular focus of the HLTF, the GAVI Alliance, GFATM and World Bank are the largest external investors of health systems. At country level, the main ‘investors’ are national governments (domestic resources), bilateral partners, and other multilaterals.

By the end of 2008, the GAVI Alliance’s commitment to systems amounted to **\$946 million**³; GFATM commitments for health systems were almost \$1 billion (from application rounds 5, 7 and 8). From 2004-2009, the World Bank’s IBRD/IDA thematic commitment to “health systems performance” was around \$1.8 billion. Approximately 62% of GAVI Alliance, 76% of GFATM and 24% of World Bank investments in health systems is directed to the Africa region. Improved coordination of this support is critical to sustain scaling of interventions to achieve the health MDGs by 2015.

² UNITAID receives resources from a mixture of several countries mandatory tax on airline tickets (France, Chile, Korea and others, and countries which support through ODA and other mechanisms, Norway, UK etc

³ This includes HSS support, Immunisation Services Support (ISS) and civil society (CSO) support

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The aim of joint programming is to increase coordination and efficiency, minimise duplication, and to reduce transaction costs. Proposed joint support aims to align where feasible with in-country planning and budget cycles and processes to fund **one health plan, use one monitoring framework and one funding modality where possible**. Joint support would also have a strong focus on results based financing. Collectively, this should result in better health outcomes related to all health MDGs and for GAVI it is an opportunity to leverage other donors towards its objective of ‘to equitably and sustainably increase access to immunisation and other child health interventions’. A differentiated response will be required, as not all countries have sufficiently robust systems, processes or institutions to take this path.

A joint agency group has been constituted, facilitated by WHO. The group, comprised of the World Bank, GAVI and the GFATM has now successfully mapped out resources provided by each agency, and will also conduct the following analysis:

- Comparison of funding by year, country, scope and funding modality
- Agreement on initial focus, i.e. appraisal, monitoring, fund flow, technical support issues
- Ensuring a country driven approach and country feedback
- Ensuring lessons learnt from results based financing are incorporated into any future performance based funding mechanism
- Funding channels - the issue of fund raising and flow should be separated from the programmatic issues
- Mandates - the need to safeguard mandates, while creating service delivery platforms that support health outcomes more broadly.
- Develop a common monitoring framework with indicators based on national plans and process

Once this analysis has been completed, the group will review the practical aspects of potential joint support, focusing on synergies, similarities and differences between the World Bank, GFATM and GAVI current systems support programmes. It will aim for as many common processes and attributes as possible, within the IHP+ framework. Any joint programming for systems would also need WHO and UNICEF to play to their key strengths within the context of the IHP+. Care will need to be taken when investing into any joint funding mechanism to not dilute either the focus on results, the mandate or the added global value of each body. For GAVI, emphasis will be on child health, immunisation through the mission, goals and principles of GAVI and the Global Immunisation Vision and Strategy (GIVS)⁴.

4. Mechanisms, timeline and next steps

⁴ http://www.who.int/vaccines-documents/DocsPDF05/GIVS_Final_EN.pdf

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In November, the GAVI Alliance Board will review its investment in HSS, the results of ongoing evaluations⁵ and determine the next steps.

With guidance from the PPC, the GAVI Secretariat will continue to liaise with relevant focal points in the GFATM, World Bank and WHO to explore options for collaboration according to the following proposed time table and activities. The timeline is indicative, some pieces of work could be faster, events might intervene to slow others up. The work will be informed by the various evaluations (GAVI and others) as they come on line.

Ongoing. Countries consultations. To ensure that any future or joint support is country driven and responsive to needs, a range of country level stakeholders will be consulted.

By end June 2009: Mapping. GAVI, GFATM and the World Bank have begun work to define the comparative strengths of each institution and use a common analytical framework to jointly map their HSS investments in each of the 72 countries being commonly supported. This will identify synergies, potential duplications and investment gaps; enabling the three institutions to agree where to invest in health systems to ensure complementarity, and to leverage funding.

*By end June 2009: Performance and key elements of HSS support*⁶. A joint meeting is planned in June 2009 to agree the scope and elements for health system support. This will include a common set of indicators and monitoring framework, aimed at strengthening the measurement and validation of success of investment in health systems.

By end August 2009: Technical support. Reach agreement on how World Bank HSS officers, with WHO and other support, could assist countries in assessing their funding needs for HSS, and assist in developing applications for funding windows. This will also expand on the work already started by GAVI on harmonising and strengthening technical support.

By end September 2009: Common assessment processes. All three institutions have been closely involved in development of the IHP+ global compact, and in the design of the common tool for assessing national health strategies. The Global Fund is already using this common framework to assess national strategy applications, and the GAVI Alliance will also use it in selected countries, especially in those countries selected for Global Fund National Strategy Applications or where joint systems funding might be possible.

By end October 2009: Defining comparative advantage. The three institutions will have defined and agreed upon the areas they will emphasise (with added value) when investing in health systems to ensure complementarity and leverage investments. The Global Fund and the GAVI Alliance have successfully invested in 'health systems to address 'downstream' bottlenecks to service delivery and scaling up. The World Bank has undisputed strengths in investing in development of social protection schemes,

⁵ The HSS mid-term evaluation and the HSS tracking study will be finalised mid-October; initial findings will be available prior to this so they can be incorporated in the proposal development process.

⁶ Based on the ongoing work of the IHP+ monitoring group

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infrastructure, governance, fiduciary oversight, and human resources and perhaps more targeted at ‘upstream’ health system bottlenecks.

By November 2009: Common funding approaches. The GAVI Alliance, Global Fund and World Bank will outline a joint mechanism for investment in health systems and submit to their Boards for guidance. This could involve creation of a ‘common funding window’, with a strong performance based element⁷. This joint programming will mean: unified guidance to countries on areas covered; common appraisal; agreed monitoring based on shared indicators, and country level common processes; and harmonised approaches to technical support provision. Pending approval by the respective boards, the common window could be operationalised during 2010 for testing in a limited number of countries⁸.

5. Update on work in specific IHP countries

Although only a subset of countries GAVI supports are part of the IHP process, some features of GAVI’s interaction with the IHP process are worth mentioning, as this work has been ongoing over 18 months. An initial review of the IHP+ has been undertaken⁹. This review has shown that the IHP model decreases transaction costs for countries, reduces fiduciary risk for donors and increases efficiency and effectiveness of aid flow to produce better results.

One example of this is in the area of assessment, monitoring and evaluation. With the support of GAVI and other partners, several countries have now piloted a joint assessment tool.

In May, GAVI IRC members will undertake a desk review of selected countries. The desk review has three elements:

- a) *Funding options:* The IRC team will work closely with the IHP interagency working group on joint assessments of National Health Plans and strategies. Learning from the GFATM recent experience with its National Strategy Applications (NSAs) will be important. Potentially IRC and (GFATM) Technical Review Panel members could work more closely together, with the aim to have only one assessment process.
- b) *Joint assessment.* The review will apply the IHP+ joint assessment tool and guidelines, WHO evaluation tool for cMYPs and the GAVI Independent Review Committee HSS template to two key national documents: the National Health plan and the immunisation cMYP. Feedback will be given to the IHP+ Interagency working group on Joint assessments to ensure the Joint Assessment tool contains GAVI specific attributes and processes to ensure robust funding decisions can be made.

⁷ Based on the work of the IHP+ interagency working group on performance based funding

⁸ Countries currently under consideration are Mozambique, Rwanda, Vietnam, Ethiopia and Nepal

⁹ [http://www.internationalhealthpartnership.net/pdf/IHP%20Update%2013/IHP+%2016/IHP+%20Phase%20I%20Report%20\(2009.04.29\)v6.pdf](http://www.internationalhealthpartnership.net/pdf/IHP%20Update%2013/IHP+%2016/IHP+%20Phase%20I%20Report%20(2009.04.29)v6.pdf)

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- c) *Monitoring options:* The review will compare indicators from several different sources and will highlight similarities and the potential mechanisms for validating data within the national in-country annual reporting process. Working closely with the IHP+ interagency working group on Monitoring and Evaluation and the Health Metrics Network,

Country visits to review funding and monitoring opportunities using the IHP+ mechanisms will be driven by country demand and coordinated within the context of the IHP+ inter agency working group on Joint Assessment and GFATM country visits. Priority countries to inform the process before the November board include those highlighted in yellow in annex 1.

In October 2008 the Board asked that the Secretariat continue to develop and implement a strengthened business model in a limited number of IHP-ready countries, including Mozambique and Ethiopia. Progress to date is described below.

Mozambique:

Mozambique is currently the only IHP+ country that has not yet received GAVI HSS funding. The Board requested the GAVI Secretariat to pilot how IHP+ mechanisms could be used to fund GAVI HSS& CSO investments in Mozambique (potentially up to \$21 million over 5 years). The following is recommended to align GAVI HSS with IHP+ process:

- i) Funding decisions will be based on a *health sector plan and cMYP* endorsed in-country
- ii) GAVI will channel funds through the *pooled funding mechanism* (PROSAUDE)
- iii) GAVI's *Financial Management Assessment* requirements have been met through using existing systems.
- iv) GAVI will *review progress* through the Annual Joint Review and Health Sector Coordinating Committee processes

GAVI has come under pressure to sign the compact, but it is not currently possible to make a firm funding recommendation, as some further work is required. A recent visit demonstrated good progress and it would be possible for the Executive Committee to consider at its 30 September meeting.

Ethiopia:

Ethiopia has already received the last installment of its approved HSS investment for 2006 – 2010 (\$76.5 million). In 2009, the Secretariat has focused on how the GAVI monitoring and reporting requirements can be harmonised and aligned with the IHP+ process in the country, through participation in the Annual Health Sector Review. The Secretariat has also engaged in the revision of the joint financial arrangement. The Secretariat is working with the Ministry of Health and the development partners with the

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aim of replacing the present GAVI Annual Progress Report with the National Reporting mechanism from 2010.’

6. Board and Committee engagement

The Executive Committee, on behalf of the Board, endorsed that the PPC is the appropriate group to take charge of providing support to the Board on the strategic and policy issues, and guidance to the Secretariat, as the process moves forward. The PPC, led by the Chair with WHO, WB and the Secretariat will scope out what work in the broad area of HSS is required by GAVI through 2009 and consider how that be best managed, including the option of setting-up a task team to advise the PPC. A paper will be presented to the PPC on how this could work. This will be circulated in May for decision in June.

Based on discussions with the Programme and Policy Committee (PPC) and Executive Committee, and following consultation with the GAVI Board Chair and Vice Chair, a letter from the World Bank, GAVI and GFATM, and WHO, will be provided to the High Level Task Force meeting in Paris on 28-29 May 2009. This letter will confirm GAVI’s intention to further explore collaboration, along the lines of the above.

The GAVI Alliance Board is asked to:

- endorse continued exploration of a joint mechanism for investment in health systems to improve efficiency and effectiveness of health systems funding;
- endorse the proposed timeline and set of activities outlined in this document;
- endorse that the Secretariat continue to work closely with the Programme & Policy Committee and the board chair and vice chair as the work develops.