PROPOSED APPROACH TO FACILITY COUNTRIES

OVERVIEW

This document lays out the issues considered and the two options explored by the Facility Task Team for engaging with the 51 GFF eligible countries that are currently not receiving support from the GFF Trust Fund. This paper was prepared and discussed extensively by the Facility Task Team and includes analysis of the options considered and a recommendation for how engagement with all GFF countries should be managed. This paper should be considered in relation to GFF/IG2/9 Framework for Resource Mobilization and GFF/IG2/8 Private Sector Engagement since the speed at which all countries can be reached will be heavily dependent on the availability of additional resources.

ACTION REQUESTED

The Investors Group is asked to decide between the options presented in the paper.

RECOMMENDATION

The Facility Task Team requests the Investors Group to discuss and endorse Option 2 that is proposed in this paper, namely, taking a phased approach that would map out all 51 countries to determine the scope and timeline for GFF support through extensive consultations between countries and partners. If endorsed, the recommendation is that GFF investors and other committed partners will, each in a few countries take the initiative for such consultations with the aim of developing an investment case and accompanying health financing strategy.

This will allow the GFF roll-out to take place in a well-planned manner that is consistent with the GFF Business Plan, while allowing for early engagement in a few countries ("early adopters") which have high country and partner interest and strong financier commitment. In particular, the Task Team stressed the importance of moving forward in a measured manner when rolling-out the GFF, so that the necessary groundwork can be laid based on the experience of the front-runner and second-wave countries. The Task Team also recommended that the process be managed carefully to balance the need to be responsive with raising unrealistic expectations.

GFF COUNTRY ENGAGEMENT IN COUNTRIES CURRENTLY WITHOUT TRUST FUND SUPPORT

Background

The twin goals of the Global Financing Facility in Support of Every Woman Every Child (GFF) are to:

- Accelerate efforts to end preventable maternal, newborn, child and adolescent deaths and improve the health and quality of life of women, adolescents and children in 63 high-burden low and lower middle income countries as embodied in the Sustainable Development Goals; and

- Serve as a pathfinder in a new era of financing for development by pioneering a model that shifts away from focusing solely on official development assistance to an approach that focuses on mobilizing more domestic financing, and combining it with external support and innovative sources for resource mobilization and delivery, including the private sector, in a synergistic and equitable way. Efficiency gains through innovations and enhanced private sector engagement is an important element of this goal.

The GFF intends to prevent up to 3.8 million maternal deaths, 101 million child deaths, and 21 million stillbirths in high burden countries by 2030. The financial shortfall to achieve these outcomes is estimated at US$33.3 billion in 2015 in high-burden, low- and lower--middle- income countries, which amounts to US$9.42 per capita per year. The GFF aims to achieve this through smarter and harmonized financing[1] which is scaled up and sustainable, resulting in closing the resource gap for reproductive, maternal, newborn, child, and adolescent health (RMNCAH) by 2030. GFF aims to address both inefficiencies in spending as well as mobilizing additional funding through the combination of grants from the GFF Trust Fund (TF), financing from International Development Association (IDA) and International Bank of Reconstruction and Development (IBRD)[2], and the crowding-in of additional domestic and external resources. As a result of the combined effect of these, the gap is estimated to fall to US$7.4 billion (US$1.74 per capita) in 2030.

The GFF is currently active in 12 countries which accounted for 61% of the total maternal and child deaths (in 2013) in the 63 countries. In addition, these 12 countries accounted for 47% of the total incremental need for RMNCAH funding in 2015 (i.e., they account for US$15.7 billion of the US$33.3 billion funding gap in 2015)[3].

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1 Smarter financing supports evidence-based, cost-effective, high impact interventions that target neglected issues and/or population groups and uses innovations and technology to achieve desired outcomes.

2 The ability to attract additional resources from IDA/IBRD is appealing to a number of external financiers, since this is both an important means for strengthening domestic commitment to RMNCAH, including from ministries of finance, and often represents additional resources to the sector.

3 GFF Secretariat modelling.

Purpose of this paper

The GFF was announced as a Facility to support 63 high-burden countries where much of the burden of RMNCAH exists. However, only 12 of these countries currently receive support from the GFF TF, and unless additional financing is received, these will be the only countries covered by GFF processes at this time. The Investors Group (IG) therefore requested that a Task Team be constituted to put forward options on how to engage with the remaining 51 countries.

The IG placed a priority on expanding the engagement to all Facility eligible countries for the following reasons:

- The strong demand from some of the 51 countries that are GFF eligible, but do not currently receive TF funding to embark on the GFF process.
- The concern expressed by partners and countries that the roll-out of GFF will be slow if it is only implemented in those countries that receive GFF TF support. In fact, the GFF Business Plan clearly stated that the financing for the Facility would come from multiple sources, and not only from the GFF TF/IDA/IBRD financing package.
- The recognition by IG members for the need to build a pipeline of countries, i.e. "GFF ready" countries that can be financed when additional resources are raised for the TF or through parallel financing.

Task Team Membership and Process

The Facility Task Team was chaired by Tore Godal, Special Advisor on Global Health, Norwegian Ministry of Foreign Affairs, and had eight members from different IG partner countries/agencies (please see Annex 1 for member names and affiliation). The Task Team considered the scope of support, country selection criteria (please see Annex 2), options for roll-out including pros and cons, communications on expanding coverage to all eligible countries, mode of consultation between country and GFF partners, and funding arrangements to ensure smooth coverage of all GFF eligible countries in a transparent manner.

The Task Team recognized that several important pieces of work were being undertaken in parallel, particularly the discussions of the Task Team on humanitarian and fragile settings, and the resource mobilization and the private sector engagement strategies. The outcomes of these pieces of work will need to inform the Facility engagement paper, and so adjustments may be needed over the coming months.

Scope of support

The Task Team considered a spectrum of activities/interventions that a Facility country may require support for, depending on their particular RMNCAH context including financing gap. Four main clusters of activities were identified as potential areas of support that a country may need:

- Providing guidance notes and other tools and resources developed for GFF – these are still under development/finalization and would help guide countries in applying the GFF model in their countries (minimal engagement).
- **ADD** upstream work such as the preparation of investment case including QA, development of health financing strategy, setting up of the country platform, etc., (limited engagement).
- **ADD** Financing of investment case (substantial engagement).
- **ADD** Implementation support of Investment case and health financing strategy - sourcing and coordination of TA, monitoring and data analysis, knowledge and learning (complete package).

The Task Team agreed that a complete package would offer the benefits of:

- Preparing a country-led, quality assured investment case that addresses the challenges identified at the local level.
- Establishing a country platform that is inclusive and transparent.
- Obtaining buy-in from a wide range of stakeholders for the investment case and funding for it.
- Establishing stronger linkages between investment cases and health financing strategies.
- Strengthening the relationship between ministries of health and finance.
- Being part of a community of practice for learning and knowledge exchange.

However, there was acknowledgement that different countries may be at different stages on this spectrum, and the GFF would adapt to the local context and help countries target their investments in those areas that need specific effort to allow them to achieve their 2030 RMNCAH goals. In particular, the Task Team stressed the importance of moving forward in a measured manner when rolling-out the GFF, so that the necessary groundwork can be laid based on the experience of the front-runner and second-wave countries. The Task Team also recommended that the process be managed carefully to balance the need to be responsive with raising unrealistic expectations.

Principles of Facility engagement

The Task Team reaffirmed some key principles that should be followed in the broader engagement with Facility countries:

- Preparation of country investment cases should only be embarked on where there is firm commitment for funding the RMNCAH investment case through complementary financing that will help close the financing gap.
- Given that the 63 countries have been selected on the basis of objective criteria (see GFF Business Plan for details), there should be no attempt to apply exclusionary criteria from the global level.
- Work in all GFF eligible countries should be consistent with the GFF principles – the GFF Business Plan, Investment Case guidelines, Country Platform guidelines, health financing strategy guidelines, and other resources should be applied in guiding work at the country level.

- As laid out in the GFF Business Plan, based on their comparative in-country presence and strength, different partners, particularly investors, may serve as the focal point for the country-led process. Guidelines on the role and responsibilities of the focal point, especially in relation to the country platform, will need to be specified to smoothen this process
- Effort should be made to ensure that the Facility engagement and the roll-out of the Global Strategy 2.0 Operational Framework are consistent.

Options for Consideration

The Task Team considered two main options in engaging with the Facility countries. Task Team deliberations resulted in a modification to the second option to include the possibility to support a few countries beyond the 12 GFF TF supported countries in the short term where opportunities arise. This was suggested as an interim measure to more immediately test the functioning of the Facility beyond the TF/IDA/IBRD package, and ensure that a broader set of GFF partners are actively involved in the expansion of the GFF at the country level.

1. Go Big Rapidly Option

In this scenario, the proposal is to expand activities to all 51 countries rapidly.

Pros:

- Countries can participate immediately and there is no perception that some countries are being favored over others.
- The partnership angle of the GFF will be reinforced as financiers beyond IDA/IBRD will be included from the start.

Cons:

- Rolling out GFF in a large number of countries simultaneously could compromise the ability to manage and institute principles and standards of GFF, given that many of the processes are still being consolidated and it is inadvisable to spread resources too thin.
- Rapid roll-out would not allow for lessons being learned from the 12 GFF TF countries to be distilled and incorporated in the expansion phase.
- Lessons emerging from the front-runner and second-wave countries indicate that specific resources (technical, financial) are necessary to help countries prepare and implement the investment cases and health financing strategies as well as incentivize countries to direct domestic resources towards RMNCAH outcomes. Since IDA/IBRD may not be available in such a rapid time-line for many of these countries, this requires upfront commitment from financiers other than the World Bank in a large number of countries, prior to development of investment cases and health financing strategies. This is unlikely to happen in a considered and harmonized manner over a short period of time.
- It is critical that the programmatic and financing discussions around the investment case take place in tandem, as raising expectations (building an Investment Case (IC), Health Financing

Strategy) and failing to meet them (no financier putting money behind the ICs) could prove to be a major reputational risk.

2. Phased Approach through Mapping Option

This option is to map countries based on their need for support as well as scope of this support over the next months, so that it can help match country interest (minimal to complete package) with interested financiers. Such an approach would help build a pipeline of countries ready to implement the GFF approach if additional resources, including through private capital or other sources, are available. Such an approach will also help link the GFF work closely with the roll-out of the operational framework (OF) of the Global Strategy 2.0. In addition, this mapping exercise would also look at ODA and domestic resource flows and will help the Investors Group help countries and external partners make more informed decisions on how to direct their resources.

Pros:

- A phased approach that allows strategically engaging with all eligible countries to map out their interest, needs (such as absolute and relative RMNCAH burden of disease, equity, quality of care, other key sector involvement), financing opportunities, etc. This will not only be a transparent way to roll-out the GFF approach but will also void some of the pitfalls identified above including:
  - Ensuring that GFF support is tailored to country context and is not a "cookie-cutter" approach;
  - Maintaining the principles and standards that GFF has set out in the Business Plan as well as the guidelines and resources being developed;
  - Ensuring that resources are available to appropriately finance:
    - Upstream work by mobilizing resources (international and domestic) as part of preparation phase
    - Financing of the investment case including implementation support and monitoring
    - Development and implementation of the health financing strategy in a synergistic manner;
  - Building momentum for resource mobilization by building a pipeline of investment cases that financiers can support through the TF or direct financing including innovative financing mechanisms that are being developed;
  - Allowing further refinement of the guidance notes and approach before covering many more countries.

Cons:

- This approach will likely permit expanding GFF only over the next 6-9 months until the mapping exercise is completed.
- If scaling up to all the countries takes too long, it could jeopardize the ability of these countries to reach their SDG targets.

In order to mitigate the cons identified with Option 2, and demonstrate effective functioning of the broader Facility even in the short-term, an additional aspect discussed was to opportunistically match country interest with financier interest in a few of the countries ("early adopters"). Support to develop investment cases in these countries could either come from:

- The GFF Trust Fund could potentially cover the development of investment cases in 3-4 countries, depending on available funding. Given the fiduciary obligations associated with the TF, the countries where Trust Fund monies could be used should have potential IDA/IBRD lending. Interest from additional financiers would be an added bonus. This option would also allow a significant expansion of countries supported if the TF has "GFF-ready" countries when additional resources are funneled through the TF.

- Financiers other than the Bank (bilaterals including non-traditional donors, multi-laterals, private foundations, regional development banks etc.) to support the preparation phase as well as line up financiers who express strong commitment to fund the investment case and health financing strategy. In this case, IDA/IBRD support, if available, would be considered as an additional source of financing, even without TF support.

Coordination of GFF roll-out

As outlined in the GFF Business Plan, the GFF can succeed only if all partners buy-in and take responsibility for its roll-out. Nevertheless, given the volume of work that is necessary to move this agenda forward, there were a couple of options that were discussed to ensure smooth roll-out of the mapping exercise and the matching of countries to financing options for the investment case and influencing the country's overall health financing picture.

1. Trust Fund (GFF Secretariat)

As mentioned above, in addition to the 12 GFF TF supported countries, the GFF Secretariat could help coordinate the preparation phase in those countries where it is possible to deploy some TF resources for preparation because of the availability of potential IDA/IBRD for RMNCAH. This will:

- Help reinforce the important role of IDA as a source of domestic resources to finance the RMNCAH investment case.
- Serve to demonstrate the value proposition of the GFF and help build a pipeline for future TF support if additional resources are raised for the TF.

The Task Team recognized that the current amount of funding available in the TF can only expand to a few more countries, and use of the trust funds for this purpose would need endorsement by the TF committee. Also, it would be important to ensure that the GFF secretariat is appropriately capacitated to take on these functions.

2. Other sources of seed funding (e.g. domestic financing)

The Task Team felt that having a few countries roll-out the GFF approach with financing from other partners (or using domestic resources) would be a good test to demonstrate expansion of the GFF reach to all the eligible countries, even without the IDA/IBRD link. In this regard, the Task Team reiterated the importance of partners using the same principles, guidelines, and resources in all countries, irrespective of who is co-leading the coordination with government at the country level or who is financing the investment case. Also, the importance of ensuring strong linkages between the Facility roll-out and the Operational Framework of the Global Strategy 2.0 roll-out was emphasized. In addition, the Task Team stressed the importance of not jeopardizing the GFF premise by raising expectations without securing adequate financing for the investment case.

NEXT STEPS

The Task Team agreed on the following next steps to facilitate the roll-out of the Facility country engagement:

- The Task Team asked that the GFF secretariat update country data used in front-runner and second-wave country selection, based on most recent information. In addition, the Task Team stated that it would be important to look at resource flows in the health sector (and specific to RMNCAH) to better understand and target financing. As a start, the analysis would need to look at ODA flows to identify countries that are relatively under-funded based on their needs, and as the mapping exercise takes place, this would expand to include domestic resource allocations (public and private), and identify major gaps in financing. *FEBRUARY 2016*
- Letter from Chair of the Investors Group to all GFF eligible countries outlining the engagement plan including mapping exercise. *DATE TO BE DETERMINED FOLLOWING OTHER DISCUSSIONS (FRAGILE SETTING, RESOURCE MOBILIZATION, PRIVATE SECTOR ENGAGEMENT ETC.) AT THE FEBRUARY IG RETREAT*
- GFF investors and partners, including the GFF secretariat, explore financing of preparatory activities and investment cases in a few "early adopter" countries, from various sources of financing. *MARCH 2016*
- Agreement between GFF investors, committed partners, and the GFF secretariat on combining/coordinating roll-out of the GFF mapping exercise with that of the operational framework of the Global Strategy 2.0. A template detailing information to be gathered during mapping exercise will be prepared. *MARCH 2016*
- GFF secretariat to seek Trust Fund Committee approval for funding to support preparation activities in a few "early adopter" countries where IDA/IBRD is very likely for RMNCAH in the next 18 months and additional financiers are interested in supporting RMNCAH in the country. *MID-MARCH 2016*
- Discussion at Investors Group on roll-out of GFF in initial phase of Facility countries while completing mapping exercise for all GFF eligible countries. *JUNE 2016*
- Mapping exercise of all GFF-eligible countries to be completed. *DECEMBER 2016*

ANNEX 1

TASK TEAM MEMBERS		
NAME	**TITLE**	**CONSTITUENCY**
Tore Godal Chair, IG member	Special Advisor on Global Health	Government of Norway
Aye Aye Thwin	Senior Advisor, Health Systems and Financing	Government of USA (USAID)
Anshu Banerjee Alternate IG member	Director	WHO
Joanne Carter IG member	Executive Director	CSO (RESULTS)
Mariam Claeson Alternate IG member	Director, Maternal, Newborn and Child Health	Bill and Melinda Gates Foundation
Ruth Kagia IG member	Senior Advisor to the President	Government of Kenya
Nana Kuo Alternate IG member	Senior Manager	UN SG's Office
Rama Lakshminarayanan	Senior Health Specialist	GFF Secretariat

ANNEX 2

Operationalizing the Facility

For the purposes of transparency, the Task Team agreed that an extensive consultation process and mapping exercise should be undertaken to offer every country the opportunity to be considered for GFF support. Given that the mapping exercise will take some time, the Task Team discussed how to practically move forward in engaging a small set of "early adopter" countries to demonstrate the utility of the Facility approach in an opportunistic manner. In this regard, the Task Team requested that the process of engagement take into consideration issues such as:

- Country commitment and interest
- Health sector planning cycle
- Sub-sector RMNCAH related plans
- IDA/IBRD cycle
- Key financiers' funding plans
- Building on successes such as those of the HRITF and RMNCH TF

1. Process:

Under the EWEC architecture, the GFF Investors Group is responsible for strategic directions for the Facility. Hence, when the country selection process is initiated, it would be important that the countries are contacted by the IG Chair, with support from the GFF secretariat. This will firmly establish the partnership model that forms the basis for the GFF. Given that this is a partnership effort, all IG partners and GFF secretariat will be copied on all these communications. Once a country indicates interest in pursuing this offer, the GFF secretariat, and other interested partners, especially investors, will discuss coordination of the mapping exercise at the country level. In those countries where GFF TF monies will support the preparation activities, the GFF secretariat will be responsible for coordination. In other countries, all interested partners including the GFF secretariat will agree on the focal point for coordination of country consultations. In order to do the mapping in a consistent manner, a template to capture the necessary information will be developed by the partners. An assessment of the minimum financial support that would be necessary to undertake the mapping exercise in a country will also be determined to ensure that it is adequately resourced.

In addition, a small set of "early adopter" countries will be selected based on matching high country and financier commitment to support an RMNCAH investment case and health financing strategy. Moving forward on the early adopters will help demonstrate effective functioning of the broader Facility even in the short-term, which was emphasized by the Investors Group in the first IG meeting.

ANNEX 3

Timeline for GFF Roll-Out to All Countries