



# Strengthening Health Financing Systems for Essential Health Services



ThinkWell

February 2024

# Overview: Scope and Deliverables

## Conceptual Overview of ThinkWell's Approach

### Inception Phase

#### Activities

Literature review & conceptualization

Meeting with the WB team

Inception workshop & stakeholder engagement

Establishment of project oversight structures

#### Outputs

**Inception Report**

### Implementation Phase

Continuous stakeholder engagement (committees & KIIs)

#### Studies

1

**Fiscal Space for Health**

2

**Pooling Options for DAH**

3

**Baseline for Mainstreamed RBF**

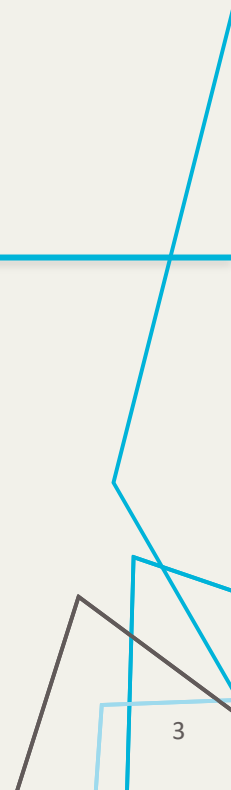
#### Outputs

**Policy Note**

**Pooling Options Paper**

**Baseline Reports**

# Fiscal Space



# Introduction to Study #1

- **Objective:** Evaluate the current and potential fiscal space for health in Uganda to support sustainable health financing strategies.
- **Target audience:** Aimed at informing key decision-makers in health and finance sectors, specifically targeting the MoH and MoFPED.
- **Final outcome:** A policy note that outlines actionable insights and recommendations for expanding fiscal space for health.
- **Today we will cover:**
  - Context around fiscal space in Uganda
  - Our methodology
  - Next steps

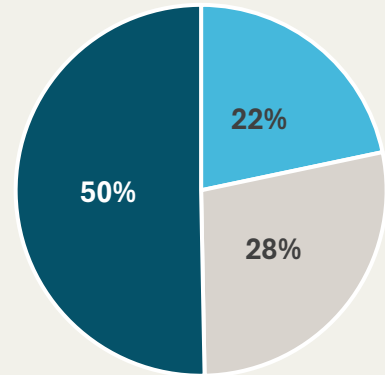
# What is Fiscal Space for Health?

- **Definition:** Fiscal space for health refers to the availability of budgetary room that allows a government to increase health spending without compromising its financial stability.
- **Put more simply:** Imagine a household budget with limited funds; finding fiscal space is similar to reallocating or finding extra money for health needs without going into debt.
- **Importance:** Growing fiscal space for health supports improvement in service delivery and health outcomes and is essential on the road to UHC.
- **Goal:** To secure reliable and increased funding for health.

# Why Focus on Fiscal Space Now?

- **Evolving landscape:** Since the last fiscal space study was conducted in 2010, Uganda's health challenges and needs have evolved significantly.
- **Continued low government spending on health:** Government spending on health accounts for less than a quarter of current health expenditure.
- **Promising policy landscape:** Health is increasingly being recognized as a priority, both through domestic developments (RBF mainstreaming) and international commitments (e.g. SDGs).

Financing sources for health  
Uganda, FY 2020/21



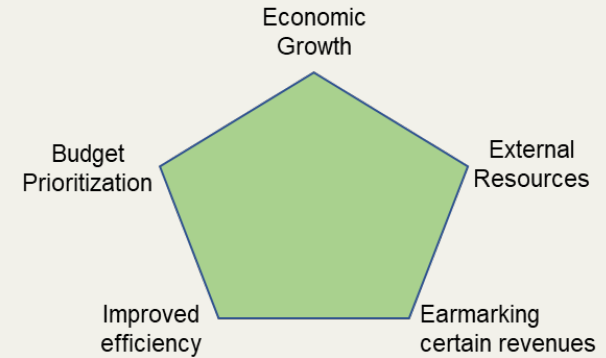
- Government
- Private (incl. OOP)
- External

Source: NHA

# Our Methodology

- **Conceptual framework:** Our analysis will be structured around the five pillars of fiscal space identified in Tandon & Cashin (2010).
- **Leveraging past work:** Our desk review will build upon the analysis & findings of the 2010 fiscal space study, framing and re-assessing them in the current context through a comprehensive review of literature & data.
- **Stakeholder engagement:** We will interview key stakeholders in the Ugandan health financing space to gather insights & perspectives and validate our findings.

## Five pillars of fiscal space for health

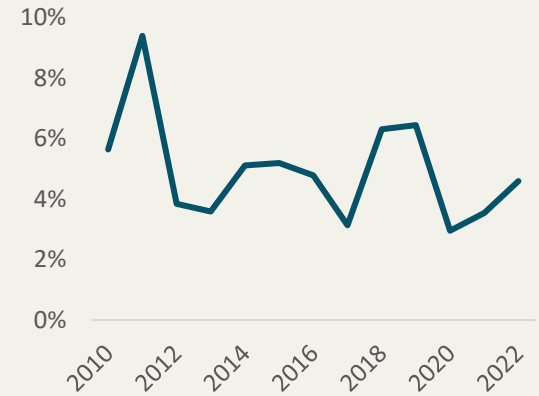


Source: Tandon and Cashin (2010)

# Pillar 1: Economic Growth

- **Link with fiscal space:** Economic growth often leads to higher tax revenues, providing an opportunity to increase government spending on health.
- **Recent trends:** Uganda's GDP has grown strongly and consistently in the past decade, and the upward trend is expected to continue in 2024 (est. 5.7% – IMF).
- **Key considerations & challenges**
  - Dependence on many external factors (e.g. global developments)
  - Decision to increase health spend remains political

GDP growth (annual %), Uganda

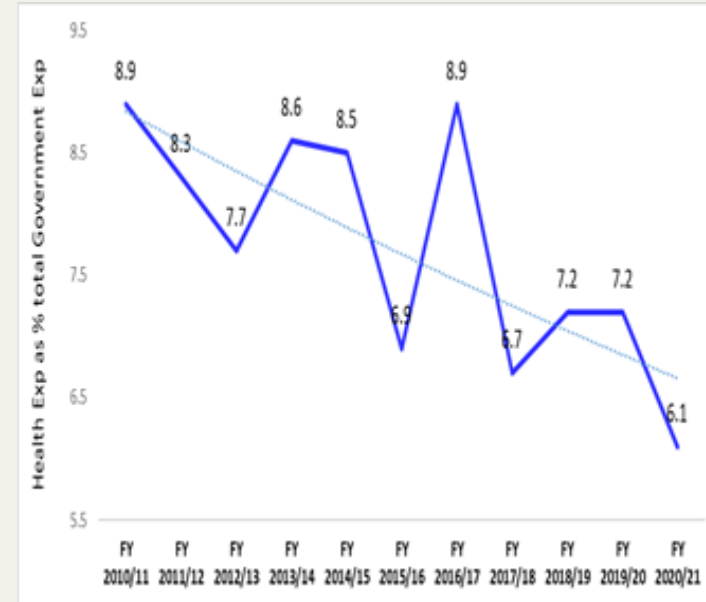


Source: World Bank



## Pillar 2: Budget Prioritization

- **Link with fiscal space:** The government could decide to increase the share of tax revenues it dedicates to the health sector (growing its share of the pie).
- **Potential rationale:** Higher budget prioritization may be justified based on (poor) health outcomes, demand for services, or the economic benefits of a healthy population.
- **Key considerations & challenges**
  - Tradeoffs & competing priorities (health ↑ = another area ↓)
  - Estimating ROI of health spending is highly technical (and often subjective)



## Pillar 3: Improved Efficiency

- **Link with fiscal space:** Improved efficiency in health spending may free up resources that can be reallocated within the health sector, thereby expanding fiscal space.
- **Operational efficiency:** targeting improvements in operations, such as optimizing HRH deployment, reducing waste, etc.
- **Allocative efficiency:** focus resources on where they provide the most value (e.g. PHC services, RMNCH, generic drugs, etc.)
- **Key considerations & challenges**
  - Overly aggressive focus on efficiency may compromise quality of care & equity
  - Identifying inefficiencies is much easier than addressing them

## Pillar 4: Earmarked revenues

- **Link with fiscal space:** Earmarked revenues provide a direct mechanism to increase fiscal space for health by securing dedicated funding streams.
- **Health taxes:** Taxes levied on unhealthy products (tobacco, alcohol) provide additional resources AND reduce incidence of NCDs & associated costs.
- **Other options:** financial transaction taxes, lottery proceeds, environmental levies, etc.
- **Key considerations & challenges**
  - Health taxes reduce consumption of the targeted good, reducing revenue over time
  - Raising a (health) tax does not mean it will automatically be earmarked for health

## Pillar 5: Official Development Assistance (ODA)

- **Link with fiscal space:** ODA is a significant source of health financing in Uganda, providing critical funding for health initiatives and infrastructure that domestic sources cannot fully cover.
- **Key considerations & challenges:**
  - Donor fatigue
  - Redirecting of ODA from health to other areas (climate, food security, migration)
  - Not sustainable and dependent on the goodwill of outsiders
  - Not necessarily targeted towards government priorities
  - Growing ODA increases complexity of eventual transition towards domestic sources



## Next steps

- **From next week:** In-depth literature review & data analysis.
- **From mid-March:** Key informant interviews.
- **April:** Validation of findings with key stakeholders & drafting of report.



# Pooling Options



# Study #2: Pooling Options

## Introduction

- This study will generate a range of options to pool government health and donor resources.
- The overall aim is to improve the efficiency of primary healthcare financing and facilitate strategic purchasing by reducing financing fragmentation and increasing the share of pooled resources in the health sector.

## Background

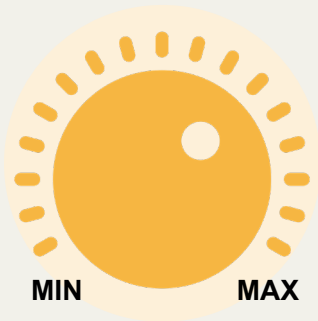
- External development assistance for health accounts for 50% of total health expenditure in Uganda, yet 79% is programmed off-budget.
- This substantial un-pooled portion of total health expenditure leads to fragmentation, which creates inefficiencies in healthcare financing.

## Historical Context

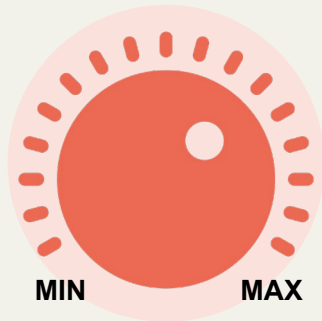
- During the SWAP reform era of the early 2000s, Uganda had some success with partner pooling.
- However, these arrangements broke down over concerns around attribution and accountability for using funds.

# Potential Pooling Options

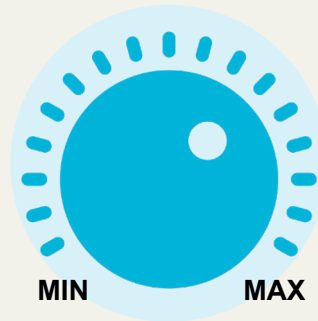
1. Given the historical context, it is unlikely that there would be a return to previous iterations of basket financing and on-budget support.
2. However, there may be opportunities to improve virtual pooling or to encourage co-financing for the mainstreamed approach to RBF through alternative institutional arrangements.
3. Some of the critical variables that could characterize different pooling options are represented in the illustration below.



**Shared Planning**



**On-Budget**



**Shared Financial Systems**



**Predictability**



# Exploration of Options

1. Learn from Uganda's previous experience with SWAp (basket funding)
2. Summarize relevant country case studies (e.g., Rwanda, Bangladesh, Ethiopia)
3. Identify pooling options for government and donor resources potentially applicable in Uganda (**national** and **sub-national**)
4. Gather inputs from stakeholders by asking:
  - What are the challenges created by the current lack of pooling?
  - What opportunities exist for increased pooling?
  - [Share the 4-5 options.]
  - What technical, political, and feasibility pros and cons do you see in these options?
    - *KII can suggest variations on options.*
    - *Or suggest alternative options.*



For KII interviews, 4-5 distinct pooling options along the above continuum will be briefly described to facilitate discussion.

# Stakeholders

- **Government:** MOFPED, MOH, National Planning Authority, Local Governments
- **Health Development Partners:** World Bank, WHO, UNICEF, USAID, Enabel, FCDO, ODI
- **Civil Society:** CEHURD, CSO RMNCAH Platform, etc.
- **Academia:** Makerere School of Public Health

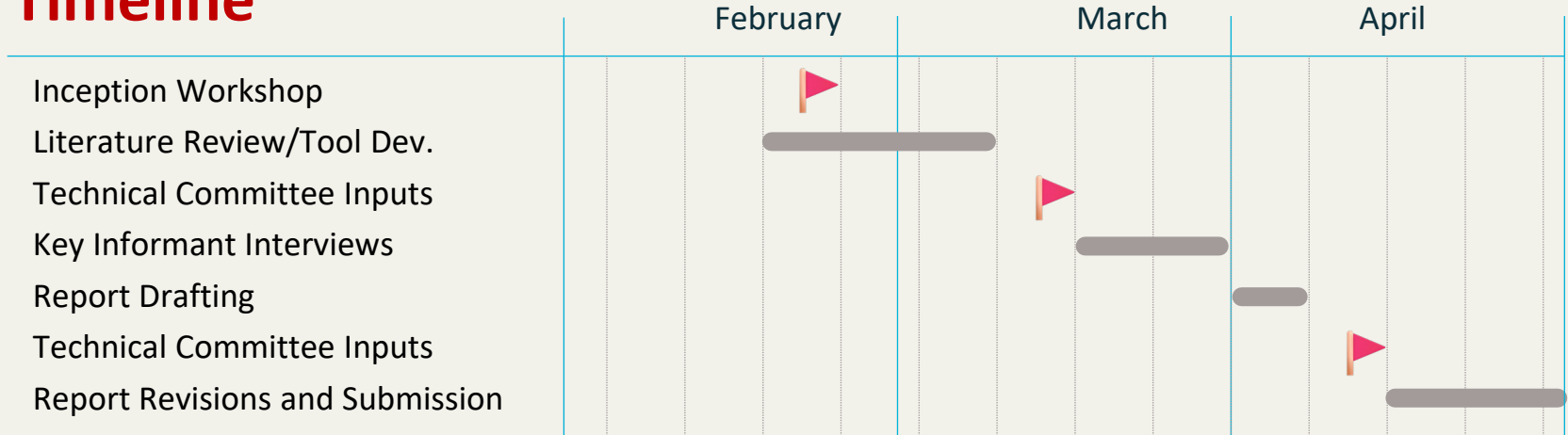
# Engagement Methods

- Oversight and Technical Committee meetings
- Key Informant Interviews
- A Validation Workshop

# Relevance to Ongoing Discussions

- This study will create a documented input to ongoing discussions among stakeholders around harmonization and alignment within the health sector.
- It will also initiate discussions, identify possible points of consensus to be explored further, and illuminate the of expectations, pain points, and levels of interest in different pooling options across the range of stakeholders.

## Timeline





# **RBF Mainstreaming Process Evaluation, Baseline and Synthesis**



# Overview

## Introduction

- Uganda has experience with 20+ years of RBF implementation
- Under URMCHIP there was a national roll-out of RBF
- RBF **demonstrated positive contributions** to service utilization, service quality, and bolstered resources
- In FY 2023/2024, the GoU **mainstreamed** the RBF approach into the PHC grants financing mechanism to sustain these gains.
- This resulted in **significant** changes in the design of URMCHIP and RBF mainstreaming

## Scope

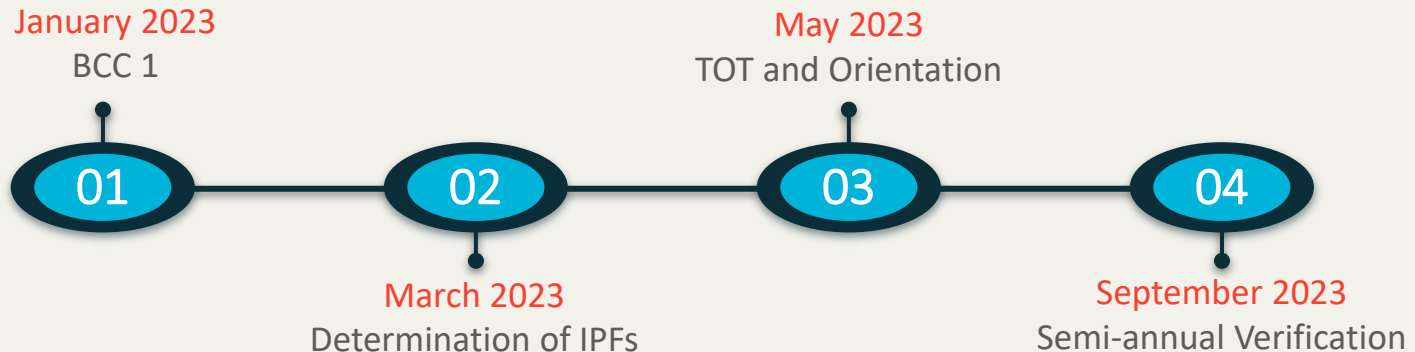
- ✓ Process evaluation
- ✓ Conduct a baseline
- ✓ Synthesis of RBF outputs

# Process Documentation

- This will include **conducting** and **documenting** a process evaluation of RBF during the period of January to December 2023
- It will include a timeline of events from the end of URCHIP through the roll-out process of mainstreamed RBF

Four key areas of focus for the process evaluation include:

- ✓ Design considerations in comparison to RBF principles and the PFM systems of Uganda
- ✓ The roll-out process and adherence to the intended design.
- ✓ Capacity at national and sub-national level
- ✓ Stakeholder experiences during the transition and roll-out



# Process Documentation – cont'd

## Methodology

- Document reviews
- Analysis of administrative data
- Key informant interviews

## The report will include

- ✓ What worked well, and what were the challenges
- ✓ The adoption process of the mainstreamed RBF approach
- ✓ Recommended future adjustments of the RBF mechanism

# RBF Mainstreaming Baseline

This effort will create a robust baseline for the mainstreamed RBF mechanism, covering:

- All RBF receiving facilities
- An agreed list of performance indicators
- Quantity
- Quality
- Financial
- Outcomes
- Review and update of the existing RBF mainstreaming M&E framework
- FY 2022/2023 will be used as the baseline year

Data sources will include:

- Service utilization data- HMIS- DHIS -2
- Quality data- HFQAP
- LG performance-LGPA,
- Medicines -LMIS
- Client satisfaction- Facility Interviews
- Financial data- NHA, OTIMS, IFMIS
- Outcome data- UDHS



# Analysis

The study will analyze and compare health system performance during URMCHIP, the transition period of January-June 2023, and the roll-out and implementation of the mainstreamed model, looking at:

- Service utilization
  - ✓ select service utilization indicators
  - ✓ DiD Methodology (if feasible)
  
- Quality of care
  - ✓ Quality scores over time
    - PQA assessments
    - HFQAP assessments
  
- Availability of essential medicines and health supplies (EMHS)
  - ✓ Select EMHS from list
  - ✓ LMIS analysis
  - ✓ Stock cards review at select facilities

# Outputs

The following Technical Reports will be generated by this effort:

- Process Documentation Report
- Mainstreamed RBF Baseline Report
- Service Utilizations Report
- Quality of Care Brief
- EMHS Brief

# Study #3 - Timelines



Conceptualization

February

Literature Review,  
Methodology,  
Approach



Execution

March

Data Mining,  
Synthesis, KIs,  
Analysis, Drafts



Validation

April

Review meetings,  
validation  
meeting, revision



Finalization

May


Report finalization  
and submission

THANKS!

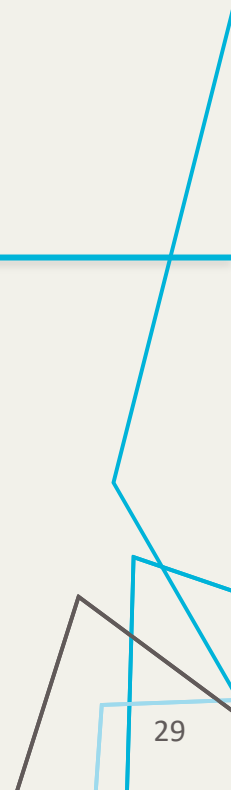
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THANKS!





# The Advisory and Technical Committees





# Next Steps



# Next Steps

- **Finalize and submit the Inception Report (26 – 29 Feb 2024)**
  - To be followed by ongoing discussions with the WB
- **Implementation Phase (March-May 2024)**

*(All three sub-components will happen concurrently)*

  - Review of relevant literature
  - Drafting of technical reports
  - Stakeholder engagement
  - Key informant interviews
  - Improving the drafts
  - Validation meeting(s)
  - Finalization and submission of deliverables