



Welcome to the 5th Montreux Collaborative meeting!

Fiscal space, public financial management and health financing in a time of COVID-19



IT information and support

Welcome to the 5th Meeting of the Montreux Collaborative

Learning Technologies Group will be providing IT support during the meeting

Please contact us at matt.matheson@leolearning.com if you have any IT related questions

Fiscal space, public financial management and health financing in a time of COVID-19



Audio + Video

Your video is not enabled during this webinar.

Please select your audio source using the audio options provided to you in Zoom.



Fiscal space, public financial management and health financing in a time of COVID-19

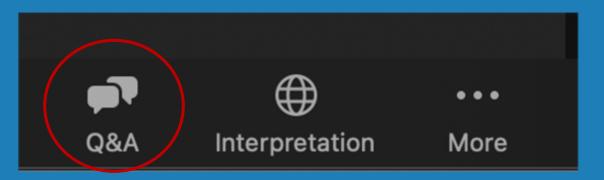


Q&A – how to ask your question

Use the Q&A function to ask questions throughout the session

These will be responded to as text responses and some questions will be posed to our panelists.

Click 'Q&A' to ask your question.



Fiscal space, public financial management and health financing in a time of COVID-19

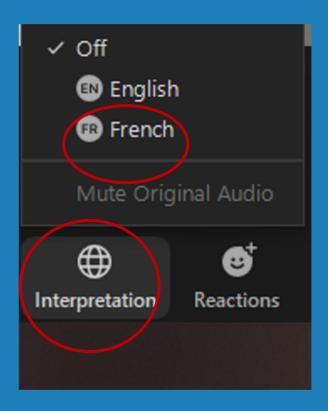


Live interpretation

Interpretation in French is available by clicking Interpretation button at the bottom of your screen.

Click on "Interpretation" and choose **French** – you will still be able to hear English quietly in the background.

To hear the French language **ONLY**, click "Mute Original Audio".



Fiscal space, public financial management and health financing in a time of COVID-19



All sessions are recorded

We are recording all sessions in English and your attendance is consent to be recorded. Only speakers will be visible in the recording.

These will be available to review on the WHO site below after the event has concluded.

https://www.who.int/news-room/events/detail/2021/11/15/default-calendar/5th-meeting-of-the-montreux-collaborative

Introduction session

Joe Kutzin, Head Health Financing Unit, WHO



Background on Montreux Collaborative

- Main focus: fiscal space, public financial management and health financing
- Initiated in 2013/14
- More than meetings a Research and Policy Collaborative Agenda
- Led by WHO, with World Bank, IMF, OECD, UNICEF, The Global Fund, GAVI, BMGF, R4D, IBP, ODI, ThinkWell.



- 15-19 November 2021
- 1st meeting in the context of COVID-19
- COVID-19: stress test for all health financing and PFM systems
- Meeting objectives: discuss how to make health financing and PFM systems better able to respond to health emergencies and sustain progress towards UHC.



Key links

Meeting background and agenda:

https://www.who.int/newsroom/events/detail/2021/11/15/defaultcalendar/5th-meeting-of-the-montreuxcollaborative

Resource portal:

https://www.pfm4health.net/montreuxcollaborativeresources



WHO Montreux Collaborative Core Team



Joe Kutzin (WHO)



Hélène Barroy (WHO)



Amna Silim (WHO)



Matt Matheson (LEO)

Content and coordination with partners

Overall organization and IT



Agenda



Overall structure of the meeting

Monday: Pre-meeting events

Tuesday-Thursday: Core sessions

Friday: Conclusion



Day 1- Monday 15 November



13:30 – 14:30 CET: Keynote address

Reflecting on the past and looking to the future: shifts in the global PFM and health financing environment



Cheryl CashinManaging Director, Results for Development

Moderator: Joe Kutzin, WHO



14:45 – 16:00 CET: Book launch How to make budgets work for health? A WHO guide on designing, managing and monitoring programme budgets

Chair and moderator	Matt Jowett (WHO)
Guidance book presentation by the editors	Hélène Barroy (WHO), Mark Blecher (National Treasury, South Africa), Jason Lakin (formerly, International Budget Partnership)
Video-recorded messages from book contributors	
Perspectives from implementation	Richard Kabagambe (Ministry of Health Uganda), Omi Castañar (formerly, Department of Budget and Management, The Philippines)
Questions and answers	With support from Linnea Mills (WHO consultant)



Day 2 - Tuesday 16 November



13:00 – 14:00 CET: Macro-fiscal crisis and COVID-19: What are the implications for health financing and UHC?

Chair and moderator	Susan Sparkes (WHO)
Macro-fiscal outlook	Raphael Espinoza (IMF)
Panel discussion to reflect on implications for health financing and universal coverage	Dileep de Silva (Ministry of Health, Sri Lanka), Mawuli Gaddah (Ministry of Finance, Ghana), Tamás Evetovits (WHO EURO), Ajay Tandon (World Bank)
Questions and answers	With support from Peter Cowley (WHO)



14:15 - 15:30 CET: What can COVID-19 teach us about PFM?

Chair and moderator	Srinivas Gurazada (PEFA)
Global PFM lessons from the COVID-19 crisis	Richard Allen (public finance consultant)
Country PFM bottlenecks and adjustments for COVID-19	Mario Villaverde (Department of Health, The Philippines), Ogali Gaarekwe (National Treasury, South Africa)
Discussion: How to integrate and sustain lessons from COVID-19 for future PFM	Teresa Curristine (IMF), Sarbani Chakraborty (health financing consultant)
Questions and answers	With support from Hélène Barroy (WHO)



15:45–16:30 CET: How to assess PFM bottlenecks and monitor reform progress in health: a rapid update on PFM & health tools

Chair and moderator	Toomas Palu (World Bank and UHC2030)
Panel	Manoj Jain (World Bank) Julia Dhimitri (PEFA) Matt Jowett and Hélène Barroy (WHO) Jennifer Asman (UNICEF) and Sierd Hadley (UNICEF/ODI tool)
Country discussants	Adanna Chukwuma (World Bank, Armenia), Faraz Khalid (WHO, EMRO)



Day 3 - Wednesday 17 November



13:00 – 14:30 CET: Direct facility financing: what are the opportunities and challenges of PFM systems?

Chair and moderator	Joe Kutzin (WHO)
Concepts and rationale of direct facility financing	Sophie Witter (Queen Margaret University Edinburgh, UK)
Tanzania: key lessons from aligning direct facility financing and the PFM system	Sheila O'Dougherty and Gemini Mtei (Public sector systems strengthening project, Abt Associates/USAID, Tanzania)
Discussion: Opportunities and constraints for scaling-up reforms	Nirmala Ravishankar (ThinkWell), Ayodeji Oluwole Odutolu (Global Financing Facility), Michael Borowitz (The Global Fund)
Questions and answers	With support from Federica Margini (UNICEF)



14:45 – 16:00 CET: Health budget execution performance: how to get on the same page?

Chair and moderator	Cheryl Cashin (Results for Development)
Assessing health budget execution performance: a country-level framework	Hélène Barroy (WHO), Moritz Piatti (World Bank)
Putting the framework into practice: evidence from Kyrgyzstan and Ukraine	Loraine Hawkins (health finance consultant)
Acting together: country and global reflections	Sabeen Afzal (Ministry of National Health Service, Regulation and Coordination, Pakistan), Fazeer Rahim (IMF), and Sally Torbert (IBP)
Questions and answers	With support from Amna Silim (WHO consultant)



Day 4 - Thursday 18 November



13:00 – 14:00 CET: Donor funding: how to facilitate alignment with domestic PFM systems?

Chair and moderator	Magnus Lindelow (World Bank)
Alignment of donor and domestic PFM systems: rethinking opportunities and bottlenecks	Moritz Piatti (World Bank)
Insight from country practices	Zachee Iyakaremye (Ministry of Health Rwanda)
Reflections from partners	Amir Aman Hagos (Chair of working group on donor alignment, GFF), Eric Boa (The Global Fund), Agnès Soucat (AFD)
Questions and answers	With support from Sarah Alkenbrack (World Bank)



14:15 – 15:15 CET: Digital technologies: what are the opportunities and risks for better PFM in health?

Chair and moderator	Sanjeev Gupta (CGD)
How digitalization can improve PFM operations and service delivery	Manal Fouad (IMF)
Country perspectives with a focus on PFM practices in health	Anupam Raj (Ministry of Finance India), Erick Kitali (President's Office - Regional Administration and Local Government, Tanzania)
Global reflections	Neil Cole (CABRI), Inke Mathauer (WHO)
Questions and answers	With support from Fahdi Dkhimi (WHO)



Day 5 - Friday 19 November



13:00 - 14:30 CET: Concluding session

Joe Kutzin, Head Health Financing Unit, WHO

With country discussants: Pura Angela, Midori de Habich, Farhad Farewar, Lachlan Mac Donald, Gemini Mtei.

Way forward: Hélène Barroy, WHO

Concluding remarks: Cheryl Cashin, R4D.

Looking forward to your participation!





Day 1 - Monday 15 November



13:30 – 14:30 CET: Keynote address

Reflecting on the past and looking to the future: shifts in the global PFM and health financing environment



Cheryl Cashin
Managing Director, Results for Development

Moderator: Joe Kutzin, WHO



The Montreux Collaborative Agenda: Where did we start and where are we going?

Cheryl Cashin (R4D)

The overarching objectives of the Collaborative Agenda

- 1. Aligning health financing and PFM to institutionalize results-oriented reform
- 2. Informing global debates and country policy dialog on financial sustainability in the health sector and transition from aid.



Where we are today

- The starting premise was a little bit crude but got us on the right path
- Today we have
 - Deeper understanding of the issues
 - More tools
 - More partners
 - More analysis and evidence
 - More productive dialogue between health and finance stakeholders
 - Greater understanding of country-level progress



The initial diagnosis

Doing the diagnosis and setting the agenda

- What is different about public funding for health vs. other sectors?
- Where are there possible misalignments between health financing policy and PFM systems?
- What are the options to improve alignment?

UNCERTAINTY

NEEDS: Health needs vary across individuals, geography, and through time.

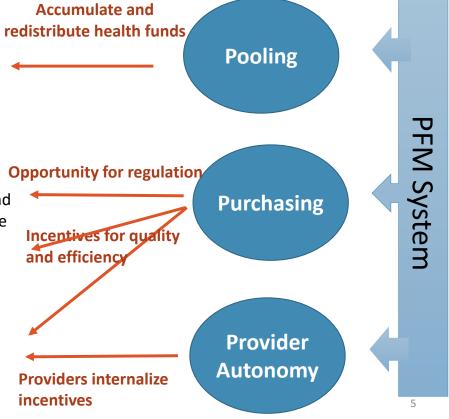
COSTS: Service utilization is determined by choices of individuals.

ROLE OF THE PRIVATE SECTOR

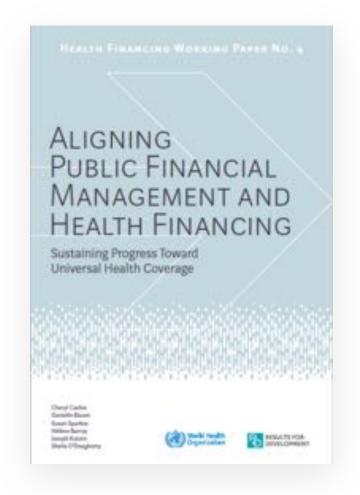
A large share of health service utilization and the purchase of medicines takes place in the private sector.

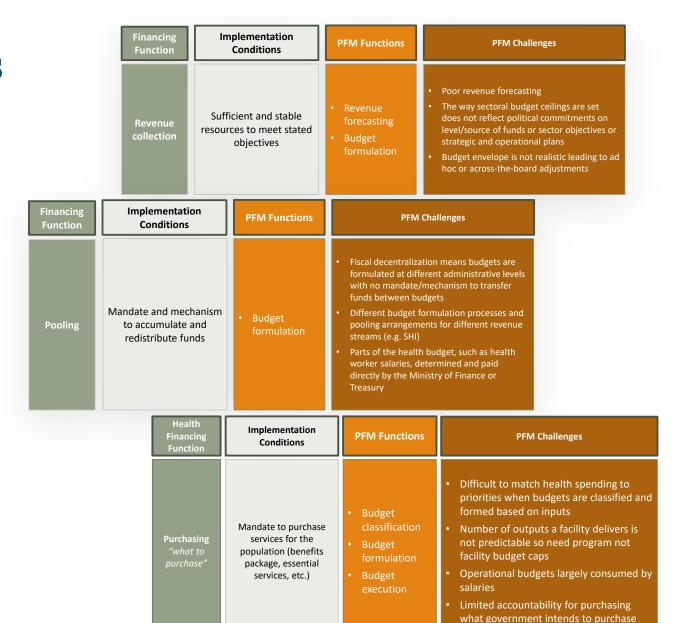
THE AGENCY PROBLEM

The health services that are delivered and the inputs used to produce them are greatly influenced by providers—who may have a financial interest.



We mapped misalignments





And scanned country experience for solutions



We heard from policymakers and practitioners about practical experience, political economy and implementation challenges

Transition from donor financing

"Co-financing requirements of donors often largely exceed domestic fiscal capacities."

~ Ghana Ministry of Finance

Ghana Ministry of Finance

Tanzania Health Financing Advisor

Decentralization and Fragmentation

"Health providers and counties receive different types of grants, each existing as a separate silo and each with different sets of rules for utilization and reporting."

Kenya Ministry of Health

Health Provider Autonomy

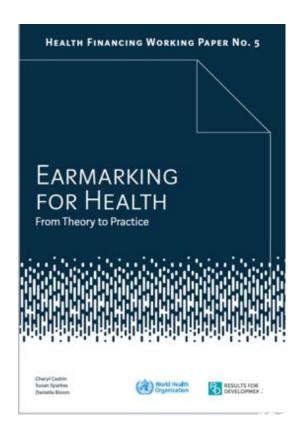
"Healthcare facilities can hold funds in their own bank accounts, reallocate funds across line items, and retain funds across financial years."

Programme-based Budgeting

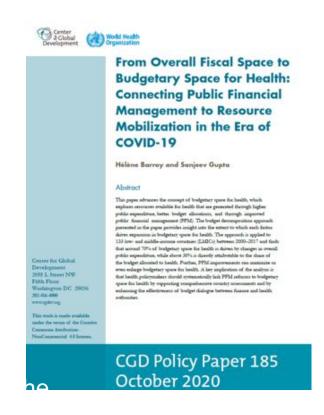
"Budgetary appropriations and budget execution are based on programmes and activities. However, the Treasury still exerts control over the activity level and MOH must approve all activity line changes, thereby introducing potential delays."

Armenia Health Financing Advisor

Revisiting revenues and fiscal space for health issues

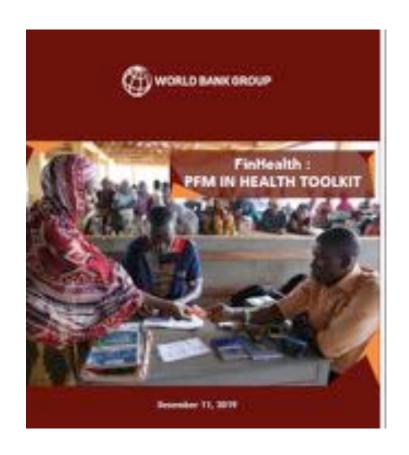


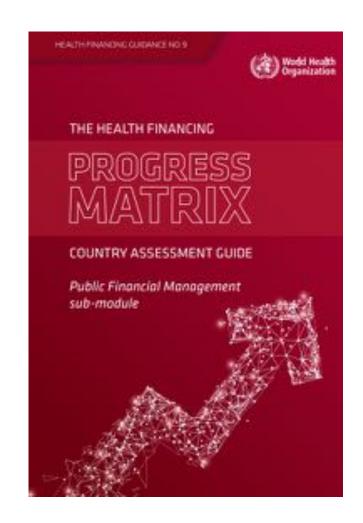




"Per capita public spending for health across low- and middle-income countries ... largely due to conducive macroeconomic conditions such as economic growth and increases in total public spending."

Developing tools to assess PFM bottlenecks in health







Exploring nitty gritty aspects of PFM in health









What have we learned?

- Better grounding of health financing functions in the realities of the health budget
- More nuanced understanding of health sector-specific PFM solutions
- Getting specific about balancing flexibility and control to get results from health spending with accountability
- Understanding that transition from donor funding is an opportunity for structural reform
- How to have a more constructive dialogue between health and finance stakeholders

Better grounding of health financing functions in the realities of the health budget

Revenue generation

Re-thinking fiscal space for health—move from pillars (revenue sources)
 toward country-focused budgetary frameworks

Pooling

- Understanding how revenue sources fit together in the context of the budget
- Addressing fiscal decentralization to achieve health sector objectives through conditional transfers linked to results

Purchasing

- Aligning the budget structure and processes with strategic purchasing:
 - ✓ Programme-based budgeting and strategic purchasing need to work together for output-based provider payment
 - ✓ Provider autonomy is essential

If a health financing reform is not rooted in the PFM system we cannot expect sustained impact

More nuanced understanding of health sector-specific PFM solutions

For example:

- Health sector-specific guidelines for implementing PFM rules
- Health objectives-driven conditions for fiscal transfers
- Definition of budgetary programmes for health
 - And getting to budget execution by program rather than input line-item
- Health sector-specific budget execution flexibility for provider payment and autonomy
- Health sector-specific information systems to bridge financial management and health results

Getting specific about balancing flexibility and control to get results from health spending with accountability

- Applying universal expenditure controls across all financial transactions creates rigidities the reduce budget execution and efficiency
- Shift from ex ante controls to ex post accountability for health service delivery results
- Increase transparency, oversight, and public participation in budget accountability

Understanding that transition from donor funding is an opportunity for structural reform

- Be clear about what we are aiming to sustain (overall results) and reform systems to sustain results
- Move away from the goal of revenue replacement and identify potential efficiency gains
- Be realistic about the potential of earmarking and other innovative financing sources to fill financing gaps

The lessons of COVID

- The health systems that responded most effectively to the COVID-19 pandemic have responsive, adaptable PFM rules
- Getting flexible funds to frontline providers was key to the pandemic response—and to achieving health sector goals more broadly
- Emergency flexibilities that were invoked could be made more routine to address the underlying uncertainty in health sector priorities year to year



26 oct 2020 | Helene Barroy

If you're not ready, you need to adapt: lessons for managing public finances from the COVID-19 response

What is left to do?

- Prioritize the most stubborn issues:
 - Fully implementing programme-based budgeting
 - Reducing ex ante line item controls
 - Getting flexible funds to frontline health care providers with output-based payment
 - Increasing health provider autonomy
- Reduce fragmentation in funding sources, systems, and reporting—including/especially fragmentation caused by donors
- Invest in more systematic learning from country-level progress

A moment of nostalgia ...



Thank you!

We look foward to your insights



5th Meeting of the Montreux Collaborative

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Break



14:45 – 16:00 CET: Book launch How to make budgets work for health? A WHO guide on designing, managing and monitoring programme budgets

Chair and moderator	Matt Jowett (WHO)	
Guidance book presentation by the editors	Hélène Barroy (WHO), Mark Blecher (National Treasury, South Africa), Jason Lakin (formerly, International Budget Partnership)	
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WHO Book Launch

How to make budgets work better for health: a practical guide to designing, managing and monitoring programme budgets in the health sector

Hélène Barroy (WHO), Mark Blecher (National Treasury, South Africa), Jason Lakin (formerly, IBP)





Rationale and approach



Why work on programme budgets in health?



Limitations of input-based budgets



Lack of evidence on how to roll out programme budgets in health



Mixed results from first wave of reforms in LMICs



Demand for guidance to maximize potential of the approach.

Book's overall framing Health is same but different

Need for a better alignment to common rules

• Number, size, type, structure of budgetary programmes

Need to account for health-specific considerations

- How to deal with disease interventions in programmes
- How to make sure programme funds are not released by line item to health service providers
- How to ensure consistency between programme budgets and provider payments
- How to track programme expenditure and health outputs



What are the book's objectives?

1

Improve health stakeholder understanding of and engagement in budget formulation reforms

2

Highlight **good practices** from
extensive country
reviews to support
future reform processes

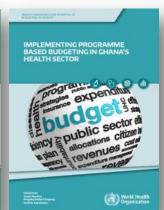


Create a **set of guiding principles** on the design, management and monitoring of programme budgets

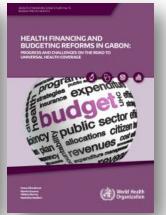


Building from country experiences



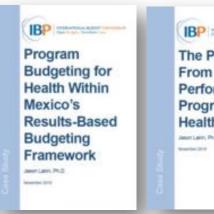


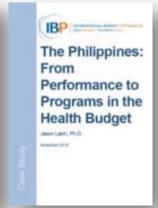


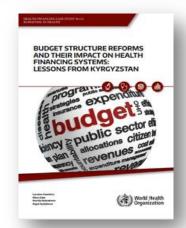






















Book structure

Part A. Country evidence

OECD country experiences

LMICs experiences

Country briefs

Practitionners insights

Part B. Reform challenges

Programme design

Programme management

Link with provider payment

Performance monitoring

Part C. Recommendations

High-level leadership

Reform practitionners

Development partners





Designing programme budgets in health

Align programmes to policies

Define results chains

Avoid fragmentation & dominance

Integrate diseases

Harmonize across levels of government



Managing programme budgets in health

Include all costs possible

Lift line-item controls

Empower programme managers

Seek alignment with ministry structure

Align with provider payment



Monitoring programme budgets in health

Align performance framework

Consolidate financial and non-financials

Focus on output targets

Consult widely to develop targets

Seek a reasonable level of detail





Ways forward



How to use the book to guide reforms

Before reform starts

- To compare benefits and trade-offs of different programme types, structures and formulations
- To anticipate and prepare for discussions with budgetary authorities
- To reflect on the political economics and power dynamics around introducing reform
- To help sector stakeholders understand reform objectives and challenges

During reform process

- To help reconfigure programmes in line with evolving health priorities
- To reshape discussions with budgetary authorities around flexible spending
- To align programmes with service delivery needs
- To strengthen performance monitoring frameworks



The learnings from South Africa

Health budget formulated and approved by programmes and sub-programmes

Common budget structure across 9 provinces to facilitate coordination and expenditure tracking

Transition from disease programmes to more integrated programmes

Robust and transparent monitoring system by output targets

Need to shift more from line-item controls to programme outputs (incomplete progress)





With thanks to all the **book contributors** and to **GAVI** for its financial support.

Joe Kutzin Jason Lakin Ali Hashim Hélène Barroy Chris James Susan Sparkes Andrew Blazey Linnea Mills Loraine Hawkins Moritz Piatti-Fünfkirchen Sheila O'Dougherty Maarten de Jong Mark Blecher Ivor Beazley Cheryl Cashin Caroline Penn Elina Dale





HOW TO MAKE BUDGETS WORK FOR HEALTH?

A practical guide to designing, managing and monitoring programme budgets in the health sector



Edited by Hélène Barroy, Mark Blecher & Jason Lakin

Conference Copy

Available on the Montreux Collaborative Resources Portal

https://www.pfm4health.net/montreux collaborativeresources

Thank you!

We look forward to your insights





Panel discussion

Richard Kabagambe
Ministry of Health Uganda

Omi Castanar

Formerly, Department of Budget and Management, The Philippine





Day 2 - Tuesday 16 November



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Thank you!

See you tomorrow!



