



World Health
Organization

5th Meeting of the Montreux Collaborative

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





**Welcome to the 5th Montreux
Collaborative meeting!**



5th Meeting of the Montreux Collaborative

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

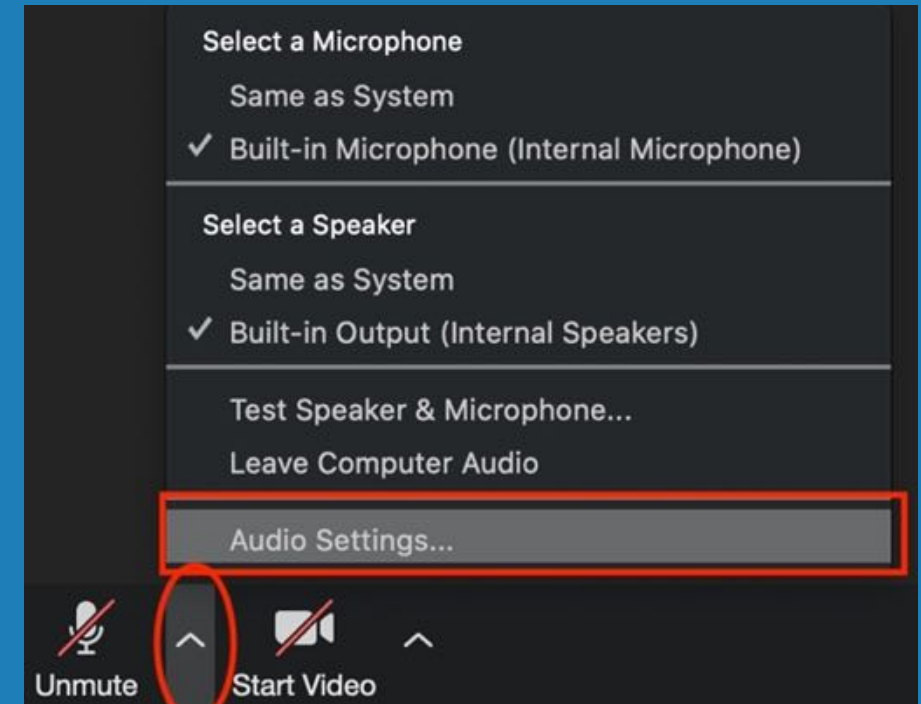
5th Meeting of the Montreux Collaborative

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.



5th Meeting of the Montreux Collaborative

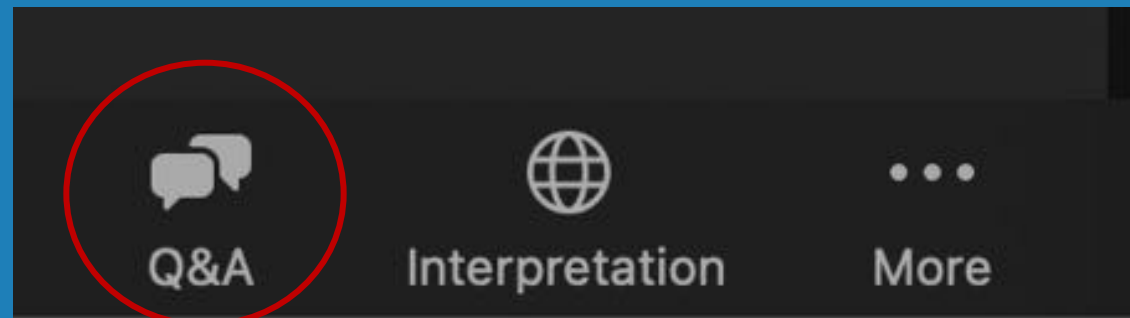
Fiscal space, public financial management and health financing in a time of COVID-19

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.



5th Meeting of the Montreux Collaborative

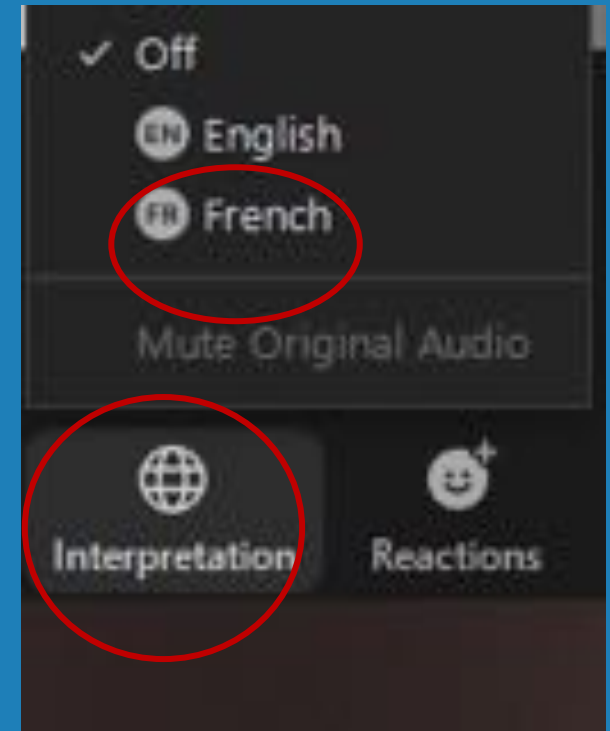
Fiscal space, public financial management and health financing in a time of COVID-19

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”.





5th Meeting of the Montreux Collaborative

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>



5th Meeting of the Montreux Collaborative

Day 4 - Thursday 18 November



5th Meeting of the Montreux Collaborative

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)



Donor funding: How to facilitate alignment with domestic PFM systems?

Moritz Piatti –Fünfkirchen
Ali Hashim

Sarah Alkenbrack
Srinivas Gurazada

Why yet another donor alignment paper?

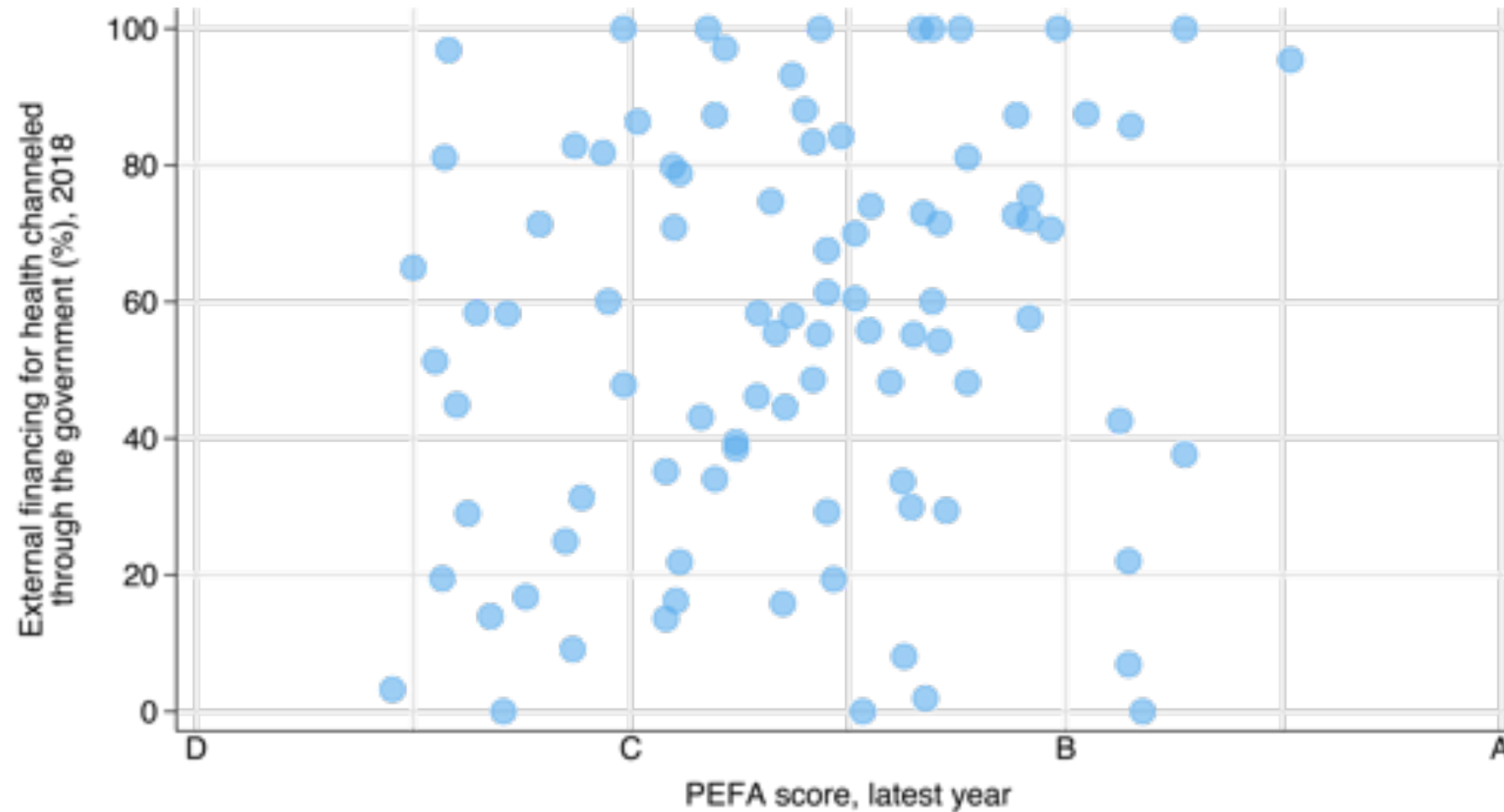


- ◎ **The cost of inaction remains huge**
 - Duplication of activities
 - Implementation of non-priority activities
 - Slow response to emergencies
 - Excessive administrative burden
 - Missed opportunity to strengthen institutional capacity


→ Slows progress to UHC

- ◎ **OK, so what's new?**
 - Clarity regarding what use of country systems actually means from a PFM perspective
 - A tool for benchmarking
 - A guide for developing a reform program

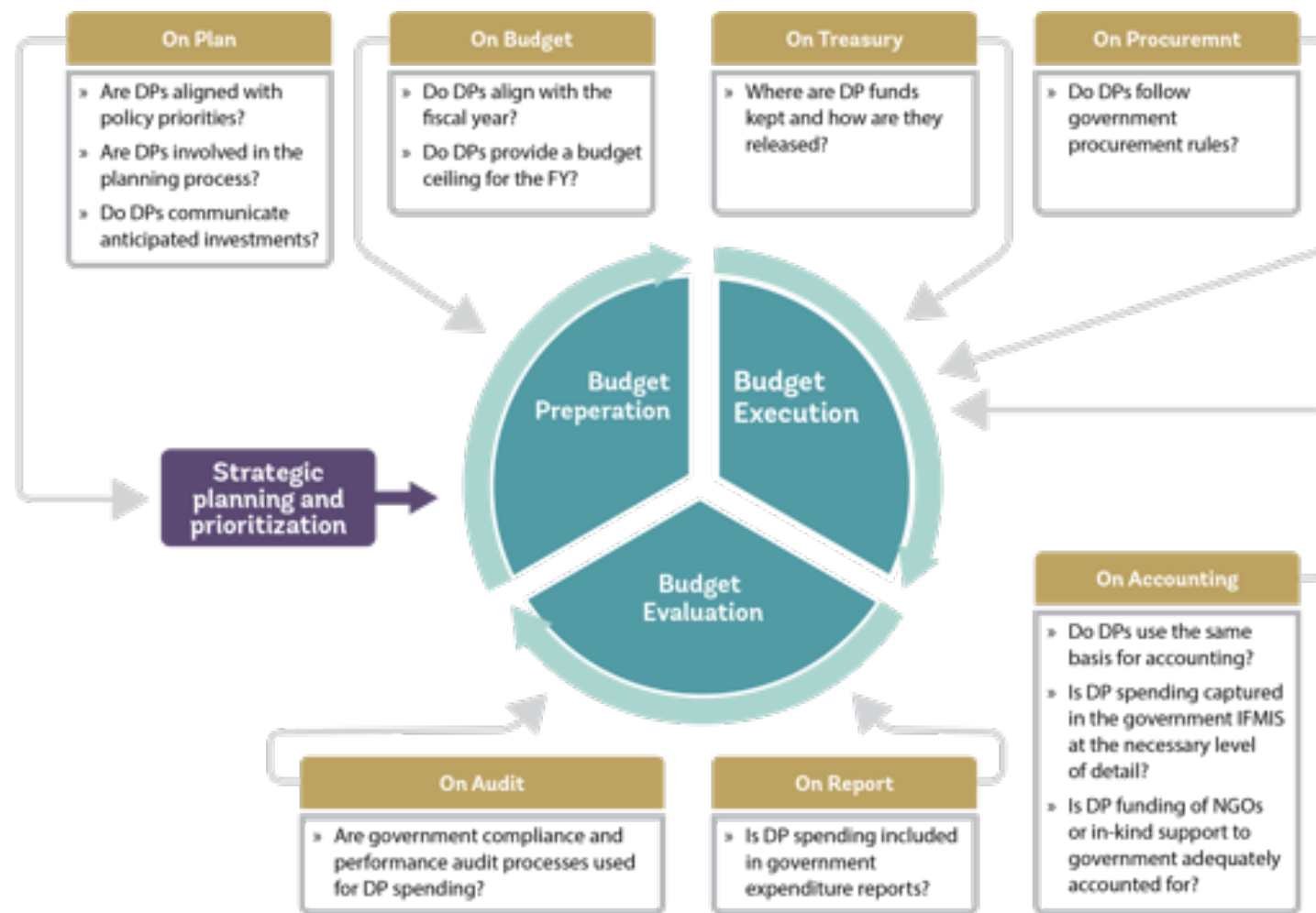
No lack of commitment, but lack of progress



Expected benefits

- 
- ✓ Provide conceptual clarity on what 'on system' means.
 - ✓ To provide a better understanding of the donor architecture.
 - ✓ Strengthen mutual accountability.
 - ✓ Articulating a clear baseline of donor financing modalities will allow for establishing a logframe → this will help articulate a reform program.
 - ✓ To allow for comparison across countries within specific dimensions.
 - ✓ Contribute to the literature of donor alignment and aid effectiveness.

What does using government systems mean?



DPs=development partners

Applying the diagnostic



Strategic Planning and Prioritization –

Is there one vision? A prioritized and costed implementation plan?



Budget Preparation and Financing –

Are the partners on the annual budget?
Is there clarity on who will finance what for the first year?



Budget Execution –

Where are funds stored? How are they executed?
What do execution reports look like?



Budget Evaluation –

Is performance evaluated uniformly and does it inform the next budget cycle?

Assessment Questions

Q2.1	Does the government operate on an input or program budget basis?
Q2.2	The annual budget is prepared on the basis of an MTEF that reflects all activities from all sources including government, DPs, and internally generated funds.
Q2.3	The DP has provided a total budget ceiling with activities that they will finance in sufficient time to be reflected during the planning process.
Q2.4	The DP specifies programs and activities that will be done within these ceilings for the upcoming fiscal year and amounts it has allocated to each.
Q2.5	The DP-financed activities are actually reflected in the annual budget law.
Q2.6	The DP provides information on what specific inputs it will finance, which is in the annual budget law.

Developing a reform program

- ◉ **Diagnostic serves as a baseline**
- ◉ **Identifies deficiencies**
- ◉ **Where should the reform program focus**
 - Where should donors be better aligned to?
 - What parts of the PFM system require further strengthening to enable donor alignment
 - Where may second best solutions be necessary?
- ◉ **Track reform progress and hold actors accountable**



Conclusions

01

Use of government systems is important, yet progress remains limited.

02

Using country systems is a spectrum, not a binary choice.

03

Governments – not donors – should set priorities for their countries; donors should align to those priorities.

04

Governments can make better decisions when they have a full view of funding.

05

Donors can align financing without giving up control or increasing fiduciary risk.

06

A more nuanced dialogue around the use of government systems will lead to more meaningful reform.

Thank you!

We look forward to your insights



Insight from country practices

Zachee Iyakaremye
Ministry of Health Rwanda



Panel discussion

Amir Aman Hagos

Chair of working group on donor alignment, GFF

Eric Boa

The Global Fund

Agnès Soucat

AFD



The Alignment Framework - Approach

- **It is not a tool:**

- Draws from existing information to track progress along the maturity model,
- Our approach focusing on what happens after the country assessments are conducted

From the Alignment Framework, we can infer the Following:

- **For level 1 to 2**

- National systems still need investments/ strengthening.
- The way forward is for the country and its DPs to agree on how to strengthen the systems

- **Level 3**

- Implication is that several systems are in place and are generally acceptable.
- This Level might be sub divided into whether its at the starting point of the spectrum or past the midpoint.
 - This will depend on the dialogue in country.
- If at the starting point of the spectrum,
 - Strengthening is needed even though discussions on adoption of these systems can start.
- If the country is at the end of the spectrum,
 - discussions on which systems will be adopted by the DPs and how this is going to be done is held
 - It also marks the starting point of the next two levels
 - Alignment frameworks are developed & adoption is negotiated

- **Level 4**

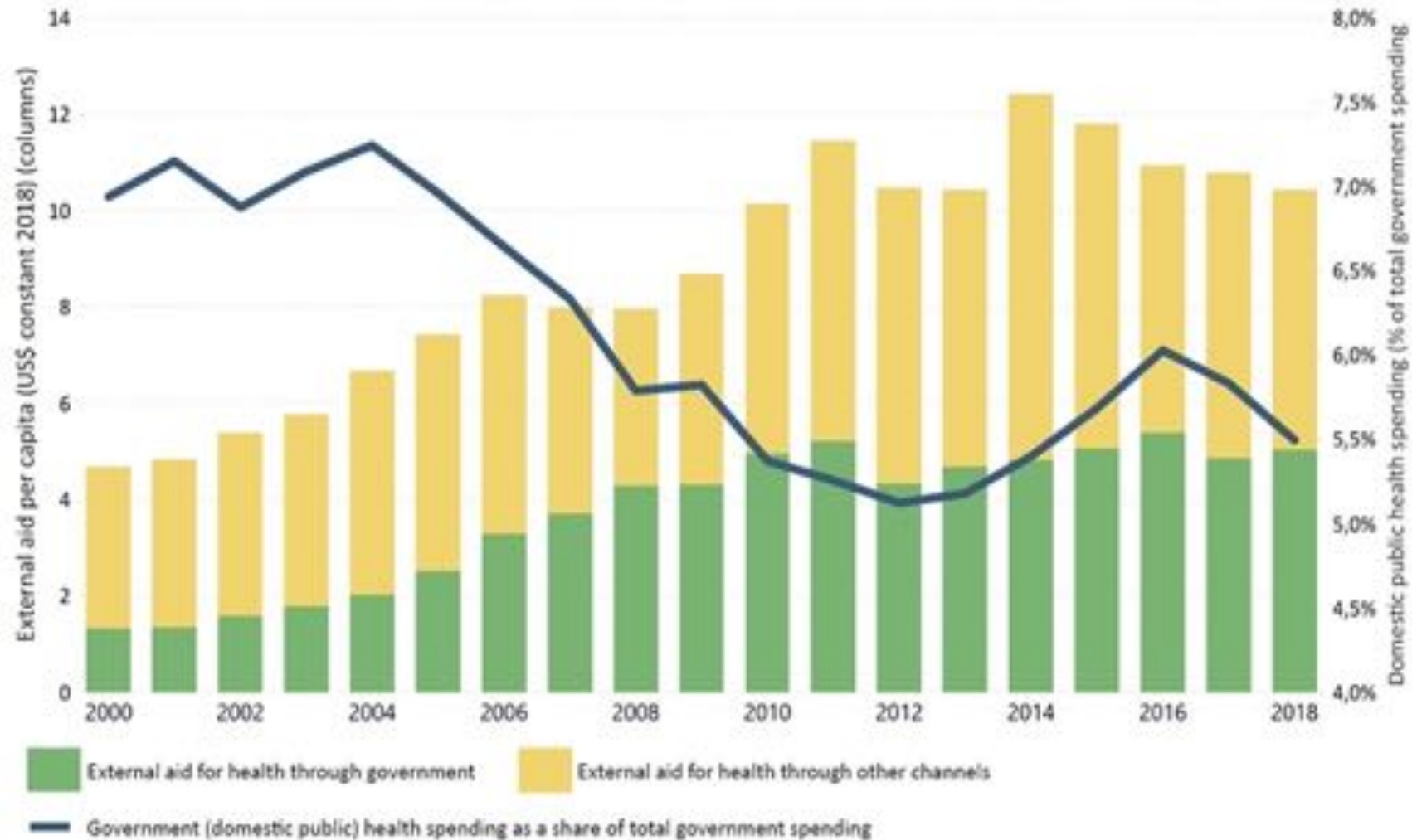
- Frameworks on alignment are adopted with agreed benchmarks/ measurements.

- **Level 5**

- The frameworks have been agreed upon and are being implemented & implications of breach are binding

When external aid increased, health priority in domestic budget allocations declined

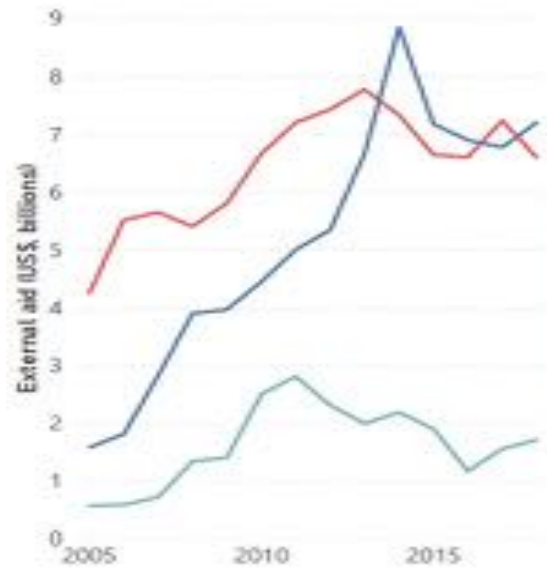
External aid for health per capita by channel and the priority for health in general government spending in lower income countries, 2000–2018



External aid by dynamic country income group, 2005–2018

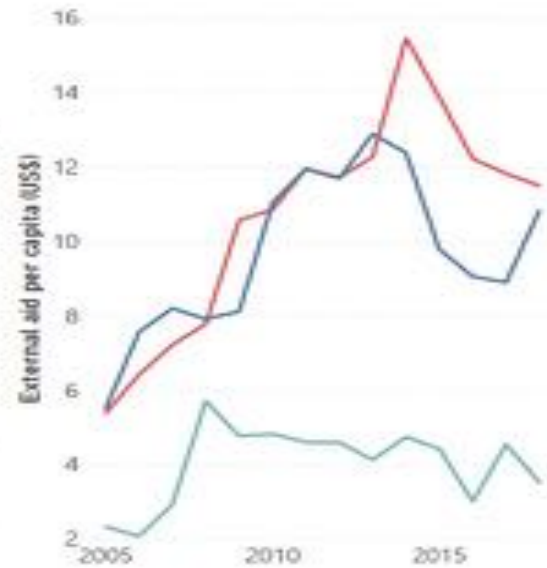
a. LMICs received as much aid as LICs

Total external aid



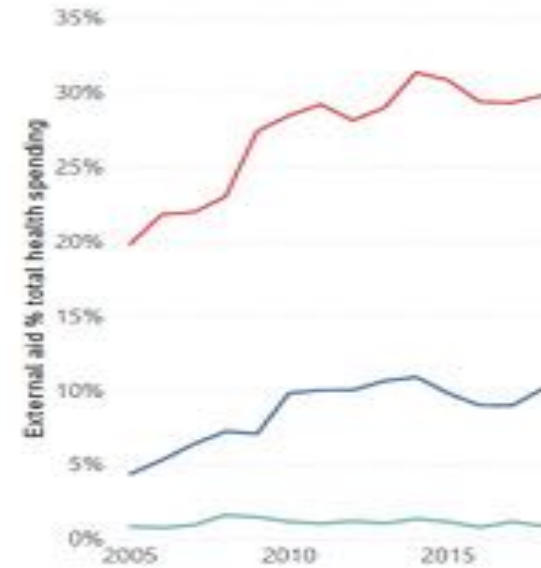
b. Per capita aid tended to be similar in LICs and LMICs

External aid per capita



c. Aid funded a large share of health spending in LICs

External aid as a share of health spending



— Low

— Lower middle

— Upper middle



5th Meeting of the Montreux Collaborative

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

Break



5th Meeting of the Montreux Collaborative

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)



5th Meeting of the Montreux Collaborative on Fiscal Space, Public Financial Management and Health Financing

How Digitalization Can Improve PFM Operations and Service Delivery

NOVEMBER 18, 2021

Manal Fouad

Assistant Director

Fiscal Affairs Department

Outline

- I. The present and future: role of digitalization in Public Financial Management
- II. Digitalization of PFM and service delivery
- III. Challenges
- IV. Conclusions and road ahead

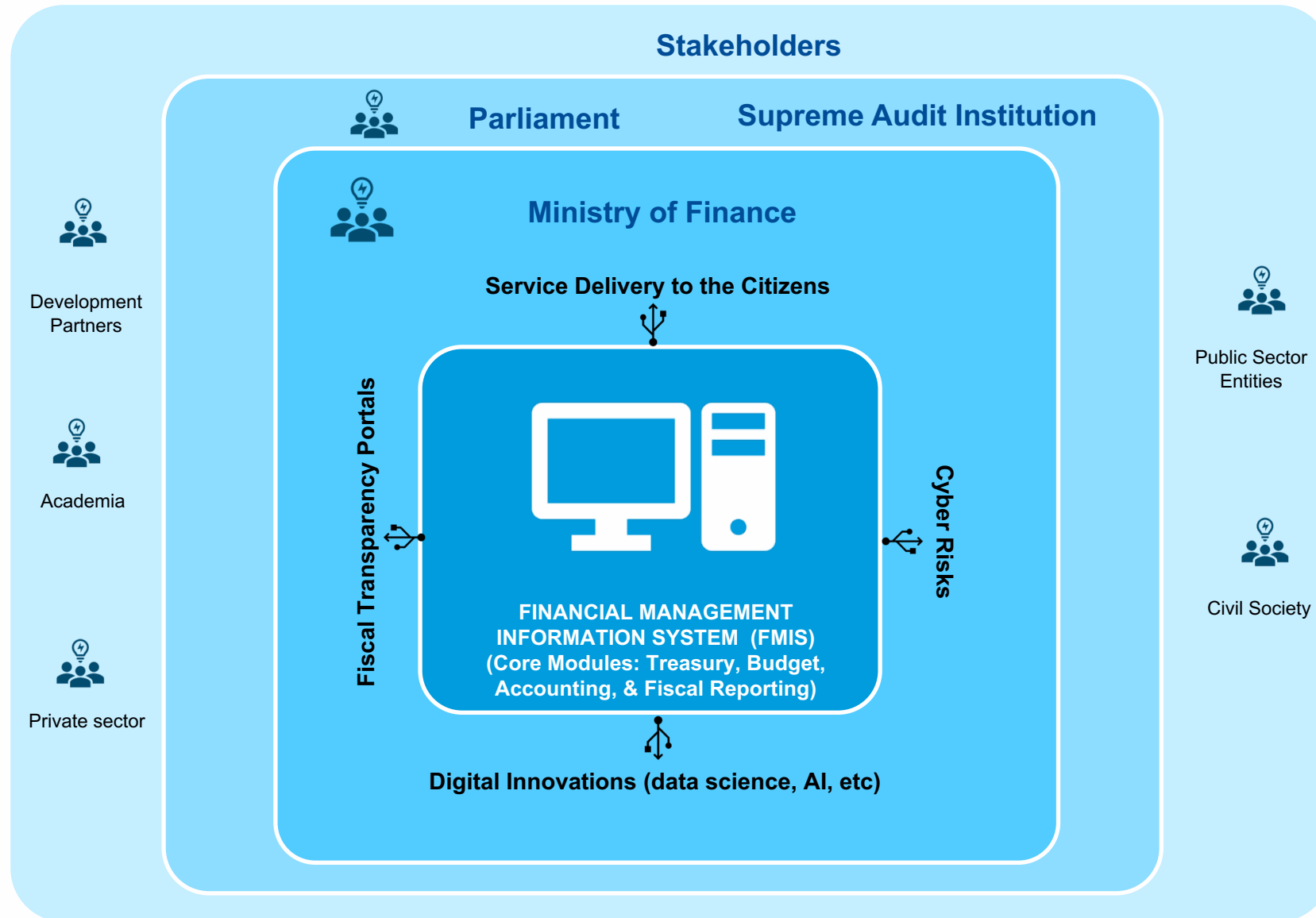


The present and future: role of digitalization in Public Financial Management

Why is digital technology important for PFM?

- Digital technology can help:
 - Enhance the efficiency of PFM processes and tools;
 - Reduce opportunities for corruption and misappropriation of public funds by improving and automatizing controls;
 - Support fiscal policy implementation by providing faster, timely and accurate information for decision-makers;
 - Improve service delivery to citizens; and
 - Strengthen fiscal transparency and accountability

The digital PFM framework and stakeholders

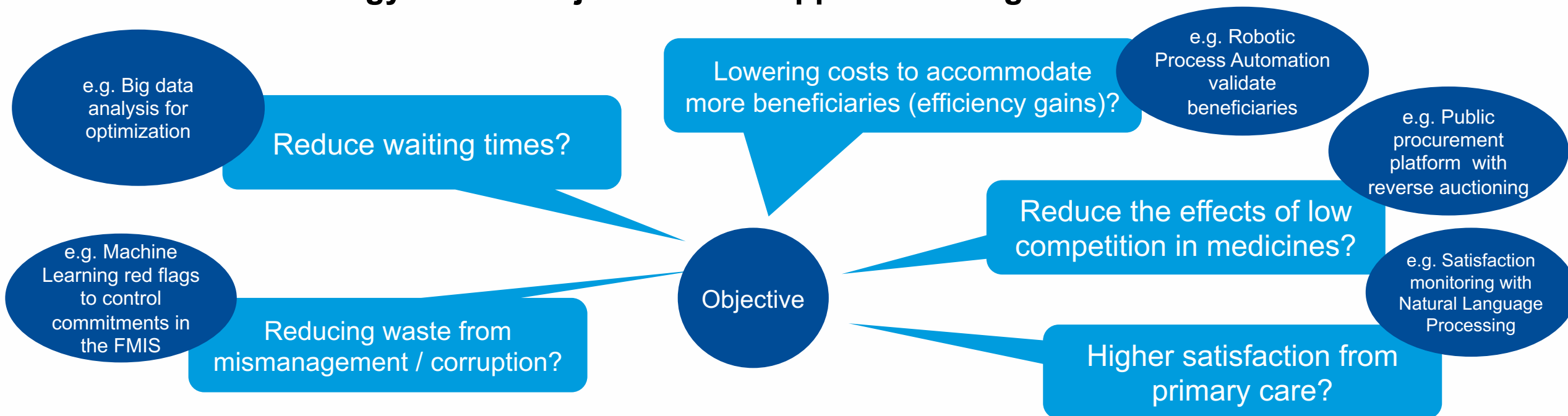


II

Digitalization of PFM and service delivery

Link between digitalization of PFM and improved service delivery

- Technology is changing fast. It changes what customers expect from services.
 - **As such it changes what the population expects from government.**
- What does “**improved**” service delivery mean, example in PFM for health
 - **Technology first vs Objectives first approach to digitalization**



Internal operations : FMIS

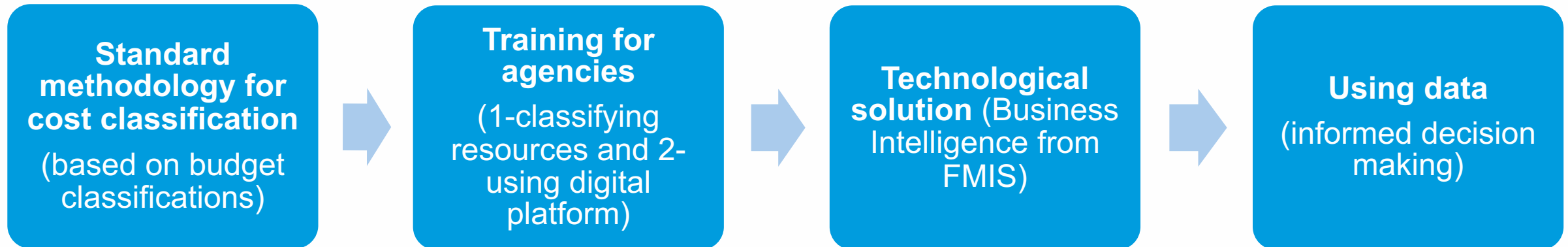
For ministries of finance, **users of digital services are not always external**, but service delivery is a chain of processes that requires being well engrained to achieve an **optimal flow for the end-user**.



- Impact of digitalizing internal operations by implementing an FMIS:
 - Systematized budget ceilings → **streamline budget planning**
 - Digital stages of the transaction (i.e. approved budget, committed, adjustments) → **certainty of funds availability, streamline procurement, control and optimization**
 - Treasury Single Account and digital cash management → **expedite payments to medical staff and providers**
 - Systematized public investment management → **optimized project selection, calculating operation costs**
 - Systematized health indicators and targets → **performance orientation**

Internal operations -MoF and government entities

- **Example:** Sao Paulo-- Cost accounting system
 - Objective- Optimize resources to different sectors by identifying cost per service.
 - FAD has supported the project
 - The project covers health, education, penitentiary, justice.
 - Components:

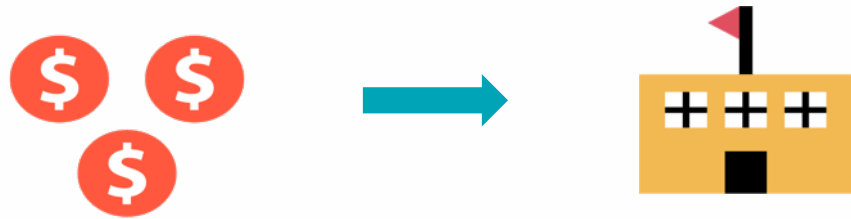


- **Health is a complex sector** because of case mixes and different levels of service

Internal operations – a client-focus

- **Example:** Costa Rica Hackathon for Improving Treasury Management and Payment System for Social Programs
- Main outcomes:
 - A prototype that will reduce the time for a payment to reach beneficiaries from the current 3-5 days to just 24 hours was developed
 - All the payments will be done utilizing the Central Bank electronic payment platform
 - The prototype is being implementing as a part of the IMF program SB (Dec. 2021)

1- Digital Innovations to Improve Treasury Management Processes



Cash Transfer Social Programs

National Treasury

2- Adopting digital means of payments to promote financial inclusion (specially for women)



Financial Entities

Final Beneficiaries

Transparency and public participation

- Digitalization is vital for information and data availability, emphasized in emergencies
- **Keeping the receipts-** transparency of COVID-19 funds devoted to the health emergency (including procurement and beneficial ownership)
 - Requires internal compilation and efficient publication (COVID-19 Special series)
 - In 2021 Beyond Keeping the Receipts (Fiscal Monitor 2021)



FISCAL AFFAIRS

Special Series on Fiscal Policies to Respond to COVID-19

This is one of a series of notes produced by the Fiscal Affairs Department to help members address the COVID emergency. The views expressed in this paper are those of IMF staff and do not necessarily represent the views of the IMF, its Executive Board, or IMF management.

Preparing Public Financial Management Systems for Emergency Response Challenges¹



FISCAL AFFAIRS

Special Series on Fiscal Policies to Respond to COVID-19

This is one of a series of notes produced by the Fiscal Affairs Department to help members address the COVID emergency. The views expressed in this paper are those of IMF staff and do not necessarily represent the views of the IMF, its Executive Board, or IMF management.

Keeping the Receipts: Transparency, Accountability, and Legitimacy in Emergency Responses¹

Transparency and public participation

- **Example:** Honduras – FAD support on fiscal transparency portal
- Main outcomes:
 - Improved coverage of published data on COVID-19 related spending
 - Beyond COVID: portal for publishing natural disasters related spending

↓ Institution	Current Budget	Budget Accrued	Budget Available	% Accrued	Detail
Permanent Commission on Contingencies	348,184,188.0	202,672,013.8	145,512,174.1	58.2	Detail
University School Hospital	146,321,440.0	83,626,385.4	62,695,054.6	57.2	Detail
Honduran Institute of Social Security	160,500,000.0	155,917,573.9	4,582,426.1	97.1	Detail
Honduran Institute of Land Transportation	150,000,000.0	149,949,809.0	50,191.0	100.0	Detail
Strategic Investment of Honduras (Invest)	194,995,899.0	176,690,354.0	18,305,545.0	90.6	Detail



Challenges

Challenges 1/2 - Getting the basics rights (FMIS)

- Governments often still need to shift to a flexible, agile and modular approach to digitalize PFM.
- Making good choices for the technology is crucial – e.g., commercial off the shelf software vs. locally developed software.
- Concerning change management, transition to a digitalized PFM requires a supportive political environment, increased capacities and a change in institutional models, but...
- ...Projects often run into difficulties by underestimating the importance to hold functional departments accountable for using FMIS functionality as part of their own reform agenda.

Challenges 2/2 – Using new technologies (data analytics, artificial intelligence, etc.)

- Governments need to build up motivated and dedicated multi-disciplinary teams - mixing new staff with up-to-date knowledge and staff from MoF with processes knowledge.
- Credibility and success depend on identifying the right problems (can technology help ? is available data fit-for-purpose?).
- Many prerequisites – e.g., collecting and accessing suitable data (financial and sectoral); ensuring all users understand governance and security obligations; and developing capabilities and expertise to understand and interpret data-based findings.

IV

Conclusions

Conclusions

- Digitalization is no longer an option but a necessity if governments were to maintain their **credibility** vis-a-vis citizens used to digitalized services.
- Digitalization efforts need to be driven by a longer-term **vision** and a well-coordinated strategy that cuts across government and adopts a citizen centric approach.
- Successful digitalization requires understanding internal and external **users** - their needs, motivations, challenges and limitations and monitoring users' satisfaction.

Thank you!

Montreux Session

FMIS and Healthcare sector in India

18th November 2021

-Anupam Raj

Broad Contours of Presentation

- The Financial Management Information System(FMIS) and its features in India
- Government welfare schemes and flow of funds
- Cash management and budgetary virement ease on FMIS – Impact on the healthcare sector
- COVID response via FMIS

Basic Features of the Indian FMIS

**Public Financial
Management
System (PFMS)**



Transactional Diversity of the FMIS



B2G Receipts



C2G Receipts



G2C Payments

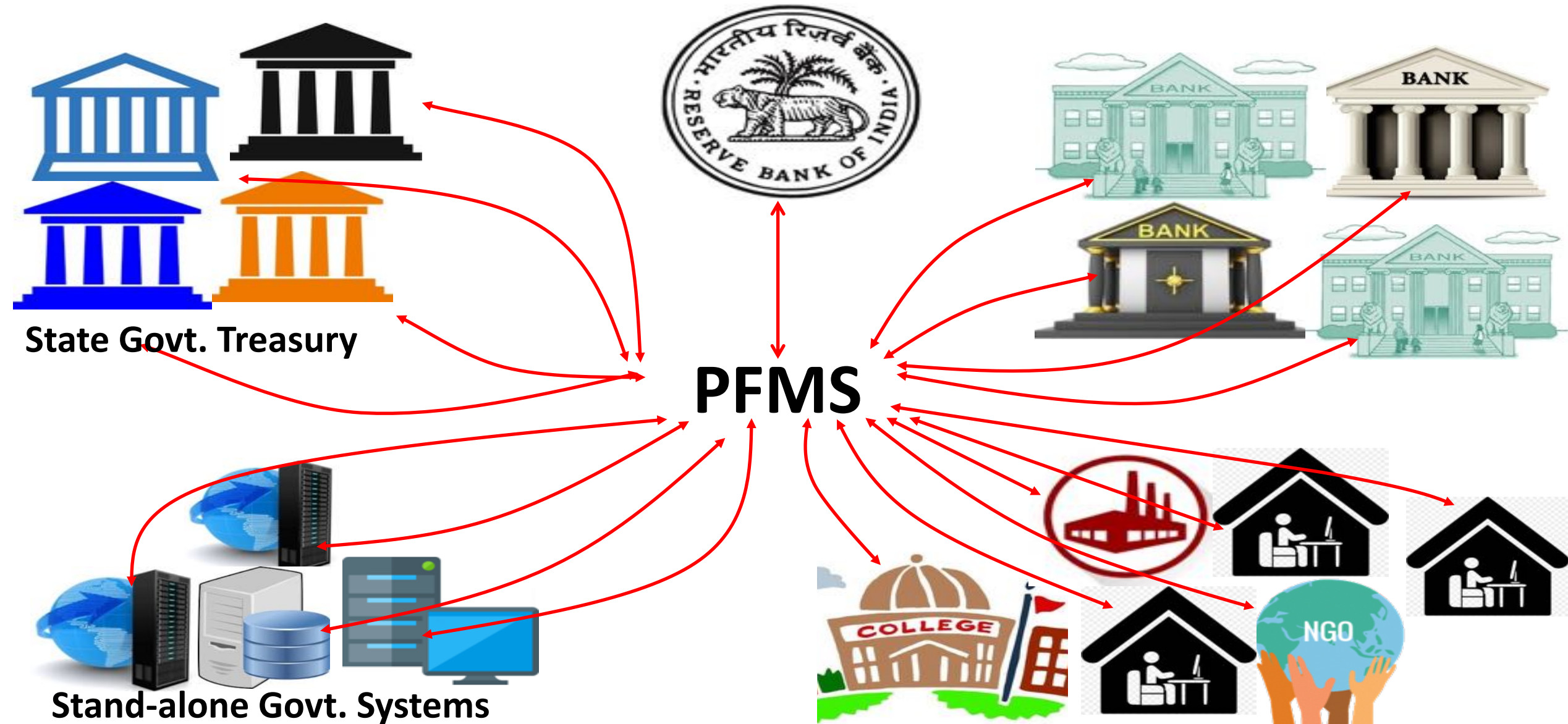


G2B Payments

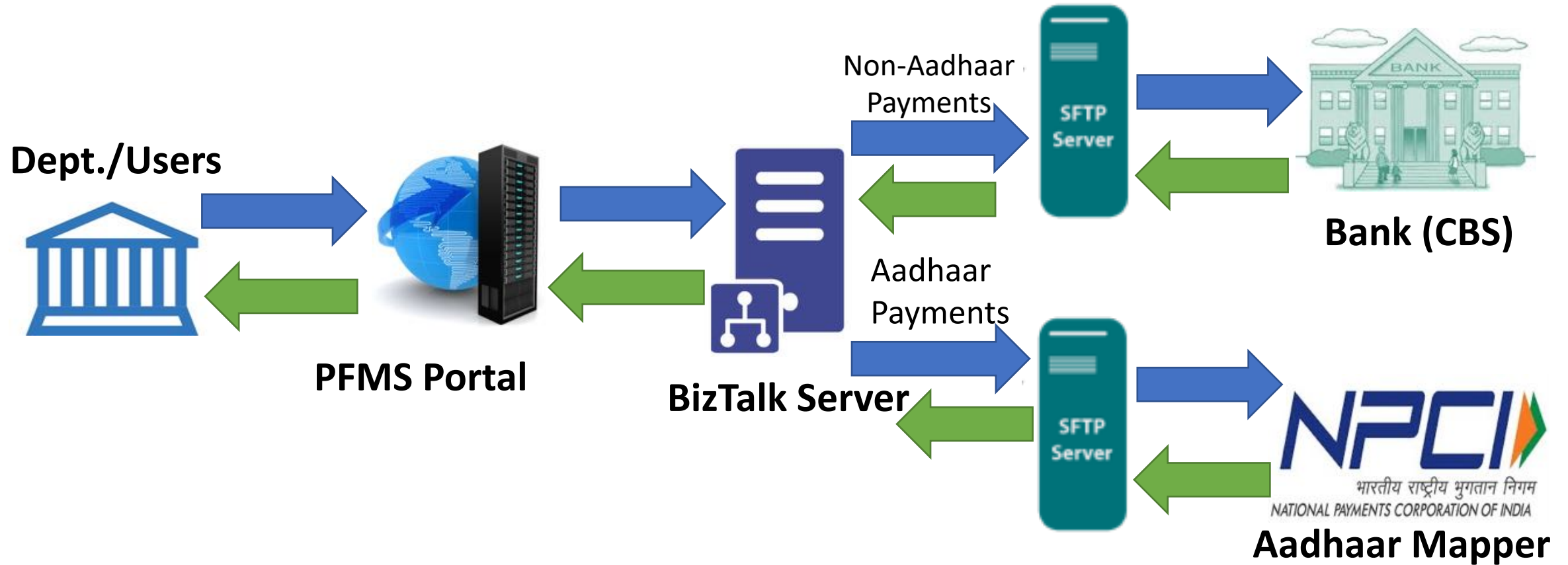


PFMS

PFMS Integration with different stakeholders

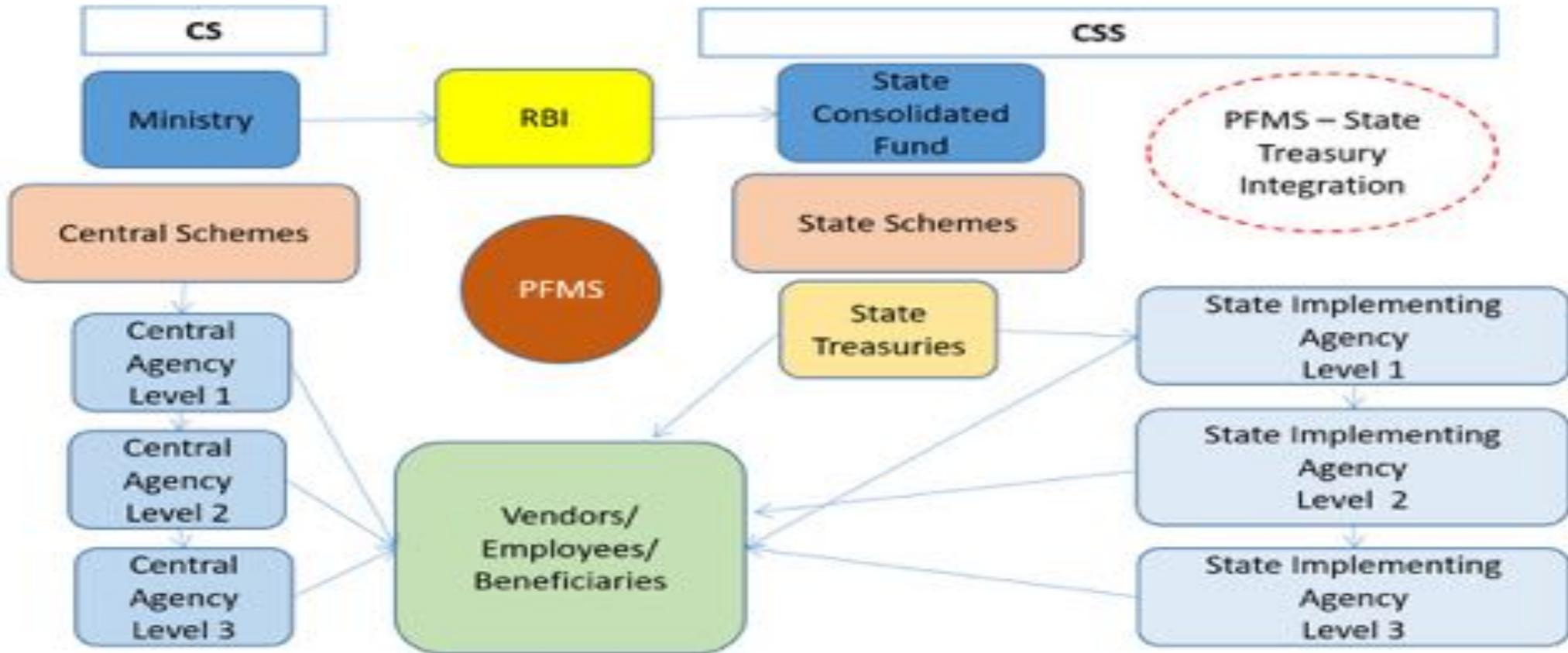


Bank A/C Validation/Payment/Reconciliation Process for Cash Handouts (Direct Benefit Transfers)



Flow of funds for welfare schemes

(Central Sector Schemes & Centrally Sponsored Schemes)



Cash Management and virement

- Health Budget of about \$ 30.5 bn passes through FMIS to various entities (including welfare schemes)
- Grants to welfare scheme Implementing Agencies changed to cash assignments by extension of TSA leading to deferred borrowing
- Welfare scheme Implementing Agencies transfer funds / incur expenditure via FMIS
- Tracking of unspent balances available in system in real time with welfare scheme Implementing Agencies
- Better monitoring and evaluation and better availability of information for virements
- All of above allowed budget additionality in healthcare sector during pandemic
- Linking of welfare scheme IT platforms with FMIS for beneficiary database and scheme outcome and output evaluations

COVID Response via FMIS

- Existing repository of economically vulnerable population with bank accounts details was available in FMIS
- Financial Inclusion push and post offices accounts were already linked to FMIS
- Cash handouts from FMIS using Unique Identity Number of citizens
- Diversion of budgetary savings (ascertained on FMIS) to COVID related expenditure
- Frontline workers insurance money , vaccine procurement paid through FMIS
- Health Insurance Scheme for citizens launched with FMIS role
- Wage employment scheme related cash handout through FMIS

Thank You !



PRESIDENT'S OFFICE REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT.

Digitalizing Public Financial Management

What are the *opportunities* for better PFM in health?

Erick Kitali,
Director of ICT.

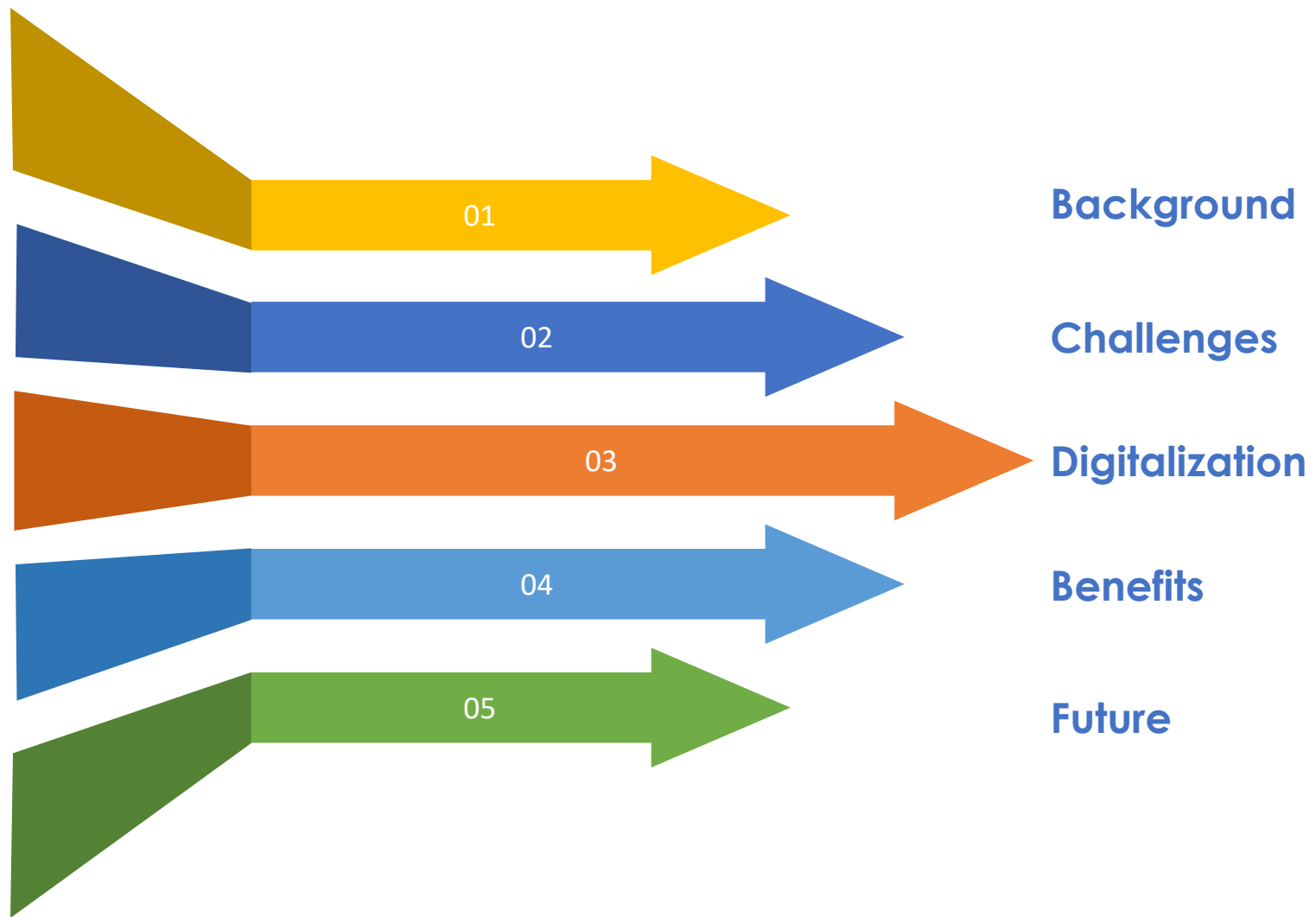
President's Office – Regional
Administration and Local Government.

Presentation at Montreux Meeting
18th November, 2021





Content





Challenges in Health Sector (Before 2015) - I

- ☐ A fragmented/stand-alone system for budgeting, planning and reporting.
- ☐ Data was produced in different formats.
- ☐ No financial management system Health facilities
- ☐ There were no standard websites for transparency, accountability and information sharing.
- ☐ No formal system user support
- ☐ No System interoperability
- ☐ Lengthy and cost planning and budgeting process
- ☐ Hard to link inputs with service outputs
- ☐ Unstructured LAN in some LGAs
- ☐ No Data use at point of care/collection
- ☐ System proliferations (Facility and Community)



Challenges in Health Sector - II



Partner Driven

Failed to meet Gov need and requirements

Technology Driven

Failed to meet Gov need and requirements

System Proliferation

Multiple systems lead to duplication of efforts

Integration

Complete view of all information across different community and sectors

Operation cost

Multiple Licenses, heterogeneous technology, User experience

Data Integrity

Security of the system to promote data integrity and privacy

Sustainability

Avoid white-elephant projects

Connectivity

Reliable network (LAN and WAN)

Equipment

Adequate equipment



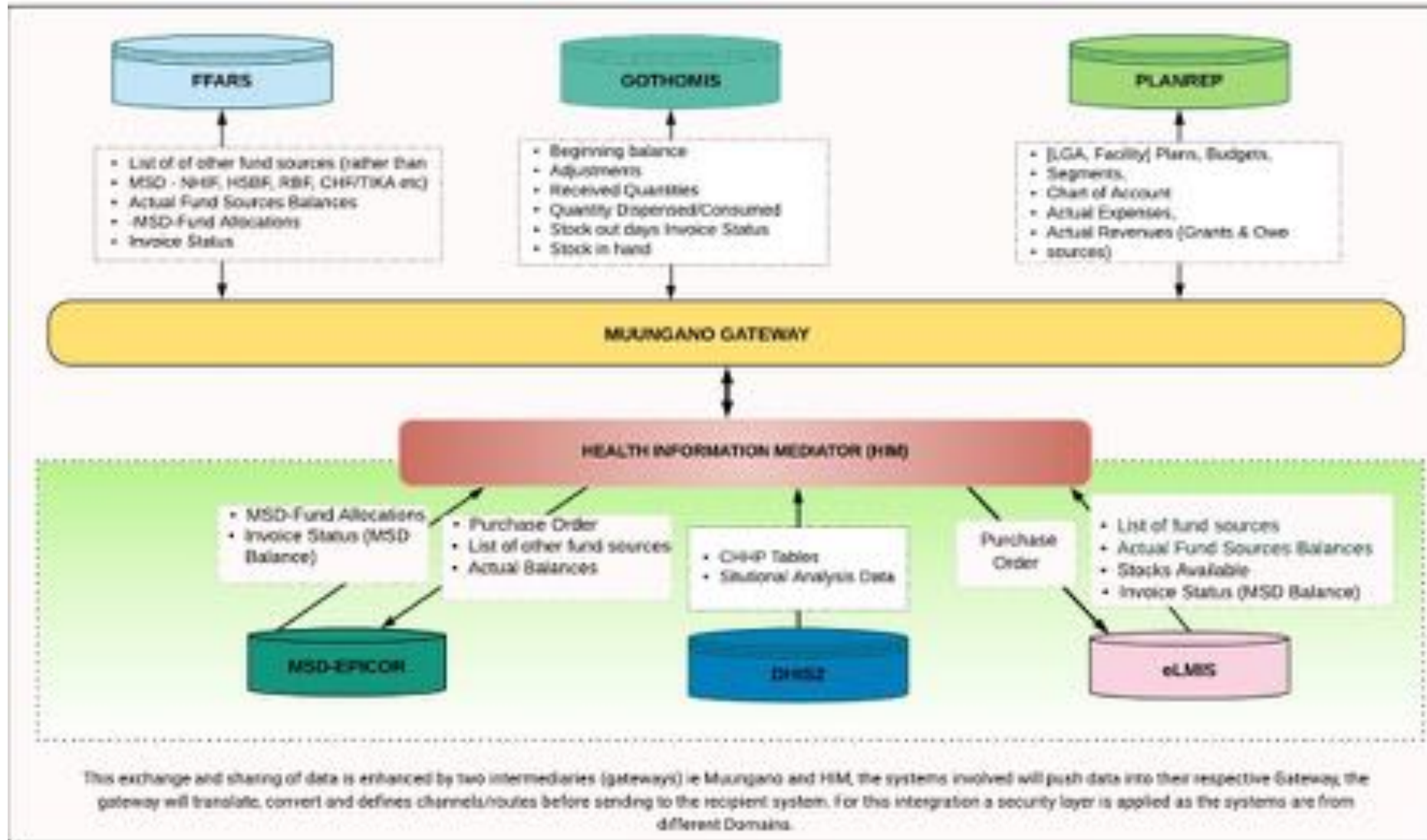
Digital Intervention (2015 – 2021)

5

- ❑ Development of major government systems across health and other sectors that work together to manage facilities, collect revenue, and monitor budgets. These include PlanRep, **FFARS**, **LGRCIS/TAUSI**, **EPICOR/MUSE**, **GOTHOMIS**, **IMES**
- ❑ PlanRep and FFARS have been rolled out to all facilities, close to **28,000** public health facilities and schools
- ❑ Established a framework to develop **211** websites for regional and local governments.
- ❑ Set up user support, including a helpdesk, which has so far generated more than **15,000** tickets
- ❑ Improve Infrastructure to LGAs & facilities
- ❑ Supported DHFF introduction & rollout
- ❑ Developed Muungano Gateway



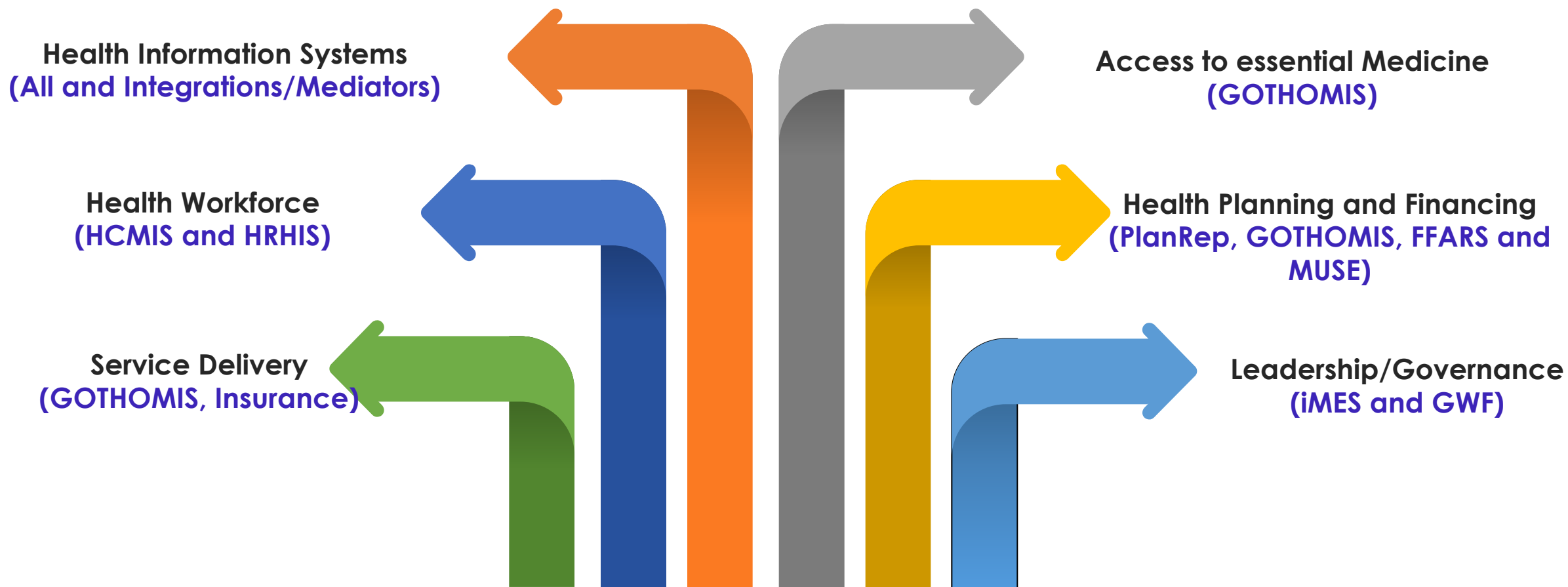
Digital Intervention - Systems Interoperability





WHO Building Blocks vs PORALG HIS

7





Health Systems at PORALG vs PFM

General Benefits

- Better Service Delivery
- Proper Financial Management (Plans, Budgets, Expenditure, Audit and Reports)
- Enhance Transparency and Accountability
- Facilitate participation
- Accessibility and Availability of Health data.

Better Services – Better Health Outcomes



Future Plans



01

Digital Local Government
(facilities), Mtaa and Villages

02

Continuous improvement –
people centered systems

03

Access to services, systems and
information to all (accordingly)

04

Improve infrastructure

05

Embed AI and Robotic

06

Data use@point of care/collection

Cultural Change (Business as Usual to Unusual)



SUCCESS OF ICT SYSTEMS

Technology

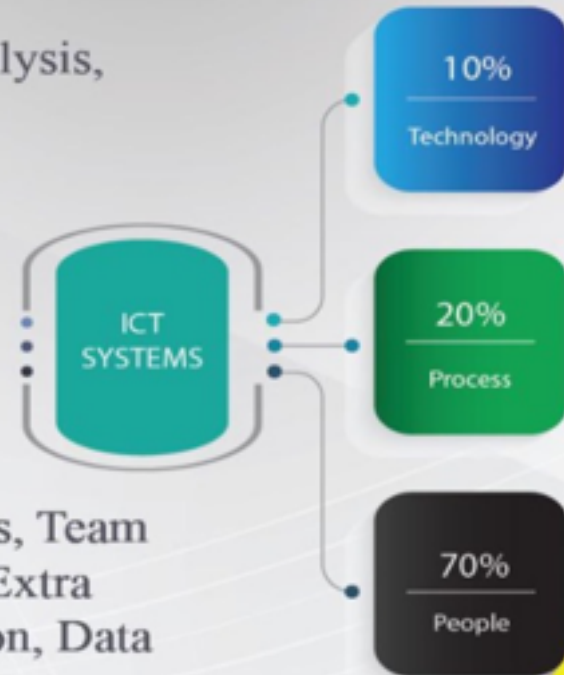
Application, Database, Network, Infrastructure, Data mining and analysis, Automation Standards, Reports

Process

Workflows, Plans and Budget, Procedures, Policies and Standards

People

Attitude, Sharing, Innovation, Skills, Team work, Motivation, Support, Going Extra miles, Communication, Coordination, Data Use, Problem Solving, Inspire, Influence, Motivate, Adopt and Adapt, Charisma





Thank You



Panel discussion

Neil Cole
CABRI

Inke Mathauer
WHO





5th Meeting of the Montreux Collaborative

Day 5 - Friday 19 November



5th Meeting of the Montreux Collaborative

13:00 – 14:30 CET : Concluding session

Joe Kutzin, Head Health Financing Unit, WHO

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

Way forward: Hélène Barroy, WHO

Concluding remarks: Cheryl Cashin, R4D.

Thank you!

We look forward to your insights

