



Facilitating Health Budget Accountability and Health Financing Reforms through the ALM and NHFDs

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Part 1: Introduction to the ALM & National Health Financing Dialogue (NHFD) Process



As a result of the ALM, members agreed to set of objectives and commitments towards improving domestic health financing

The African Leadership Meeting (ALM) represents a collective African-led effort which puts the political, coordination and technical mechanics in place to support countries to increase the adequacy and effectiveness of investments in health, and strengthen accountability for doing so.

To deliver on the objectives agreed by the ALM, select countries piloted National Health Financing Dialogues (NHFDs), a process through which countries are supported in their efforts to strengthen, commit to, and implement domestic health financing strategies

Objectives of the ALM:

- **‘More Money for Health’:** increase health spending, via domestic resource mobilization
- **‘More Health for the Money’:** improve outcomes, by investing in driving greater effectiveness and efficacy in the delivery of health care
- **Equity & Improved Financial Protection in Health**
- **Strengthen country leadership and coordination** over the health financing agenda.

At the 2019 convening, the Heads of State adopted the ALM Declaration whose 10 commitments provide Member States with the mandate and high-level guidance to deliver on the Objectives

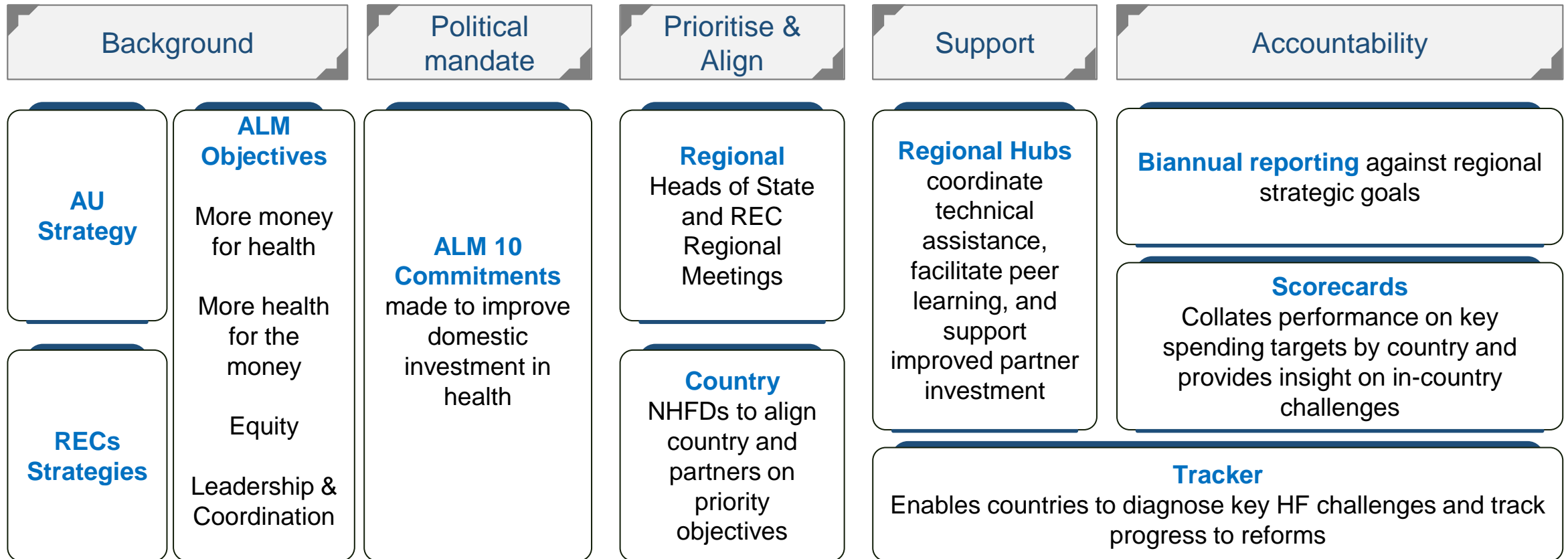
Objectives of the NHFDs:

Prioritize and implement domestic reforms to address domestic health financing challenges and ALM objectives.

- **Pre-Dialogue:** Governments to leverage evidence and build alignment among government, development partners, and domestic stakeholders to prioritize health reforms
- **Dialogue:** Finalize reforms and commitments, agree on actions, timelines, and responsibilities for implementation
- **Post-dialogue:** Coordinate stakeholders in the implementation of plans. Monitor and evaluate progress against commitments, for which responsible parties are held accountable

The ALM and NHFDs exist within an ecosystem of actors and procedures

These components interact in support of domestic health financing efforts, strengthen regional capacity in health financing, and strengthen accountability to deliver on commitments



ALM objectives target persistent challenges in the region

Over the past two decades, substantial progress has been achieved in containing the burden from major infectious diseases and towards Universal Health Coverage (UHC). However, members of the African Union still shouldered over 20% of the Global Burden of Disease in 2023 (DALYs).

More Money for Health

Increasing domestic resources for health

Government health expenditure (GHE) has increased over the past two decades. However, spending remains inadequate. **Over 90% of members spend <5% GDP on health.** Governments account for less than 50% of health expenditure in the majority of countries in the region.

Improving access and reducing the financial burden of access

Out-of-pocket (OOP) health expenditure accounted for over a third of health expenditure in over 30 AU member states in 2020. Catastrophic health expenditure remains problematic, with considerable inequalities within countries

Equity

More Health for the Money

Improving how domestic resources for health are invested

The Africa Health Strategy (AHS) highlighted health sector allocative and technical inefficiencies limiting the impact of increased investments on improvements to outcomes. An estimated **1 in 5 dollars spent on health in Africa is lost to technical inefficiency**

Increasing coordination between stakeholders on health financing

Addressing health challenges in Africa requires greater **harmonization in the approaches and priorities of stakeholders**, in the sector, which has suffered from insufficient co-ordination and associated problems with accountability

Leadership & Coordination

Regional and national ALM initiatives are mutually reinforcing

How NHFD Process strengthens alignment, prioritization, co-ordination, and accountability

Strengthened co-ordination and alignment

Domestically

NHFD processes improve the quality of collaboration between Ministries of Health (MoH), of finance (MoF) in prioritization and planning, and improves coordination vertically (Heads of State / Local government) and horizontally (cross-sectoral).

Externally (with development partners)

The formalized commitments and workplan agreed upon through the NHFD provides development partners a critical opportunity to align long-term investments with country-led priorities for which there is political momentum

Strengthened prioritisation process

The quality of domestic health financing strategies are improved by the collection, synthesis and communication of evidence, and inclusive engagement with wide-ranging stakeholders – through which plans are refined and prioritized.

Stronger commitments and accountability

The NHFD processes are designed to strengthen country leadership and ownership over health financing strategies, elicit political buy-in, and increase parliamentary and civil society awareness of commitments and plans.

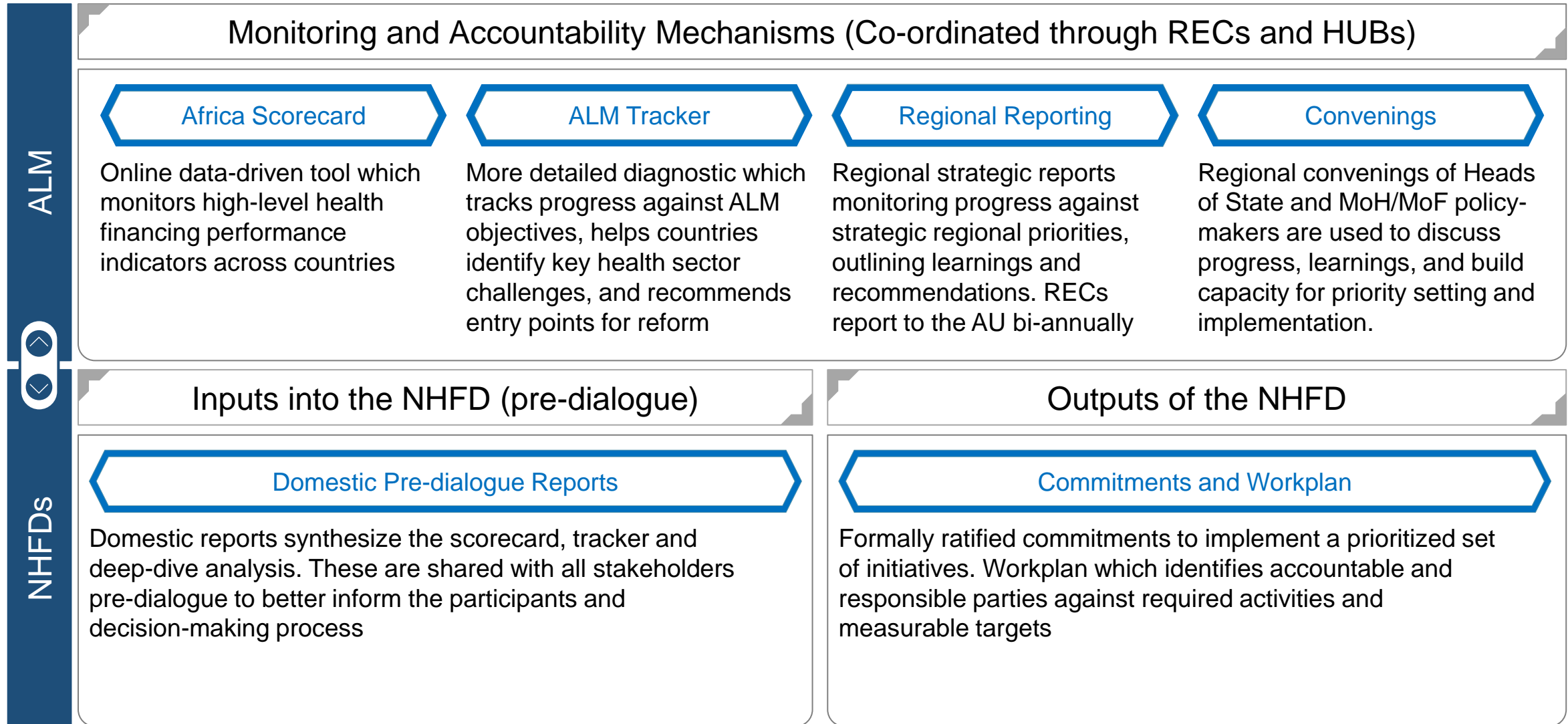
How the ALM Supports the NHFDs

Capacity Building, Technical Support, Procedural Support, Peer-to-Peer Learning, Convening Power, Accountability Mechanisms through Monitoring & Reporting Tools and Procedures.

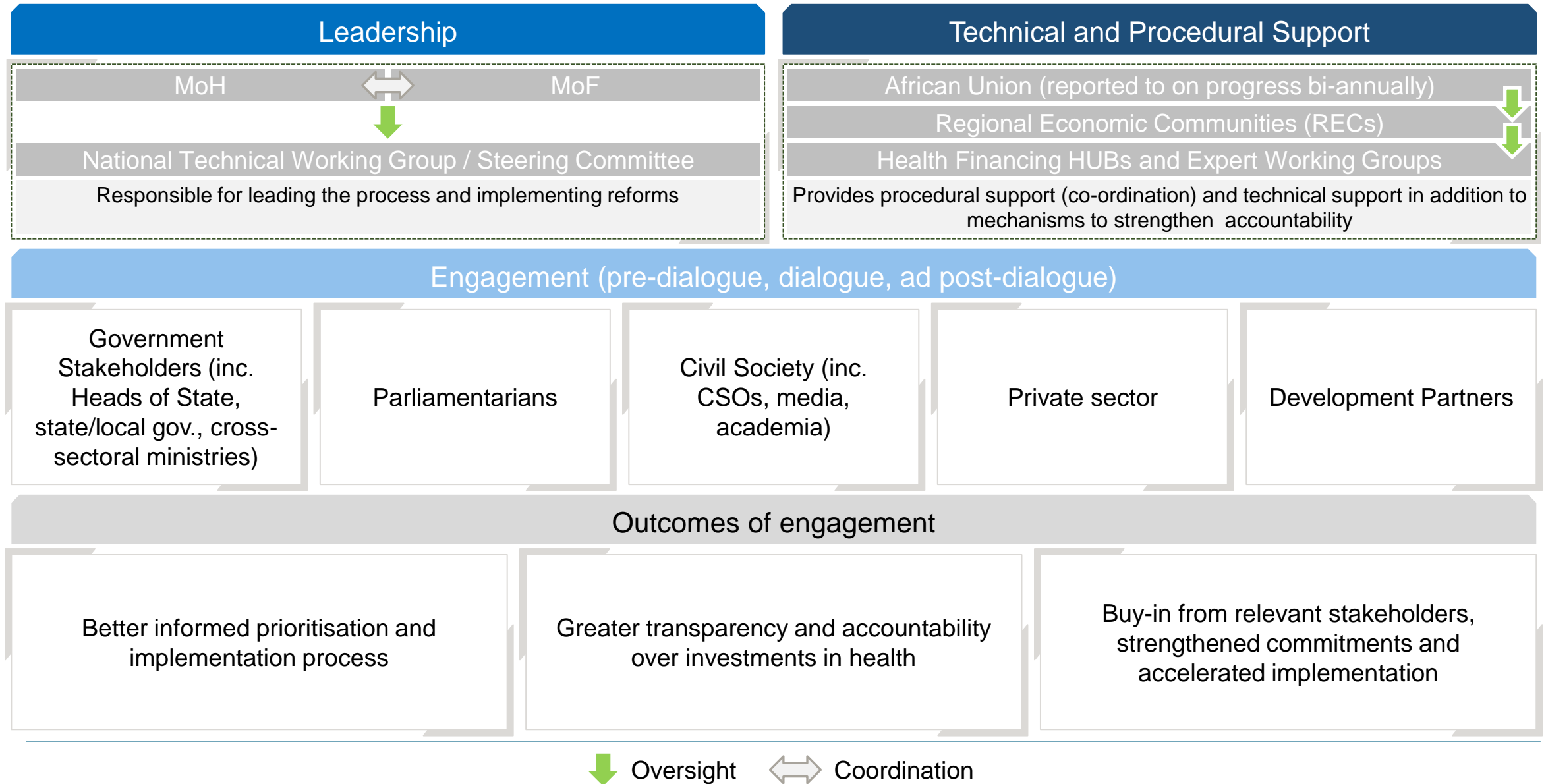
How the NHFDs Support ALM Objectives

Commitments with political buy-in and coordinated planning centered around the ALM Objectives and informed by ALM commitments. Strengthened national and capacity for health financing.

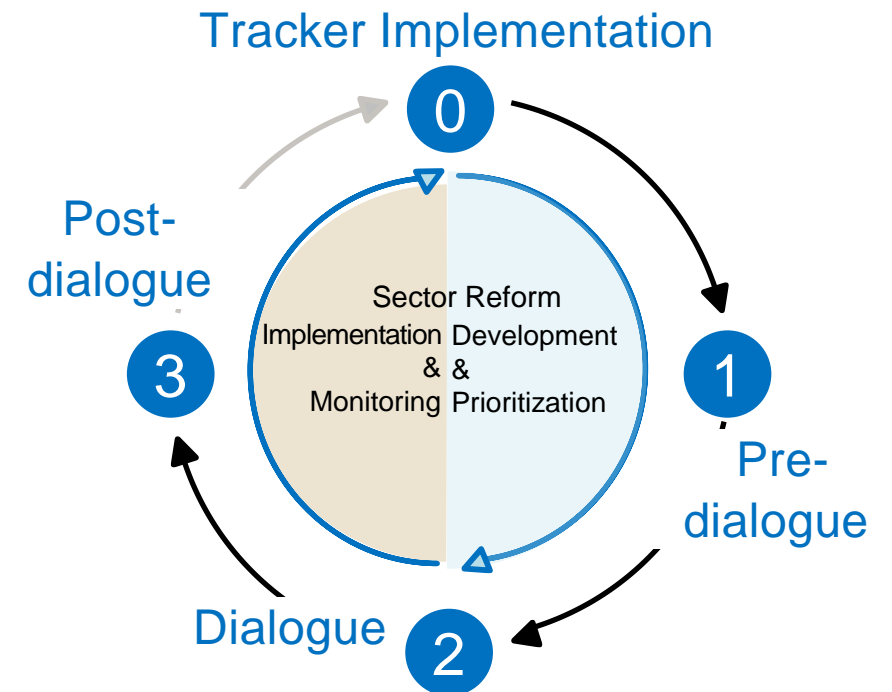
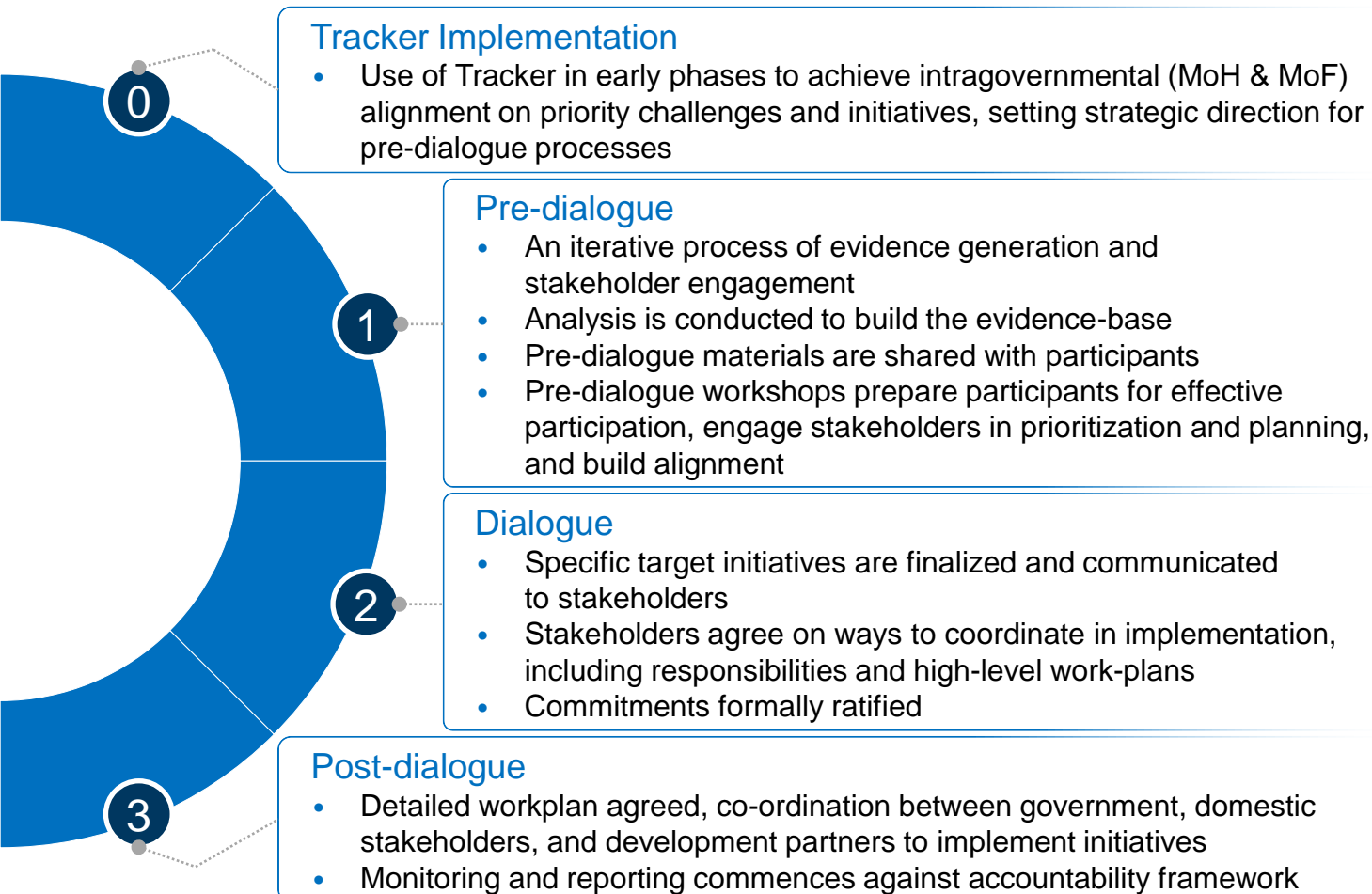
NHFDs are underpinned by ALM accountability mechanisms



NHFD Processes involve a broad-spectrum of stakeholders



ALM NHFD process split into 4 phases, culminating in a detailed workplan to deliver on commitments





Part 2: Country Examples and Summary of Commitments across all countries to date



Country experiences of the NHFDs demonstrate the potential of the ALM to deliver on its objectives

Health financing outcomes from the ALM NHFD process will necessarily take time to materialize. However, NHFDs have demonstrated success in conducting the process outlined in part 1, particularly with regards to coordinating stakeholders and aligning on key priorities



Priority Setting & Alignment

- NHFDs, with REC support, have comprehensively identified health sector challenges and opportunities for reform
- Stakeholders have aligned on initiatives addressing domestic challenges in line with ALM Objectives, boosting NHFD credibility for consensus-building
- NHFDs have shown ability to reach consensus within and between government and non-government stakeholders



Country Leadership & Accountability

- NHFDs have been primarily government-led, often featuring senior political figures (e.g., Prime Cabinet Secretary representing President William Ruto in Kenya)
- Commitments have been made transparently and in the presence of domestic stakeholders (inc. civil society and media), demonstrating political will and strong potential for accountability



Coordination with Development Partners Post-Dialogue

- For countries in the post-dialogue phase like Malawi, development partners are coordinating with government to align long term investments with country priorities
- In Malawi, this alignment has been realized through a Technical Assistance plan focused on Health System Strengthening
- This approach enables development partners to expedite health financing progress in the short to medium term with limited change to existing investment mechanisms

The following slides provide examples from Kenya and Malawi.



Delivering NHFD in Kenya | Context

Kenya is a LMIC transitioning from donor funding to domestically funded strategic health programs and health systems, however there are still high levels of donor financing in certain disease areas (e.g. HIV, TB, and Malaria). Despite progress, Kenya is off-track to meet SDG targets related to maternal mortality, malnutrition, and malaria.

More Money for Health

- Rising health spending but **health spending as a proportion of general government spending or GDP is stagnant**
- **Predominantly externally financed programs** represent substantial requirements for additional domestic financing post-transition

More Health for the Money

- **Inconsistencies in the cost of delivering care between counties**, with differing levels of efficiency
- **Insufficient capacity in resource mobilization and financial management** at the health facility level
- **Passive purchasing of health services** through input-based financing arrangements predominates at county level

Leadership and Coordination

- **Fragmented funding sources for vertical disease programs and funding duplication** (e.g. supply chains and M&E units)

In recognition of these challenges, the NHFD was organized with significant political investment, by the Ministry of Health (MoH) in collaboration with the EAC and Council of Governors (COG) and coordinated by a steering committee with membership from MoH, Ministry of Finance (MoF), Ministry of Foreign Affairs, and development partners

Delivering NHFD in Kenya | Process



As part of the NHFD process, Kenya aimed to prioritize and implement reforms to address domestic health financing challenges and ALM Objectives

1 Pre-dialogue

Leverage evidence, build alignment, and prioritize

- **Targeted engagement and collaboration:** Partners attended a pre-dialogue mission, engaged with the technical and scientific committee.
- **Development of a scoping report** which describes the health financing situation in Kenya, including challenges, and identifies questions to be considered during the dialogue.
- **Development partners provided planning, technical, and financial support** (e.g. BMGF, Global Fund, UNAIDS, AUDA NEPAD, WHO, USAID, JICA, World Bank).

2 Dialogue

Finalize reforms and commitments

- **Senior political engagement**, attended by Prime Cabinet Secretary Hon. Musalia Mudavadi (on behalf of President William Ruto) and Cabinet Secretary for Health, Nakhumicha S. Wafula
- **Partners attended the dialogue, facilitating sessions in some cases** (e.g. WHO presented on the Health Financing Progress Matrix)
- **A set of measurable commitments were made, and next steps agreed**, to make progress to prioritized reforms aligned to the four ALM Objectives
- **Developed a position paper** read out by the Acting Director of Health Financing in which **the government committed to implementing initiatives related to the four ALM objectives**

3 Post-dialogue

Success in Co-ordinating Stakeholders

- **Investing in accountability; WHO is supporting a MoH Retreat to develop the Post-Dialogue Report** and detailed implementation and monitoring framework between 25-29th September 2023 and USAID PROPEL is supporting the official launch of the report

Delivering NHFD in Kenya | Commitments & Next steps



More Money for Health

- **Increase domestic resource mobilization** for health by leveraging tax revenues, social health insurance, private investments, and exploring dedicated health-related taxes
- **Increase the portion of GDP allocated to government health expenditure** to 5%, allocate 15% of the national budget to health, and progressively raise county budgets for health to 35% by 2030

Equity

- **Address equity through needs-based resource allocation**, targeting 85% population SHI coverage, addressing financial and non-financial barriers to insurance uptake, and developing and continuously reviewing and updating the essential health benefit package

Next Steps

- The Post-Dialogue report will document the proceedings of the dialogue and set out a roadmap for implementing key health financing initiatives in the immediate, short, and long-term towards the goal of achieving UHC
- It will serve as a vehicle to align partner support around health financing initiatives that are in line with their long-term investments
- The government will continue to monitor Health Financing progress using the Scorecard and Tracker
- Parliamentarians have set up a task force on Domestic Resource Mobilization as a follow up to the dialogue

More Health for the Money

- **Address efficiency by strengthening PFM**, revenue pooling, strategic purchasing, digitization, and peer-to-peer learning between counties

Leadership & Coordination

- **Increase the coherence of investment in health** by ensuring effective and representative coordination frameworks for the health sector that routinely consider health financing; strengthening devolution structures; promoting a whole-of-government approach to leverage resources, address social determinants of health, and promote coordinated service delivery; harmonizing vertical programs, and ensuring accurate measurement of health spending
- **Better engage the private sector to strengthen public health systems and expand access to health services** by creating an enabling environment for increased private sector investment
- **Convene African Ministers of Finance and Health** every 2 years to discuss implementation of the health financing reforms and review progress against health financing benchmarks

Delivering NHFD in Malawi | Process

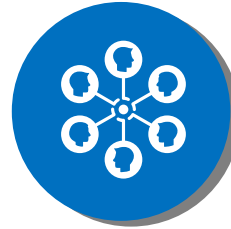


As part of the NHFD process, Malawi demonstrated success in country leadership, prioritization, and coordination



Country Leadership

- The Health Financing unit under the Ministry of Health's Department of Policy and Planning spearheaded organization of the dialogue with support from the SADC secretariat and the Global Fund
- Dialogue attracted high level delegates such as the Minister of Health, Minister of Finance and Economic Affairs and Minister of Local Government Unity and Culture, as well as African Union, AUDA-NEPAD and SADC representatives
- More than 150 high level participants were in attendance including parliamentarians, senior officials from the private sector, CSO heads in Mzuzu, Blantyre and Lilongwe, development partners, media and others



Partner Coordination

- Post the NHFD, Malawi's Ministry of Health supported by the SADC secretariat developed a Technical Assistance Plan (TAP) which was shared with the Country Health Donor Group and the Sustainable Health Financing Alliance (SHFA)
- The TAP serves as a mechanism for enabling and ensuring better coordination and alignment of partners with the country's health financing priorities, in line with ALM commitments



Prioritization of reforms

- In June 2023, the Ministry of Health held a workshop to develop an Operational Plan for the National Health Financing Strategic Plan
- Prioritization of reform areas was conducted using the TAP as well as strategic pillars in the Health Sector Strategic Plan III

Delivering NHFD in Malawi | Commitments & Next steps



More Money for Health

- **Government stakeholders committed to increasing health funding** towards Abuja declaration and UHC per capita expenditure thresholds.
- **Private sector made commitments to help improve resource mobilization for the health sector** and to invest in local manufacturing and supply of medical products and technologies.

Equity

- **Government committed to better identification of beneficiaries** (including ultra poor for subsidies) and to make the essential health package function better towards UHC.
- **CSOs and the media committed to supporting government, development partner and private sector efforts to increase health financing**; supporting stakeholder efforts to increase the speed of implementation of programmes to improve health outcomes and supporting increased absorption of health funds especially at decentralized levels.

More Health for the Money

- **The Health Donor Group (HDG) committed to working with other stakeholders towards joint health financing objectives** and tracking of progress over time; finding efficiencies and prioritizing interventions with the highest impact and supporting efforts to prioritize resources based on evidence and equity.
- **Parliament committed to strengthening the Public Finance Management Act** and introducing legislation to enhance social contracting where required to enhance civil society participation in resource mobilization and implementation of health programmes.

Leadership & Coordination

- **Parliament committed to strengthen the legal, regulatory and policy frameworks for health financing in Malawi.** Introducing legislation on national health financing will be done to formalize community and individual contributions towards health financing.
- **Private sector committed to strengthening information systems** as part of strengthening the governance and leadership of the health financing agenda.

Part 3: Reflections – Why the ALM is an effective engine for change



Why the ALM is an effective engine of change



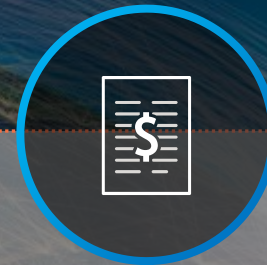
The ALM strengthens country leadership whilst providing a transparent mechanism for co-ordination and accountability

The ALM is a mechanism to improve health system governance, planning and resource allocation which places national governments in the driving seat. The ALM does not duplicate existing processes, but rather brings them together within one transparent process. The NHFDs involve a transparent dialogue on health financing with all health financing stakeholders, whereby commitments are formalized and clearly communicated, increasing coordination and accountability. Bi-annual reporting from the RECs to the AU strengthens accountability across the process.



The NHFDs strengthen the link between evidence and priority setting

The Health Financing Dialogue is underpinned by a diagnostic paper which sets out: (i) indicators which measure progress made towards all of the ALM objectives and (ii) health financing landscape, including the main initiatives undertaken by the government and all of the development partners (iii) the key challenges and opportunities in the sector and proposed initiatives to address them. The comprehensive evidence base strengthens the quality of initiatives which are agreed upon, and serves to strengthen alignment between stakeholders on priority setting.








The ALM and NHFDs provide the right forum through which to safeguard financial resources and co-ordinate (HSS) efforts at a critical juncture

The ALM process plays out within the transitioning of health financing where development partner funding decreases as a share of current health expenditure. The impact of a transitioning of funding sources has an important impact on health systems, availability and quality of health services. The ALM process & NHFDs are a unique forum to manage this transition to safeguard progress. For this reason, the NHFD are convened, often jointly, by the MoH & MoF, in recognition of the crucial role the latter plays in health financing transition. The NHFD is concerned with aligning HSS efforts with the financing transitioning, and to provide better coordination between external HSS efforts. That is why the HF Diagnostic paper underpinning the NHFD comprises a detailed description of all, main ongoing initiatives.

Appendix



Government commitments across Kenya, Malawi, Mauritius, Mozambique and Zambia (1)

	Fiscal space	Fiscal space discussions informed commitments around "More Money for Health" in all countries; taxes and other revenue from fiscal expansionary policies were considered alongside improving spending efficiency	✓ Kenya, Malawi, Mauritius Mozambique, Zambia
	Financial risk & social protection	Commitments to strengthening pooled prepayment mechanisms including social health insurance; commitments mainly centered around exploring mandatory enrollment	✓ Kenya, Malawi, Zambia, Mozambique ✓ Mauritius: offers "Free healthcare for All"
	PFM and strategic purchasing	Shared broad commitments to improving PFM and strategic purchasing; decentralized financing, increased absorption of domestic and external funds etc.	✓ Kenya, Malawi, Zambia, Mauritius, Mozambique
	Resource allocation	Different approaches to resource allocation improvement including introducing need-based resource allocation formulas to enhance financing equity and efficiency	✓ Kenya, Mozambique, Zambia, Malawi, Mauritius
	Private sector engagement	Robust private sector engagement across board and commitments to address existing weaknesses in public-private sector collaboration. Various entry points highlighted	✓ Kenya, Malawi, Zambia, Mauritius, Mozambique

Government commitments across Kenya, Malawi, Mauritius, Mozambique and Zambia (I/II)

Main theme	Kenya	Malawi	Mozambique	Zambia
Broadening fiscal space: Shared emphasis on earmarking of tax revenue from specific sources, with some additional ideas across each country	<p>Increase domestic resources through tax revenue, social health insurance revenue, private investment, earmarked taxes</p> <p>Increase national budget for health to 15% of GDP by 2030, county budgets to 35%</p>	<p>Commitments by government, treasury & private sector to increase domestic allocations to health; several revenue generation proposals preceded by tax study</p>	<p>Continue to mobilize domestic sources to achieve 15% of Govt's budget - with emphasis on levies, SHIS and private sector investments</p>	<p>Review proposals to earmark sin taxes to health</p> <p>Strengthen mechanisms to enhance tax compliance</p>
Financial risk & social protection: Commitments to health insurance; ranging from "exploring" to "implementing mandatory enrollment into existing schemes"	<p>Implement mandatory SHI enrollment with target of 85% coverage, and providing subsidies where premium is not affordable</p>	<p>Commitment by parliament to legislate on prepayment mechanisms, health insurance and social contracting to improve equity</p>	<p>Introduce social health insurance</p> <p>Regularly review essential health package considering equity, disease burden and financial protection.</p>	<p>Strengthen / expand NHIS scheme and reposition it through engagement with Finance, Labour and Social security sectors</p> <p>Increase social protection by supporting the RMNCAH-N Investment Case</p>
Resource allocation: Varied approaches to resource allocation improvement	<p>Shift to needs-based allocation at national and county levels</p>	<p>Digitalization to address inefficiencies and improve evidence and needs-based resource allocation (HRAF); performance-based financing</p>	<p>Adopt needs-based allocations to address inequities</p> <p>Address efficiency in resource allocation and utilization, peer-to-peer learning</p>	<p>Govt to periodically update Resource Allocation Formula (RAF)</p>
Private sector: Serious implication for the private sector as partners in resource mobilization and healthcare delivery. Proactive measures taken to include private sector in health financing leadership and efficiency improvement (especially in Malawi, Zambia and Mauritius)	<p>Create enabling environment for increased private sector investment in health</p>	<p>PS to be more involved in the manufacturing and supply of medical products and technologies, research, development, innovation, infrastructure, ICT, HR, and health promotion.</p> <p>Leverage PPPs for faster implementation of infrastructure projects</p>	<p>Strengthen the dialogue with the private sector to create a favorable environment for additional private sector investments in health. The AUDA-NEPAD has identified to support the country with the adaptation of the regional Private Sector engagement framework</p>	<p>Facilitate and lobby for private sector involvement (especially in production, storage, distribution of pharmaceuticals)</p>
PFM and strategic purchasing: Shared broad commitments to PFM and strategic purchasing	<ul style="list-style-type: none"> Strengthen PFM Enhance pooling of health sector revenues Accelerate implementation of strategic purchasing Digitization for efficiency/accountability/transparency Address disparities in efficiency between counties through peer learning 	<p>Increased absorption of decentralized and national funds from domestic and internal sources</p> <p>Comprehensive PFM review and implementation of a PFM strengthening strategy; digitalization.</p>	<p>Strengthen national health financing and PFM systems; reinforce pooling of funds through a strategic procurement plan</p>	<p>Strengthen strategic purchasing and monitoring to improve provider accountability.</p> <p>Joint regional pooled procurement and local manufacturing efforts</p> <p>Enact a National Decentralization Act, embark on legislative reform of PFM Act and Public Procurement Act.</p>






Government commitments (II/II): Additional themes that were not as common across the four countries

Kenya	Malawi	Mozambique	Zambia
<p>Collaboration across multiple stakeholders</p> <ul style="list-style-type: none"> • Ensure frameworks for coordination function effectively & include broad representation • Strengthen devolution • Whole of govt approach • Harmonize vertical programs / eliminate parallel systems • Joint monitoring of key health financing policies / strategies • Ensure accurate measurement of health sector spending / measure progress against benchmarks <p>Health benefits package</p> <ul style="list-style-type: none"> • Regularly review essential health benefit package 	<p>Access to services</p> <ul style="list-style-type: none"> • Coordinate among ministries to ensure access to services is linked to ID / birth certificate <p>Improved equity</p> <ul style="list-style-type: none"> • Increase social protection through supporting the RMNCAH-N Investment Case <p>Local Government and Development partner coordination for aligned and increased absorption of decentralized funds</p> <p>Infrastructure</p> <ul style="list-style-type: none"> • All stakeholders should be involved in planning & implementation stages of infrastructure projects • Treasury to help facilitate PPP for faster implementation 	<p>Collaboration across multiple stakeholders</p> <ul style="list-style-type: none"> • Implement sectoral approach of single plan, budget, and monitoring system • Develop and implement the single plan to strengthen health system <p>Health benefits package</p> <ul style="list-style-type: none"> • Develop and regularly review essential health services package <p>Sustainability planning</p> <ul style="list-style-type: none"> • Develop and implement a strategy for transition / sustainability of health financing 	<p>Procurement</p> <ul style="list-style-type: none"> • Review procurement processes to address inefficiencies / rigidities <p>Essential Medicine List (EML)</p> <ul style="list-style-type: none"> • Periodically update the Essential Medicine List. <p>Local / regional procurement / manufacturing</p> <ul style="list-style-type: none"> • Open to supporting regional efforts on health supply chain and pharmaceutical regulatory framework <p>Leadership of health financing</p> <ul style="list-style-type: none"> • Development of a pan-African Parliamentary Network on health financing and requested the executive to form an all-inclusive National Health Financing Working Group.



Detailed updates

Progress to Date: East African Community

	Coordination and engagement	<ul style="list-style-type: none">• Launched the Universal Health and HIV Coverage Resource Mobilization Strategy 2018-2023 in the Republic of Kenya on 11th June 2019. Country plans aligned to strategy finalized in June 2019.• Held the 2nd EAC Ministerial, Donors and Investors' Round table in October 2019.• Convened Ministers of Health and Ministers of Finance for the "Sustaining Africa's Health Gains in the Face of COVID-19 and Leveraging the ALM Initiative to Build Back Better" meeting in October 2020.• Recruited EAC Health Financing Dialogue Facilitator to oversee and coordinate the health financing dialogues and the implementation of ALM commitments in the region.• Continued participation of EAC secretariat on the AU ALM Technical Working Group (TWG), the AU ALM Hubs subcommittee and the AU ALM Tracker subcommittee.
	Capacity building	<ul style="list-style-type: none">• Held capacity building of Senior Budget and Health Officials from EAC Partner States on Health Budget making process and priority setting in November 2022 in Dar es Salaam, Tanzania
	Tracker	<ul style="list-style-type: none">• EAC EWG on Sustainable Financing trained on implementing the Tracker in June 2022• Tracker implemented in Kenya, including formation of Kenya Tracker Implementation Team, and presentation of results to a range of stakeholders (e.g., Ministry of Health, private sector, county officers).
	Regional Health Financing Hub	<ul style="list-style-type: none">• AUDA NEPAD and EAC agreed to launch the Regional Health Financing Hub on the sidelines of the AU summit being held in February 2024.
	National Health Financing Dialogues (NHFD)	<ul style="list-style-type: none">• Consultants recruited to facilitate the NHFDs in Rwanda and Burundi.• NHFD held in Kenya from 26 to 28 June 2023 (see country example).• Planning is ongoing for NHFDs in Rwanda and Burundi in October/November 2023.

Progress to Date: Southern African Development Community



Cross-cutting/ capacity-building

- Regional meeting of ministers of health and finance taking place.
- SADC updated its 2015 SADC Framework of Action for Sustainable Financing of Health & HIV to ensure the framework speaks to sustainable financing for health in general and aligns with the ALM.
- SADC secretariat ongoing involvement in AU ALM Technical Working Group (TWG), the AU ALM Hubs subcommittee and the AU ALM Tracker subcommittee



Tracker

- SADC led development of the African Union Health Financing Tracker.
- The Tracker was used to assess Health Financing progress in some member states i.e. Malawi, Zambia, Mauritius and Mozambique.



Regional Health Financing Hub

- SADC Ministers in 2021 approved the establishment of SADC Regional Health Financing Hub.
- In June 2022 Executive Secretary signed MoU with Global Fund and 2 consultants were recruited.



National Health Financing Dialogues (NHFD)

- Development of country NHFD concept notes.
- SADC secretariat and consultant supporting planning and implementation of NHFDs.
- Coordination and technical assistance for post-dialogue work i.e. technical assistance plans, development of private sector engagement frameworks.

Deep-dive | Southern African Development Community

Country	National Health Financing Dialogue	Key Highlights/Outcomes
Malawi	24- 26 October 2022	<ul style="list-style-type: none">• National Health Financing Strategy finalized• Technical Assistance Plan developed and some Development partners committed to supporting areas such as Direct Facility Financing and Training of CSOs.• Study tour on Direct Facility Financing in Tanzania conducted by Ministry of Health in August 2023.
Zambia	3- 5 May 2023	<ul style="list-style-type: none">• Commitment by government to explore implications of earmarking taxes.• Parliament committed to legislative reform to foster improved domestic health financing.• Local manufacturing bill approved by parliament
Mozambique	10-12 July 2023	<ul style="list-style-type: none">• Government commitment to launch Health Financing Strategy and to commence development of a sustainability and transition plan.
Mauritius	11- 13 September 2023	<ul style="list-style-type: none">• Mauritius seeking to establish a medical hub to encourage medical tourism• The government intends to develop their biotech, pharmaceuticals and local manufacturing of medical supplies• Government committed to development of a Health Sector Strategic Plan, including a National Health Financing Strategy and coordination framework.

Progress to Date: African Union (AU)



Coordination and engagement

- Established the AU ALM Technical Working Group (TWG), the AU ALM Hubs subcommittee and the AU ALM Tracker subcommittee



Tracker

- Developed Tracker Rapid Diagnostic tool (Part 1) and Implementation Guide



Regional Health Financing Hub

- Selected EAC and SADC to host the pilot Regional Health Financing Hubs.
- Assigned responsibility for coordinating the rollout of the Regional Health Financing Hubs to AUDA NEPAD followed by technical meetings between AUDA NEPAD and EAC

Malawi: Background and Issues



Current country context:

- **Income:** the country is classified as a low-income nation and ranks among the world's most impoverished countries. More than 70% of the country's populace subsists below the International poverty threshold of US\$2.15/day.
- **Debt outlook:** The country is currently in debt distress with a debt to GDP ratio of approximately 55%
- **Governmental income:** The proportion of GDP collected as tax revenue is 12%. Malawi is largely dependent on donors, who stand as the principal financiers. Notably, these donor funds are primarily channeled towards implementation partners, rather than directly to government ministries

Health expenditure & outlook:

- Current Health Expenditure averages around \$35/capita which is below the WHO recommended \$86/capita threshold
- Domestic general government expenditure is 2% of GDP, lower than the WHO recommendation of 5%. General government health expenditure of 9% is below the Abuja Declaration target of 15%.
- The country's healthcare system faces acute shortages in personnel, with a mere 0.51 healthcare workers (encompassing physicians, nurses, and midwives) per 1,000 residents.



Fact-base

Total population: 20.4m

Income status: Low-income

Health expenditure:

- **Current health expenditure:** \$35/capita
- **Domestic general governmental expenditure:** 2% of GDP
- **General governmental health expenditure:** 9% of GDP

Malawi: NHFD Commitments and Next steps

Technical Assistance Plan Areas	Planned activities	Next Steps
Health Financing Advocacy	Develop and implement a CSO-led joint health financing advocacy plan through out the budget cycle	Gavi expressed interest in supporting CSO Advocacy.
Local Manufacturing Capacity	Conduct feasibility studies on establishing a medicines manufacturing plant	World Bank indicated interest in being included in the Continental Working Group focused on local manufacturing. WHO to engage MoH on Efficiency in workforce and Local manufacturing.
Private sector engagement framework	Adapting the African Union PSE framework to Malawi	Health Financing Technical Working Group and MoH senior management developed and approved the framework
Direct facility financing (DFF)	Roll out DFF to other districts Share lessons among implementing partners	MoH undertook a 10-day DFF study tour to Tanzania in June, financed by Amref. WHO Regional Office expressed interest to engage MoH on Direct Facility Financing
Public Financial Management	Improve PFM systems to improve budget credibility, comprehensiveness and transparency, predictability and control in budget execution, budget evaluation.	World Bank expressed interested to engage MoH on PFM, Human Resources for Health and Local manufacturing.

ALM Declaration Commitments, 2019

Adopted by Heads of State during the 2019 African Union Assembly, the ALM Declaration outlined 10 commitments made by African Heads of State, which give civil society the highest-level political support for continued advocacy:

- **Increase domestic investment in health** and measure progress against the benchmarks of the Africa Scorecard on Domestic Financing for Health.
- **Convene African Ministers of Finance and Health** every 2 years to discuss health financing and to review progress against benchmarks.
- **Complement the Africa Scorecard with a domestic health financing ‘Tracker’**
- **Establish regional health financing Hubs** in each of Africa’s five regions.
- **Better engage the private sector** to strengthen public health systems and expand access to health services.
- **Increase the coherence of investment** in health by better aligning development partner and private sector efforts to the priorities of the continent.
- **Improve public financial management (PFM) capacity** to help improve tax collection and/or increase the proportion of tax revenue collected as a percentage of GDP.
- **Digitize the Africa Scorecard on Domestic Financing for Health** so that data is more widely available.
- **Enhance national health financing systems**
- **Improve effectiveness through strategic use of resources**