

## **Terms of Reference**

### **IHP+ Financial Management Technical Working Group**

#### **Background**

Progress was made on financial management harmonization and alignment under IHP+. Under the auspices of the financial management technical working group (FMTWG), several joint assessments were undertaken, some of which led to the use of country FM systems for implementing development assistance in certain countries or collaboration among development partners in using joint fiduciary arrangements for their support. Public Financial Management (PFM) remains critical to achieving universal health coverage in many countries.

With the expanded mandate of IHP+ to include UHC, it is envisaged that the scope for PFM collaboration will increase. Whereas, under IHP+ collaboration focused on development effectiveness, IHP for UHC2030 (UHC2030) has a broader scope that goes beyond development effectiveness and includes, health systems strengthening, domestic revenue mobilization and health financing. For a lot of countries, especially MICs, development effectiveness may not be an area of priority due to their relatively less dependence on donor support in the health sector. For such countries upstream PFM arrangements – Budget formulation and execution, resource allocation, domestic revenue mobilization and financing, etc.,- may be more relevant in terms of PFM collaboration. See Boxes 1 & 2 for current scope of PFM collaboration under IHP+ and potential scope under UHC2030.

Collaboration on downstream FM implementation arrangements for donor-financed projects will still be relevant however, for low income countries (LICs) that continue to receive significant donor support in the health sector. Harmonizing, and ultimately aligning development partners' financial management systems will help achieve better outcomes for health interventions in partner countries through bringing aid on budget; enhancing budget execution; reducing transaction costs; increasing fiscal transparency and oversight over the use of aid funds; and ensure coordinated support for strengthening countries' capacity.

#### **Objective of Working Group**

To: (i) promote joint approaches to PFM in health studies; (ii) synthesize and share this knowledge on PFM issues in health; (iii) champion the connections between PFM and health financing (HF); and (iv) facilitate support to the implementation of joint FM harmonization and alignment approaches.

#### **Scope**

The boxes below show the old of FM work under IHP+, and possible areas of work under UHC2030. This will evolve alongside the UHC2030 work program and as new opportunities emerge from UHC implementation under SDG 3.8.

## Box 1: Scope of FM harmonization and alignment work under IHP+

### Box 1: IHP+ : Effective development cooperation

- Identifying and sharing good practices and lessons learned from FM harmonization and alignment efforts in the health sector in partner countries
- Identifying bottlenecks to FM harmonization and alignment among DPs and also at the country level
- Facilitating, based on request from countries, Joint FM Assessments and identifying suitable Joint Fiduciary Arrangements
- Discussing, on an on-going basis, emerging issues in FM harmonization and alignment

## Box 2: Scope for PFM collaboration under UHC2030?

### Box 2: UHC: EDC<sup>1</sup>+ Systems strengthening + Health Financing + Monitoring of results

- Joint FM assessments - continuing
- Joint financial management arrangements and capacity building - continuing
- PFM bottlenecks to health service delivery in MICs - new
- PFM bottlenecks to health financing reforms in MICs- new
  - Domestic Revenue mobilization
  - Social health insurance
- Knowledge sharing on PFM bottlenecks to health financing for UHC ( how to link WHO'S collaborative agenda on PFM and health financing and World Bank's Annual UHC Financing Forum (AUHCFF)- new

## Composition and timing

The PFM Technical Working Group will consist of public finance management and FM experts from IHP for UHC2030 development agencies and partner countries.

The group's work is expected to be relevant throughout the UHC2030. Its annual work program will be drawn from the overall work plan of UHC2030.

## Responsibilities

- 1) Create a platform for dialogue on PFM issues in health financing and provide guidance on how to resolve such issues.
- 2) Assist the IHP+ Core Team in facilitating, on request, support to countries including Joint PFM studies.

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<sup>1</sup> For LICs that receive a significant amount of funding from development partners

- 3) Promote joint FM Assessments and identification of suitable Joint Fiduciary Arrangements in partner countries.
- 4) Identify good practices, synthesize and facilitate sharing of lessons learned from PFM studies and FM harmonization and alignment efforts in the health sector in partner countries
- 5) Identify PFM bottlenecks to health financing and to the achievement of UHC.
- 6) Review, and if needed revise the IHP for UHC2030 Guidance on Joint FM Assessment
- 7) Discuss, on an on-going basis, emerging issues in PFM, health financing, FM harmonization and alignment
- 8) Other arising responsibilities as decided by the IHP+ Steering Committee

## **Outputs**

Indicative outputs are below. This will be reviewed and finalized by the WG:

- 1) Advocate inclusion of PFM in health financing discussions globally and in-country. Provide guidance on policy dialogue between ministries of health and finance on demand.
- 2) Support for joint PFM studies on demand by countries. As a start, several countries have been identified for joint PFM studies to be led by WHO and World Bank. Please see Annex.
- 3) Support for joint FM harmonization/alignment to countries facilitated through the IHP+ Core Team.
- 4) Other outputs as defined in the work plan of the group

## **Membership, reporting, meeting and organizational arrangements**

Membership of the group is open to all IHP for UHC2030 partners. The group (see Annex B for current members) will be chaired by a World Bank Financial Management Sector Manager until the IHP for UHC2030 transformation is completed and a new Chair is selected by group. This will help ensure continuity of the group's work.

The group will meet once every two months at the invite of the Chair. The chair could also call for an emergency meeting in addition to the regular meetings as needed. Meetings will be held through any of the following means: face-to-face, audio and VC.

The technical working group will report to the UHC2030 Steering committee. The FM Technical Working Group's meeting minutes shall be documented and disseminated to all participating members as well as the IHP+ Core Team and the IHP+ Reference Group, and will be posted on the IHP+ web-site.

**Annex A: Current FMTWG members**

<b>Category</b>	<b>Agency</b>	<b>Point Contact/(s)</b>
<b>Development Partners</b>	World Bank	Renaud Seligmann
	USAID	Kamiar Khajavi
		Parmela Rao
	UNFPA	Mona Khurdok
	AFDB	Entienne Nkoa
	KfW	Patrick Rudolph
	GAVI	Rosemary Owino
	Global Fund	Adda Faye
	EU	Elena Arjona Perez
	WHO	Helene Barroy
<b>Country Partners</b>	Sierra Leone	Sorie Kamara
	Nepal	Mr. Surya Mani Gautam
	Senegal	Ndeye Mayé Diouf
	Ethiopia	Mekdim Enkossa