
STC & LFAs

Understanding Sustainability, Transition, Co-Financing (STC)

LFA TRAINING 2019/2020

Pop “STC” Quiz

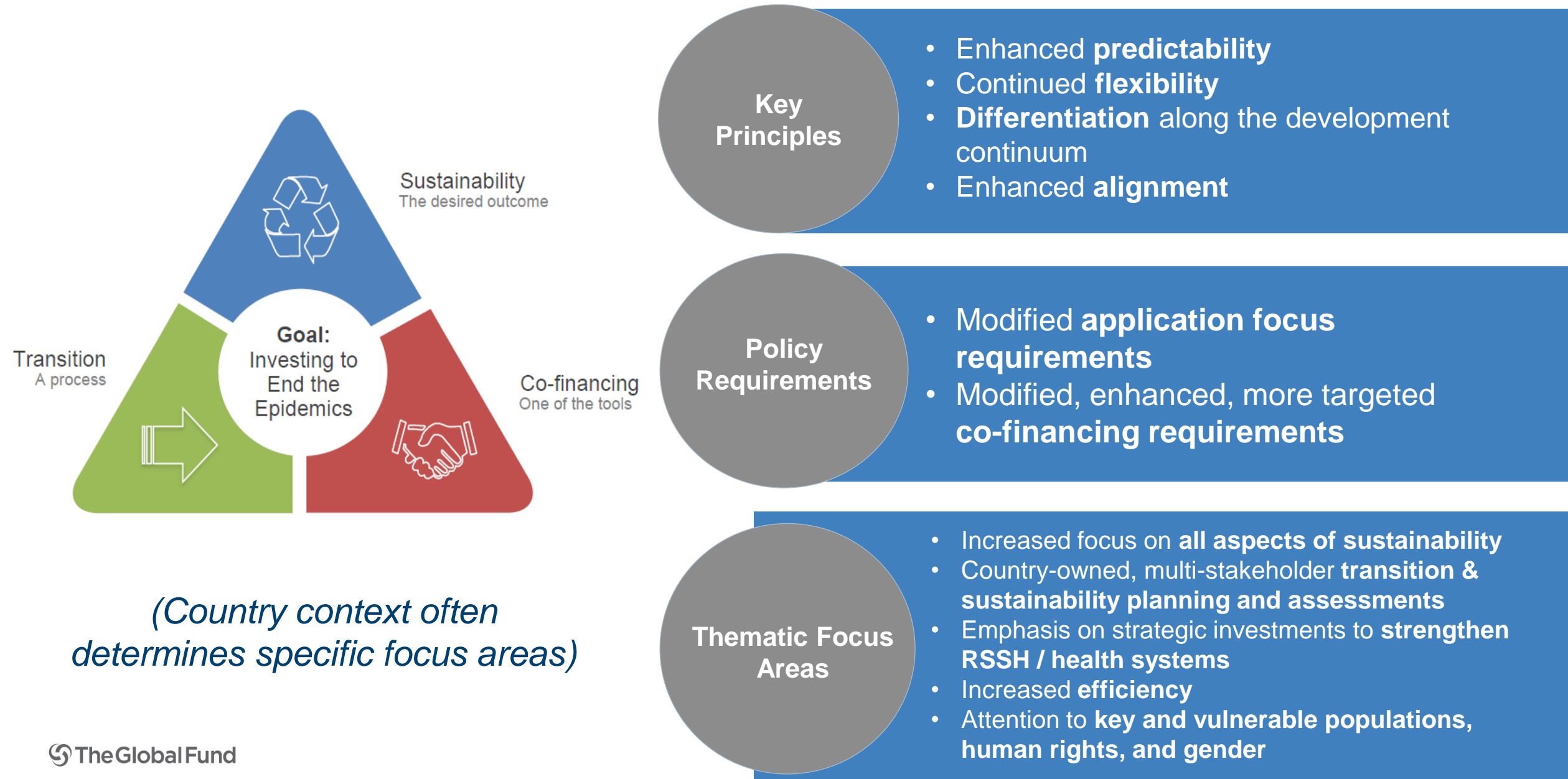


Why the focus on sustainability, transition, and co-financing (STC)?

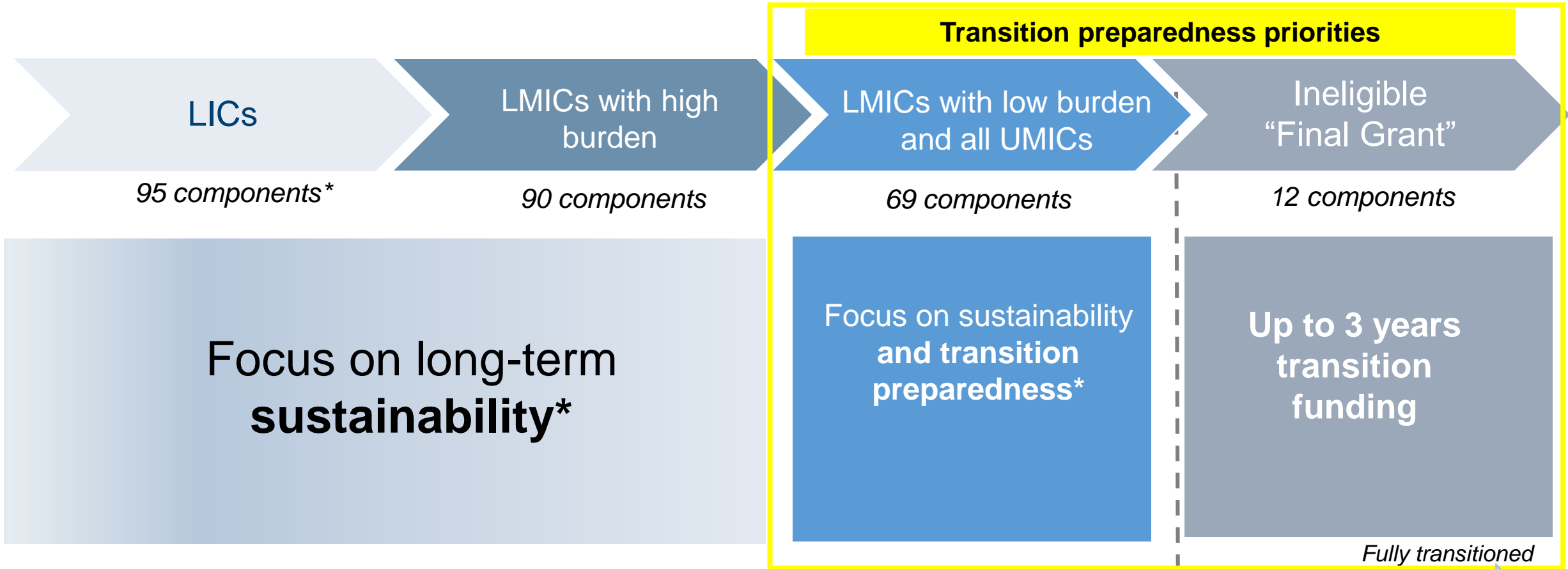
Changing global context, and real challenges

- The **changing nature** of global health financing, and **the need to increasingly focus Global Fund resources and investments** on countries with greatest need and least ability to pay
- Recognition that **strengthening sustainability** and fostering **successful transitions requires resources and programmatic and financial adaptations**
- **Challenges with previous Global Fund transitions**, particularly for key and vulnerable populations
- Commitment of the GF to partner with countries **to more proactively strengthen sustainability, prepare for transition, and address strategic challenges** in order to **sustain the gains and continue to scale** even beyond Global Fund financing

What is the STC Policy? *Key pieces, principles, requirements, thematic areas*



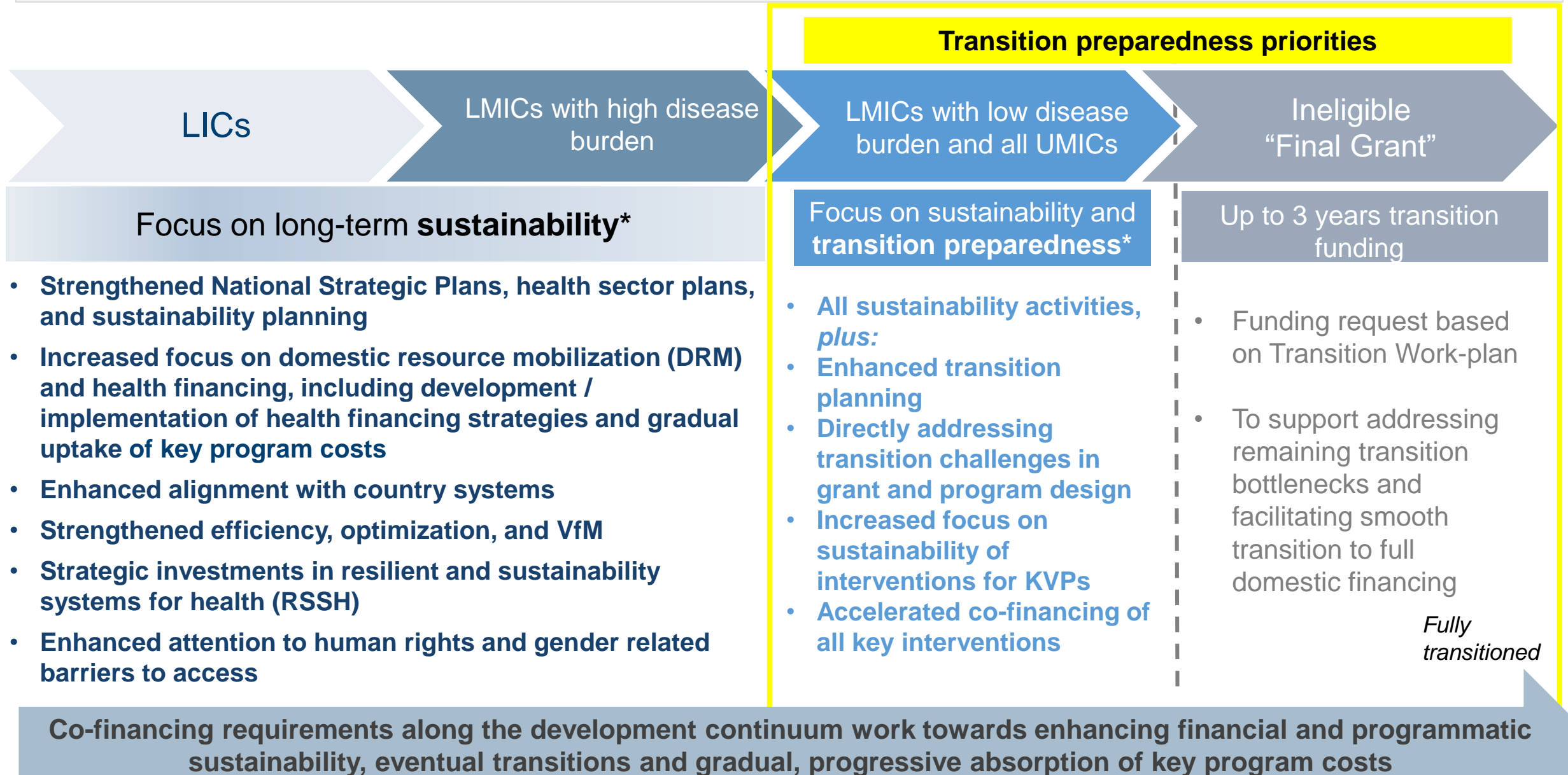
“STC means something to everyone; but not the same thing to everyone”



Co-financing requirements along the development continuum work towards enhancing financial and programmatic sustainability, eventual transitions and gradual, progressive absorption of key program costs

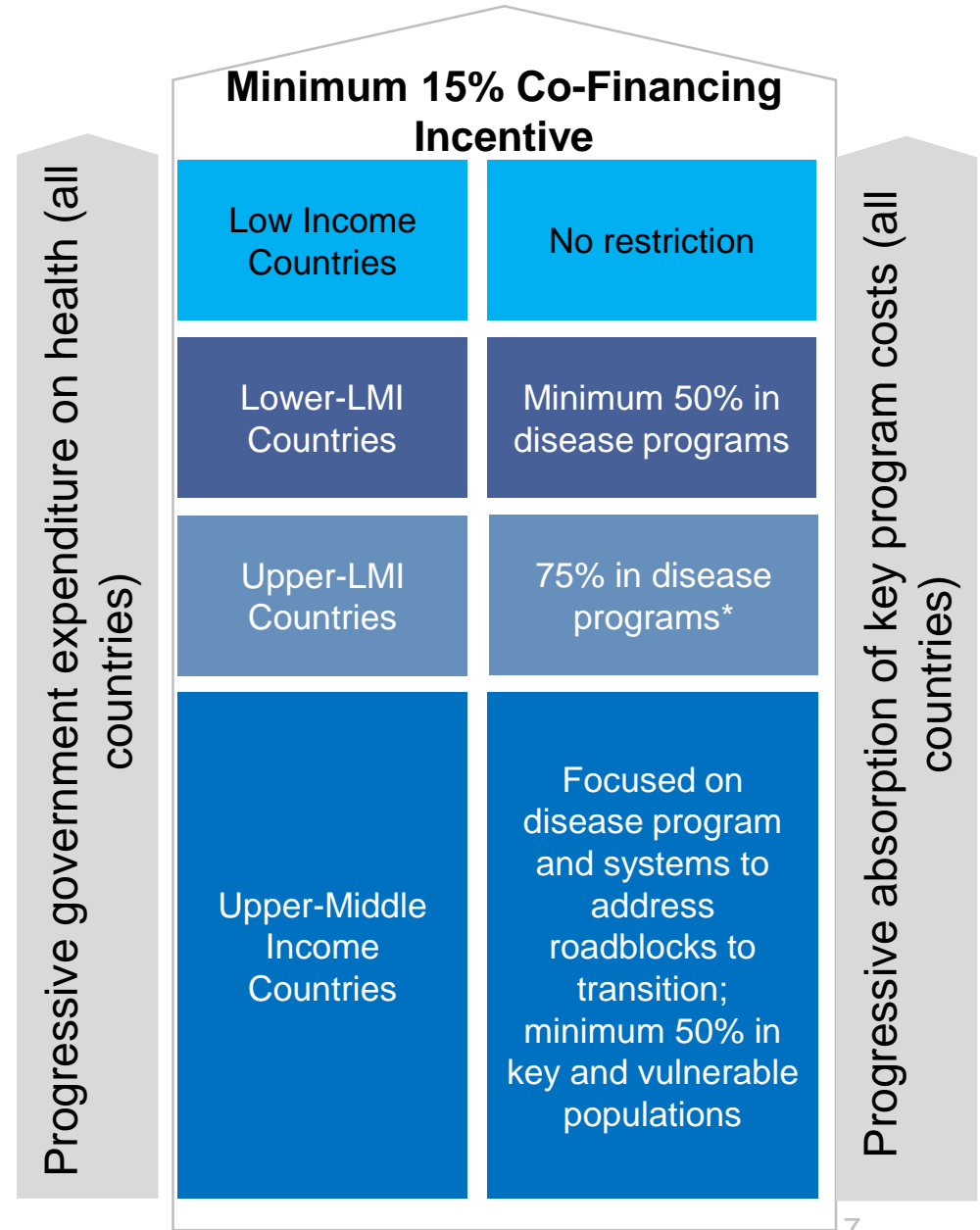
Focus areas determined by country context

“STC means something to everyone; but not the same thing to everyone”



What is the STC Policy? Key requirements of co-financing

- **Core requirements** to access the allocation:
 - 1) Progressive government expenditure on health
 - 2) Progressive absorption of key program costs
- In addition, a **co-financing incentive of at least 15%** of the allocation available to countries if they make and realize *additional commitments* with the following focus:
 - More flexibility to focus on health systems in LICs and LMICs
 - More targeted focus on disease programs, key and vulnerable populations, and transition and sustainability priorities as countries move along the development continuum
- Processes for *negotiating, tracking, reviewing, and confirming commitments* are embedded into Global Fund access to funding processes (country dialogue, Funding Request and TRP review, grant-making, GAC Review, Board approval)



* 'low' burden country components are encouraged to show a greater share of domestic contributions that will address systemic bottlenecks for transition and sustainability.

What are (some of) the challenges that countries often face?

04 Enabling Environment

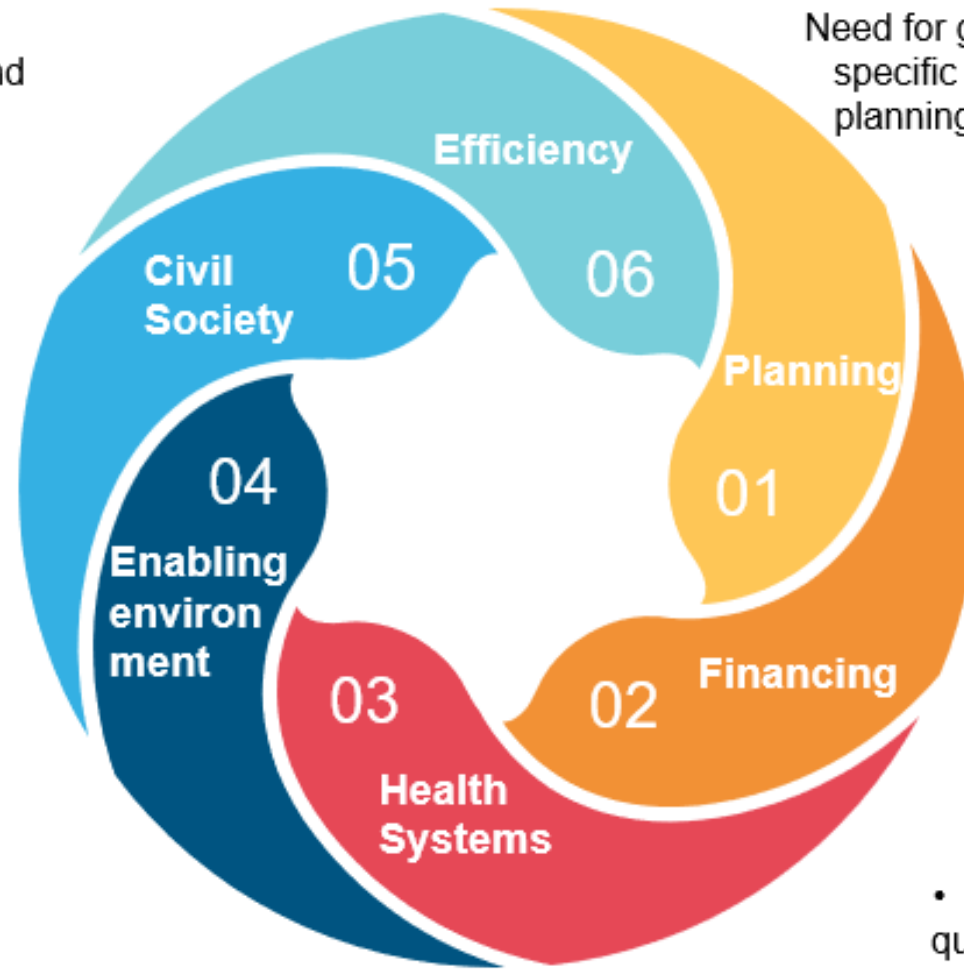
Insufficient domestic investments to address human rights related barriers, and continued legal and policy environments that restrict access to services

05 Civil Society

Insufficient ability of civil society to continue providing services, engaging in advocacy, and mobilizing sufficient additional resources to ensure a robust continued role in disease responses

06 Efficiency

Sub-optimal use of external and national resources, and need for ongoing integration of vertical disease programs into health systems



01 Planning

Need for greater, early, robust identification of country specific bottlenecks and transition and sustainability planning, aligned with broader country planning and budgeting

02 Financing

Insufficient domestic financing and co-financing of GF supported interventions, with a particular focus on services for key and vulnerable populations; ongoing treatment financing concerns

03 Health Systems

- Limited service integration and need to engage with health system related reforms
 - Need for strengthening and aligning monitoring, evaluation, and data systems
- Challenges to ensure continued access to quality-assured health products with domestic finance, including sufficient capacity of domestic procurement systems



Spotlight: Illustrative cross-cutting examples of efforts to strengthen sustainability and address transition challenges

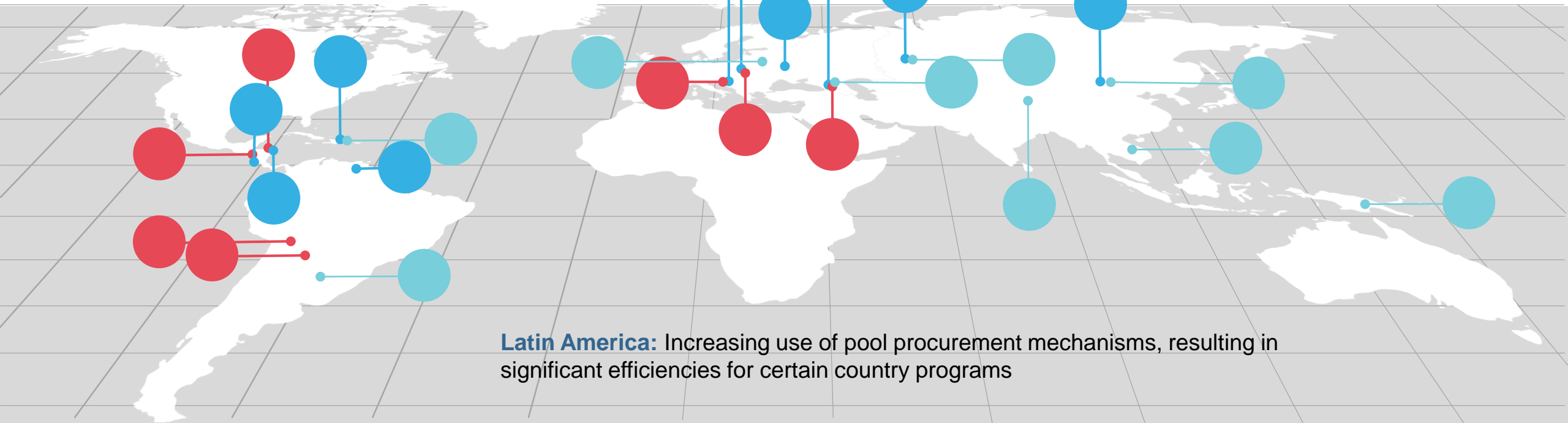
Bolivia, Paraguay, Honduras, El Salvador, Montenegro, Serbia, Georgia: support to define HIV comprehensive package of services for key population and integrated national information systems that permit measurement and analysis on coverage and quality of services for key populations

Guyana, Honduras, Dominican Republic, Montenegro, Serbia, Georgia, Ukraine: conducted technical efficiencies studies on prevention for key populations and aligned unit costs for HIV prevention services to KVP for improved efficiency and to sustainable financing through “service-provider” approach

Dominican Republic, Costa Rica, Guyana Kazakhstan, Mongolia, Montenegro, Serbia, Georgia, Moldova: piloting public procurement of health services delivered by CSOs with domestic co-financing

Belarus, Kazakhstan, Georgia: use of allocative efficiency analysis to maximize the health outcomes within the available domestic and external funding (shifting resources from general population to key population, from treatment to prevention, etc.) and using OST costing studies to support scale up advocacy

Dominican Republic, Georgia, Laos, Mongolia, Nepal, Papua New Guinea: Emphasis on integration of service delivery at primary level



Latin America: Increasing use of pool procurement mechanisms, resulting in significant efficiencies for certain country programs

Spotlight: Illustrative cross-cutting examples of efforts to strengthen sustainability and address transition challenges

Eswatini and Angola: Leveraging SI funding to support sustainability assessments for HIV, TB, and Malaria programs

Namibia – A recent Public Expenditure Review (co-financed with the World Bank) is helping to provide clarity on health financing and expenditure to support ongoing sustainability and transition planning

Cambodia – moving the Principal Recipient to the Ministry of Finance is helping strengthen engagement with a critical stakeholder at the country level

India and Central America – Use of innovative finance mechanisms to leverage additional financing for Malaria elimination (Central America) and decreasing the funding gap of a TB National Strategic Plan (India)

Rwanda – Target budgetary support (via the National Strategy Financing model) has allowed for both stronger alignment with national systems, and greater flexibility that has increased value-for-money within the programs.

SRI LANKA: Cross-programmatic efficiency analysis that supports integration of disease specific services through ongoing primary health care restructuring.

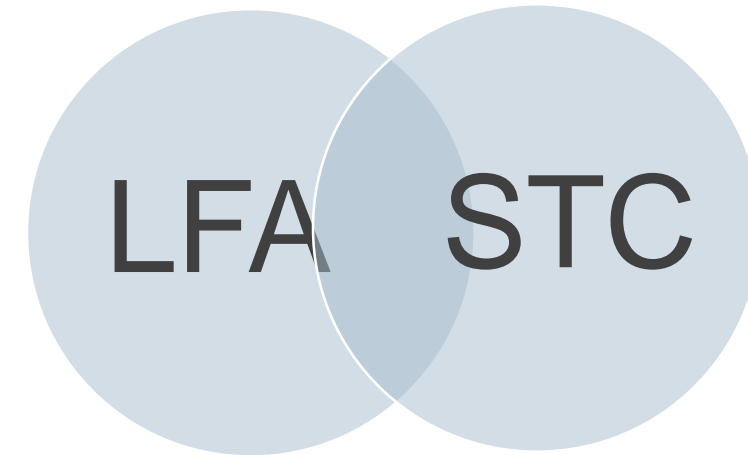
South Africa – Completion of a sustainability review to inform the GF funding request for 2017-2019 allocation period, and consolidated analysis of donor and domestic spending to enable better joint planning and prioritization

Viet Nam: GF financing helping support the ongoing shift toward social health insurance and inclusion of HIV services in the national benefits package, and domestic co-financing commitments include significant investments for Opioid Substitution Therapy (OST).



How do LFAs fit into all of this?

- **LFA may have a role in identifying issues or reviewing challenges that contribute to overall programmatic or financial sustainability.**
- **No standard terms of reference for LFA engagement on STC**
 - Many activities to strengthen transition preparedness, sustainability, or co-financing are embedded into grant processes and grant DNA.
 - Activities are often country and region-specific.
- **LFA-CT should agree on nature & extent of involvement on STC issues.**
- **Two direct STC-related LFA services:**
 - Review and Monitoring of Transition Preparedness
 - Review of domestic financing and co-financing
- **STC considerations should be integrated by LFAs in other deliverables:**
 - Potential for efficiency gains (e.g. funding request review, grant making)
 - Sustainability of financial investments, esp. infrastructure, health equipment and human resources (e.g. budget revision review, review of lab equipment deployment)
 - Alignment with national systems and procedures (e.g. CAT, LMIS/DHIS reviews)
 - Review of national planning or implementation of agreed transition / sustainability plans
- **CTs may ask LFAs for specific STC-related tasks, with customized TORs.**



Examples – What have LFAs done to support STC related activities?

Reviewing country level planning exercises, including transition workplans, updates to national strategies

Monitoring progress and **verifying implementation of activities** captured in transition work plans

Reviewing issues related to domestic procurement / quality assurance of pharmaceutical and health products

Reviewing reforms of health services and implications for Global Fund financed interventions

Reviewing costing of services to support uptake by domestic financing

Reviewing legislation and procedures related to domestic financing of civil society organizations

What are key resources that may be useful for LFAs?

- **STC Guidance Note** – available [here](#) – updated in late 2019, with additional disease specific and technical area “annexes” to strengthen overall guidance
- **Global Fund Transition Projections** – available [here](#) – updated in late 2019
- **Operational Policy Note on Co-Financing** – available [here](#).
- **Focus On Sustainability, Transition and Co-Financing** – available [here](#) and more details on Global Fund public website available [here](#).
- **FPMs and CTs** – FPMs and CTs are heavily engaged (depending on country context) in overall STC efforts. Liaising with them and aligning on key priorities is essential.
 - CTs may be able to share task-specific resources and examples of similar work from other portfolios.