REPORT OF THE
WORKSHOP ON TRANSISTIONA READINESS FINANCING FOR HEALTH: HIV/AIDS, TUBERCULOSIS AND MALARIA
JUNE 8-9, 2016
THIIMPHU

Preface

1. The workshop on Transition readiness financing for health: HIV/AIDS, tuberculosis and malaria was conducted in Terma Linca Resort and Spa, Thimphu, Bhutan, from June 8 to 9, 2016 with the following objectives:

    a. To examine the role of Bhutan's Health Trust Fund for Bhutan's transition and sustainability in health;
    b. To advocate with key partners to invest for impact in health in Bhutan; and
    c. To chart ways forward to support Bhutan's transition and sustainability in health towards universal health coverage.

2. The workshop was attended by 58 delegates representing the Ministry of Health, Bhutan Health Trust Funds, and Ministry of finance, NGO and CCM members, the GFATM Secretariat, WHO Staff, and consultants from WHO.

Inaugural Session

Welcome address: Dr Dorji Wangchuk, Secretary MOH

3. The Honorable Health Minister inaugurated the opening of the Workshop, informing the gathering on its importance and on the need to examine the role of BHTF for the country's transitions and sustainability, particularly in relation to the three diseases (AIDS, tuberculosis, and malaria).

Opening remarks: Dr Ornella Lincetto, WHO Country Representative

4. The WR mentioned that the workshop seeks to address the challenges and opportunities in sustaining a free health care system within Bhutan. The outcomes of the workshop will serve as inputs for the preparation of the 12th Five Year Plan (FYP).

Financing and sustaining free basic health care in Bhutan: a challenge for the 12th Five Year Plan: ***Ensuring continued funding for HIV, Tuberculosis, and Malaria control in Bhutan until 2020: Mr Jayendra Sharma, Policy and Planning Division***

5. Bhutan is now facing a stage of economic and social transition: the country has shifted from a generally rural based economy to a service based economy.

6. NCDs have been rising tremendously and there has been a shift in the disease burden. NCDs dominate the top ten diseases. An issue at hand is the high cost linked to the referral system through which cases that cannot be treated within the country are referred outside for free by the Royal Government of Bhutan. External resources have declined over the years and will likely further decline in the next few years.

7. The participants were taken through the 11 FYP preparation process, based on the building blocks of the WHO, and whose overall objective is to achieve universal health coverage (UHC).

8. It was mentioned that financial sustainability is a huge concern for Bhutan, and somehow addressing gradual phase-out of development partners was underlined as crucial for the country's financial sustainability.

9. Current challenges faced for HIV/AIDS, tuberculosis and malaria were highlighted (detection rate and lack of knowledge on HIV/AIDS; the large number of migrant workers; porous international borders; climate change; the national policy of keeping a forest cover of 70%). The need for a targeted approach to address these challenges was brought to light. Health gains were said to be reversible and that continuous efforts will be required.

Setting the scene: the Global Fund's policy on sustainability and transition; Sustainability and transition: purpose and experience to date; and Challenges and barriers to transition and sustainability: ***Global Fund country team's perspective on challenges and barriers to Bhutan's successful transition***: ***Dr Michael Borowitz and Mr Alexander Winch***

10. Dr Borowitz stressed the importance of early planning to address the gradual decline of the Global Fund's support over time in order to sustain the achievements made so far.

11. The forum was informed that the Global Fund is currently working with other partners such as the World Health Organization (WHO) and the World Bank (WB). Global National Income (GNI) was pointed out as an imperfect measure of needs: as a country becomes wealthier this does not signify a decline in the need for aid. The example of South Africa was provided, as the country has one of the highest burdens of HIV/AIDS in the world. GNI was also pointed out as an imperfect proxy for Government stability. It was mentioned that the Global Fund does not want people to pay out of pocket for health care, and Government stability in Bhutan in terms of financing was acknowledged.

12. Dr Borowitz also highlighted that Bhutan is not expected to reach UMIC threshold for the next 10-15 years as per Global Fund projections, which will provide enough space for planning for transition and sustainability. The Global Fund's time horizon of 10 years for transition was conveyed.

13. The forum was informed that the allocation for the next round(s) cannot be pronounced at the moment, but it was indicated that it will more or less be equivalent to the past allocation. The forum was taken through some pertinent points on the Global Fund Strategy 2017-2022 and the Co-financing policy.

14. The co-financing policy was mentioned as one of the ways to seek collaboration with the BHTF (basically matching funds from the Government). 15% of the total allocation could potentially go into the BHTF. There is an opportunity to get things right in Bhutan, we can start this process correctly and work with the partners particularly with WHO. Core activities of WHO. We see WHO as one of the key partners.

15. The Global Fund Eligibility Policy incorporates both Income and Disease Burden. Lower Middle Income countries are eligible to receive an allocation and apply for funding regardless of disease

burden. Bhutan is not projected to reach the UMIC threshold soon, but it is never too early to start planning for transition and incorporating efficiency and sustainability considerations into planning.

16. Work around sustainability and transition was kick-started at the Global Fund through the new strategy, with a strong focus on maximising impact and increased resource mobilisation, through related sub-objectives on supporting sustainable responses and successful transitions, and a focus on efficient domestic resource mobilisation.

17. The Global Fund policy on sustainability is based around the four key principles of differentiating: the country's place in the development continuum; alignment with national systems and processes; predictability to allow for advanced planning; and flexibility to adapt the policy to country and regional contexts for impact.

18. Sustainability should be inherent in programme design for all countries, and is an on-going process to maintain and scale-up coverage. Transition is the process by which a disease component moves towards full domestic funding and implementation in a manner than maintains outcome and quality of service delivery.

19. The Co-Financing policy has two part requirements, looking at progressive increases in health expenditure to meet national universal health coverage goals, and Global Fund supported programs; and a co-financing incentive amounting to at least 15% of an allocation withheld to focus as a strategic investment towards programmatic and financial sustainability

20. The Global Fund is keen to work with the country and partners such as WHO and the World Bank on supporting successful transition in the region. Various tools exist such as the WHO cross programmatic efficiency tool, the WB Health System Financing Assessment tool, allocative efficiency modelling and the GF Transition Readiness Assessment tool, but the application of these depends on the requests from the country and the identified gaps.

21. Along with the long lead time for transition planning that is necessary and evident from our work looking at the Avahan project in India, there are critical, system-wide, and programmatic barriers

highlighted through the implementation of the Transistion Readiness Assessment in 4 EECA countries. These include service delivery issues and particularly maintaining a focus on prevention; governance issues such as the evolution in the use of the CCM; transferring human resources and costs integration over to government budgets; and the ability of the government to contract with non-state providers.

Cristina Riboni, Fund Portfolio Manager for Bhutan, Global Fund

22. Bhutan health system is predominantly financed by the Royal Government of Bhutan. About 85% of the total health expenditure is financed by general government expenditure. Increases in government health spending however, has not kept pace with overall government spending and relative share of health in total government expenditure has declined in recent years.

23. The 6th cycle of GF Grant to fight HIV/AIDS, Tuberculosis and Malaria known as the New Funding Model Grant started from 1st july, 2015 and will end on 30th june, 2018. The principal recipient of this round is the Ministry of health. A total amount of the NFM grant is US $6,015,784. The breakdown of the New Funding Model Grant as per the cost grouping (Travel related costs; human resources; external professional services; health products) and intervention modules (Prevention programs; Treatment, care and support; Health information system; and M&E) for each of the three programs to combat the three diseases were elaborately presented to the forum. The activities planned under NFM for each specific program are in line with their respective National Strategic Plans.

24. The achievements, challenges and the Cross–cutting challenges faced by HIV, TB and Malaria programs were highlighted.

Bhutan Health Trust Fund: **a mechanism for transition and sustainability:** ***Dr Sonam Phuntsho, Director BHTF***

25. BHTF was formally launched on 12 May 1998 at WHO Head quarters in Geneva, Switzerland and the Secretariat was establishd in April 2000. It is legal entity guided by te Royal Charter 2000 of BHTF issued by his Majesty, the Fourth King of Bhutan.
26. The objectives of BHTF is to provide for an alternate financing mechanism to eliminate financing uncertainties for the core components of PHC vis-à-vis reduce burden on the government and to sustain core components of PHC through continued and uninterrupted supply of essential drugs, vaccines, and other priority PHC activities.
27. The Charter spells out that BHTF is self-sustaining financing facility. The aim of BHTF is to achieve a target capital of USD 24 million. The Programme activities are to be funded out of investment income and if need be only USD 500,000 of the principal amount can be used. BHTF is Tax exempted. It is governed by 7 member board and agreement of atleast 5 members required for use of fund principal. The Charter leaves avenue for Funding Agencies to be a member in the Board of members.
28. BHTF is audited and reports are shared to the donators.
29. BHTF funds have been used to initiate or introduce core elements of PHC (BHTF funds were used to introduce Hepatitis B, HPV & MR vaccines worth US$ 98,000 between 2003-2006) and to co-finance donors (as a transition strategy). BHTF started co-financing of pentavalent vaccines with GAVI since 2010. It has been utilized to sustain donor funded projects or programmes (as a graduation strategy). BHTF started full financing of pentavalent vaccines since 2015.
30. Funds under BHTF have also been utilized to plug financing gaps of programmes whereby BHTF finances the shortfall in programme budget in priority areas of PHC. It has financed Essential drugs(Approx. 3.5 million USD for 2015-16) and Pentavalent Vaccines (Approx. USD 220,000 for 2015-16)
31. Regarding Fund status and its sources, BHTF has Nu. 1,403,554,076 (around USD 21 million) with returns of 8.75-10% per annum (approximately USD 2 million). Around USD 2.2 million are contributions of salaried employees. Some of the other major sources are from voluntary contributions, annual fund raising events. Source of funding for BHTF needs to be increased also inside the country hence, the reintroduction of Lottery?, this is expected to be another source of funding.
32. BHTFfaces challenges and Constraints as fund is held in local currency. BHTF also faces challenges with diminishing donor support and inadequate capitalization of its fund. Further,

GFATM sun setting puts additional burden on BHTF. Fund Mobilization at domestic level is hampered by its weak economy, low population and donor fatigue. There are constraints to perform fund mobilization at international level (no prior links, budgets, etc). BHTF also lacks specialized Human Resource.

33. As a way forward, BHTF is delinking? from the Government. It requires Organizational strengthening with recruitment of additional staff and training of staff. BHTF proposed re-engagement with past donors, Increased advocacy and resource mobilization especially abroad and revision of its investment guidelines.
34. As a Sustainable way out, BHTF proposes for all donors to allocate a certain % of the project or programme budget into BHTF so that over a period of time, BHTF can take over the financing & ensure sustainability of those activities. To complement this, "The Royal Government shall match any contribution on a one-to-one basis as enshrined in clause 3.2 of the Royal Charter"

Could the Bhutan Health Trust Fund be a mechanism to finance transition and sustainability?*: *Mr Esben Sonderstrup, WHO consultant

35. External funding for health has declined from almost 30% to 13% of total government expenditure on health. The burden of disease per capita has been reduced by half in the same period, together with the reduction in external assistance – a finding that shows that Bhutan has paid attention to the need for sustainability all along.

36. The BHTF could be a mechanism to finance transition and sustainability provided that the BHTF Roadmap is being implemented successfully.

    The basic idea of the consultant is to split the GF transition grant into two parts. One part should be used for direct support to the transitioning of the three disease programs. The other part of the transition grant should be channelled into the BHTF with the objective of ensuring financial sustainability. This would be an innovative way of supporting the transition process as called for in the new GF STCF Policy, and it would also be in harmony with the objective of supporting the creation of Resilient and Sustainable Systems for Health (RSSH). The BHTF is a good example of

an RSSH. If the GF channels funds through BHTF, this may persuade other donors to do the same.

37. The process of modernizing the management structure of BHTF can benefit from the positive experience of the Bhutan Trust Fund for Environmental Conservation, which has shown the way forward. For instance the investment committee of BTFEC could become a common investment committee for the two funds, and key organisational documents like the investment policy could be shared.

WHO technical support to Bhutan Health Trust Fund, including the 2015 review: Mr Lluis Vinals Torres, RA Health Economics and Health Planning and Ms. Phyllida Travis, Director HSD

38. Bhutan is performing relatively well in terms of effective coverage of key interventions and financial protection. However, a few issues may threaten this good progression in the future, including the stagnant increase of public spending on health, and the increasing costs related to NCDs and overseas treatment.

39. The sustainability and transition debate must be used to broaden the analysis and look to the overall system performance. This will include an analysis of the potential inefficiencies of the current service delivery model.

40. WHO is fully committed to help the Bhutan authorities during the sustainability and transition debate through increasing the evidence base in the domestic generation area and in better understanding the performance of the current service delivery system. WHO is willing to partner with GFATM to support the Ministry in the incoming 12th Plan development process.

Transition and sustainability: *Perspective on the experience of Thailand:* Dr Mukta Sharma, TO, HIV/AIDS and TB

41. Transition requires conceptual clarity and needs to focus on financing issues, programmatic sustainability and consideration of the role and contribution of non-state actors.

42. Financing discussions need to be based on clear epidemiological analyses/ projections, and costing analyses in line with the new sustainable development goals (SDGs).

43. Advocacy among policy makers for transition planning needs to be consistent and built-in at national and subnational levels.

Regional Perspective for Countries transitioning Global Fund Support: Dr Jigmi Singay, Consultant

44. India is intending to graduate from the GF and Indonesia is the first country actively looking for transition and sustainability.
45. The Recurrent cost, HR and vehicle cost should never be put under donor funding. Bhutan should target to reach atleast USD 30 million for the interest accrued to meet the needs of MoH.
    Money coming to BHTF- should be capitalized. Health contribution is just transiting without going to the capital. We should just use the interest. It is not healthy for the long run. PPD should take this up in the 12th FYP. Unless 12 FYP addresses it properly, do not keep BHTF seperate. How BHTF can contribute- it should be spelt out in the 12 FYP.

46. In the WHO system BHTF has to appear in the CCS. Unless this is reflected in the CCS, no matter who comes, the new Minister or the GoVT, it is never missed out if it is there in the CCS.
47. GF country dialogue: is not used optimally by the stakeholders and the WHO. This is the best forum for us and WHO should take the lead and is the best way to anchor the partners.

Recommendations from the workshop:

1. Define destination
    a. Clear targets for programmes as they go through transition
    b. Define success
        i. Increasing domestic finance – take over the key costs of the programme

ii. After transition – civil society should be able to sustain both in terms of human resources and programmes
iii. Continue to build the resilience of the overall health system
iv. Key prevention programs and outreach for key populations should be integrated into domestic programme costs
v. Greater focus on efficiency
vi. Embracing innovation

2. Planning processes
    a. Ensuring transition debate fits into existing planning and programme review processes:
        i. National strategy plans
        ii. Programme reviews
        iii. 12th FYP
3. Ensure adequate health financing
    a. Ensure the discussion on transition and BHTF including discussion on all sources of funding for health
    b. Ensure at least 5% of GDP is allocated to health
    c. Build evidence to make a case
4. Bhutan Health Trust Fund
    a. Review the BHTF charter and its flexibilities
    b. Early consideration by Global Fund of its role in using the BHTF to channel funds as part of the transition
    c. Keep BHTF as a financing mechanism, not a procurement body
    d. Further discussion in options for sufficient capitalization
5. Identify specific areas for detailed planning- START NOW
    a. Eg: Procurement of second line TB drugs
    b. Sustainability of NGOs
    c. Future role of the CCM
6. Cross cutting overview of systems issues
    a. Information system
    b. Laboratories
    c. Stigma

d. HRH
e. Identify opportunities for more integrated/collective activities/efficiencies
f. Take advantage of the HiT review

7. Recommendations: Global Fund
    a. Continued communication of the STC policy and flexibility in other policies (especially on the disease split and HSS)
    b. Global Fund to look at new funding options- the earlier the better
    c. Consider reprogramming of the current grant
    d. Work with WHO effectively to help countries during the transition process