

# Guidance for Ministry of Finance Staff

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## Introduction

Family planning has long been considered one of the most cost-effective development programs. Indeed, reducing the number of unwanted pregnancies and lowering population fertility rates have cascading benefits across the health, social welfare, and economic sectors. Through helping to reduce maternal and childhood illnesses and deaths, family planning contributes to labor market productivity, achieving the [demographic dividend](#), and increasing GDP per capita. Scientists estimate that for every dollar invested in reducing the unmet need for contraception, there is a long-term gain of \$120 in “accrued annual benefits,” most of it being attributable to the consequent economic growth (FP2020, p. 2).

Staff working in ministries of finance play a critical role in not only ensuring that family planning programs are adequately financed, but also ensuring that budgets are efficiently planned and fully executed. To fulfill that role, responsibilities of Ministry of Finance (MOF) staff should include the following:

- Coordinating with the Ministry of Health (MOH) to establish sustainable financing mechanisms for family planning programs through donors like the [Global Financing Facility](#), UNFPA, and USAID.
- Ensuring that clear and actionable processes related to budget monitoring are in place so that the funds are spent in a responsible, accountable way (such as through [performance-based financing](#)).

- Establishing institutional procedures to accommodate changes or emerging needs during the year.
- Working with the relevant government entities to reduce or eliminate import taxes or duties on family planning commodities.

The purpose of this guide is to provide practical action steps that MOF staff can take to improve the sustainability of family planning financing by strengthening domestic financing mechanisms. Varying actions are provided based on the country context and the financing mechanisms used.

## Understanding the Context in Which the Family Planning Program Operates

To identify appropriate family planning financing mechanisms, MOF staff need to understand the country context in which the family planning program operates, as well as the opportunities to build upon existing and emerging financing mechanisms.

USAID’s [Family Planning Financing Roadmap](#) interactive tool can serve as a starting point for examining the country context. Staff can use the tool to review [health financing concepts](#) related to family planning and work with MOH staff to update [country-specific data](#) and review the recommendations for family planning financing solutions. As part of this process, MOF staff should:

1. Understand the current public health financing mechanisms (e.g., health insurance, earmarked taxes, and government subsidies)

or mechanisms that could be considered for sustainable domestic financing of family planning programs.

2. Identify the challenges and solutions to improving efficiency in allocation, flow, and use of funds.
3. Examine alternative financial mechanisms to bring in additional resources, such as through private sector participation or global donors.
4. Determine the financial projections or indicators that may be needed to

inform discussions with government and external stakeholders.

## Engaging the Right Stakeholders

With a comprehensive understanding of the context, MOF staff will then need to identify the key decisionmakers and stakeholders with whom they should build stronger relationships to advance the family planning financing agenda (see Table 1). Because there is frequent turnover in key staff positions, particularly in the government, MOF staff will need to

**Table 1. Key Stakeholders and Their Contributions to Family Planning Financing**

Key Stakeholder	Responsibility	Contribution to Family Planning Financing
MOH family planning department	Gathers evidence on the value of investing in family planning programs and coordinates with other stakeholders within and outside of the government.	Articulates family planning budget needs to departments and ministries within the government as well as to development partners.
MOH planning department	Develops and monitors the national health sector strategic plan, its objectives, and the budget.	Advocates for appropriate inclusion of family planning in the health budget.
MOH finance and administration department	Manages, monitors, and reports on the MOH budget and spending.	Advocates for appropriate inclusion of family planning in the health budget, particularly specific budget line items.
MOH department in charge of universal health coverage or health financing initiatives	Develops and/or strengthens health financing mechanisms or reforms.	Makes decisions about the inclusion of family planning in health financing mechanisms or reforms.
Health or social committees in parliament	Leads the development and consideration of legislation related to the health sector, including approval of the health sector budget.	Approves and can advocate for the health budget, including allocation to family planning (particularly the budget line for contraceptives) and health financing reforms that could include family planning.
Subnational and local government leaders in the health sector	Develops and allocates the health sector budget at regional/district/county levels, especially in decentralized contexts.	Allocates the health budget across health programs, including family planning.
Health insurance agencies	Determines services that are covered in benefits packages and providers that can offer them.	Considers integration of family planning services and commodities in benefits packages and contracts diverse cadres of providers in the public and private sectors for service delivery, thereby increasing access and financial risk protection.

re-engage with new decisionmakers and stakeholders, presenting the same evidence and advocacy cases repeatedly to ensure continued collaboration.

## Taking Action to Advance Family Planning Financing Strategies

In collaboration with the stakeholders mentioned in Table 1, MOF staff should identify the most appropriate financing solutions. The following sections provide action items for different financing mechanisms, some or all of which may be appropriate depending on the country context:

### If government budget allocations to family planning are non-existent or insufficient:

- At the national level, work with the MOH to establish allocation, determine the level of funding needed, and support the political approval process.
- At the local level, work with key decisionmakers (local government and district health officers) to establish and fund a line item. Where possible, incentivize increases in allocation for family planning, such as donor matching funds, which could be done through coordination with the MOH family planning program.

### If the limited fiscal space for health necessitates a more efficient family planning program:

- Consider steps to improve technical efficiency through collaboration with the MOH to identify and address potential inefficiencies within the family planning program. The Health Policy Plus's forthcoming [family planning technical efficiency tool](#) can be used to identify potential inefficiencies in the family planning program. Steps to improve efficiency in service delivery may include integration with the HIV program, inclusion of adolescent-friendly services, ensuring availability of

commodities, and conducting in-service training for providers. Additional measures to improve efficiency may involve improving program management and increasing demand for services—for example, through health insurance or voucher programs, media campaigns, and social marketing.

- Consider steps to improve [allocative efficiency](#) by strengthening public financial management:
  - Work with the MOH to identify bottlenecks in the flow of funds through the system using audits, fund flows, or financial analyses.
  - Review options for improved allocation and spending by examining annual planned versus actual expenditures to address under-spending.
  - Conduct appropriate modeling exercises to develop financial projections for the future planning of resources.

### If family planning commodities are not exempt from import taxes:

- Work on exemption for import duties on family planning commodities to be included in relevant finance laws (as was done in [Madagascar](#)).

### If limited domestic resources for health require innovative financing mechanisms:

- Use criteria to identify and evaluate opportunities for [blended finance](#), strategically using public and philanthropic resources to incentivize private funding for family planning programs.
- In collaboration with the MOH, consider strategic purchasing mechanisms like results- or [performance-based financing](#) to incentivize high-quality service delivery.
- Work with the MOH to develop vouchers or other subsidies that may increase the demand for family planning services among target population groups.

## If the country is facing transition in donor financial support:

- Support the MOH in conducting costing, fiscal space, and financing gap analyses (if not already done by the donor).
- Understand the risks associated with donor phase-out and begin preparing for the transition as soon as possible. Early planning activities should involve all in-country stakeholders and look to build and/or improve the capacity of the local program to forecast needs and manage procurements. Such proactive, participatory activities led by a committed national leadership can ensure that all in-country stakeholders have adequate time to prepare for the financial transition.
- Work with donor and MOH leadership on transition timeline, expectations, and implementation, including the level of funding needed and how family planning can truly be sustainably financed.

## References

FP2020. "Family Planning's Return in Investment." Available at: [https://fp2030.org/sites/default/files/Data-Hub/ROI/FP2020\\_ROI\\_OnePager\\_FINAL.pdf](https://fp2030.org/sites/default/files/Data-Hub/ROI/FP2020_ROI_OnePager_FINAL.pdf).



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