



**Ministry of Health
and Social Welfare**



USAID
DU PEUPLE AMERICAIN

TRAINING MODULE ON DIRECT FINANCING IN THE HEALTH AND SOCIAL WELFARE SECTOR

Government Technical Assistance Provider (GoTAP) Component
USAID, 2016 – 2021 Health Program

July 2019

This module was made possible with the support of the American people through the United States Agency for International Development (USAID). The views of the authors expressed in this publication do not necessarily reflect the views of USAID or the U.S. Government.

Recommended citation: Government Technical Assistance Provider (GoTAP): “Direct Financing Training Module”. Prepared by Abt Associates, Rockville, Maryland. Submitted on August 6, 2019.

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FOREWORD

Le partenariat entre le Ministère de la Santé et de l'Action sociale (MSAS) et l'Agence des Etats Unis pour le Développement international (USAID) repose sur deux orientations majeures : (i) la mobilisation de ressources substantielles pour le financement des programmes de santé et (ii) le renforcement des capacités des acteurs du secteur pour une gestion axée sur les résultats. Cette approche, consolidée dans le Programme Santé de l'USAID 2016-2021, a contribué à la réalisation d'avancées significatives en matière de santé des populations.

La composante « Prestataire d'Assistance technique au Gouvernement » (GoTAP) dudit programme a été conçue pour soutenir le mécanisme de Financement direct de Gouvernement à Gouvernement appelé « G2G » par lequel l'USAID octroie directement au Gouvernement des fonds destinés à l'atteinte d'un niveau de performance fixé à l'avance dans un contrat dénommé « lettre d'exécution ». En outre, GoTAP appuie le renforcement des capacités des agents du ministère chargés de la mise en œuvre du G2G au niveau national et régional.

Dans ce cadre, il a été procédé en 2017, à l'élaboration d'un « Référentiel de Compétences » qui a défini les compétences que doit posséder un Centre de responsabilité bénéficiaire pour pouvoir gérer, de façon efficiente, les ressources financières mises en place par les programmes financés par le G2G. L'analyse des besoins en renforcement des capacités, réalisée sur la base de cet outil, à travers un processus participatif, a permis d'identifier les domaines dans lesquels les efforts devaient être concentrés pour combler les gaps les plus importants.

Sur cette base, cinq Plans de Renforcement de Capacités (PRC) concernant la Direction de l'Administration Générale et de l'Equipeement (DAGE), la Direction de la Planification, de la Recherche et des Statistiques (DPRS), la Direction de la Santé de la Mère et de l'Enfant (DSME) ainsi que les Régions médicales de Kaffrine et de Kaolack ont été élaborés, mis en œuvre et régulièrement évalués depuis 2017. Aussi, la région de Ziguinchor a-t-elle bénéficié d'un PRC en 2019 suite à son enrôlement.

C'est dans cette dynamique, et dans le souci d'offrir des supports techniques de qualité aux PRC, que s'insère l'élaboration d'un paquet d'outils normalisés G2G composé de modules de formation couvrant dix domaines : Information sanitaire, Planification, Suivi/évaluation, Contrôle interne, Gestion des Ressources humaines, Gestion financière et comptable, Passation des Marchés, Comptabilité des Matières, Financement direct, Réforme des Finances publiques et de Gestion du Budget de l'Etat. A ces modules s'ajoutent deux autres relatifs au Leadership et au Management transférés à la composante HRH2030 (Human Resources for Health in 2030).

Ce présent module, qui porte sur le Financement direct, fait partie de ce paquet d'outils qui servira de support pour les activités de formation au bénéfice des entités bénéficiaires ou impliquées dans la mise en œuvre de ce mécanisme.

J'ai la conviction qu'une utilisation optimale de ces outils par les entités concernées et toutes les autres composantes du système de santé, contribuera à hisser les compétences des agents à des niveaux permettant l'atteinte des objectifs du Plan national de développement sanitaire et social (PNDSS) et le mécanisme G2G.

J'encourage, en conséquence, l'ensemble des acteurs à s'approprier ces modules et à en faire le meilleur usage pour plus d'efficacité dans la gestion des ressources en vue d'une pérennisation des gains de santé au bénéfice des populations.

Je remercie l'USAID pour son appui dans l'élaboration de ces outils normalisés G2G et pour son engagement à accompagner les activités de formation dont ils constitueront les principaux supports.

Dakar le 28 février 2020

✓ Le Ministre de la Santé et de l'Action sociale ✓



ACRONYMES ET ABRÉVIATIONS

ADS 220	: Automated Directives System	MCR	: <i>Médecin Chef de Région</i> / Chief Regional Medical Officer
ARD	: <i>Agence Régionale de Développement</i> / Regional Development Agency	MEFP	: Ministry of Economy, Finance and Planning
AWP	: Annual Work Plan	MFB	: Ministry of Finance and Budget
Branding	: Brand management tool	MOH	: Ministry of Health and Social Welfare
CDS	: <i>Comité de Développement Sanitaire</i> / Health development committee	MTEF	: Medium-Term Expenditure Framework
CR	: Cost Reimbursement	PEPFAR	: President's Emergency Plan for AIDS Relief
CRV	: <i>Comité Régional de Vérification</i> / Regional verification committee	PFMRAF	: Public Financial Management Risk Assessment Framework
CTB	: <i>Coopération Technique Belge</i> / Belgian Technical Cooperation Agency	PFMRAF	: Public Financial Management Risk Assessment Framework
DAGE	: <i>Direction de l'Administration Générale et de l'Équipement</i> / Department of General Administration and Equipment	PNDS	: <i>Plan National de Développement Sanitaire</i> / National Health Development Plan
DCFE	: <i>Direction de la Coopération et des Financements Extérieurs</i> / Department of Cooperation and External Funding	PNLP	: <i>Programme National de Lutte contre le Paludisme</i> / National Malaria Control Program
DF	: Direct Financing	POCT	: <i>Plan Opérationnel des Collectivités Territoriales</i> / Local government operational plan
DLM	: <i>Direction de Lutte contre les Maladies</i> / Department of Disease Control	PRC	: <i>Plan de renforcement des capacités</i> / Capacity building plan
DODP	: <i>Direction de l'Ordonnancement des Dépenses publiques</i> / Department of Public Expenditure Authorizations	PSE	: <i>Plan Sénégal Emergent</i> / Senegal's economic development plan via a package of projects and reforms
DPRS	: <i>Direction de la Planification, de la Recherche et des Statistiques</i> / Department of Planning, Research and Statistics	RHCS	: Reproductive Health and Child Survival
DS	: <i>District Sanitaire</i> / Health District	RM	: <i>Région Médicale</i> / Medical Region
DSME	: <i>Direction de la Santé de la Mère et de l'Enfant</i> / Department of Maternal and Child Health	SNFS	: <i>Stratégie nationale de Financement de la Santé</i> / National health financing strategy
FAA	: Fixed Amount Award	STANDARDIZED TOOLS	: A set of documents and training materials describing the standards, procedures and protocols governing the areas covered by the training program for staff in charge of implementing G2G programs
FARA	: Fixed Amount Reimbursement Agreement	TFP	: Technical and Financial Partner
G2G	: Government to Government	Tiaht Amendment	: US requirements for voluntary family planning projects
HSS+	: Health System Strengthening Plus	UAEL	: <i>Union des associations d'Elus locaux</i> / Federation of associations of locally-elected officials
IEE	: Initial Environmental Evaluation	UNFPA	: United Nations Population Fund
IL	: Implementation Letter	USAID	: United States Agency for International Development
Lux Dev	: Luxembourg Agency for Cooperation and Development		
MCH	: Maternal and child health		

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TRAINING MODULE ON DIRECT FINANCING

THEME: DIRECT FINANCING

I. DURATION OF TRAINING:

3 days

II. PROFESSIONAL PROFILE OF PARTICIPANTS:

- Central-level actors
- Regional Health Management Teams
- District Health Management Teams

III. GOAL AND OVERALL OBJECTIVES

A. Goal

Build participants' capacities with regard to the direct financing mechanism to allow them to take ownership of the direct health financing system via a government-to-government mechanism, ensuring efficient use of financial resources in a context of reform and results-based management.

B. Overall Objectives

1. Describe the broad context and key concepts of direct health financing and its connection with national policies and strategies.
2. Explain the management mechanism and procedures of G2G direct financing.

IV. THEMATIC UNITS OF THE MODULE

1. Context and Main Challenges of Direct Financing
2. Goal and Ties with National Policies and Strategies
3. Direct Financing: Key Concepts
4. G2G Financing Mechanisms
5. Implementation Procedures for Direct Financing
6. Roles and Responsibilities of the Actors
7. Government Ownership Strategies
8. Monitoring & Evaluation and Learning
9. Mandatory Standard Provisions for the Use of all U.S. Government Resources

V. LEARNING IMPLEMENTATION PLAN

The purpose of this plan is to ensure that all participants follow their learning paths during the workshop and use what they have learned in their day-to-day work. This plan is a tool to be used after the workshop:

- to remind the participants of their commitments to put what they have learned into practice;
- for discussion with their supervisors;
- to enable staff responsible for monitoring and evaluation to record the progress achieved and any obstacles encountered in putting learning into practice in each participant's department.

The plan is subdivided into 'learning cards' to be completed periodically, while lessons are still fresh in everyone's memory. At the end of the workshop, the cards are used to draw up a workshop follow-up plan. The first card is completed at the beginning of the workshop, as soon as the objectives and the agenda have been explained, to identify what the individual participants hope to gain from the workshop.

VI. MODULE CONTENTS PER UNIT

UNIT I: CONTEXT AND MAIN CHALLENGES OF DIRECT FINANCING

Specific Objectives: At the end of the Unit, the participants should be able to:

1. Describe the broad context of direct financing in the health sector using Government-to-Government (G2G) mechanisms.
2. List the main challenges of G2G direct financing.

I. Broad Context

The United States Agency for International Development (USAID) has supported the Government of Senegal (GoS) for several decades in achieving its health goals. It has recently undertaken to strengthen its actions to help bring about the vision of the Emerging Senegal Plan (PSE). In this regard, USAID undertakes to help Senegal achieve its ambitious health goals by implementing a results-based program with a view to supporting human capital development, one of the main pillars of the PSE.

This results-based program takes full advantage of the capacities, systems, and resources of the Government of Senegal. It is based on quality health programs in the areas of promotion, prevention, and treatment, without any form of exclusion. This support will be accompanied by a stronger “Direct Financing” approach aimed at increasing the accountability of government bodies in the mobilization and use of the financial resources provided by the program at the level closest to the users.

Direct Financing includes, on the one hand, financing provided by USAID’s implementing partners to local subcontractors and, on the other hand, the so-called “Government-to-Government (G2G)” agreements signed directly between USAID and the Government. Through Government-to-Government (G2G) agreements, USAID/Senegal aims to gradually shift development assistance away from subcontracts to regional MOH entities through implementing partners and towards strategic Government-to-Government (G2G) agreements with financing from USAID/United States Government to the Ministry of Economy, Finance and Planning/Government of Senegal, by 2021. Thus, as part of the new 2016-2021 health program, channeling USAID funding through Government of Senegal systems and in keeping with its procedures using the “G2G” funding mechanism will be a key implementation approach.

II. Main Challenges of Direct Financing

USAID uses the *Government-to-Government (G2G)* system to disburse funds directly to a partner government entity, including in cases where USAID finances a partner government entity in a country receiving bilateral aid for the implementation of a project or project activity, including non-project support, using financial management systems, procurement or other partner government systems.

- Challenges Relating to Recipients’ Capacities:
 - Fiduciary Capacity: Capacity Measured through the PFMRAF

Fiduciary risk is the risk that funds allocated from the budget (1) are not properly accounted for, (2) are not used for the intended purposes, or (3) do not produce effective results or do not achieve value for money.

- Technical and Program Capacities: Based on Capacity Building Plans
- Challenges linked to the development of a quality AWP validated by the DPRS: vital negotiating tools
- Challenges relating to use of and alignment with national procedures
- Challenges pertaining to coordination and partnerships with other TFPs
- Challenges regarding compliance with U.S. government regulations as stipulated under ADS 220
- Challenges linked to measuring performance achievement to initiate payment:
 - Audit by the CRV or the Technical Secretariat
 - Concurrent Audit by a Third-Party Auditor

USAID's orientation is in line with the major reforms underway in the Ministry of Health and Social Welfare, specifically focusing on multi-year budgeting of expenditures based on program objectives and outputs, and on a strong push for Universal Health Coverage. In addition, convergence between public financial management reforms and USAID/Senegal's focus on the G2G vision presents major opportunities for program development to support rapid adaptation of MOH entities to results-based management in the health sector. In this regard, it should be recalled that USAID and the World Bank, at the central level, in 2013, and USAID, the World Bank, Lux Dev, BTC and UNFPA, at the regional level, in 2014-2015, conducted joint assessments of programmatic and fiduciary risks relating to the use of Government of Senegal administrative systems. The findings of those assessments were presented in a document that identified the risks associated with Government and Ministry of Health systems at central and regional levels in the areas of planning, budgeting, performance monitoring, financial management, procurement, internal audit, human resources, and information management. This evaluation report on MOH public financial management risk, better known by the acronym "PFMRAF", produced an integrated risk mitigation plan, whose implementation is a prerequisite for successful development of G2G financing.

The government's commitment and the measures taken by the MOH in application of the plan's recommendations have confirmed USAID in its decision to implement G2G financing. According to the rules and procedures applying to USAID, and more specifically under ADS 220, which determines conditions for utilizing and strengthening partner government systems with a view to implementing direct assistance, a PFMRAF (Public Financial Management Risk Assessment Framework) and a commitment from the partner government to implement the risk mitigation plan must be set in place prior to any G2G funding. It should be noted that USAID had already opted, in its 2011-2016 Health Program, to assist the MOH in improving planning, budgeting and management systems in several of its entities at the central level (PNLP, DLM and DSME), as well as in the regions (subcontracts with Abt Associates). This approach was confirmed in the new 2016-2021 program. Thus, Direct Financing for subcontracts, which has been tested over the last three years, will gradually turn to the more direct path of Government (U.S.) to Government (Senegalese) or G2G financing.

Exercise No. 1: Background and Rationale for Direct Financing

Individual work

Describe your understanding of each of the following phases in connection with the context and rationale of Direct Financing

- at local level
- at international level
- in relation to USAID

You have 10 minutes

Exercise No. 2: Main Challenges of Direct Financing

Work in break-out groups

- List and discuss the three or four points relating to the main opportunities and challenges of direct financing that most struck you

You have 15 minutes

UNIT 2: GOAL AND TIES WITH NATIONAL POLICIES AND STRATEGIES

Specific Objectives: At the end of this Unit, the participants should be able to:

1. Explain the goal of G2G direct financing, based on the general provisions of USAID's bilateral cooperation, underpinned by international development assistance conventions.
2. List the focus areas in which G2G direct financing is used.
3. Explain the place of G2G direct financing in the National Health Financing Strategy (SNFS).

I. Goal of Direct Financing

Fully consistent with the principles of the 2005 Paris Declaration, the 2008 Accra Agenda for Action, the 2010 Busan Partnership on Aid Effectiveness and the Senegal Compact, the G2G direct financing mechanism aims to increase the effectiveness of USAID's work in supporting the implementation of the National Health Development Program (PNDS), specifically through greater decentralization of health services and results-based management.

To directly support the operational structures of the MOH, the primary aims of the mechanism for direct transfer of financial resources are to enable the MOH to improve results in the areas of reproductive, maternal, neonatal, child and adolescent/youth health, and to provide targeted assistance to maintain its health gains.

II. Eligible Sectors

Eligible focus areas for G2G chiefly include:

- Maternal health, including family planning and neonatal health
- Child survival
- Adolescent reproductive health
- Malaria management
- Universal health coverage
- Steering and coordination
- Financial management and accounting
- Health information system

III. Alignment with National Policies and Strategies

In accordance with the principle of alignment with national policies and procedures, G2G financing will be developed in compliance with the PNDS strategic orientations and the objectives set forth in the MTEF.

One essential point is that, under the mechanism, management of resources mobilized on the basis of an Implementation Letter must comply with Government of Senegal procedures, through the following systems:

- the national public finance management system,
- the procurement system,
- the monitoring & evaluation system, and
- the audit and inspection system.

Exercise No. 3: Government of Senegal Systems used in DF

Work in break-out groups

- List the main Government of Senegal management systems in the country framework used to manage the resources mobilized
- List the various G2G direct financing intervention areas

You have 25 minutes

UNIT 3: DIRECT FINANCING: KEY CONCEPTS

Specific Objectives: At the end of this Unit, the participants should be able to:

1. Explain the principles of the direct financing mechanism and the three direct financing instruments implemented by USAID;
2. Define and provide examples of milestones;
3. Describe each phase in the annual cycle of the G2G direct financing mechanism; and
4. Explain the procedures used to validate milestones and activities under Cost Reimbursement.

I. Definition

Under the USAID Health Program, Direct Financing (DF) is a mechanism consisting of direct resource transfers to recipients, who manage the resources to support a package of activities (service package) based on an agreement or contract mutually agreed upon and signed by the donor and the recipient.

II. Direct Financing Instruments Implemented by USAID in Senegal

A. Fixed Amount Award (FAA): A Fixed Amount Award is support in a specific amount granted by USAID to a public entity through an executing agency or NGO. This type of financing uses a cost reimbursement mechanism for the costs generated by activities implemented to achieve a specific performance (milestone) defined in advance in a contract known as an “Implementation Letter.”

B. Fixed Amount Reimbursement Agreement (FARA): A Fixed Amount Reimbursement Agreement is a lump-sum reimbursement mechanism whereby USAID grants funds directly to a government for the achievement of a performance (milestone) defined in advance in a contract known as an “Implementation Letter.”

C. Cost Reimbursement (CR): Under this mechanism, USAID reimburses the recipient for actual costs and expenditures incurred in implementing activities. Budgets must provide sufficient details to justify the level of funding approved by the Mission. Audits are conducted based on the list of supporting documents found in the PNDS procedures manual.

D. Hybrid Mechanism: A Hybrid Mechanism is a mechanism combining a Fixed Amount Reimbursement Agreement (FARA) with Cost Reimbursement (CR), with audit criteria in keeping with the requirements of both instruments. “Government-to-Government (G2G)” direct financing uses hybrid direct financing.

III. Milestones

A. Definition

A Milestone is defined as a key action, a key intermediate output or an indicator of outputs or impacts; it unambiguously indicates progress towards the achievement of expected outcomes under AWP.

Example 1: At least 80% of midwives and contracted service providers take up and remain in their respective positions to improve access to RHCS services in remote and difficult-to-access areas.

Example 2: The number of working women using modern contraceptive methods in the Kaffrine Medical Region (RM) has increased by 2% annually compared to the baseline situation.

B. Milestone Characteristics

Milestones present the following characteristics:

1. Verifiable: a milestone is objectively verifiable regarding quantitative or qualitative completion
2. Realistic cost: the payment must be a reasonable estimate of costs
3. Achievable: the milestone is within the partner’s reach
4. Relevance: there is a direct relationship between the development outcome and what is being measured
5. The expected outcome will be available at the appropriate time during the period covered
6. Practical: the expected outcomes are useful for decision making
7. Cost/Benefits: examine the cost associated with data collection to see if it is not higher than the milestone reimbursement
8. Accuracy: the milestone’s definition and the audit mechanism are clear and well understood by all stakeholders.

IV. Deliverables

Each milestone must be associated with an audit protocol and criteria that clearly stipulate detailed definitions of the elements required to consider that the milestone has been completed, how the milestone will be measured and the level or amount of payment.

Example: MILESTONES AND DELIVERABLES

Description of Milestones	Means of verification/Validity criteria	Amount per Milestone
The number of facility-based childbirths has increased by 3% compared to the reference period for the previous year	The medical region report shows a 3% increase in the number of facility-based childbirths compared to the previous year The concurrent audit report confirms a 3% increase compared to the previous year	
The administrative and financial management system of the Kaffrine medical region is upgraded to meet audit requirements	4 financial reports are available for the first 2 quarters (2 DAGE reports and 2 reports by the medical region) 11 records of material inventories are available 1 regional quarterly progress report on financial and accounting management is available	

N.B.: Amending milestones

Amendments are acceptable if they are due to circumstances beyond the control of the recipient that impact the latter's ability to achieve the outputs, such as: natural causes ("force majeure"); disruption of inputs at national level, political upheavals, etc. Changes should not be due to reasonably foreseeable events.

Exercise No. 4: Direct Financing Instruments and Milestones

Work in break-out groups

List the three main types of direct financing instruments and the situations where one would be used

Identify any questions you may have regarding milestones and deliverables

You have 20 minutes

V. Principles of the Government-to-Government (G2G) Direct Financing Mechanism

G2G operates in accordance with the general principles of direct financing, the aim of which is to ensure maximum consistency in interactions between stakeholders. The principles of the Government-to-Government (G2G) direct financing mechanism are:

- 1. Transparency:** G2G should facilitate and require information sharing between stakeholders to ensure maximum engagement and impact. The mechanism should facilitate the adaptation of information production and dissemination tools to meet growing accountability requirements.
- 2. Accountability:** Accountability is understood as the obligation to "give account" of the discharge of a duty. The financing mechanism is expected to make the actors accountable for their own results and commitments to achieve the objectives within the framework of the guidelines and priorities defined by the Ministry of Health.
- 3. Efficiency:** Efficiency is considered from the perspective of reducing the transaction costs associated with the financing mechanism, by harmonizing and adapting procedures to recipients' capacities, aligning them with the objectives and systems of the Ministry of Health and maximizing inputs at the operational level.
- 4. Additivity:** The principle of additivity ensures that the financing mechanism does not substitute external resources for the internal financing sources and mechanisms of the Ministry of Health and local authorities; the principle being that technical and financial partners only provide additional resources as an adjunct to internal resources to allow the Ministry to gain time in its efforts to improve health system performance.

5. Multi-year commitments: G2G is founded on a multi-year commitment to support the capacity-building and skills development process over several years. This allows G2G to fit within the time frame of both the MOH Medium Term Expenditure Framework and the USAID Health Program. However, funds are made available to recipients from annual budget allocations received by USAID, which is authorized to commit the funds after confirmation of their availability by the USAID Controller's Office.

VI. Stages and Annual Cycle of the G2G Direct Financing Mechanism

A. Stages of the Direct Financing Mechanism

- The first stage is the **preparatory phase**: at this stage, the budget allocated, and the areas selected are made known to the recipients.
- The second stage, known as the **negotiation phase**, includes the formulation of draft action plans derived from the AWP, the identification and selection of milestones and the negotiation of draft budgets.
- Stages three (3) and four (4) make up the **contracting phase**, namely: contract drafting and signing.
- Stage five (5) is the **implementation phase** of DF action plans at the responsibility center level.
- Stages six (6), seven (7) and eight (8) comprise **the preparation of deliverables for the CRV, validation of milestones, and drafting of requests for reimbursement or payment for each milestone**.
- The final two stages are the **monitoring and reporting phases**: technical and financial monitoring and drafting of technical reports. The actors involved, the calendar period and the expected outcomes of each stage are summarized in the table below:

Table I: Direct Financing Implementation Process

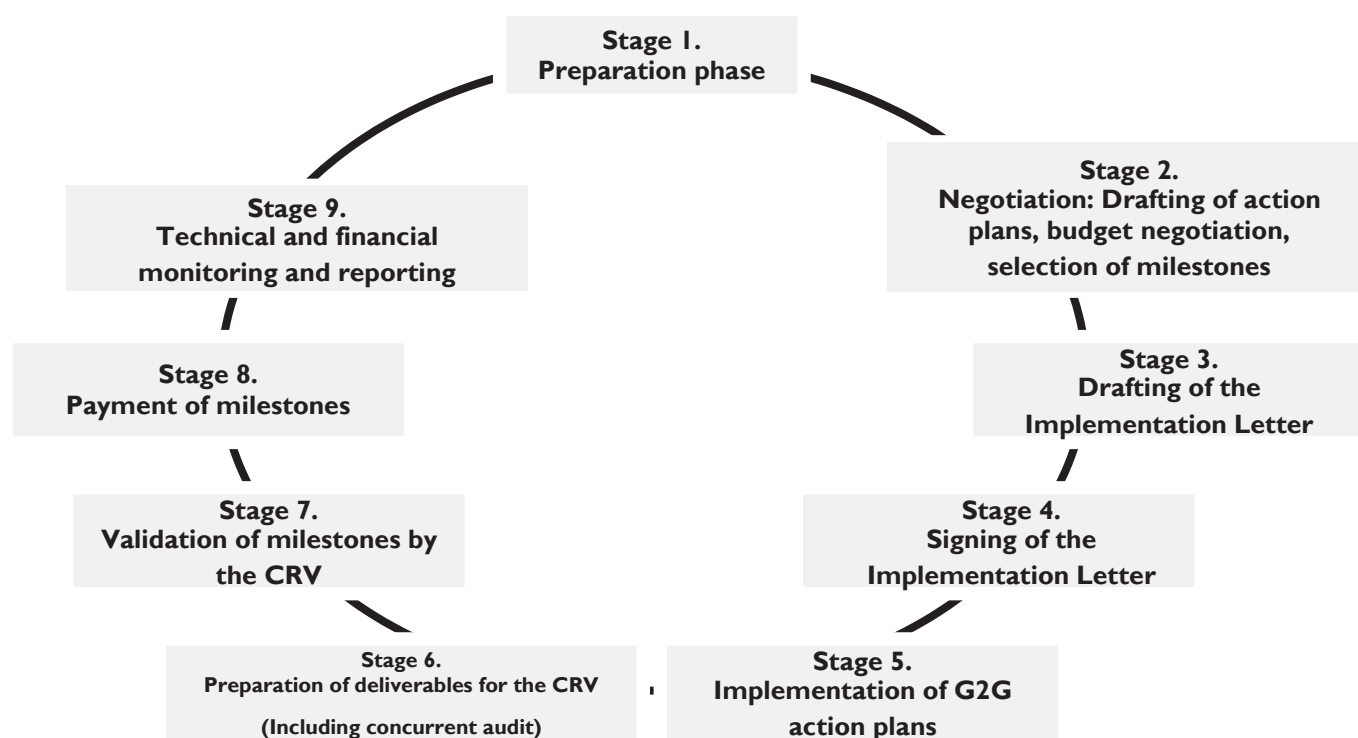
Stages	Actors	Expected Outcomes
Stage 1: Notification of Budgets and Areas	USAID, DAGE	The recipients know the budgets
Stage 2. Negotiation: Drafting of Annual Action Plans and Identification of Milestones	USAID, Medical regions, Health districts, DPRS, TFPs	AWPs, including POCTs, a regional consolidated AWP and individual AWP of central-level entities, are available Draft budgets are presented and discussed Milestones to be used as the basis for stakeholder commitments are identified and validated An audit protocol is defined for each milestone
Stage 3. Drafting of Contracts	USAID	An Implementation Letter is drafted for the responsibility centers
Stage 4. Signing of Contracts	USAID, Medical Regions, MOH	The contract for each Medical Region is signed between the MCR and the USAID representative.
Stage 5. Implementation of action plans	Chief Medical Officers of the districts and region	The activities are implemented by the signatory entities.

Stages	Actors	Expected Outcomes
Stage 6: Preparation of Deliverables for the CRV	Regional and district executive teams, DAGE, DPRS	The milestone deliverables expected by the CRV are completed
Stage 7. Validation of Milestones	The members of the Regional Validation Committee in each region and the members of the Technical Secretariat at the central level	Completion of the milestones is validated based on the audit protocol The stakeholders are notified of the findings and decisions of the Regional Validation Committee and the Technical Secretariat
Stage 8. Payment for each Milestone	MEFP, DAGE, USAID	Transfers are effectively made to recipients' accounts
Stage 9. Technical and Financial Monitoring and Reporting	Technical Secretariat Steering Committee	The report of the joint monitoring mission on the implementation of activities and progress achieved in the completion of the deliverables is available

B. Annual Cycle of Direct Financing

Graph I: Annual Cycle of the G2G Mechanism

The cycle below describes the various stages of implementation of the G2G direct financing mechanism in chronological order.



UNIT 4: G2G FINANCING MECHANISMS

Specific Objectives: At the end of this Unit, the participants should be able to:

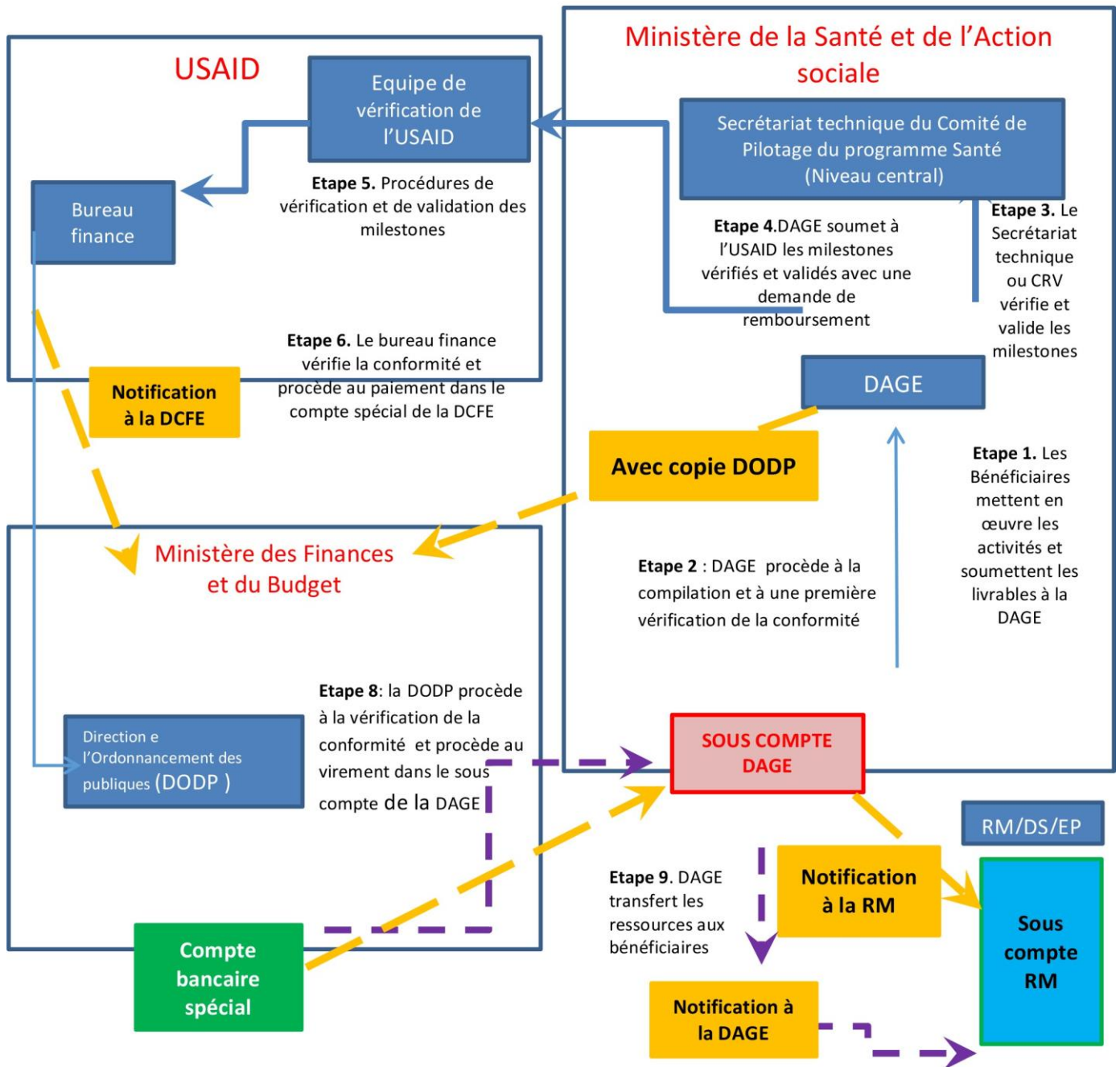
1. Describe the different phases of the flow of funds under G2G financing;
2. Explain the procedures used for the validation and payment of milestones;
3. Describe the pre-financing mechanism under the “Gov-Gov” budget line;
4. Explain the fundamental principles of audits of funds granted by USAID.

I. Description of Flows of Funds

The USAID reimbursement mechanism is implemented through the Department of Public Expenditure Authorisation (DODP) at the Ministry of Finance and Budget (MFB), which is responsible for funding the account of the Department of General Administration and Equipment (DAGE) at the Ministry of Health and Social Welfare, which is responsible for financing project activities. The diagram of flow of funds below is validated by the USAID Mission Director through an Approval for Use of Partner Government Systems (AUPGS).

Flux de fonds	Flow of Funds
USAID	USAID
Bureau finance	Finance Office
Équipe de vérification de l'USAID	USAID Audit Team
Étape 5. Procédures de vérification et de validation des milestones	Stage 5. Milestone audit and validation procedures
Notification à la DCFE	DCFE is notified
Étape 6. Le bureau finance vérifie la conformité et procède au paiement dans le compte spécial de la DCFE	Stage 6. The Finance Office monitors compliance and makes the payment to the special account opened by the DCFE
Ministère des Finances et du Budget	Ministry of Finance and Budget
Direction de l'Ordonnancement des publiques [sic] (DODP) [re-sic for the extra space]	Public Expenditure Authorisation Directorate (DODP)
Étape 8. La DODP procède à la vérification de la conformité et procède au virement dans le sous compte de la DAGE	Stage 8. The DODP checks compliance and makes the transfer to the DAGE sub-account
Compte bancaire spécial	Special bank account
Ministère de la santé et de l'Action sociale	Ministry of Health and Social Welfare
Secrétariat technique du Comité de Pilotage du programme Santé (Niveau central)	Technical Secretariat of the Health Program Steering Committee (Central level)
Étape 4. DAGE soumet à l'USAID les milestones vérifiés et validés avec une demande de remboursement	Stage 4. The DAGE submits the audited and validated milestones to USAID with a request for payment
Étape 3. Le Secrétariat technique ou CRV vérifie et valide les milestones	Stage 3. The Technical Secretariat or CRV audits and validates the milestones
DAGE	DAGE
Avec copie DODP	Copy to DODP
Étape 2 : DAGE procède à la compilation et à une première vérification de la conformité	Stage 2: DAGE carries out the compilation and an initial compliance audit
Étape 1. Les Bénéficiaires mettent en œuvre les activités et soumettent les livrables à la DAGE	Stage 1. The recipients implement the activities and submit the deliverables to the DAGE
SOUS COMPTE DAGE	DAGE SUB-ACCOUNT
Étape 9. DAGE transfère les ressources aux bénéficiaires	Stage 9. The DAGE transfers the resources to the recipients
Notification à la DAGE	DAGE is notified
Notification à la RM	RM is notified
RM/DS/EP	RM/DS/EP
Sous compte RM	RM sub-account

Flux de fonds



II. The Budget

The Government agrees with USAID that the level of financing in the G2G framework must comply with the underlying principles of the mechanism. Both parties recognize that the central government and local authorities are responsible for financing the AWP of the recipient entities. Therefore, in keeping with the principle of additivity, external support through the G2G mechanism should not replace local public resources in supporting AWP implementation. With this in mind, the level of USAID's G2G contribution will be determined primarily by the activities identified in the AWP. It should not exceed a given percentage of the financing mobilized by the Government for the implementation of recipient entity AWPs.

A. Conditions Precedent to Disbursement

The procedures manual clearly describes the respective roles and responsibilities of the DAGE and DODP and serves as a reference for all G2G agreements. In its "specific provisions" section, the PNDS administrative, financial, and accounting procedures manual¹ describes the roles and responsibilities of the DAGE and the DCFE as well as management procedures. It will serve as a reference in this regard. The PNDS procedures manual will be used by recipients to carry out the steps under their responsibility in the financial management and accounting of G2G programs.

The DCFE is responsible for opening a special account for milestone payments. A sub-account is opened and managed by the DAGE to fund the sub-accounts opened by the recipients. These sub-accounts must be specifically opened for the G2G Program. The DAGE is responsible for ensuring the traceability of cash management activities carried out under G2G agreements.

B. Procedures for Milestone Validation and Payment within the Framework of Lump-Sum Reimbursement of Funds and Activities under CR

The lump-sum repayment method is used to implement and finance the items to be reimbursed. Under this method, the recipient is required to complete the stages as stated in the description wherein USAID has approved a fixed repayable value for the completion of each stage. The amount reimbursed for each stage shall not change, despite any fluctuations in real costs or exchange rates.

The allocated funds are to be disbursed over the period covered by the Implementation Letter (IL) following satisfactory completion of the milestones defined as mutually agreed between the recipient and USAID. The amount of the payment shall be fixed in advance based on a reasonable estimate of costs reviewed and approved by both parties.

As soon as each Milestone is reached, the Regional Validation Committee (CRV) and Technical Secretariat are convened. These bodies review the milestone deliverables and the USAID concurrent audit report on milestone achievement, and validate the milestones. At the end of the meeting, a report is drawn up with the conclusions of the CRV. Any milestone not completed to the satisfaction of USAID will result in non-payment of the associated amount to the recipient. The recipient shall bear the risk if the actual cost of the services is greater than the fixed amount, and the benefit shall accrue to the recipient if the actual cost is less than the fixed amount. The recipient shall submit a payment request specifying the level of achievement of each benchmark in accordance with technical specifications. The recipient may not submit a reimbursement request exceeding the reimbursement amount pertaining to the milestone.

C. Cost Reimbursement

The cost reimbursement method shall be implemented when a recipient uses their own funds to cover costs in compliance with the G2G agreement budget. The recipient may then request a reimbursement from USAID.

USAID shall reimburse the recipient according to the following procedure:

The recipient shall submit the original and two copies of Standard Form 1034 ("SF 1034") and SF 1034A (Continuation of SF 1034) [on a monthly/quarterly basis]. SF 1034 is available from the USAID Activity Manager or at the following address: <http://www.usaid.gov/forms/>. All SF 1034 forms and all payment vouchers must be clearly marked with the applicable IL reference number.

Each payment voucher must indicate the total costs for which reimbursement is being requested and include a summary budget and an explanation of the expenditures for which reimbursement is being requested. The recipient shall conserve, in its payment files, evidence of payments made to any contractor for services rendered or goods delivered. Requests for payment on an approved SF 1034 form shall be submitted on a [monthly/quarterly] basis to the USAID/Senegal Controller, with copies to the Activity Manager. Applications may be submitted electronically. Reimbursements shall be paid (preferably by electronic transfer) by the USAID/Senegal Controller.

¹MSAS/DAGE (2015): PNDS Administrative, financial, and accounting procedures manual

Requests for reimbursements must be received by USAID no later than three months after the date of completion of the activity, or such other period as USAID may specify in writing. The recipient shall inform USAID of any justifiable anticipated delays. After that period, USAID may reduce all or part of its funding for the implementation of any activity for which claims for reimbursement, accompanied by the necessary supporting documents, were not received before the expiration of the period.

Requests for Advances

Under Cost Reimbursements, upon request by recipients, USAID may approve advance payments covering up to 30 days of anticipated costs for an activity. Requests for advances for the following month must be submitted before the 10th day of the previous month using an SF 1034 form. All requests must be clearly marked as “Requests for Advances”. Recipients may provide a set of such forms on a quarterly basis, i.e. in batches of three SF-1034 forms (one for each month).

At the end of each quarter (90 days), the recipient shall submit an SF-1034 form (entitled “Liquidation of Advances”) to liquidate the advances provided over the previous three months. The recipient may submit a new SF-1034 form entitled “Request for Advance” as soon as the liquidation has been submitted. The “Liquidation of Advances” SF-1034 form must be filed by the 15th of the month following each quarter.

D. Pre-financing by the Government (Gov-Gov line)

The Government has set up a budget line to support and facilitate the Government-to-Government (“G2G”) financing mechanism aimed in particular at reducing the amount of advances. All funds provided for under this mechanism and not reimbursed in a given year will be available to pre-finance project-related activities during the following fiscal year.

When USAID reimburses activities pre-financed by the Government, the funds are to be deposited in the bank account of the Department of Public Expenditure Authorisation (DODP) of the Ministry of Finance and Budget, which will then credit the DAGE account to cover additional pre-financing expenses for the project.

At the end of the project, the balance of the bank account managed by the DAGE will be used exclusively for pre-financing or financing of reproductive health and child survival, nutrition, HIV, and malaria control activities carried out under the G2G mechanism, based on annual work plans agreed between USAID and the Government.

III. Audit

The recipient shall keep the documentation and records necessary to demonstrate compliance with all provisions of the agreement for a period of up to three years after the date of the final disbursement by USAID. These documents may be audited and reviewed by USAID. This right of audit applies to all activities under any agreement to ensure that project activities were completed in accordance with the terms and specifications of the agreement.

Exercise No. 5: G2G Financing Mechanisms

Work in pairs

Describe the main features of the financing mechanism:

- From preconditions for the disbursement of funds
- To the conditions and procedures used to validate milestones regarding:
 - requests for advances to implement an activity
 - pre-financing using the gov gov line

You have 20 minutes

UNIT 5: IMPLEMENTATION PROCEDURES FOR G2G DIRECT FINANCING

Specific Objectives: At the end of this Unit, the participants should be able to:

1. Explain the management and contracting procedures for G2G direct financing agreements.
2. Identify the commitments and responsibilities of stakeholders in G2G direct financing agreements.
3. Describe procurement procedures and requirements in the implementation of G2G direct financing agreements.

I. Management of G2G direct financing Agreements

The recipient, in this case the MOH/DAGE, shall ensure proper and prudent program management, compliance with the terms and conditions set out in the agreements and the conservation of the appropriate documentation. The recipient shall assume full responsibility for the performance of the activity or the contracting of a third party for the purpose. Consequently, the DAGE is responsible for programmatic risks associated with project implementation, while the DODP is responsible for fiduciary risks. The relationship between the DAGE and the DODP is defined in the administrative, financial, and accounting procedures manual of the MOH. USAID and the MOH will jointly conduct periodic reviews to ensure the proper management of funds and the progress of G2G program implementation.

II. Contracting

The contract format is based on an Implementation Letter following the model provided by USAID as per ADS 220; however, in coordination with USAID, the government party may add any sections deemed necessary in accordance with MOH contracting policy.

The Implementation Letter (IL) is a memorandum of understanding intended to provide information and set out procedures for G2G direct financing implemented under an assistance agreement between USAID and the Government of Senegal. It contains a detailed description of the scope of the agreement between the two parties and the measures each party must undertake to implement it. The Implementation Letter includes:

- an outline of the direct financing program,
- the management framework,
- conditions precedent for disbursement,
- the execution period,
- the financing mechanism,
- procurement procedures, and
- environmental issues and other provisions.

The type of contract adopted is a “Fixed Amount Award” agreement between the Government of the United States represented by USAID and the Government of Senegal represented by the Ministry of Finance and Budget (MFB). The recipient central government entity or Medical Region undertakes to complete predefined “milestones” and provide key “deliverables” for each milestone. The donor undertakes to pay the amount due for each milestone completed if completion is demonstrated by the required deliverables. The amount of the reimbursement for each milestone is set in advance at the signing of the contract.

Defining the “milestones” is an essential step that must be carried out with the beneficiaries in a national workshop following planning. The jointly agreed definition of each milestone is linked to the specifications of the audit protocol. The protocol is used to determine milestone completion, the supporting vouchers required, the measurement instruments used and the timeframe.

III. Procurement²

The recipient shall be responsible for all aspects relating to procurement required to carry out the activities, in accordance with its own procurement procedures. The recipient agrees that, in the interest of economy and efficiency, all goods and services funded under the Implementation Letter (IL) will be procured locally.

² See Procurement Module (for public procurement procedures).

Procedures for procurement of required goods and services:

- Publication of tender documents
- Evaluation of offers
- Selection of a contractor
- Documentation on the procedure followed and the choice of the supplier or service provider.

Exercise No. 6: Financing Agreement Management

Work in pairs

List the conditions and procedures connected with financing agreement management:

- the main actors and their respective tasks and responsibilities in managing the financing agreement at the **central level**
- the main actors and their respective tasks and responsibilities in managing the financing agreement at the **regional level**

- You have 20 minutes

UNIT 6: ROLES AND RESPONSIBILITIES OF THE ACTORS

Specific Objectives: At the end of the Unit, the participants should be able to:

1. Determine the respective tasks and responsibilities of the main actors in the management of G2G direct financing agreements at the central level.
2. Determine the respective tasks and responsibilities of the main actors in the management of G2G direct financing agreements at the regional level.

Exercise No. 7: Roles and Responsibilities

Individual task

- Describe who within your organization you think should have primary responsibility for ensuring the effectiveness of G2G direct financing programs
- If you do not know who has the primary responsibility, consult briefly with another participant

You have 5 minutes

I. Roles and Responsibilities of Actors at the Central Level

A. Ministry of Health and Social Welfare

The Ministry of Health and Social Welfare plays a leading role at different levels, involving several actors, including:

- the Steering Committee of the USAID Health Program,
- the Technical Secretariat of the Steering Committee,
- the Thematic Group on Governance, Financing, and Information Systems,
- the Department of General Administration and Equipment (DAGE), and
- the Department of Planning, Research and Statistics (DPRS).

The Steering Committee is composed as follows:

Chairperson: the Secretary General of the Ministry of Health and Social Welfare

Rapporteur: the Director of Planning, Research and Statistics

Members:

- Inspector of Administrative and Financial Affairs,
- Technical Adviser in charge of monitoring,
- Comptroller of Financial Operations,
- Representatives of the Ministry of Economy, Finance and Planning, and the Ministry of the Interior,
- Directors general, directors, and heads of national departments of the MOH,
- USAID representatives,
- Technical and financial partners,
- Representatives of the Federation of associations of locally-elected officials (UAEL),
- A representative of the private health sector alliance,
- Civil society representatives,
- Chief of Parties of USAID Health Program Components, and
- Regional Chief Medical Officers.

The Steering Committee meets in ordinary session every six (6) months, and in extraordinary session when convened by its Chairperson.

The Technical Secretariat of the USAID Health Program Steering Committee: Composition

The composition of the Technical Secretariat is as follows:

Coordinator: Director of Planning, Research and Statistics.

Rapporteur: An official from the Department of Planning, Research and Statistics appointed by the Director.

Members:

- A representative of the General Directorate of Health,
- A representative of the General Directorate of Social Welfare,
- A representative of the Department of General Administration and Equipment,
- The rapporteurs of Steering Committee thematic groups,
- USAID representatives, and
- Representatives of USAID Health Program Components.

The Technical Secretariat meets every three months. However, it may meet as needed when convened by its Coordinator.

The Thematic Group on Governance, Financing, and Information Systems

The Thematic Group on Governance, Financing, and Information Systems monitors the implementation of direct financing. As such, it provides support for the Steering Committee and the Technical Secretariat in reviewing files or documents related to direct financing. The composition of the Thematic Group is as follows:

Coordinator: Director of General Administration and Equipment

Rapporteur: An official from the Department of General Administration and Equipment, appointed by the Director.

Members:

- A representative of the Internal Inspectorate,
- A representative of the Comptroller of Financial Operations,
- The Head of the Division of Health and Social Statistics and Information,
- A representative of the General Directorate of Health,
- A representative of the General Directorate of Social Welfare,
- A representative of the Department of General Administration and Equipment,
- A representative of the Human Resources Department,
- A representative of the Department of Health Facilities,
- A representative of the National Health Education and Information Service,
- USAID representatives,
- Representatives of the central bodies and programs in charge of implementing the priority interventions of the USAID Health Program in the areas of governance, financing, and information systems,
- Representatives of the USAID Health Program's governance, financing, and information system components, and
- Representatives of MOH departments receiving G2G financing.

The Department of General Administration and Equipment (DAGE)

The DAGE has a central role to play in G2G direct financing, which consists of:

- managing the sub-account opened to receive G2G funding,
- providing technical assistance in financial and accounting management at central and regional levels, and
- building the capacity of central and regional staff in financial management and accounting.

A sub-account is to be opened and managed by the DAGE to fund the recipients' sub-accounts. Such sub-accounts must be opened specifically for the purposes of the G2G Program. The DAGE is responsible for ensuring the traceability of cash management activities carried out within the framework of G2G direct financing agreements. It is responsible for monitoring relations between the MOH and the Ministry of Finance and Budget (MFB) within the framework of the mobilization of G2G financial resources.

Internal Inspectorate

The MOH Internal Inspectorate participates in the monitoring and audit activities of the DAGE, in addition to planning and implementing audits of the recipients' financial and accounting management of the funding received.

Department of Planning, Research and Statistics (DPRS)

The DPRS coordinates the Technical Secretariat of the Steering Committee. It provides technical support to G2G funding recipients during the planning process to ensure that the operational planning approach and tools are mastered, monitors the implementation of validated plans, prepares Steering Committee meetings, and participates in milestone validation meetings.

B. The Ministry of Finance and Budget (MFB)

The MFB is responsible for the fiduciary oversight of all resources allocated to G2G program implementation at central and regional levels. When advances are provided by USAID, they are paid into a bank account controlled by the MFB's Department of Public Expenditure Authorisation (DODP). The DODP is responsible for opening a special account into which milestone payments will be made. The Ministry of Health will make withdrawals from said account.

C. USAID

USAID intervenes in the implementation of direct financing through three internal structures, namely:

- The Program Office,
- The Legal Office, and
- The Finance Office.

1. The Program Office

The Program Office has the following functions:

- coordinating project development,
- identifying and selecting milestones,
- determining audit procedures,
- drafting the Implementation Letter, and
- contributing to the organization of the flow of funds.

The Program Office is also tasked with monitoring, evaluation, and facilitation of dialogue between the sector ministries involved in G2G. In this capacity, it facilitates dialogue between the MOH and the MFB to set up the G2G line. It also takes part in post-award meetings to clarify the provisions of the Implementation Letter to facilitate its application.

2. The Legal Office

The Legal Office provides advice internally and on the G2G portfolio. Its mission is to:

- define the legal and regulatory framework for G2G,
- verify project compliance with USAID legal and regulatory requirements (ADS 220), and
- play a role in supporting G2G partnerships.

The Legal Office is also responsible for comparing the legal provisions of Senegalese law with those of U.S. law.

3. The Finance Office

The mission of the Finance Office is to:

- clarify USAID's budgetary rules and principles and the criteria to be followed,
- support the Health Team in budgetary and financial matters,
- provide guidance on budget development issues,
- ensure that the budget is prepared and controlled,
- provide explanations on USAID's financial procedures and payment methods, and
- undertake the payment of validated milestones.

D. The Recipients

Direct financing recipients may include national departments, programs, Medical Regions, and regional services. When direct financing is provided to one of these structures, it is considered a primary recipient. In direct financing implementation, a primary recipient is involved:

- at the start of the process, in defining the activities to be implemented, which are derived from the Annual Work Plan (AWP),
- in the identification of milestones, and
- in sharing the Implementation Letter.

The primary recipient monitors the implementation of activities, provides the required technical and financial reports, and submits deliverables for validation.

II. Roles and Responsibilities of Actors at the Central Level

The actors involved in direct financing implementation at the regional level are the Medical Region and the Regional Validation Committee, which validates deliverables.

A. The Medical Region (RM)

The Medical Region is involved at the start of the process in defining the activities to be implemented, which are derived from the AWP. To that end, it identifies milestones and shares the Implementation Letter. Additionally, the Medical Region is responsible for:

- monitoring the implementation of activities,
- any necessary technical and financial reporting, and
- submission of deliverables to the Regional Validation Committee (CRV) for validation.

The Medical Region prepares payment requests to be submitted to the CRV and organizes semi-annual reviews of FARA implementation. It collaborates with USAID and the DAGE in monitoring the Direct Financing Mechanism.

B. The Regional Validation Committee (CRV): Composition, Roles and Responsibilities

In each region receiving direct financing (G2G), a Regional Validation Committee (CRV) is set up by order of the Governor, to verify milestone completion. The committee is composed as follows:

- The Governor of the region or their representative (Chairperson),
- A representative of the Regional Development Agency (ARD),
- One representative of each departmental council,
- One representative of the health development committees (CDS),
- The regional Comptroller of Finance or their representative,
- One representative of Civil Society Organizations,
- Two advisors from the regional team, designated by the coordinator (in FAA regions),
- One representative of other technical and financial partners in the region, and
- The Regional Chief Medical Officer (MCR), (in an advisory capacity).

The roles and responsibilities of the CRV include:

Receiving milestone deliverables:

- validating the completion of milestones based on deliverables and validity criteria as previously defined by the CRV, prior to submission for USAID approval,
- preparing the minutes of validation meetings,
- receiving the payment requests formulated by the Regional Chief Medical Officers,
- preparing a file including the meeting minutes, the request for payment and the deliverables to be sent to the Regional Team, and
- formulating proposals to the Steering Committee on action to be taken in case of non-compliant means of verification or fraud.

The CRV meets quarterly within seven working days of receipt of the deliverables submitted by the MCR.

UNIT 7: GOVERNMENT OWNERSHIP STRATEGY

Specific Objectives: At the end of this Unit, the participants should be able to:

1. List the key undertakings of the MOH with a view to G2G direct financing implementation, with reference to the bilateral cooperation agreement with USAID.
2. Explain the accompanying measures of the G2G direct financing mechanism.
3. Describe USAID's undertakings under its Health Program (2016-2021) to support the MOH in optimizing health outcomes.

I. MOH Undertakings

As defined by USAID, G2G funding is predicated on the satisfaction of the following assumptions:

- The MOH will continue its efforts to prioritize the reduction of maternal, neonatal, and child mortality, using evidence-based information to determine the scale of high-impact interventions.
- The MOH will strengthen planning, budgeting, and monitoring of gender- and youth-equitable programs.
- The Government will increase the health budget and improve its implementation, providing adequate funding for activities supported by G2G agreements.
- The MOH will continue to implement its Integrated Risk Mitigation Plan, strengthening the capacity of the Senegalese public health system to effectively manage investments towards the achievement of the expected outcomes.

II. Accompanying Measures

In order to maximize the success of direct financing, the GoTAP component of the USAID Health Program implements accompanying measures in consultation and in close collaboration with the Health System Strengthening Plus (HSS+) Component. These measures cover the duration of the USAID Health Program (2016-2021). The main accompanying measures are as follows:

- Provision of a set of standardized assistance tools that will be developed for partners benefiting from G2G agreements. These assistance tools are drawn from Abt's experience with direct financing. The various aid options, which include training, facilitation, tools, and workshops, are guided by a set of principles.
- A description of the assistance is available in the form of an electronic brochure that can be accessed by all G2G stakeholders. Other promotional initiatives will be considered to foster governance and engagement.
- In addition to the various training activities that are part of the assistance toolkit, the program will provide capacity assessments and capacity development plans for the Steering Committee and G2G financing recipients.
- When the annual work plan is drawn up, the set of principles governing the assistance toolkit are to be presented to the government entities involved in G2G implementation.
- A multidisciplinary team will be mobilized to support the staff of recently included entities (medical regions and other entities) in their initial planning process.
- During years 2 to 5, mentoring will be provided by the initial G2G recipients and mutual assistance between regions will be facilitated.

III. USAID Undertakings

I. Regarding the institutionalization of design, supervision, evaluation, and reporting approaches:

- a. Execute and implement the G2G mission statement (creating internal teams, distributing sample documents, etc.).
- b. Clearly define G2G objectives for each instrument/partner to achieve development outcomes and enhance capacity building, monitoring, and reporting.
- c. Ensure that foreseeable weaknesses are considered in design (strikes, procurement schedules, financial flows, human resource constraints, etc.).
- d. Develop outcome-level milestones reflecting maximum use of host country systems.

2. For special projects:

- a. Develop an approach to standardize non-financial risk analysis and mitigation.
- b. Reframe Cooperative Agreements to incorporate key GOS policy and institutional reform commitments and to monitor progress in annual common portfolio reviews.
- c. Develop instruments to support risk assessment, technical assistance, training, mentoring, and performance measurement.
- d. Develop a concrete plan to strengthen "systems".
- e. Ensure that dialogue takes place among sector donor groups, G12 and G50 around G2G objectives.

UNIT 8: MONITORING & EVALUATION AND LESSONS LEARNED

Specific Objectives: At the end of this Unit, the participants should be able to:

1. Explain M&E and reporting principles under direct financing.
2. List the types of reports and their due dates.
3. Describe the different monitoring & evaluation bodies and learning procedures.

I. Principles of M&E/Reporting

Performance monitoring regarding the execution of the Implementation Letter (IL) will be based on the country's operational system.

The Monitoring & Evaluation Plan accompanying the IL is developed jointly by the partner government and USAID, taking account of all country system requirements in terms of reporting and selection of standard MTEF indicators. Both partners, USAID and the Government, undertake to work closely together in the process of documenting outputs.

Data quality controls will be carried out jointly and the lessons learned will be objectively processed to enable system users themselves to identify any areas requiring strengthening or mitigation actions.

II. Types of reports and due dates

Report Name	Due Date
Semi-annual Performance Report	No later than January 31 of the current year
Annual Performance Report	No later than August 31 of the current year
Quarterly Financial Reports	October 31 January 31 April 30 August 31 Of the current year
Biomedical Waste Management Risk Mitigation Plan	90 days after the date of signing of the IL

Exercise No. 8: Monitoring & Evaluation and Learning

Work in pairs

- Explain the principles of Monitoring and Evaluation and reporting under Direct Financing
- List the types of reports and their due dates
- Describe the different Monitoring & Evaluation bodies and learning procedures

You have 20 minutes

III. Performance Measurement Framework

The performance measurement framework pertaining to financing includes:

- Standard MTEF indicators,
- Specific milestone-related indicators,
- Specific indicators linked to Cost Reimbursement activities or CR Indicators,
- Specific indicators associated with the MTEF and pertaining to skills transfer.

Monitoring & Evaluation Bodies and Lessons Learned

The USAID Health Program's Steering Committee, supported by the Technical Secretariat and the Technical Group responsible for Direct Financing, will monitor the implementation of G2G funding awarded by USAID to regions, programs, or departments.

The funding is administered by the Department of General Administration and Equipment (DAGE). Monitoring of DF implementation will also be conducted within the framework of joint monitoring missions of the USAID Health Program.

The Steering Committee will help document experiences in the implementation of the G2G mechanism. Monitoring of the mechanism will take place during the semi-annual meetings of the Steering Committee and the quarterly meetings of the Technical Secretariat and the Thematic Group on Governance, Financing, and Information Systems.

The Steering Committee will evaluate progress made in achieving the milestones set out in the Implementation Letters, as well as progress on maternal, neonatal, child and adolescent health indicators. The Steering Committee will identify good practices to be shared and will participate in their dissemination.

It will make evidence-based decisions to strengthen or correct program implementation, and advocate for support for G2G interventions.

At the level of national and regional entities, monitoring should identify both successes and potential obstacles so as to respond quickly to needs in terms of local decision making and project reporting to USAID/Senegal, the Government, and other stakeholders. The work will be carried out during:

- Quarterly coordination meetings,
- Quarterly Annual Work Plan (AWP) monitoring meetings,
- Semi-annual FARA reviews, and
- Annual reviews of the implementation of the direct G2G funding mechanism.

At the USAID level, the quarterly review meetings of the Integrated Action Plan of the Health Program and the annual review of the Health Program will be used to take stock of G2G mechanism implementation and to monitor the performance of the sector in USAID-funded health activities.

UNIT 9: MANDATORY STANDARD PROVISIONS FOR THE USE OF ALL U.S. GOVERNMENT RESOURCES (SEE ADS 220 APPENDED TO THE IL)

Specific Objectives: At the end of this Unit, the participants should be able to:

1. Explain the eligibility rules for goods and services procurement, as well as international travel criteria.
2. List Family Planning requirements: Tiahrt Amendment.
3. Describe communications and branding standards.
4. List activities that may have negative environmental impacts and develop plans to mitigate or avoid such impacts.

I. KEY STANDARD PROVISIONS:

Rules of Eligibility pertaining to Procurement of Goods and Services

All individual transactions that do not exceed \$25,000, excluding those specifically requiring USAID approval under the Agreement or the IL, may be conducted with any source or nationality that is not forbidden under Geographic Code 935. Above that amount, refer to standard provisions and/or contact USAID to confirm that the source or nationality of the commodity to be procured is authorized.

Source, Origin or Nationality of Basic Commodities: Geographic Code 935

All USAID obligating documents must specify a USAID Geographic Code defining eligible sources for the acquisition of goods and services financed with USAID program funds (in dollars or other currencies).

The principle is to ensure that goods and services financed by USAID meet the needs of the foreign aid program and provide benefits for the economy.

Code 935, which covers all regions and countries, including the cooperating country (with the exception of countries subject to foreign policy restrictions), is the authorized Geographic Code for acquisitions of goods and services.

International Travel and Air Travel

Travel expenses (airline tickets, accommodations, and living expenses) must not exceed the amounts allowed by recipient country procedures.

All air travel reservations must be made in economy class. Business class reservations are not authorized.

Suspension or Cancellation

USAID may cancel all or part of the Agreement in writing if:

- the recipient fails to comply with any provision of the project,
- an event occurs which USAID deems makes it unlikely that the objectives of the Agreement can be achieved, or which will result in the recipient being unable to fulfill its obligations under the IL, or
- a disbursement or use of funds in violation of the legislation governing USAID is proven.

1.2 Family Planning Requirements: Tiahrt Amendment - Voluntarism and Informed Choice

USAID defends the freedom of all individuals to voluntarily choose the number of children they will have and the spacing of their births.

- The term “voluntarily” means that decisions are based on free choice and not obtained through special incentives or any form of coercion.
- Informed Choice: is choice based on effective access to information about family planning options for all clients.

When do these FP requirements apply?

- All USAID-funded FP service delivery projects.
- All USAID support for family planning, including financial aid, technical assistance, and training, regardless of the entity in charge, including governments, public international organizations, and NGOs.

This may include FP activities under integrated programs (e.g., MCH, PEPFAR, etc.).

Scope of FP requirements

Requirements aimed at promoting voluntarism and informed choice in FP programs apply to:

- Targets & quotas
- Incentives
- Denial of rights or benefits
- Intelligibility of information
- Experimental FP methods
- Choice of methods
- Protection relating to voluntary sterilization

Exercise No. 9: Key Standard Provisions of the Implementation Letter

In pairs

List the key provisions on:

- eligibility rules pertaining to procurement of goods and services:
- international travel and air travel
- suspension or cancellation
- family planning requirements: Tiahrt Amendment
- restrictions relating to abortions: Tiahrt Amendment

Write down your definitions on a sheet of paper

You have 20 minutes

II. SPECIFIC PROVISIONS

2.1. Communications and Branding

The recipient shall publicize all programs and activities planned under the Implementation Letter and state that they were made possible by the support of the American people through the United States Agency for International Development (USAID).

All publicity and branding shall comply with USAID branding policies.

Use of the USAID logo and the U.S. flag for branding purposes must comply with USAID requirements and policies.

The identities or emblems of the Government of Senegal, the United States Government, and USAID must be the same size.

Events protocol: in general, it takes at least two weeks to make arrangements for an event involving USAID management.



Example of G2G branding for the PASMESSIS program

2.2. Environmental Compliance Rules

Activities must be implemented in accordance with USAID environmental regulations (Reg. 216) and Senegal’s environmental regulations.

All projects under the IL shall be implemented in accordance with the USAID/Senegal 2016-2021 Health Program’s Initial Environmental Examination (IEE).

Two categories of activities should be distinguished (as per the Initial Environmental Evaluation):

- Activities that have no negative impact on the environment (Categorical Exclusion):

- social marketing and behavior change communication,
- epidemiological monitoring and reporting (with the exception of activities that may generate biomedical waste, e.g. blood tests, organ removal, etc.).

- Activities that can have adverse impacts on the environment and require the application of measures to mitigate or avoid such impacts (Negative Determination with Conditions). These include all activities that may generate biomedical waste such as, among others:

- supporting laboratories for testing and quality control of medications,
- support for the Malaria Control Program,
- acquisition, storage or management of products intended to improve the health of the population (mosquito nets, pharmaceutical products, etc.),
- mass vaccination program and campaign.

III. Environmental Mitigation Measure Implementation and Monitoring Plan

Activities	Probable Impacts	Mitigation Measures	Implementation/ Monitoring Officer	Monitoring Indicators	Costs
As set out in the Implementation Letter	As defined in the IEE	Implement IEE terms and conditions. See the guide developed by USAID for each sector on the site	Entity or person responsible for implementation and/or monitoring	Simple Measurable Accurate Realistic Time Limited	Cost of implementing and monitoring mitigation measures

Exercise No. 10: Specific Provisions of the Implementation Letter

In pairs

List the various specific provisions applying to:

- reporting requirements (see the M&E Thematic Unit)
- communications and branding
- waste management

Write down your definitions on a sheet of paper

You have 15 minutes

BIBLIOGRAPHY AND REFERENCE DOCUMENTS

- MSAS/DAGE (2015): Manuel des procédures administratives, financières et comptables du PNDS.
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**Ministry of Health
and Social Welfare**