DEVELOPMENT OF A DOMESTIC RESOURCE MOBILIZATION AND SUSTAINABILITY ROADMAP FOR TB PROGRAMMING IN ETHIOPIA: INCEPTION REPORT

July 13, 2021 • Ethiopia

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About HS4TB

The USAID Health Systems for Tuberculosis (HS4TB) project seeks to transform the way country leaders and health system managers understand and work toward TB control and elimination. HS4TB is a five-year USAID contract focusing on health systems priorities that most directly support achievement of TB outcomes, with a focus on health financing and governance in the USAID TB priority countries. The project helps countries increase domestic financing, use key TB resources more efficiently, build in-country technical and managerial competence and leadership, and support policy formation and dissemination. HS4TB is led by Management Sciences for Health (MSH) in partnership with Nathan Associates and Open Development.

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1. Background

Tuberculosis (TB) is the third leading cause of death among communicable, maternal, neonatal and nutritional diseases in Ethiopia (IHME Global Burden of Disease, 2020). Despite the disease burden, TB funding accounted for only three percent of total health expenditure in Ethiopia. The Government of Ethiopia (GOE), along with the U.S. Government and the Global Fund, contribute roughly equal shares (US$10–11 million each) to the country's TB program. Although by policy, TB is an exempted service (service provided free of charge and financed by government), the current fiscal space and expenditure assignment responsibilities have not been able to mobilize domestic resources to fund these programs. The latest Global Fund gap analysis and funding request (2020) shows that Ethiopia's TB program faces a significant financing gap of approximately US$187 million over the 3 years period— 50 percent of the program's estimated resource need during the same period (Source TB HIV GF CN). The NHA reports from Ethiopia shows progressive increase in TB expenditure from 2007/8 to 2016/17. For instance, in 2016/17 the total TB expenditure was US $65 million (i.e., increased by 35% from 2007/8 expenditure), comprising contributions by the rest of the world or external funding (44.7%), households (43.7%) and Government (11.7%) (NSP). As a result, out-of- pocket expenditure historically has been a major source of spending for TB, accounting for roughly one-third of TB financing. Exploring the mechanisms for addressing this financing gap is critically important, especially as the Global Fund requirement for co-financing by the government will increase from 15 percent to 20 percent in July 2021.

The Federal Ministry of Health (FMOH) developed a revised health care financing strategy to mobilize additional funding and is awaiting the approval of the Council of Ministers. The HSTP II (2020/21-2024/25) made health financing one of the top five sector strategic directions (transformation agendas), with the aim of increasing domestic resources mobilization including through innovative financing. Programs like HIV/AIDS have also drafted their respective domestic resources mobilization strategies that sets targets for covering at least 30 percent of HIV/AIDS costs through domestic resources mobilized through additional government allocations, mainstreaming, community care coalitions, increased contribution of private and public employees to AIDS fund and introducing earmarked taxes on private and public enterprises. Given the high dependency of TB program on external funding, there also is a need for the National TB Program (NTP) to explore and develop similar strategies to mobilize additional domestic resources, and where possible, to align with the above initiatives.

In addition to the financing constraints, a significant proportion of TB supervision and performance management—key components of a strong TB program—have become overly reliant on external support including a series of U.S. Agency for International Development (USAID) projects. Even with continued external financing, it will be critical to establish the core function of performance management within the GOE systems, rather than TB implementing partner systems.

As part of the new USAID TB accelerator program, in 2020, the GOE and the USAID Tuberculosis Implementation Framework Agreement (TIFA) Program signed a US$249,000 Tuberculosis Commitment Grant (TCG), for a 6-to-9-month implementation period, to provide direct financial support to the GOE to fund supportive supervision visits to 300 Woredas, conduct regional level MDRTB supportive supervision to MDRTB treating hospitals, and conduct clinical symposia for multi-drug resistant (MDR-TB) hospital staff. USAID/ TIFA TCG represents an important shift in how USAID often provides its assistance to the National TB Program as it allows the direct financial access by the host/local government which required USAID to transition from channel 3 (off-budget support) to channel 2 (on-budget sector support financed only by Development partners). At present, the NTP is managing the first TCG using channel 2B, working with the Partnership and Coordination Directorate (PCD) to oversee the flow of earmarked resources from the FMOH down to Regional Health Bureaus (RHBs) and Woredas. This new shift in fund flow system for the current and future TIFA TCG presents an opportunity for shared learning by the NTP and USG on the strengths and vulnerabilities to advise on

PCD on how to optimize systems for the management of TB resources both from domestically (through channel 1B) and within the Global Fund grant and future USAID/TIFA investments (through channel 2B).

The TB program will also start to mobilize locally available resources, as local governments, in principle, are required by TIFA TCGs to commit in-kind resources in this TCG, phasing into more robust financial contributions for future grants. Despite co-financing modalities becoming more common among international donors, the TB program faces difficulty in quantifying, tracking and documenting the host government co-financing contributions to secure the matched funds to further pace up the fight to END TB while building commitment and ownership in TB programming. As a result, this core-funded USAID HS4TB Ethiopia project is awarded to Management Science for Health (MSH) to provide technical assistance for FMOH (National TB control program and PCD) to develop National Resource Mobilization and Sustainability Roadmap for TB programming in Ethiopia. MSH developed HS4TB Ethiopia Concept Note (see Annex A), approved by the top management of the FMOH, that defined the scope and provides the additional background information on the key proposed activities. This Inception Report, in addition, is meant to reflect the agreement between the FMOH and HS4TB on the implementation approach, methodology, team composition and timeline for the project.

2. OBJECTIVES

The USAID-funded Health Systems for Tuberculosis (HS4TB) focuses on health systems finance and governance priorities and strengthens the performance of these systems in relation to TB programming. The HS4TB project applies systems thinking to transform the way we see and understand health systems for TB. At USAID's request, HS4TB has been engaged to offer its support to the FMOH/NTP to conduct three tasks/activities:

1. Develop a TB domestic resource mobilization and sustainability Roadmap, under the umbrella of the Health Financing Strategy, that will guide increased domestic funding from different sources to sustain TB activities over time;
2. Analyze efficiencies in the flow and management of funds earmarked for TB performance management activities through GOE systems (channels 1 and 2);
3. Identify opportunities to strengthen and track the mobilization of domestic resources by local administrations to support co-financing (in-kind and financial) of TB activities; and
4. Identify opportunities to strengthen the role and contribution of private and civil society organizations.

The major deliverable from this work will be to develop a roadmap for mobilizing and sustaining resources for the TB programming in Ethiopia. This TB Resource Mobilization and Sustainability (TB DRMS) Roadmap is envisioned to guide the materialization of the overall National Health Financing Strategy tailored to TB financing perspectives. Additional analyses of Government funding channels and realization of the country's co-financing commitments for funds earmarked for TB programming will also inform the practical operationalization aspects of the TB DRMS Roadmap.

3. PROJECT IMPLEMENTATION PERIOD

The expected implementation period in Ethiopia is from May to December 2021.[1]

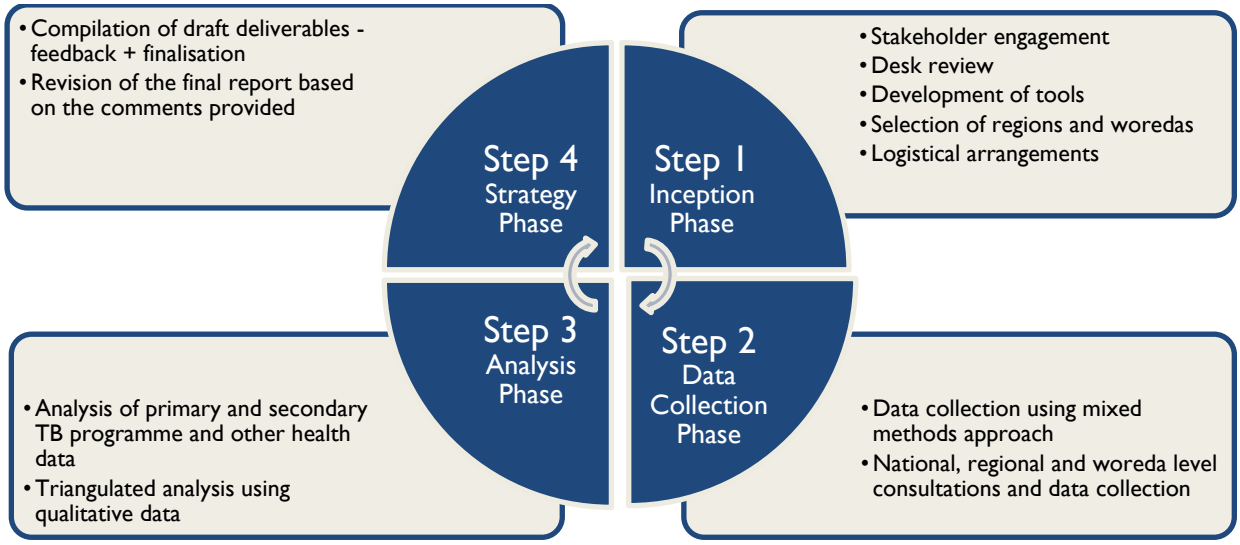
4. METHODOLOGY

4.1 OVERALL APPROACH

To conduct the three tasks outlined above, the team will undertake a four-step approach in undertaking data collection, analysis, drafting and revising the deliverables as shown in Figure 1. Throughout each of these steps, government leadership and ownership of the process will be critical for guiding the technical inputs from the HS4TB team. The work will benefit from broad consultation within the FMOH and its partners, as well as, engagement of select regions and woredas.

While HS4TB will utilize a methodical approach to engage key stakeholders and review secondary data sources, the activities supported are neither considered research nor will the results be published. Rather, the work is meant to inform the FMOH and the Government of Ethiopia's internal processes for mobilizing and managing domestic and development partner resources for the TB program. Consultations at regional and woreda levels will involve Government officials and will not involve healthcare facilities or patient care.

Figure 1: Four Step Approach



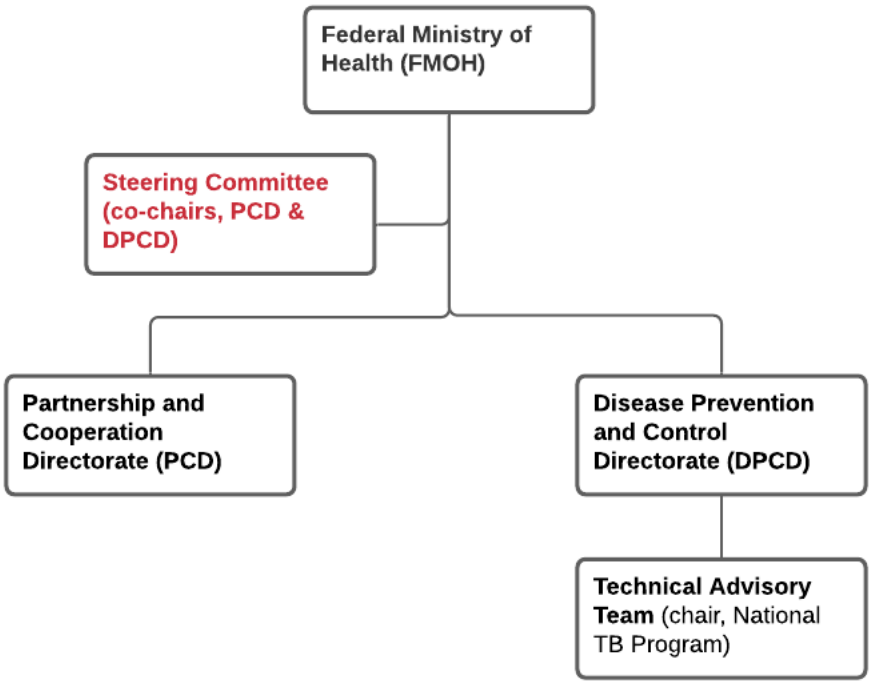
4.1.1. FOSTER GOVERNMENT OWNERSHIP AND LEADERSHIP

While HS4TB will be responsible for producing robust analyses and presenting viable options for decision making, government leadership and ownership of the process is the most critical component of this activity. The Concept Note has now been approved by the top management of the FMOH and the

[1] The proposed timeline is to complete the work by end of September 2021; however, the HS4TB team is available through the end of 2021 in the event of unexpected delays.

study will be led and coordinated by the Partnership and Coordination Directorate (PCD)[2] and the Disease Prevention and Control Directorate (DPCD)/ National TB and Leprosy Programme. The PCD and DPCD are expected to establish a Steering Committee from different directorates and partners to guide the development of the methodology and analytical review as well as provide constructive comments on the draft reports of the three deliverables. The Steering Committee also will provide leadership for charting out potential sources and negotiating the TB DRMS Roadmap The Steering Committee will be co-chaired by PCD and DPCD and may draw upon expertise from the following departments: PCD, DPCD/NTP, Policy, Planning and M&E (PPM&E)[3], and leverage the Health Financing Technical Working Group. On a day-to-day basis, PCD and DPCD will assign experts that will serve as the main points of contact for HS4TB. HS4TB also anticipates working closely with the NTP, as the primary beneficiary of HS4TB support. At the technical level, a Technical Advisory Team will be compiled by the NTP to ensure experts in TB from Government and development partners can share their collective knowledge. The Technical Advisory Team will meet monthly to provide technical guidance and advocacy for the HS4TB work. Figure 2 illustrates a proposed organogram. Details about the intended purpose and proposed membership of the Steering Committee and Technical Advisory Team are provided in Annex B.

Figure 2: Proposed organogram



[2] PCD is a directorate within the FMOH that leads the partnership with all development partners, the implementation of health care financing strategy including fund flows and domestic resource mobilization.
[3] PPM&E is a directorate responsible for the development of annual and strategic plans within the health sector, produce performance reports and lead the sectors performance management and monitoring.

4.1.2. REGIONAL AND WOREDA CONSULTATIONS

A primary source of information for this study is secondary information collected at the federal level to reflect data across all regions. However, the team will seek out perspectives from different contexts and capacities, by identifying a subset of Regions and Woredas to include as key informants. The sampling method for this study will be purposeful to learn from best practices and gaps in the flow of funds to include the capacity to mobilize, utilize and report on timely basis.

The choice of Regions will take into consideration the three different contexts—agrarian, urban and pastoralist. It is proposed that the team will visit four Regions: two agrarian (one stronger and one weaker), one pastoralist and one urban.

Within each Region, the team will select a mix of weak and strong performing Woredas in terms of spending and reporting through different channels. Within each Region, the team will visit one better performing and another weaker performing woreda in terms of using allocated resources and reporting on time. The basis for selection will be their utilization and reporting rate of funds transferred from FMOH.

The final selection of Regions and Woredas will be determined in consultation with the Steering Committee and regions themselves and be manageable within the constraints of the project budget and timeline.

4.2. USE OF MIXED METHODS APPROACH AND SOURCES OF DATA

4.2.1. ANALYSIS PLAN

The team is proposing to utilize a mix of qualitative and quantitative methods to collect, analyze and triangulate information and data across multiple sources. Table 1 outlines the proposed methodology for conducting the three activities that will be conducted with HS4TB support and their sources of information. The team will use three approaches to analyze data during this study. First, the team will explore and undertake different aspects of quantitative analysis (trends, percentages, shares, unit costs, etc.) using the secondary data obtained from FMOH and other sources. Illustrative quantitative data collection tools are provided in Annex D. Second, the team will carry out a rolling analysis of the qualitative data generated from federal, regional, woreda and development partner interviews. Illustrative key informant interview guides are provided in Annex C. Third, the team will develop a process map of the different funding channels to illustrate key differences and findings from the qualitative and quantitative analyses. At the end of each day of fieldwork, the team members will meet to review the field notes and develop an ongoing tally sheet to log key findings. The team will then discuss new findings and trends that may have emerged during the day and place them into a findings, conclusions and recommendations matrix that will be developed on an on-going basis during the fieldwork. Finally, the team will conduct a joint analysis to systematically identify preliminary findings, conclusions and recommendations for all the key activities as shown in Table 1.

Table 1: Major activities, their methodologies and data sources

Major Activities	Methodology	Sources of Information
Activity #1. Develop a TB Domestic Mobilization and Sustainability (DRMS) Roadmap, under the umbrella of the Health Financing Strategy	The team will learn from the revised HCF strategy and the strategies outlined in the HIV domestic resource mobilization strategy document to inform the development of potential and relevance of difference sources of additional and innovative financing sources to TB program with detailed discussion with stakeholders. Based on the findings of the potential analysis, a DRMS and phased financing plan will be prepared to guide the implementation mechanisms of resource mobilization. The analysis will be informed by best practices of other countries that have managed to increase domestic resources through catalytic and innovative funding. • Review Health Financing strategy, HSTP II draft strategic plan and the NTP subsector national strategy. This will provide the overall financing strategy and the results that are going to be achieved in the next five years. Views and perceptions will be collected from federal and regional stakeholders. • Review policies and strategies to highlight external resource trends in the past and co-financing projections for the next few years. Analyze the extent to which the TB program in general and its performance management in particular are dependent on external financing. • Review the strategies used to develop the HIV domestic resource mobilization strategy document and determine if TB can take advantage of opportunities already used by other health areas. • Review macroeconomic and fiscal trends carried out by MOF, trends in government revenue collection nationally and, budgetary allocations to health, and reforms in health financing.	KIIs regarding the potential of sources of financing, as shown in Table 2 for Analysis #1. Secondary sources of information (DRM for health and TB lessons and experiences): • TB National Strategic Plan • TB Subsector Strategy Plan • Revised Health Financing Strategy • HSTP II Draft Strategic Plan • HIV Domestic Resource Mobilization Strategy • Funding Landscape Analysis for TB (2020)
Sub-Activity #1: Determine the resource requirements for TB in general and for TB performance monitoring in particular	The team will build upon the costing of the TB program in the draft TB and Leprosy National Strategic Plan (2021/22-2025/26), which projections that USD 611 million will be required to support the TB program over the next five years, as well as other secondary sources of costing information. If projections are required through 2030, the team will extrapolate costs using key information including population size and growth, disease incidence, prevalence and mortality, service utilization for TB, and service unit costs (possibly by service types, prevention and treatment etc.). We will attempt to disaggregate the cost of undertaking monitoring of TB performance to inform the determinations of co-financing levels at federal, regional and woreda levels.	Secondary sources (costing exercises and planned targets): • TB and Leprosy National Strategic Plan (221/22-2025/26) • Funding Landscape Analysis for TB (2020) • HSTP II costs estimation • OHT (One-Health Tool) • TB Unit Cost Study Repository • WHO Costing Guidelines for Tuberculosis Interventions • Value TB Dataset

Major Activities	Methodology	Sources of Information
		• PHC, secondary and tertiary hospital costing exercises • Extract TB costs from revised essential service costing
Sub-Activity #1: Define fiscal space at Federal, Regional and Woreda levels to support overall TB program and TB performance management in particular	The team will review the MTEF projections, National Health Account 7 report, recent sub national public expenditure reviews, resource mapping exercises and regional allocation and community contribution estimates to determine the actual resources available for TB. The analysis will be driven by broad context, including macroeconomic and fiscal trends, trends in government revenue collection nationally and in each region, budgetary allocations to health, and reforms in health financing, such as those aimed at achieving universal health coverage (definition of essential package and its implication for exempted services, insurance benefit packages etc.).	Secondary sources: To determine the resources available for TB, will review share of resources that can allocated flexibly outside the recurrent budget, using data from: • National Health Account 7 Report • Public Expenditure Reviews • Resource Mapping Exercises • Regional Allocation/Block Grant Allocation • Community Contribution Estimates
Activity #2: Review the effectiveness of different financing channels to support TB performance management activities, and document the preference of Government to channel domestic co-financing investments	Map the use of different channels to support TB performance management activities • Map the flow of funds, especially at the decentralized level, to capture key processes for approving, disbursing, utilizing, reporting and auditing of funds for TB activities (or of funds for other activities, if there are currently no TB funds in a particular channel) • Highlight the differences in the flow of funds across the channels and visualize any critical bottlenecks as well as reported strengths and gaps that are revealed as part of the analyses Document the effectiveness and efficiency of the different channels to support TB performance management activities • Review the processes and analyze the implications of the use of different funding channels on the timeliness of disbursements, budget integrity, rate of utilization, completeness and timeliness of financial reporting as well as the level of audit finding.	Key Informant Interviews (KIIs) as shown in Table 2 for Analysis #2. Conduct review of secondary information from the FMOH regularly produced reports and other studies: • Disbursement and utilization data for the latest two years (EFY 2011 & 2012), ideally for both domestic and Global Fund resources produced by GMU • Annual resource mapping exercises produced by PCD annually • Grant management performance reports • Expenditure account reports • Audit findings at federal and regional levels to understand the extent to which partners are using Channel 1B and 2B (from the general audit reports)

Major Activities	Methodology	Sources of Information
	• Review the level of flexibility by channel for allowing re-prioritization of savings (unused resources during the plan period) to minimize transaction costs (procedures and process of getting approval). • Explore the preference of Ministry of Finance (MOF), Bureaus and Woredas of Finance and Economic Development (BOFEDs) and (WOFEDs) in using the different options of channeling their co-financing investments.	
Activity #3: Review processes at different levels of the health system to track and report TB performance management *co-financing* commitments (or, if such processes do not exist for TB, the processes for other health areas such as HIV)	Explore different options of tracking (systems to manage and monitor) the allocation and utilization of the co-financing resources at Federal, Regional and Woreda level Assess the level of knowledge and practice of co-financing in health, in particular in TB, and explore area of capacity building in TB co-financing in the future TCGs Learn from the experience of the GF introducing co-financing and experiences from other health areas, such as HIV	Key Informant Interviews (KIIs) as shown in Table 2 for Analysis #3.

4.2.2. COMPREHENSIVE DESK REVIEW

To facilitate qualitative analyses, the team will use a structured desk review on a broad range of policy, strategy and planning documents and performance related to the NTP and other relevant programs and its linkages to the broader national health sector funding and financing landscape. The portfolio of documents and data should provide sufficient and comprehensive information on all the major activities listed in the concept note (see Annex A). To support its quantitative analyses, the team proposes to use available data to assess the efficiency and effectiveness of resource disbursement and utilization, as well as, to estimate the costs of undertaking TB M&E and assess the share of flexible financing at different levels of government to support co-financing. The team will review all available documents and data sets. A preliminary list of documents to be consulted is provided below:

1. TB National Strategic Plan (TB Sub strategy)
2. Revised Health Financing Strategy
3. HSTP II Strategic Plan
4. Essential Health Services Package of Ethiopia, 2019
5. HIV Domestic Resource Mobilization Strategy
6. Subnational Public Expenditure Review
7. Annual resource mapping Reports
8. Grant management performance reports (Disbursement and utilization data for the latest two years (EFY 2011 & 2012), Global Fund resources)
9. Expenditure account reports
10. Federal and regional Audit reports

11. National Health Account 7 Report and sub-account reports
12. MTEF projections by MOF
13. Other Public Expenditure Reviews
14. Public Financial management Assessment reports
15. Resource Mapping Exercises
16. Trends of Regional Block Grant Allocation and share of health
17. Others as provided by FMOH, partners and regions
18. Funding Landscape Analysis for TB (2020)

4.2.3. SEMI-STRUCTURED INTERVIEWS WITH KEY STAKEHOLDERS

A broad range of stakeholders will be interviewed using different semi-structured interview guides (Annex C). Key informants will be selected from various organizations and institutions at federal, regional and woreda levels. Table 2 below provides a preliminary list of key stakeholders to be interviewed.

Table 2: List of the KIIs by project activities

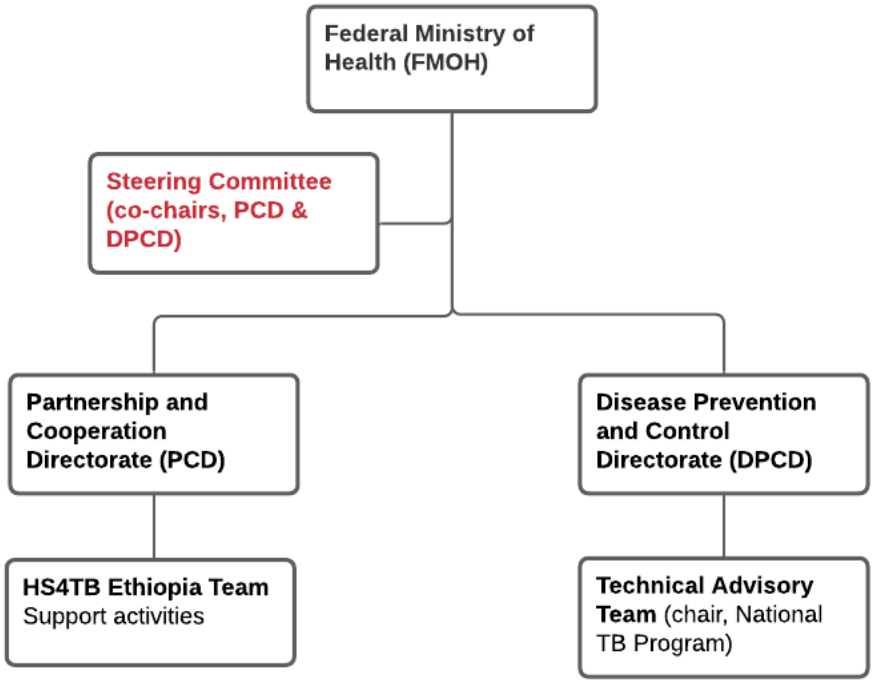
	#1 Roadmap for DRMS for TB	#2 Funds Flow Analysis	#3 Co-Financing Analysis
Federal level	• Partnership and coordination directorate • PPM&E • MOF	• DPCD / NTP • Partnership and coordination directorate • MOF (channel 1 coordination office) • Federal agencies (general audit)	• Partnership and coordination directorate • PPM&E
Regional level	• Planning and M&E directorate/core process • Regional TB Team • Grant management unit at RHB • Resource mobilization directorate • BOFED • Zonal level government authorities	• Regional DPCD /core process • Regional TB Team • Grant management unit at RHB • Resource mobilization directorate • Bureau of finance and economic development (BOFED) • Regional Audit Office	• Planning and M&E directorate/core process • Resource mobilization directorate • BOFED
Woreda level	• Woreda Health Office • Woreda Finance Office	• Woreda Health Office • Woreda Finance Office	• Woreda Health Office
Development partners and other actors	• Bilaterals: USAID, KOICA, EKN • Multilaterals: WHO, Global Fund, WB, UNICEF • Other partners working in TB and/or Health Financing	• Global Fund • UNICEF • Other partners (CCM)	• Global Fund

The KIIs of Regional and Woreda-level staff will be important for mapping the flow of funds to support TB performance management programming, capturing the perceptions of the strengths and challenges of different financing channels, documenting the capacity of sub-national administrations to introduce and manage co-financing, and analyzing the potential sources and mechanisms for sustaining TB management. These KIIs will also provide information on the MOF, BOFED and WOFEDs preferred channel of funding (1B or 2B) to use to budget for their share of co-financing.

5. PROPOSED COMPOSITION OF THE TEAM

In order to support the FMOH, HS4TB has fielded a team that will produce robust analyses and present viable options—supported by evidence—for decision making. The team will be composed of a team leader, an in-country coordinator with health financing expertise, a TB expert with a background in financing and costing, and a TB specialist/strategic advisor. The team's work will be guided by the Steering Committee, PCD, DPCD/NTP and Technical Advisory Team (as discussed in 3.1.1. above). To ensure the activity is being implemented as agreed to by all parties, the HS4TB Activity Management Team will provide day to day project oversight, coordination and implementation monitoring and management. Details about the intended purpose and proposed membership of the HS4TB Activity Management Team are provided in Annex B.

Figure 3: Organogram of the proposed management arrangement and composition of the team



6. TIMELINE

The activities are expected to be initiated in May 2021 completed by the end of September 2021, though the team is prepared to manage unexpected delays that may extend the work through the end of 2021. An illustrative timeline of activities is outlined below. Key tasks for the Steering Committee have been highlighted in red. A more detailed Gantt chart has been developed to assist the team in identifying responsible parties and tracking progress against intended deadlines.

Activities	May				June				July				August				September				October			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Development of Inception Report																								
First meeting of the Steering Committee*																								
Review of inception report by Steering Committee																								
Revision of Inception Report																								
Undertaking document review and secondary analysis																								
Data collection at Federal level																								
Second meeting of the Steering Committee**																								
Data collection in Regions and woredas																								
Drafting the fund flow and co-financing document																								
Reviewing fund flow and co-financing report																								
Drafting the DRMS strategy for TB																								
Review of DRMS strategy for TB																								
Third meeting the Steering Committee**																								
Stakeholder consultation on the three documents																								
Revision of as per stakeholders' comments																								
Presenting the policy option to FMOH top management																								
Finalize documents as per comments from FMOH top management																								
Final meeting of the Steering Committee**																								

ANNEX A: CONCEPT NOTE

HEALTH SYSTEMS FOR TUBERCULOSIS (HS4TB) CONCEPT NOTE FOR ETHIOPIA

BACKGROUND

In Ethiopia, tuberculosis (TB) funding accounted for three percent of total health expenditure. The Government of Ethiopia (GOE), along with the U.S. Government and the Global Fund, contribute roughly equal shares (US$10–11 million each) to the country's TB program (Global Fund, 2017a). Although by policy, TB is an exempted service (service provided free of charge and financed by government), the current fiscal space and expenditure assignment responsibilities have not been able to mobilize domestic resources to fund these programs. The latest Global Fund gap analysis and funding request (2017) shows that Ethiopia's TB program faces a significant financing gap of approximately US$37 million for 2020— 41 percent of the program's estimated resource need. As a result, out-of-pocket expenditure historically has been a major source of spending for TB. Exploring the mechanisms for addressing this financing gap is critically important, especially as the Global Fund requirement for co-financing by the government will increase from 15 percent to 20 percent in July 2021.

The Federal Ministry of Health (FMOH) developed a revised health care financing strategy to mobilize additional funding and is awaiting the approval of the Council of Ministers. The HSTP II (2020/21-2024/25) made health financing one of the top five sector strategic directions (transformation agendas), with the aim of increasing domestic resources mobilization including through innovative financing. Programs like HIV/AIDS have also drafted their respective domestic resources mobilization strategies that sets targets for covering at least 30 percent of HIV/AIDS costs through domestic resources mobilized through additional government allocations, mainstreaming, community care coalitions, increased contribution of private and public employees to AIDS fund and introducing earmarked taxes on private and public enterprises. Given the high dependency of TB program on external funding, there also is a need for the National TB Program (NTP) to explore and develop similar strategies to mobilize additional domestic resources, and where possible, to align with the above initiatives.

In addition to the financing constraints, a significant proportion of TB supervision and performance management—key components of a strong TB program—have become overly reliant on external support including a series of U.S. Agency for International Development (USAID) projects. With declining external financing, it will be critical to establish the core function of performance management within the GOE systems, rather than TB implementing partner systems.

In 2020, the GOE and the USAID TIFA Project signed a Tuberculosis Commitment Grant (TCG), worth 249K USD for a 6 to 9 month implementation period, to provide direct financial support to the GoE to fund supportive supervision visits to 300 Woredas and to conduct clinical symposia for multi-drug resistant (MDR-TB) hospital staff. The TIFA TCG represents an important shift in how USAID provides support to the TB Program, as USAID transitions funding for critical performance management from Channel 3 (off-budget support) to Channel 2 (on-budget sector support). Specifically, the NTP is managing the TCG using Channel 2B, working with the Grants Management Unit to oversee the flow of earmarked resources from the FMOH down to Regional Health Bureaus (RHBs) and Woredas. The TIFA TCG presents an opportunity for shared learning by the NTP and USAID that will influence how USAID programs TB resources in the future and may have spillover benefits for the management of TB resources domestically and within the Global Fund grant.

First, the local TB program managers will have earmarked financial resources with which to build their internal capacity through planning, organizing and conducting TB program implementation support activities in their catchments. Channel 2B—also used to support activities under the Global Fund grant—was deliberately chosen by NTP and USAID as the TCG funds flow mechanism; it presents an opportunity to learn from disbursement and liquidation challenges, as articulated in the 2017 Global Fund OIG report, in ways that will benefit both Global Fund and future USAID investments through government. It may also provide lessons for how local administrations can more effectively utilize domestic resources for TB programming through general budget support and earmarked support (Channel 1A and 1B, respectively). (See Activity 1 below.)

Second, the TB program will gradually start to mobilize locally available resources, as local governments, in principle, are required by TIFA TCGs to gradually express co-financing commitments of in-kind resources in this TCG, with possible financial contribution for future grants. Although, expressing co-financing commitments and timely producing and reporting realization performance reports are increasing becoming a requirement of most international donor, the TB program faces difficulty on how to quantify, track and document the governmental co-financing contributions to secure the matched funds. (See Activity 2 below.)

Third, realization of local resource mobilization for TB requires the local governments' awareness about concepts of innovative financing for improved TB care with strategic supports on how to mobilize local resources at local levels to bring continued commitments to sustain key TB programmatic intervention at local resources. (See Activity 3 below.)

Objective of Technical Assistance Proposal

To assist the NTP to learn from the inaugural TCG and to inform the design of future TCGs, USAID has requested technical supports from the Health Systems for TB (HS4TB) Project. HS4TB focuses on health systems finance and governance priorities and strengthens the performance of these systems in relation to TB. The HS4TB project applies systems thinking to transform the way we see and understand health systems for TB. HS4TB's work in Ethiopia would be conducted by Open Development, a partner on both the USAID HS4TB and TIFA projects. Open Development's work in Ethiopia will be led by an Ethiopian national with expertise in health financing and systems.

Before the beginning of next Ethiopian Fiscal Year, HS4TB would like to offer its support to the NTP to analyze efficiencies in the flow and management of TCG and other TB performance management activities through GoE systems and to identify targeted areas for capacity building, and to work with the NTP and local administrations to identify opportunities for monitoring and mobilizing co-financing (both in-kind and monetary resources). HS4TB's proposed activities and a description of the final proposed deliverable with timeline are outlined below for the GoE's review and consideration.

Activity 1. TB programming Funds Flow and management system Analysis

Under the guidance of the FMOH, HS4TB proposes to work with the NTP and Grants Management Unit to analyze the flow and management of funds that have been earmarked for TB performance management activities down to the Woreda level through the TIFA TCG. The inaugural TCG presents an opportunity to determine if the change in funds flow—allowing RHBs and Woredas to directly manage the TB resources—will affect the implementation and or quality of supervision, and to assess the capacity and accountability of the Woreda Finance and Economic Development Office (WOFED) to

timely use and report on earmarked TB funds. Analysis will help to inform the design of any future TCGs, identify any vulnerabilities for additional technical assistance, and support the FMOH and NTP to ensure a critical component of TB programming is fully functional through the use of GoE systems, whether earmarked funds be domestically mobilized (Channel 1B) or through development partner support (Channel 2B). Detailed activities would include working with the NTP and Grant Management Unit to:

- Review documentation on disbursements, utilization and expenditure reporting on the alternative flows of funding, and identify strengths and vulnerabilities of using Channels 1 and 2 on TB performance management activities.

- Analyze disbursement and utilization data for the latest two years (EFY 2011 & 2012), ideally for both domestic and Global Fund resources, and discuss challenges working with lower levels of governments.

- Document the GOE's experience managing the TIFA TCG funds flow and similar TB activities; explore regions and woredas that worked well in utilizing and reporting and those that lagged behind for lessons learned.

- Undertake key informant interviews on the opportunities and challenges of using the different funding flows:
    - At federal level: NTP, Grant management unit, Partnership and Coordination directorate; channel one coordination office at MOF,
    - At regional level: RHBs (TB team, grant management team) and Bureau of Finance and Economic Development (BOFEDs),
    - Selected woredas (WoHOs and WOF) to understand current capacity and systems,
    - Selected DPs that uses channel 1B & 2B to learn from their successes and challenges.

- Recommend the preferred option for channeling TCG funding and as well as the necessary capacity building required.

Activity 2. Co-Financing in TB programming Analysis

Under the guidance of the FMOH, HS4TB proposes to work with the NTP and Grants Management Unit to explore opportunities to strengthen and track the mobilization of domestic resources by local administrations to support co-financing (in-kind and financial) of TCG activities and TB performance management more broadly. Co-financing is an important step for demonstrating and solidifying the Region and Woreda's commitment to sustain key TB programming investments domestically over time. HS4TB can support the systems for quantifying the expressed resources commitment by respective governmental administrative units and identify ways of effectively tracking and reporting the performance. Through technical assistance, HS4TB will support FMOH/NTP to analyze the available fiscal space, and to assess the need for capacity building to plan, budget, execute and report on the mobilization and use of local resources. HS4TB also will assess the level of commitment at the decentralized level to support critical TB programming activities. The work proposed under HS4TB, in close coordination with the new USAID Eliminate TB Project, can support the FMOH and NTP on its resource mobilization efforts for TB. Detailed activities would include working with the NTP and Grant Management Unit to:

- Review the last five year and the latest TB Strategic Plan documents financial landscape analysis to understand the trend of external and domestic financing for TB at different levels of care and government levels; explore the fiscal space available for financing the estimated cost of TB program of the upcoming coming strategic plan (2022-2016) of $610.9 million.

- Assess and understand how existing co-financing commitments are being realized, tracked and reported for TB program; for example, the Federal government signed 15 percent co-financing for Global Fund 2018-21 and will sign a 20 percent co-financing commitment for 21-24 cycle to start in July 21.

- Undertake key informant interviews on the opportunities and challenges of mobilizing resources:
    - At federal level: NTP; PPM&E, PCD; chief of staffs,
    - At regional level: BOFED, RHBs, WHOs,
    - Selected woredas (WoHOs and WOF) to understand financial capacity, and
    - Selected DPs to learn from their best practices and lessons learnt

- Define the level (amount of funding) and mechanisms of co-financing (cash or in-kind support as matching fund) based on the cost of supportive supervision (and other TBD activities) at different levels and on availability of fiscal space and planning, budgeting, executing, and reporting capacity.

- Work out modalities for including these co-financed activities in the annual planning and budgeting process of 2014 EFY and beyond for their future sustainability.

- Work out modalities for their inclusion on the reporting of co-financing commitments and on the how much the conditions are met, and activities are implemented.

ACTIVITY 3. DOMESTIC RESOURCE MOBILIZATION AND SUSTAINABILITY (DRMS) STRATEGY FOR SUSTAINING TB

Under the guidance of the FMOH, HS4TB proposes to work with the NTP and Grants Management Unit to develop a TB DRMS strategy that will guide the increased domestic funding from difference sources to sustain TB activities over time. This will include drawing upon the aforementioned analyses, as well as other programs like HIV, to make the case for the continued use and strengthening of GoE systems for managing TB activities and to identify different pathways for how different levels of government will work towards increasingly finance TB investments from domestic sources in the future. The strategy would help to influence the design and possible expansion of future TCGs and Global Fund co-financing commitments, and would be implemented with support from the USAID Eliminate TB Project.

Detailed activities include to:

- Explore the financing gap using the five-year TB sub strategy to estimate the cost of TB activities and to justify the need to explore options for domestic resource mobilization of TB activities with the external resource decline.

- Explore potential sources of domestic financing: (a) Government at federal, regional, and woreda levels, (b) Community, (c) PPP, and (d) Other sources.

- Develop a DRMS strategy for TB activities and implementation roadmap that can be considered at federal and regional levels.

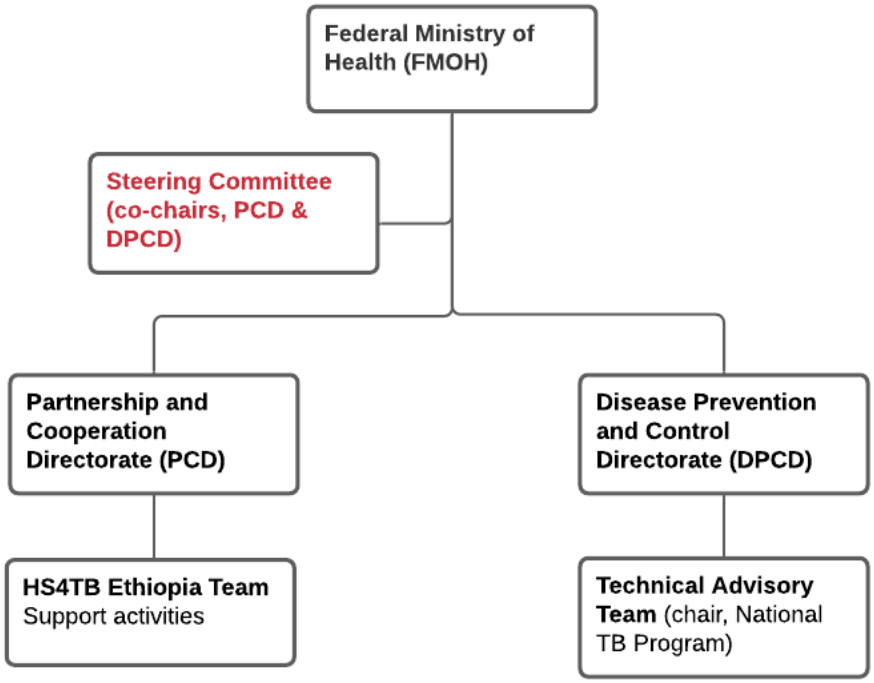
TIMELINE

Summary of Planned Activities/Interventions & Timeline	**2021**					
	Apr	May	Jun	Jul	Aug	Sept
	5	6	7	8	9	10
Funds Flow Analysis	x	x	x			
Co-Financing Analysis	x	x	x	x		
Development of DRMS Roadmap for TB					x	x

ANNEX B: PROPOSED TEAM ROLES AND RESPONSIBILITIES

Proposed Timeline for Engagement: May 2021 – December 2021*

**These teams are being established for a time limited engagement – the HS4TB activity is expected to conclude before the end of 2021. It is anticipated that the work to implement the DRMS Roadmap and any co-financing commitments would then be carried out under the direction of the Health Financing Working Group and a multisectoral response, led by the National TB Program.*



Team	Intended Purpose	Frequency of Meeting	Proposed Members
Steering Committee	**Major Role:** To oversee, ensure and provide strategic guide on HS4TB work to support the country's health care financing (HCF) and financial management policies and procedures. The PCD and DPCD are expected to establish a Steering Committee from different directorates and partners to guide the development of the methodology and analytical review as well as provide constructive comments on the draft reports of the three deliverables. The Steering Committee also will provide leadership for charting out potential sources and negotiating the TB DRMS Roadmap. The Steering Committee will be co-chaired by PCD and DPCD and draw upon expertise from the following departments: PCD, NTP, Policy, Planning and M&E (PPM&E) and leverage the Health Financing Technical Working Group. The Steering Committee will: • Review and provide guidance on key strategies and implementation approaches for TB financing and finally, facilitate the Endorsement of the TB DRMS Roadmap.	As needed basis	Co-Chair, FMOH/ PCD Co-Chair, FMOH/ DPCD FMOH/ NTP USAID Ethiopia WHO-Ethiopia Secretary Global Fund ATM grant coordinator of the PR, State minister office, FMOH

	• Facilitate access to key informants and data within the FMOH and targeted Regions/Woredas to include in qualitative and quantitative analyses. • Evaluate and ensure recommended TB financing policy options and their implications (fund flow, level of co-financing and options for sustainable financing) are in the line with the country's HCF and financial policies and procedures. • Review the effectiveness, efficiency and sustainability of proposed policy options; and advise the team on which ones are viable options for political support. • Provide feedback to HS4TB on the debriefing presentation and draft reports, including the preliminary findings and recommendations. • Advocate for the endorsement and implementation of the DRMS Roadmap and any co-financing recommendations. *The Steering Committee would dissolve at the end of the HS4TB activity. Oversight of the TB DRMS Roadmap (to be implemented under the umbrella of the Health Financing Strategy) as well as any co-financing commitments that are agreed to as part of this analysis would fall under the direction of the Health Financing Working Group and would be supported by an anticipated multisectoral response for TB to be initiated by the National TB Program.*		
Team	Intended Purpose	Frequency of Meeting	Proposed Members
TB DRMS Technical Advisory Team	**Major role:** To oversee, provide technical assistance and guidance for HS4TB work with National TB program perspective. A Technical Advisory Team will be compiled to ensure experts in TB from Government and development partners can share their collective knowledge. The Technical Advisory Team will meet monthly to: • Serve as the main technical advisory lead for FMOH/NTP on TB financing on the TB program to provide technical guidance for FMOH/NTP throughout the HS4TB activity and serve as advocates for the DRMS Roadmap and underlying funds flow and co-financing analyses and recommendations. • Review and provide technical feedback on the analytical assumptions used to project TB costs (across strategic objective, intervention) and map resources. • Support data collection efforts by facilitating access to key informants and relevant TB secondary data sets, such as the data used to model costs for the TB and Leprosy National Strategic Plan (2021/22-2025/26) and GF reports. • Review and provide feedback on the draft analyses, reports and presentations from a TB technical perspective.	Monthly *Proposing to hold a virtual, introductory meeting immediately following the Steering Committee meeting.*	NTP manager, Chairperson WHO-Ethiopia Secretary Global Fund ATM grant coordinator of the PR, State minister office, FMOH USAID Ethiopia TB ETBE KNCV Reach Ethiopia, Urban TB LON Organic health/ TB CSO VHS GLRA HS4TB GF & TB Advisor, STAR Other Private Sector Representatives

	• Actively participate in the development of the TB DRMS Roadmap document processes. • Serve as an advocate group for endorsement of TB DRMS Roadmap in the MSR framework for future implementation. *The TB Technical Advisory Team would dissolve at the end of the HS4TB activity and support for implementation of DRMS and co-financing strategies for TB would be supported by an anticipated multisectoral response for TB to be initiated by the National TB Program.*		
Team	Intended Purpose	Frequency of Meeting	Proposed Members
HS4TB Activity Management Team	**Major Role:** Day to day project oversight, coordination and implementation monitoring and management. Authority for HS4TB management lies with the COR. To complement this and inform the COR role, the Activity Management Team is involved in day-to-day HS4TB Ethiopia project oversight, coordination and monitoring of the implementation to ensure end results are met as per the award documents for HS4TB Ethiopia. The HS4TB AM Team is composed of the USAID Washington HS4TB technical lead, USAID Ethiopia/ TB team and USAID Ethiopia/HSS POC, and HS4TB POCs, already active. The team will convene on Virtual meeting platform on a biweekly basis to perform its the monitoring function. MSH-HS4TB POC is responsible to create a shared google folder ("HS4TB Ethiopia") to archive important documents (including PPTs), provide regular progress (on project activity implementation, +/- summary financial updates on google ppts), and will document meeting notes on google platform. The HS4TB AM Team will: • Review progress against the HS4TB Ethiopia workplan and M&E. • Review and provide feedback on HS4TB project technical documents such as draft reports and final project result documents. • Provide feedback, in alignment with prior COR approval, on project management decisions on HS4TB Ethiopia.	Every two weeks	USAID Ethiopia: TB and HSS USAID Washington: TB HS4TB Ethiopia Team

ANNEX C: DATA COLLECTION TOOLS – KEY INFORMANT INTERVIEW GUIDES

While the HS4TB will utilize a methodical approach to engage key stakeholders, the analyses that derive from the data collection tools outlined in this annex will neither support research nor will the results be published. Rather, the work is meant to inform the FMOH and the Government of Ethiopia's internal processes for mobilizing and managing resources for the TB program. Consultations at regional and woreda levels will involve Government officials and will not involve healthcare facilities or patient care.

Table of Content

KII 1. Key Informant Interview Guide for Partnership Coordination Directorate (PCD)

1. The FMOH has revised the HCF strategy and a DRMS strategy was developed for HIV/AIDS. Oromia region is also developing a comprehensive HCF strategy that include innovative financing. May I kindly request you to:
    a. Update us on the status of the approval of the HCF strategy and the HCF implementation manual/plan?
    b. Update us on the approval and implementation of the HIV/AIDS DRMS strategy?
        i. If the HIV/AIDS DRMS is already being implemented, which parts of it look like they will be easier vs harder to achieve?
    c. Given the delay in the approval of the HCF strategy, sub-sectors are working towards developing their own financing strategy/roadmap. What are the pros and cons of this sub-sectoral approach?
    d. What do you think the development of TB DRM roadmap should learn from these developments both in terms of content and process?
    e. What do you think is the best strategy to unlock challenges and move towards an aligned and coordinated mobilization of resources for TB?

2. We know that you have been working on different mechanisms for enhancing domestic financing (e.g., analysis of fiscal space, analysis of earmarked taxes, PPP, CBHI/retention of fees). The use of several of these approaches have been reviewed, and we will build upon those analyses as secondary sources for this analysis. In the TB context, how do you think the team should explore the introduction of innovative financing mechanisms for TB (earmarked and non-earmarked TB funds)? In your opinion which of the areas of innovative financing should this team explore further to generate more evidence:
    a. Value added tax?
    b. Government revenue?
    c. Earmarked tax?
    d. Airline levy?
    e. PPP?
    f. Linking some of the services to cost sharing and hence to CBHI?
    g. Any other?

3. Is there a government PPP plan or strategy to work with private sector? If so what areas of collaboration were identified? What is the relationship of private sector with the public?

4. What is the private sector's current role in Ethiopia's health system and in TB program in particular? Which areas do you see the most potential for private sector contribution? Explore the current and future potential contributions of the private sector in areas of:
    a. Health service delivery and quality of care
    b. Capacity building and human resource development
    c. Pharmaceutical services, which include purchasing of goods and services, supply chain and logistics management.
    d. Fund raising (e.g., loan facilitations), infrastructure, and so on.
    e. Innovations.
    f. Cost reductions.
    g. Improved quality and efficiency.
    h. Knowledge transfer and increased asset utilization

    Please prioritize them.

5. What strategies would the government need to consider for alternative financing/incentives for private health sector to participate in the PPM and provide quality services at subsided rate or free of charge? Which areas do you see the most potential for private sector contribution?.
    i. Provision of free drugs and supplies?
    j. Strengthen service contracting and the fee exemption program?
    k. Incentivizing private health facilities to provide public health services, such as community-based health insurance?
    l. Subsidies and/or direct grants for key inputs (e.g., staff, drugs, equipment).
    m. strategies and innovations in private sector for facilitating the flow of private sector resources for health at Federal, regions and woreda? (such as purchasing goods and services, cash grants and subsidies, making in-kind donations consumption taxes, trust funds, and diaspora bonds)?

    Please prioritize them.

6. As you know some partners like the GF are making co-financing as pre-condition for continued financing of some programs. USAID also is considering to co-finance TB performance management (M&E) activities at regional and woreda levels through government financing channels.
    a. What strategies are being implemented to meet the co-financing conditions from previous grant implementation experiences?
    b. What approach should this roadmap use to mobilize the necessary government commitment to ensure such co-financing from government is adequately mobilized?
    c. Do you think this co-financing burden should be shared by different levels of government? If yes, what do you suggest in terms of share of contributions:
        i. Woreda level?
        ii. Regional level?
        iii. Federal level?
    d. Which of the major budget categories (e.g., HR, commodities, activities, etc.) should be prioritized for budgeting and financing, and at which of these levels (federal, regional, woreda)? Why?
    e. Are there adequate reporting systems/processes in place to track co-financing commitments – funds that are earmarked and mobilized for TB programming -- at the different levels and within the different funding channels?

7. Given that the Grant management unit is within PCD, what are the achievements and challenges-and what are the major reasons for success and lack of it- of managing earmarked DPs support through channel 2B in terms of:
    a. Aligning to the annual planning and budgeting process that is used generally by the government?
    b. Disbursement of funding to FMOH, regions and from regions to Zones and woredas?
    c. Utilization, fund liquidation and reporting by regions. Zones and woreda?
    d. Use of government systems (IFMIS) for regular reporting and co-financing reporting to the DPs?
    e. Regular functioning of internal and external audits and the use of their findings?
    f. Effective coordination between grants and disease programs?

8. If co-financing of TB performance management (M&E) activities is going to funded through the regions and woredas, which channel of funding (channel 1B or 2B) do you think will be preferable for easier management of funds earmarked for TB and why?

9. What steps could be taken to improve channel 2B, perhaps based on lessons from channel 1B? Please consider all of the subtopics listed in question 7 (budgeting alignment; disbursement; budget utilization; budget reporting; audits).

10. What steps could be taken to improve channel 2B, perhaps based on lessons from channel 1B? As in the previous question, please consider all of the subtopics listed in question 7.

11. How are other disease areas, such as HIV/AIDS, tracking co-financing commitments through the funding channels (1B and 2B)? What best practices and lessons can we learn from the HIV co-financing experience, the HCF strategy and HCF reforms (opportunities and treats)?

12. In the medium to long term, as the HCFS and planned HF reforms are implemented, which opportunities and threats to you see to sustainable TB financing and service delivery?

KII 2. Key Informant Interview Guide for TB Program Coordinators at Federal, Regional and Woreda Levels

1. At your level of the budgeting process (i.e., federal, regional or woreda level), do you undertake TB planning and budgeting for (a) government funding; and/or (b) donor funding?
   Please answer the following, first for government TB planning and budgeting, and then for donor TB planning and budgeting:
   a. What are the major budget categories that you use?
   b. Which are the most and least significant budget categories in terms of total budget amount?
   c. Are any of those budget categories chronically underfunded? Which ones?

2. Do the budget categories, timelines and processes differ for planning and budgeting of government TB funds vs donor TB funds? In what way? Can you share any tools used for performance and grant management?

3. Please describe to us the major strength and gaps of planning and budgeting TB strategies and plans as part of annual government and planning process? Please give us details on each of them and rank them:
   a. Availability of timely funding information (resource mapping from donors and government) to inform the planning and budgeting process?
   b. Timely disbursement of earmarked funding (channels 1B and 2B) and thus fund availability for timely TB program implementation?
   c. Utilization of disbursed funds at Federal, regional and woreda levels? If there is weak absorptive capacity, please describe to us:
      i. The major causes of such low abortive capacity;
      ii. The role of MOFED, BOFED and WOFED in assisting you for effective implementation?
      iii. Timely reporting of budget utilization?
      iv. Timeliness and effectiveness of both internal and external auditing process?

4. When you compare TB with other health sector sub programs like HIV/AIDS and the Health extension program, what are the major strength and gaps in TB performance monitoring at (i) federal; (ii) regional and (iii) woreda levels? Please give us the detailed successes and challenges in terms of:
   a. Timely reporting and completeness of key programmatic indicators of TB program and its full integration into the DHIS2 system?
   b. Existence of adequate structure and capacity (number of HR and skills) for data collection, analysis and reporting?
   c. Existence and effectiveness of regular TB performance monitoring mechanisms led by higher level leaders?
   d. Existence of adequate financing (site visits, meetings, job aids) to undertake regular M&E activities?

   Please rank the successes and challenges.

5. In your experience at the federal, regional, and woreda levels, has there been any experience of allocating non-salary budgets from government coffers for TB (e.g., for activities)? Are there any other programs and areas at federal, regional and woreda levels that received such earmarked non-salary allocation? If yes, which programs receive significant activity budgets and what are the drivers and justifications of such allocations?

6. Are there any innovative financing options (either from government, community, private sector) being implemented to mobilize additional funding for TB, e.g., similar to what has been carried out for the HIV sector? If yes, please describe these innovations. If no, do you think there are such options to consider? Please describe these options.

7. Is there a government PPP plan or strategy to work with private sector? If so what areas of collaboration were identified? What is the relationship of private sector with the public?

8. What is the private sector's current role in Ethiopia's health system and in TB program in particular? Explore the current and future potential contributions of the private sector in areas of:
    a. Health service delivery and quality of care
    b. Capacity building and human resource development
    c. Pharmaceutical services, which include purchasing of goods and services, supply chain and logistics management.
    d. Fund raising (e.g., loan facilitations), infrastructure, and so on.
    e. Innovations.
    f. Cost reductions.
    g. Improved quality and efficiency.
    h. Knowledge transfer and increased asset utilization

    Please rank / prioritize.

9. What strategies would the government need to consider for alternative financing/incentives for private health sector to participate in the PPM and provide quality services at subsided rate or free of charge?
    a. Provision of free drugs and supplies?
    b. Strengthen service contracting and the fee exemption program?
    c. Incentivizing private health facilities to provide public health services, such as community-based health insurance?
    d. Subsidies and/or direct grants for key inputs (e.g., staff, drugs, equipment).
    e. strategies and innovations in private sector for facilitating the flow of private sector resources for health at Federal, regions and woreda? (such as purchasing goods and services, cash grants and subsidies, making in-kind donations consumption taxes, trust funds, and diaspora bonds)?

    Please rank / prioritize.

10. USAID is working towards providing additional funding for TB performance management (M&E) at regional and woreda levels with clearly defined channels of funding that can be tracked. Given your experience of receiving funding both from 1B and 2B, please describe to us the strength and challenge of using each of these two channels in terms of:
    a. Planning and budgeting (adherence to one plan, one budget principle, linkage with the resource mapping exercises; flexibility and ease in annual planning and budgeting process, including planning for unused resources for next year)?
    b. Timely disbursements?
    c. Funds and cash flow management (use of IFMIS, government reporting formats, use of separate bank accounts; etc.,)
    d. Internal and external control systems (internal and external audit capacity (frequency, coverage, effectiveness in taking actions based on findings; reduce the transaction cost of audits?
    e. Less transaction cost in processing and payment?

f. Fitting well with capacity and systems to absorb the disbursements on time?
g. Tracking expenditures and specifically government co-financing level?

Please rank their strength and weaknesses.

11. What steps could be taken to improve channel 2B, perhaps based on lessons from channel 1B? Please consider all of the subtopics listed in question 10 (budgeting alignment; disbursement; budget utilization; budget reporting; audits).

12. What steps could be taken to improve channel 2B, perhaps based on lessons from channel 1B? As in the previous question, please consider all of the subtopics listed in question 10.

13. How are other disease areas, such as HIV/AIDS, tracking co-financing commitments through the funding channels (1B and 2B)? What best practices and lessons can we learn from the HIV co-financing experience?

14. Given the description provided above, which channel do you recommend USAID should use to channel its funding for proper tracking and enhancing co-financing from the government of Ethiopia? Given that co-financing resources are expected to be mobilized by different levels of government, What is the preferred and easier to manage modality fund flows to promote co-financing:
    a. For FMOH, RHB and WOHO, and why?
    b. For MOF, BOF and WOF offices and why?

KII 3. Key Informant Interview Guide for MOF, BOFED, ZFED and WOFED Health Sector Coordinators

The health sector has been one of the top priority sectors as part of the government's resource allocation process over the last two decades. However, despite that prioritization, some of the services like exempted services- HIV/AIDS, Malaria, TB, Family planning- continue to depend largely on financing by external partners. With an overall declining trend of external financing for health globally, some partners have now started conditioning their financing on co-financing by governments. For instance, GF is requesting Ethiopian government to co-finance about 20% of the total program cost. Given the fiscal space at all levels of government:

1. How do you think such co-financing requirements should be met? Explore:
    a. Make them a federal function and the federal government finances all co-financing costs?
    b. Share the co-financing at federal, regional and woreda levels by defining proportions?

For the second approach, would these subnational financing targets be enforceable and, if so, how?

2. USAID is aiming at channeling additional funding through government systems and is exploring different options, specifically channels 1B and 2B. Which of these two channels do you think will be more effective and efficient for using USAID funding with government co-financing? What are the strength and gaps of these two channels in terms of:
    a. Planning and budgeting (adherence to one plan, one budget principle, linkage with the resource mapping exercises; flexibility and ease in annual planning and budgeting process, including planning for unused resources for next year)?
    b. Timely disbursements?
    c. Funds and cash flow management (use of IFMIS, government reporting formats, use of separate bank accounts; etc.)?
    d. Internal and external control systems (internal and external audit capacity; frequency, coverage, effectiveness in taking actions based on findings; reduce the transaction cost of audits)?
    e. Less transaction cost in processing and payment?
    f. Fitting well with capacity and systems to absorb the disbursements on time?
    g. Tracking expenditures and specifically government co-financing level?

3. Given that co-financing resources are expected to be mobilized by different levels of government, what is the preferred and easier to manage modality fund flows to promote co-financing:
    a. For FMOH, RHB and WOHO, and why?
    b. For MOF, BOF and WOF offices and why?

4. If Ethiopia continues to depend on declining external support for exempted services in the coming years, budget shortfalls for these programs are likely. Given your experience in working towards increasing domestic revenue and managing the allocation of budgets, how do you think the health sector in general and the TB program in particular should work towards increasing government resource allocation for TB?

5. There are a lot of experiences from other countries to explore in mechanisms increasing financing for TB. What do you think are the strengths and weaknesses of the following options and which one do you think Ethiopia should pursue to reduce dependence on external financing:
    a. Make them a federal function and the government take over the full cost, especially commodities and supplies?
    b. Increased allocation of resources using the current expenditure assignment at different levels of government?
    c. Introduce innovative financing options (VAT, Earmarked tax on some products)?
    d. Any additional suggestions?

6. Is there a government PPP plan or strategy to work with private sector? If so what areas of collaboration were identified? What is the relationship of private sector with the public?

7. What is the private sector's current role in Ethiopia's health system and in TB program in particular? Explore the current and future potential contributions of the private sector in areas of:
    e. Health service delivery and quality of care
    f. Capacity building and human resource development
    g. Pharmaceutical services, which include purchasing of goods and services, supply chain and logistics management.
    h. Fund raising (e.g., loan facilitations), infrastructure, and so on.
    i. Innovations.
    j. Cost reductions.
    k. Improved quality and efficiency.
    l. Knowledge transfer and increased asset utilization

    Please rank / prioritize.

8. What strategies would the government need to consider for alternative financing/incentives for private health sector to participate in the PPM and provide quality services at subsided rate or free of charge?
    n. Provision of free drugs and supplies?
    o. Strengthen service contracting and the fee exemption program?
    p. Incentivizing private health facilities to provide public health services, such as community-based health insurance?
    q. Subsidies and/or direct grants for key inputs (e.g., staff, drugs, equipment).
    r. strategies and innovations in private sector for facilitating the flow of private sector resources for health at Federal, regions and woreda? (such as purchasing goods and services, cash grants and subsidies, making in-kind donations consumption taxes, trust funds, and diaspora bonds)?

    Please rank / prioritize.

9. What steps has the government taken or needs to take (Federal, region and woreda level) to ensure the smooth transition of PPM TB program into the government systems?
    s. Development or establishment of PPM structures and implementation plans at all levels.
    t. Support or strengthen the inclusion of the private health sector providing PPM in the government systems (i.e., training, EQA program, lab sample transport and referral system, IPLS/supply chain, and DHIS-2).
    u. Establishing a strong monitoring and regulatory environment to ensure adherence to quality service delivery standards.
    v. Ensuring and fostering the referral and linkage with public health facilities.

10. What is the relative strength and gaps in undertaking performance monitoring at regional and woreda levels in the health sectors as compared to other sectors? What do you think should be improved to bring more accountability and enhance performance?

KII 4. Key Informant Interview Guide for Development Partners

1. Please describe to us the successes and challenges of domestic resource mobilization for health in Ethiopia? Are there any innovations that you have observed in this regard at federal, regional and woreda levels? Please describe to us.

2. The government of Ethiopia developed the HCF revised strategy and HIV/AIDS DRMS strategy. Please describe to us the stage where these strategies have reached in terms of their approval and implementation?
    a. If the HIV/AIDS DRMS is already being implemented, which parts of it look like they will be easier vs harder to achieve?

3. Do you think TB DRM development process will be successful given the experience of the above strategies? What should the TB DRMS development team learn from the development and experience of the above strategies in terms of:
    a. Leadership and guidance?
    b. Exploring different financing options to be considered?
    c. Enhancing its feasibility and ownership by the government of Ethiopia?
    d. What the TB DRMS should consider as options for domestic resource mobilization at federal, regional and woreda levels without fragmenting the existing mechanisms?

4. Some DPs like the Global Fund started using co-financing arrangements to increase domestic financing. Can you describe to us the successes and challenges of co-financing in terms of:
    a. Getting government commitment at all levels
    b. The feasibility of co-financing arrangements that primarily focus at regional and woreda levels
    c. Timely allocation of budget by government for planning and budgeting?
    d. Tracking the utilization of the government co-financing
    e. Absorptive capacity in terms of utilization at federal, regional and woreda levels?
    f. Timely financial reporting
    g. Effective auditing?

5. Some Development partners are using channel 1B while others use channel 2B for earmarked funding. Given your experience is using these two channels, what do you think are the strengths and challenges of these channels in terms of:
    a. Timely planning and budgeting?
    b. Timely disbursement of funding at different levels to lower levels?
    c. Absorptive capacity at federal, regional. Zonal and woreda levels?
    d. Timely submission of financial reports?
    e. Financial management capacity at federal, regional. Zonal and woreda levels?
    f. Timely auditing and taking actions based on the findings?

6. [Especially to ask GF and USAID:] What are the major successes and challenges of TB M&E in Ethiopia at federal, regional and woreda levels? In what activities do you think DPs and government should invest to strengthen M&E systems and capacities at federal, regional and woreda levels?

ANNEX D: DATA COLLECTION TOOLS – QUANTITATIVE GUIDES

While the HS4TB will utilize a methodical approach to review secondary data sources, the analyses that derive from the data collection tools outlined in this annex will neither support research nor will the results be published. Rather, the work is meant to inform the FMOH and the Government of Ethiopia's internal processes for mobilizing and managing resources for the TB program.

Table of Content

Q1. DRMS – Projected Need

Objective: Determine the resource requirements for TB in general and for TB performance monitoring in particular

NSP cost estimates by SOs (000 USD)

Cost estimates by NSP strategic Objectives	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Address gaps across the patient pathway.						
Prevent infection and active disease						
Provide people- centered equitable quality services						
Enhance bold policies and strengthen supportive systems.						
Strategic Information and research.						
Total estimated NSP cost	0	0	0	0	0	0

Source: TB Strategic Plan, Figure 52. TB budget by strategic objective, 2022-2026, USD.

NSP cost estimates by Intervention areas (sub-category) (000 USD)

Cost estimates by NSP interventions	2021/22	2022/23	2023/24	2024/25	2025/26	Total
TB treatment						
Reaching high risk population						
Tb screening and diagnosis						
TBICP						
TPT						
Children and adolescents						
Treatment adherence support						
Community education						
TB/HIV and comorbidities						
Quality						
Total	0	0	0	0	0	0

Source: TB Strategic Plan, Figure 53. TB budget by strategic objective, 2022-2026, USD.

TB supportive policies and health system related budget estimate of SO3 (000 USD)

Cost estimates by NSP TB supportive policies and health system related activities	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Laboratory services						
Human resources						
Community systems						
SCM - Supply chain management						
UHC and SP - universal health coverage and social protection						
MAF - multisectoral action framework						
Human rights and gender						
Programme management						
PPM-TB						
aDSM/PV						
Total	0	0	0	0	0	0

Source: TB Strategic Plan, Figure 55. TB budget by strategic objective, 2022-2026, USD.

TB Patient Cost Estimates (000 USD)

Patient cost estimates by type	Baseline	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Direct medical costs							
Direct non-medical costs							
Indirect costs							
Total	0	0	0	0	0	0	0

Source: Assebe LF, Negussie EK, Jbaily A, et al. Financial burden of HIV and TB among patients in Ethiopia: a cross-sectional survey. BMJ Open 2020

Mapping of Projections of Required Funding (000 USD)

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Total estimated NSP cost	0	0	0	0	0	0
Total estimated patient cost	0	0	0	0	0	0
Total	0	0	0	0	0	0

Source: Previous tables

Q2. DRMS – Fiscal Space

Objective: Define fiscal space at Federal, Regional and Woreda levels to support overall TB program and TB performance management in particular

Government fiscal space analysis at different levels and commitment to Health and TB NSP
In million ETB

Budget category	2011 EFY				2012 EFY			
	Federal	Regional	Woreda	Total	Federal	Regional	Woreda	Total
Allocated Budget				0				0
Total Government				0				0
Recurrent-Salary				0				0
Recurrent-Non salary				0				0
Capital budget				0				0
Total	0	0	0	0	0	0	0	0
Health Sector				0				0
Recurrent-Salary				0				0
Recurrent-Non salary				0				0
of which drugs and medical supplies				0				0
Capital budget				0				0
Total	0	0	0	0	0	0	0	0
Allocation to the TB NSP				0				0
Recurrent-Salary				0				0
Recurrent-Non salary				0				0
of which drugs and medical supplies				0				0
Capital budget				0				0
Total	0	0	0	0	0	0	0	0
Expenditure (woreda/region wide)				0				0
Total Government				0				0
Recurrent-Salary				0				0
Recurrent-Non salary				0				0

Capital budget				0				0
Total	0	0	0	0	0	0	0	0
Health Sector				0				0
Recurrent-Salary				0				0
Recurrent-Non salary				0				0
of which: drugs and medical supplies				0				0
Capital budget				0				0
Total	0	0	0	0	0	0	0	0
TB NSP				0				0
Recurrent-Salary				0				0
Recurrent-Non salary				0				0
of which drugs and medical supplies				0				0
Capital budget				0				0
Total	0	0	0	0				0
Share of TB NSP from health	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!				

Source: MOF, IFMIS, Channel 1 fund coordination office; FMOH Grant Management Unit

Types and Potential sources for additional financing	Estimates of potential resources to be mobilized by sources			***Projections***			
	2010 EFY	2011 EFY	2012 EFY	2013	2014	2015	2016
Special levy on large profitable companies							
Value added tax							
Diaspora bonds							
Mobile phone tax							
Voluntary solidarity contribution							
Earmarked tax on tobacco and alcohol							

Sources: Different sources including revenue authority

Q3. DRMS – Projected Funding

Objective: Define projected funds available to support the TB program

Mapping of projections of available funding for TB

Commitment and projected funding	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Government	0	0	0	0	0	0
Federal						
Regions						
Woredas						
Development partners	0	0	0	0	0	0
DP 1						
DP 2						
DP 3						
DP 4						
Households						
Total	0	0	0	0	0	0
Estimated Funding gap	0	0	0	0	0	0

Source: MOF, IFMIS, Channel 1 fund coordination office; FMOH Grant Management Unit

Sources of funding	**Projected/committed funding in Million ETB**					Total
	2021	**2022**	**2023**	**2024**	**2025**	
For Health Sector						
Government funding						
Federal government allocation						
Regional government allocation						
Woreda/sub city allocation						
Support from Multilateral organizations						
Global fund						

X						
X						
Support from Bilateral						
USAID/PEPFAR						
X						
X						
X						
Support from other NGOs						
X						
X						
Total						
For TB Programming						
Government funding						
Federal government allocation						
Regional government allocation						
Woreda allocation						
Support from Multilateral organizations						
Global fund						
X						
X						
Support from Bilateral						
USAID/PEPFAR						
X						
X						
Other non-government organizations						
X						
X						
Total						

Q4. Funds Flow - Mapping

Objective: Map different financing channels to support TB performance management activities and review effectiveness

Mapping of TB financing channels (in 000 USD)

	Channel 1A	Channel 1B	Channels 2A	Channel 2B	Channel 3	IGR
Government						
DPs						
GF						
USAID						
X						
X						
X						
Households						

Source: FMOH grant management unit and MOF

Detailed analysis of TB budget and utilization of Channel 2B

DPs	2011 EFY				2012 EFY			
	Disbursed to FMOH	Disbursed to Regions and Woredas	Utilization by regions and woredas	%	Disbursed to FMOH	Disbursed to Regions and Woredas	Utilization by regions and woredas	%
GF								
TIFA, if data reported								
Total		0	0	0	0	0	0	

Source: FMOH grant management unit

Detailed analysis of TB budget and utilization of Channel 1 B (000 ETB)

DPs	2011 EFY				2012 EFY			
	Disbursed to MOF	Disbursed to Regions and Woredas	Utilization by regions and woredas	%	Disbursed to MOF	Disbursed to Regions and Woredas	Utilization by regions and woredas	%
UNICEF								
UNFPA								
Total	0	0	0	0	0	0	0	

Detailed analysis of TB budget and utilization of Channel 2 B (000 ETB)

DPs	2011 EFY			2012 EFY		
	Budget	Utilization	%	Budget	Utilization	%
Total	0	0	0	0	0	0

Q5. Funds Flow - Options

Objective: Document the differences in using government systems / channels for earmarked TB funding

Differences in using government system (MOF)

	Channel 1B		Channel 2B	
PFM Dimension	**yes or no**	**Comments of strength gaps**	**yes or no**	**Comments on strengths and gaps**
On plan				
On budget				
On parliament				
On treasury				
On accounting				
On audit				
On report				
Ease to channel co-financing at federal, regional and woreda governments				
Ease to deliver intended TB results at federal, regional and woreda levels				

Source: Key Informant Interviews

Q6. Co-Financing - Estimates

Objective: Devise estimates of TB performance management co-financing commitments

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Total estimated NTP cost (million USD)	0	0	0	0	0	0
Total NTP M&E cost (USD)	0	0	0	0	0	0
Share of M&E from total NTP cost (%)						
Estimated M&E cost by level of government						
Federal	0	0	0	0	0	0
Regional	0	0	0	0	0	0
Woreda level	0	0	0	0	0	0
Potential USAID grants to be channeled through the government system (USD)						
Estimated government financing options						
Option 1:GF financing commitments (20%)						
Option 2: 15% co-financing levels						
Option 3: 10% co financing levels						
Potential co-financing by different levels of government						
Federal						
Regional						
Woreda level						
Total						

TB performance management budget estimate at Woreda level (000 USD)

Cost estimates by NSP interventions	2021/22	2022/23	2023/24	2024/ 25	2025/ 26	Total
Human resources						
Training						
Per Diem						
Transportation						
Materials						
Communications						
Contracts/Procurement						
…						
…						
…						
Total	0	0	0	0	0	0

Source: Review of underlying costing assumptions and tables to support TB Strategic Plan

TB performance management budget estimate at RHB level (000 USD)

Cost estimates by NSP interventions	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Human resources						
Training						
Per Diem						
Transportation						
Materials						
Communications						
Contracts/Procurement						
…						
…						
…						
Total	0	0	0	0	0	0

Source: Review of underlying costing assumptions and tables to support TB Strategic Plan

TB performance management budget estimate at Federal level (000 USD)

Cost estimates by NSP interventions	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Human resources						
Training						
Per Diem						
Transportation						
Materials						
Communications						
Contracts/Procurement						
…						
…						
…						
Total	0	0	0	0	0	0

Source: Review of underlying costing assumptions and tables to support TB Strategic Plan