Enhancing health sector management: Lessons from Ethiopia, Rwanda, Tanzania, and The Gambia on integrating development partners' funding into national budgets

During the Global Fund meeting on 3-5 July 2024, country representatives discussed how Global Fund support integrates into national health investments. This article summarizes the advancements of Ethiopia, Rwanda, Tanzania, and The Gambia, highlighting their unique approaches and challenges in managing health sectors effectively. Ethiopia’s commitment to aid effectiveness in health planning involves the “Three Ones” principles: a unified health sector plan, a consolidated budgeting system, and a unified monitoring and evaluation system. Similarly, Rwanda exemplifies effective Public Financial Management (PFM) through strategic planning, rigorous oversight, and advanced digitalization, despite local participation issues. Tanzania focuses on strategic budgeting and performance-based financing, integrating donor contributions and implementing PFM reforms for transparency and accountability. The Gambia’s health sector budget integrates local and international funds within a detailed program-based structure, though challenges in securing domestic resources and reliance on donor funds remain significant.

In previous articles on this event, we highlighted two panel discussions. The first focused on sustainable health financing, with insights from India, the Philippines, and Rwanda on promoting efficient healthcare spending. The second examined the opportunities and challenges faced by Supreme Audit Institutions in driving accountability and sustainability in health.

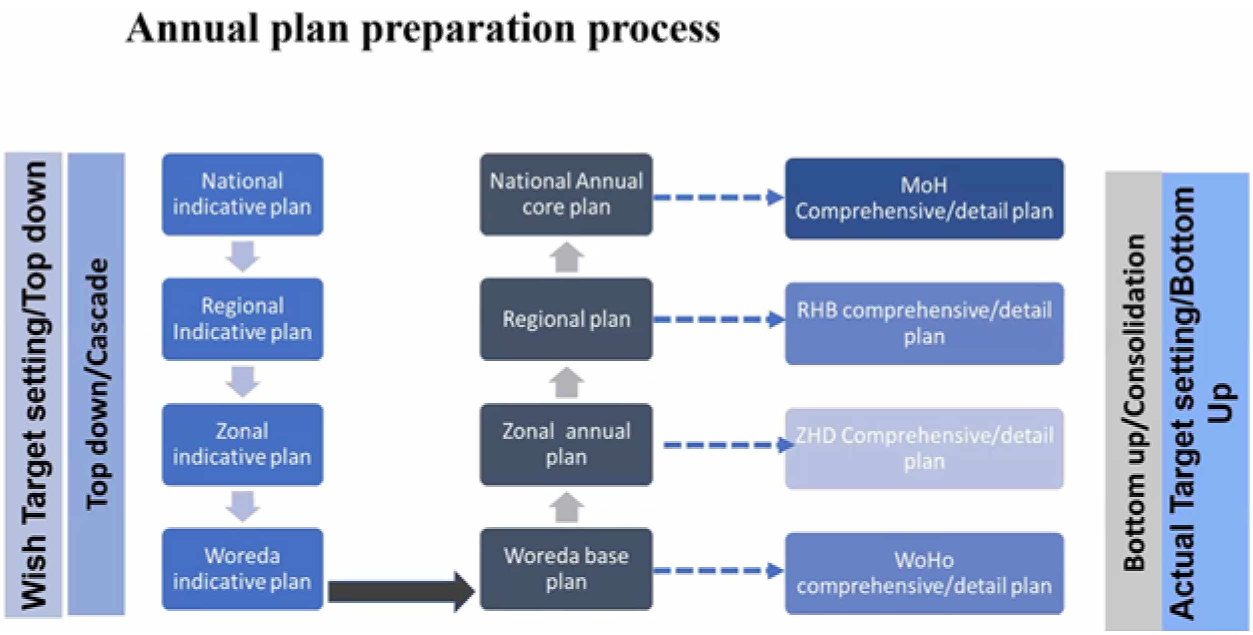
Ethiopia’s journey towards harmonized health planning

To enhance aid effectiveness, Ethiopia has been implementing the “Three Ones” principles—one plan, one budget, and one report—since the Paris Declaration in 2007. The Global Health Initiatives actively support the "Three Ones" principles to streamline the processes of planning, budgeting, and reporting. "Ethiopia has embraced the harmonization and alignment guidelines since 2007, focusing on creating a unified health sector plan, budget, and report," Yordanos Giday Hagos, a Planning and Budget Advisor at Ethiopia's Ministry of Health stated. "Our Ministry of Health has developed a harmonization manual to support the implementation of the Paris Declaration."

One Plan

The "One Plan" approach ensures all stakeholders, including government entities, donors, and NGOs, adhere to a single health sector plan aligned with national priorities. "All strategic and annual plans at every level must be consistent with the national health sector plan in terms of priorities and targets," Hagos explained.

Ethiopia's health policy, first developed in 1993 and revised in 2023, is supported by long-term plans such as the Health Sector Development Plans (HSDPs) and the Health Sector Transformation Plans (HSTPs). These plans guide the sector's strategic goals and annual operational plans from federal to local levels. Hagos described a dual approach to annual planning, combining top-down and bottom-up methodologies. "National indicative targets are set at the ministry level and cascaded to regional, zonal, and woreda (district) levels," she said. "Plans are then aggregated back up to the national level."



One Budget

The "One Budget" principle aims to consolidate funding for health activities through a unified budgeting system. Despite challenges, Ethiopia has made significant strides. "Ideally, all funding should go through one pool, but at the very least, we ensure all funds are reflected in a single budget document," Hagos noted.

Ethiopia’s budgeting process involves resource mapping and aligning plans with implementing partners. “We conduct resource mapping to ensure budget allocations are consistent with national priorities, even though funds may come through different channels,” Hagos said.

The budget process

One Report

For the “One Report” principle, Ethiopia uses a unified monitoring and evaluation system. “We use the District Health Information System (DHIS2) and Community Information System to ensure consistent reporting across the health sector,” Hagos explained. “All facilities report the same indicators with the same definitions.”

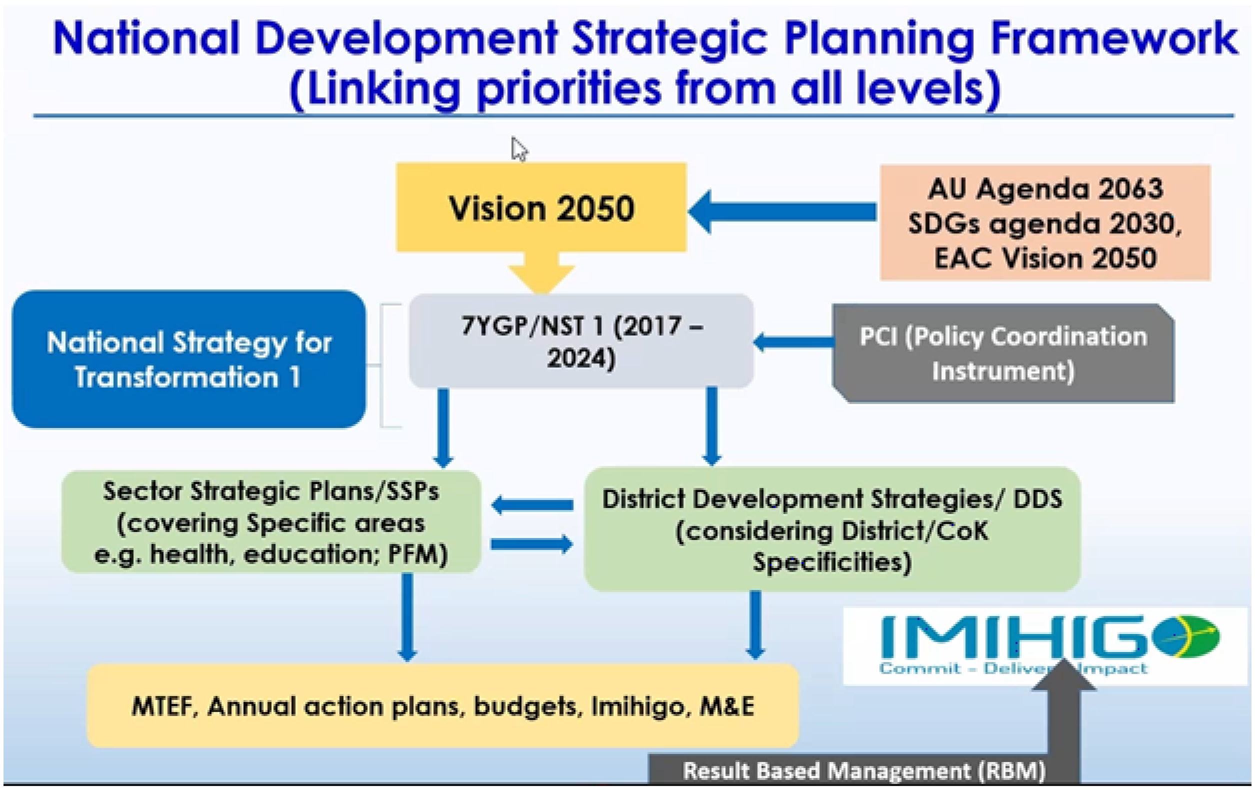
Governance and Challenges

The governance of the “Three Ones” principles is supported by joint government and donor forums, such as the Joint Consultative Forum (JCF) and the Joint Core Coordinating Committee (JCCC). These bodies ensure regular monitoring and evaluation of progress.

However, the implementation of these principles faces several challenges. “The engagement of local stakeholders in the planning process has been decreasing, and the effectiveness of coordination forums like the JCF and JCCC has declined," Hagos admitted. Additionally, there are issues with fragmented financial data, unpredictability in donor spending, and data quality concerns in the reporting system.

Rwanda's commitment to effective public financial management

Rwanda's commitment to effective PFM is underscored by its strategic planning and strong coordination with development partners, establishing it as a model of financial oversight and accountability. Marcel Mukeshimana, the Accountant General of Rwanda, emphasizes that Rwanda's vision is guided by the Sustainable Development Goals (SDGs), the African Union Agenda 2063, and the East African Community Vision 2050. These frameworks inform Rwanda's National Strategy for Transformation (NST), currently transitioning to its second phase, NST II, with inputs from development partners and a policy coordination instrument with the International Monetary Fund (IMF). "This instrument allows us to discuss priorities that are financed after the national strategy is set," he noted.



Sector strategies and performance contracts

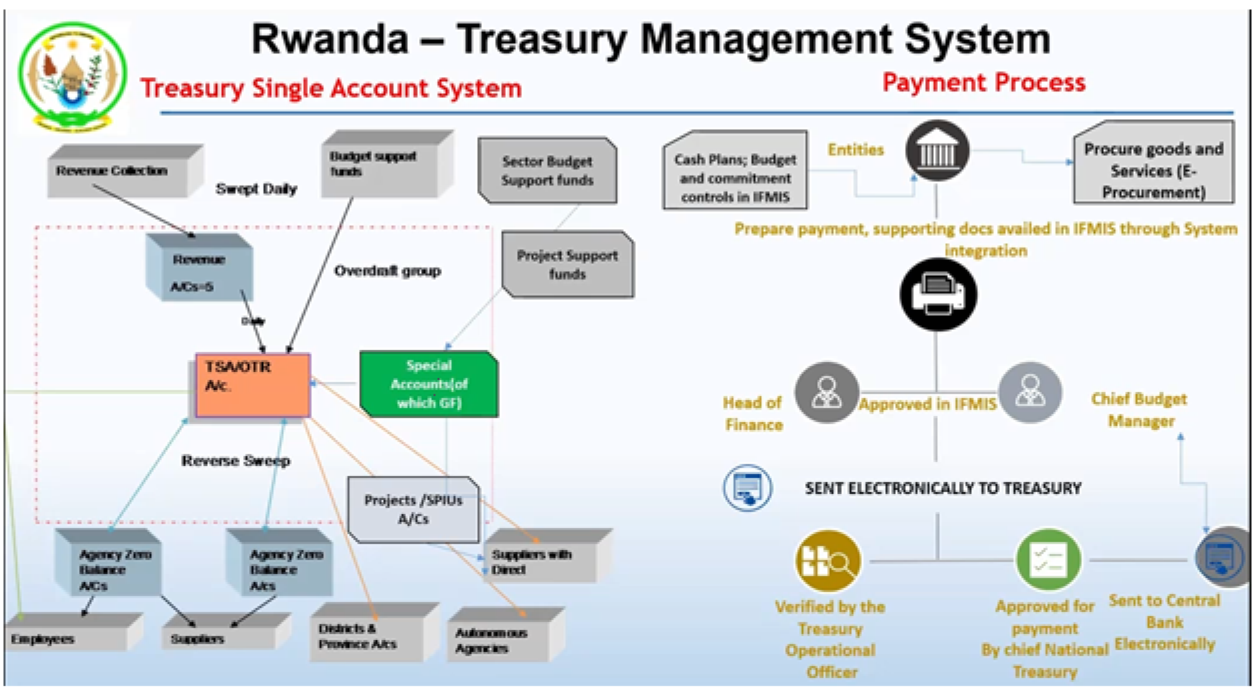
Sector strategies and performance contracts at all government levels operationalize this vision. Mukeshimana explained, "Everyone in Rwanda is guided by what we call the Imihigo performance contract." These contracts, signed annually, ensure accountability and alignment with national goals. The Medium-Term Expenditure Framework (MTEF) and annual plans support these performance contracts, ensuring that the budget aligns with strategic goals. "All revenue and expenditure, regardless of the source, should be part of the state finance law," Mukeshimana said. "We strive to have everything on budget and accounted for."

Public financial management evolution

Rwanda’s PFM system has undergone significant transformation since 1994. “Initially, we lacked a legal framework, accounting system, and even an auditor general’s office,” Mukeshimana recounted. “By 2008, we had developed a Public Financial Management Reform Strategy, which laid the foundation for today’s robust PFM system.” Rwanda moved from a purely cash-based accounting system to an accrual basis by June 2020, shifting from recording transactions only when cash was received or paid to recognizing revenues and expenses when they were earned or incurred. This change significantly improved financial reporting, allowing for a more accurate reflection of the country’s financial position and performance. By accounting for all financial obligations and resources—not just those settled in cash—accrual accounting offers a clearer picture of assets, liabilities, and the overall financial health of the government, which is crucial for long-term planning and decision-making. “We produce consolidated financial statements for the public sector, including central and local governments, as well as state-owned enterprises,” he said.

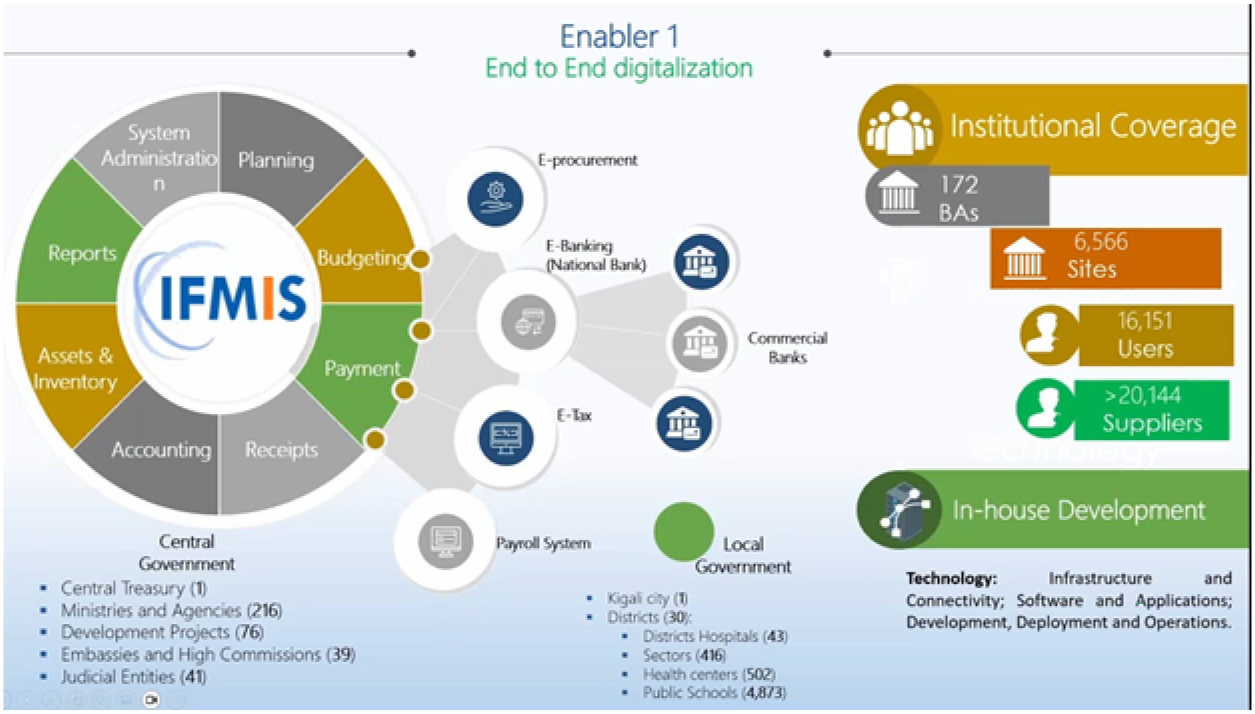
Financial integration and accountability

Rwanda’s financial management systems enhance accountability and transparency. Mukeshimana explained, “Funds are drawn down from special accounts to the Treasury Single Account (TSA) system, ensuring that all expenditures are captured in the national budget”. The TSA includes funds from development partners, ensuring comprehensive oversight and efficient resource allocation.



Automation and digitalization

Automation and digitalization are key pillars of Rwanda's PFM success. Mukeshimana explained, "We have an in-house developed Integrated Financial Management Information System (IFMIS) that covers planning, execution, accounting, and reporting." This system ensures interoperability and integration across public sector entities, including schools and health facilities. Digitalization extends to public debt management and auditing processes, achieving 95% coverage of public sector entities with IFMIS.



Oversight and accountability

Mukeshimana stressed the importance of rigorous oversight in maintaining financial integrity. "We have a tough Auditor General," he said. This stringent oversight is complemented by parliamentary scrutiny. "During Public Accounts Committee (PAC) hearings, the Accountant General, Auditor General, police, and Rwanda Investigating Bureau are all present, ensuring thorough accountability." The National Leadership Retreat and National Dialogue with development partners and the public further reinforce this accountability. "Ministers are held accountable for their commitments, answering directly to the President of Rwanda," Mukeshimana explained.

Framework for Oversight of Development Planning

Role	Organ	Functions
Oversight and Accountability	Parliament (Senate and Chamber of Deputies)	Oversight of the progress, endorsing plans and budgets, demanding accountability based on OAG report and or summoning Ministers
Strategic Orientation	Cabinet	Approval of financing /implementation plans, strategic guidance
Strategic Monitoring	National Leadership Retreat Umushyikirano/National Dialogue	Chaired by The President, the retreat brings together senior government officials, CSOs representatives with the purpose of reviewing previous year performance, discuss causes for under performance and devise new strategies to overcome underlying challenges
Technical Advisor	Development Partners Coordination Group (DPCG)	Technical Advice and support to implementation; Quarterly Sector Working Group (SWGs); Twice a year Joint Sector Reviews (forward and backward looking); Annual Country Portfolio Performance Review (CPPR)
National Coordination	MINECOFIN	Coordinate preparation of plans and budgets, implementation and Monitoring and evaluation,
Sector Coordination	Ministerial Clusters with involved DPs	Addressing Cross Sectoral issues
Technical Consultations	Sector Working Groups with involved DPs	Forum for engaging all stakeholders, monitoring sector level
Districts coordination	District Councils, Districts Joint Action Development Forums (JADFs)	Forum for engaging all stakeholders, monitoring District level
	Community Outreach through UMUGANDA	Citizen Participation and engagement forums

Challenges

Despite these advancements, challenges remain. “We still face issues with stakeholder participation at the local level and the effectiveness of governance bodies”, admitted Mukeshimana. However, Rwanda continues to refine its strategies and frameworks to address these challenges. “Leadership and accountability are crucial,” he emphasized. “Development partners also play a vital role in supporting our efforts.”

Tanzania’s journey to strategic budgeting and performance-based financing

The Tanzanian government, through its sector ministries, is taking significant strides to improve the budget process by engaging development partners and integrating their commitments into the national budget. This proactive approach ensures that sectoral commitments are framed and included in the budget, fostering a more collaborative and transparent financial planning process.

Enhancing budget alignment

The Ministry of Finance begins budgeting with an indicative budget based on historical data. “We start with the ceiling budget from the Ministry of Finance. Based on that, each director proposes their strategic activities and budget,” explained Erasto Kivuyo from the Ministry of Finance. Parliament plays a crucial role in the budgetary process, reviewing and proposing adjustments. “They might propose to reduce some activities in the budget to increase funding for others or request additional funds from the Ministry of Finance,” Kivuyo elaborated.

Donor and partner contributions fill gaps in the national budget. “We map the activity and budget from our country budget, central budget, and local budget. Some activities are not allocated in our budget due to limitations,” Kivuyo noted. The budget process begins with a comprehensive background review and the issuance of budget guidelines. Sector ministries and development partners engage in sectoral discussions to frame their commitments, which are then submitted to the Ministry of Finance by December each year. This inclusion process allows for a more accurate and coordinated budget approval process, aligning national priorities with local needs.

The Global Fund plays a crucial role in supporting Tanzania's health sector, particularly through the Medical Stores Department. Annually, a national quantification process is conducted to ascertain the country's medical needs. The Global Fund covers a significant portion of the procurement costs, with the government covering the remaining 15%. This partnership exemplifies effective international cooperation in addressing health challenges.

Integrating donor contributions into the government budget is a critical step towards ensuring efficient resource allocation. By receiving commitments from development partners from July to September, the government can align these commitments with the national budget. This early alignment helps avoid double allocation of resources, reducing the risk of funding the same activities by both the government and donors, which can jeopardize value for money.

Accountability and transparency

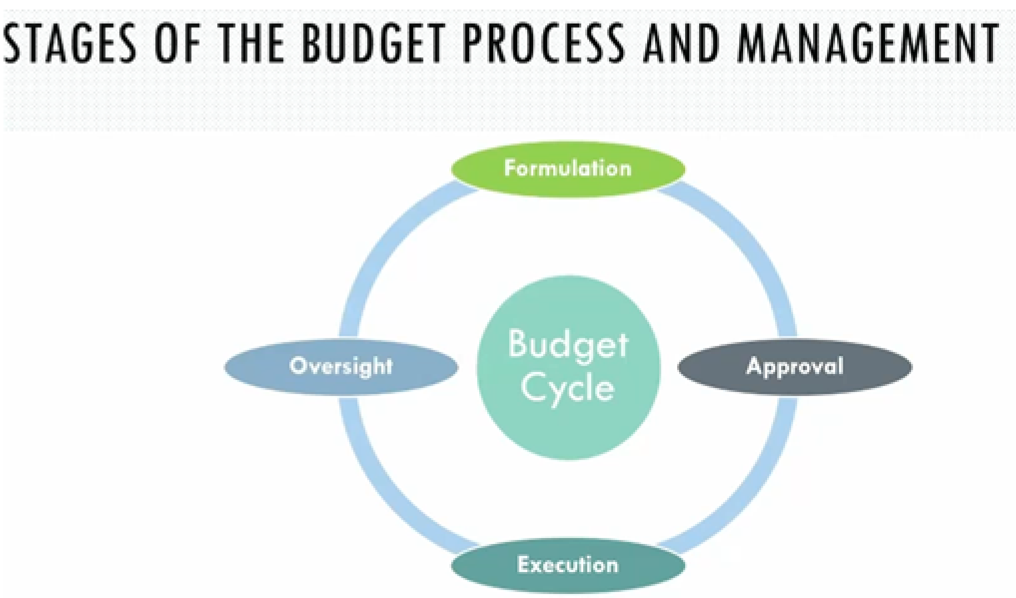
Tanzania has implemented substantial public financial management (PFM) reforms, including the adoption of a medium-term framework, the establishment of a central payment office, and the integration of a comprehensive financial management system. “The main objective of PFM is to ensure that resources are acquired and usedlawfully, efficiently, and effectively,” highlighted Kivuyo. To further enhance transparency and accountability,Tanzania has established a dedicated office for internal audits, led by the Internal Auditor General. This officeensures that internal controls are maintained during budget execution. Additionally, the Controller and AuditorGeneral’s office provides oversight and informs Parliament on government finances, ensuring robust financialgovernance.

Streamlining budget processes and enhancing health sector financing in The Gambia

The Gambia’s approach to health sector budgeting highlights a complex, yet strategic integration of local commitments and international donor funds. The structured and detailed budgeting process aims to ensure efficient resource allocation and transparency, ultimately improving health outcomes for the population.

Budget process in the health sector

The government budget is governed by the Constitution and the Public Finance Act, with the budget process involving formulation, approval, execution, and oversight stages. “The government budget is governed by the Constitution and the Public Finance Act,” explained Horeja Jeng, a senior fiscal officer at the Ministry of Finance.



When the Budget Call Circular (BCC) is received from the Ministry of Finance, the health sector develops specific templates and the Program-Based Budgeting (PBB) structure. This structure is divided into five main programs:

1. Strategy, Policy and Management: This level focuses on strategic planning, monitoring and evaluation (M&E), and quality assurance.
2. Health Promotion: Core health promotion mandates are addressed under this program.
3. Family Health: Focuses on reproductive, maternal, and child health.
4. Disease Control: Encompasses programs for TB, HIV, hepatitis, cancer, and other significant diseases.
5. Management of Subvented Institutions: Includes tertiary hospitals, the Medicines Control Agency, and other

entities responsible for healthcare service delivery.

Within these five programs, there are over 55 sub-budget programs, each designed to address specific health needs and priorities.

The health sector budget also clearly captures donor partner funds. “In the development component, this is where the donor partners’ funds are actually clearly captured in the budget book,” explained Gabril Jarju, Director of Planning and Information at the Ministry of Health and Social Welfare. “If it is captured in the budget, it is by law that those funds are now part of the budget process, because the budget is approved by Parliament.”

For instance, investments from the Global Fund for malaria, TB, and HIV are documented within the national budget. Jarju noted, “If UNICEF are investing in these three diseases, we capture it. If they are only investing in Family Health, we also capture all their investment.” Similarly funds from the World Bank also get reflected in the same way.

However, there is a distinction in how these funds are managed. “The development partners, including the Global Fund, are integrated into the national budget, but the funds do not go through the consolidated revenue fund. Others, like the IMF and the World Bank, especially for budget support, go directly to the consolidated budget fund,” Jarju clarified. This distinction means that while funds from development partners like the Global Fund are integrated into the national budget but tracked separately for targeted use and accountability, funds from the IMF and World Bank go directly into the consolidated revenue fund, becoming part of the general pool. This separation enables more precise monitoring of partner funds, while consolidated funds impact broader fiscal planning, transparency, and resource management.

Opportunities and challenges

The coordination of the budget process is managed at the directorate level, supported by up-to-date health sector policies, strategies, and an M&E framework. The government aims to follow one plan, one budget, one report call. A functional budget committee at the ministry level supports the execution of the national budget.

Despite these strengths, challenges remain, particularly in securing adequate domestic resources. “Our health budget was cut by 16% for 2025,” Jarju stated, emphasizing the impact of these reductions. The reliance on donor funds underscores the need for increased domestic resource mobilization. “We cannot rely on donor funds. We need to increase domestic resource mobilization. Introducing domestic financing, such as social health insurance, is essential,” Jarju stressed. However, the budget reduction has delayed the rollout of such initiatives until at least 2026.

Way forward

The integration of international funds into national budgets in countries like Ethiopia, Rwanda, Tanzania, and The Gambia has significantly strengthened their health sectors through various PFM reforms aimed at enhancing transparency, accountability, and resource efficiency. Ethiopia’s adoption of the “Three Ones” principles illustrates that effective implementation, rather than new ideas, is key to progress. Rwanda’s focus on strategic planning and digitalization, and Tanzania’s emphasis on performance-based financing, enhances transparency and accountability.

However, growing criticism from conservative groups poses challenges to sustaining these reforms, as international funders often face backlash for promoting reforms that may clash with local values, straining relationships and undermining the legitimacy of donor-supported initiatives. Leaders must balance the need for international funding with navigating political landscapes where external pressures are viewed as threats to sovereignty.

To sustain reforms, countries may need to enhance domestic resource mobilization, reduce reliance on external funding, and strengthen local ownership of development initiatives, while fostering dialogue between donors and local stakeholders to build trust. Ultimately, the success of these reforms hinges on governments’ ability to manage both internal and external pressures, as legitimacy and inclusiveness will determine the long-term impact of health sector initiatives. Without careful management, political tensions could reverse the gains made in health outcomes and broader development goals.

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