Sustainable Funding Strategy for One Health Toolkit

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INTRODUCTION

To be effective, National One Health Platforms (NOHPs) and other coordination mechanisms require sustainable funding for their preparedness activities, as well as ample, quickly-accessible funds to respond to public health emergencies. Mobilizing domestic revenues is one way to secure the funds to ensure the long-term sustainability of NOHP operations and activities.

The objective of the Sustainable Funding for One Health Toolkit is to support NOHPs and other coordination mechanisms in requesting and receiving funds to support operations of the platform and its activities in the long term. The toolkit begins by explaining what domestic revenue mobilization (DRM) is and why it is an important source of funds. Then, the toolkit provides guidance on how to tap into DRM, through specific sections on how to 1) understand the budget system, 2) understand the platform's structure, 3) build a sustainable funding strategy, 4) secure funding, and 5) receive funding. The toolkit includes three essential tools and two optional tools (see text box). In addition, because advocacy is critical to receiving domestic funds, we have included helpful advocacy tips throughout the toolkit. Please also reference the Policy Advocacy Toolkit for helpful advocacy tips.

> **▶ SUSTAINABLE FUNDING TOOLS**
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> **Sustainable financing strategy template**: Provides a structure for the strategy, as well as helpful hints on the information to include.
>
> **Budget formulation tool**: Includes potential categories and illustrative line items.
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> **Budget action planning tool:** Guides users through a series of questions on how to make and defend a budget request and receive funds.
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> **PFM self-assessment tool (optional):** Prepared for the Health Finance and Governance project, adapts the Public Expenditure and Financial Accountability (PEFA) assessment tool to the health sector. Explains possible systemic issues in the core public financial management (PFM) functions. Typically implemented by a consultant.
>
> **Budget advocacy workshop agenda (optional):** Provides an example of an agenda from a budget advocacy workshop.

DOMESTIC REVENUE MOBILIZATION (DRM)

What is DRM?

DRM is the process by which governments collect and administer revenue to provide for their people.

At the national and sub-national level, DRM usually refers to the process of collecting and managing revenue from taxes, customs duties or other fees. In the health sector, the term DRM describes both revenue for the health sector in general and revenue funneled to a specific priority such as preparedness and response. This toolkit is focused on the latter—that is, on securing sustainable financing for the activities and staff of One Health platforms or other coordination mechanisms.

Why pursue DRM?

In an increasingly globalized and interdependent world, diseases spread further faster and epidemics quickly become costly, in human health, economic and financial terms[1]. In constrained funding

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[1] Peter Sands et al. From Panic and Neglect to Investing in Health Security: financing Pandemic preparedness at a national Level, IMG Working Group on Financing Preparedness, May 2017

environments, response is often prioritized over preparedness and prevention. This forces countries to urgently mobilize funds in emergencies and does not address the underlying causes of the crisis. This approach costs more in the long run and may lead to donor dependence.[2] Countries would clearly benefit from reliable and adequate funds for preparedness as well as response. Moreover, research has also shown that a strong public financial management (PFM) and health system is more resilient to epidemiological incidents[3].

DRM is important to the long-term success of One Health platforms and other multi-sectoral coordination mechanisms. Moving beyond project funding to reliable domestic funding—from a ministry, central, state or provincial government source—offers stability and sustainability. Moreover, the mere process of obtaining domestic financing can increase government buy-in for preparedness and response activities.

STEP-BY-STEP PROCESS

Once the platform has decided to pursue sustainable funding, the platform and other stakeholders should assemble a working group to spearhead funding activities, from understanding the budget system to building a funding strategy to preparing to receive funding.

The composition of the working group will vary, but, in general, at least one member should have finance or funding cycle experience. The group should prepare a timeline that aligns with the budget cycle (typically a little over one to two years) and allocate resources to undertake activities in the following five stages, each of which is explained in detail in subsequent sections:

Understanding the Budget System
Develop an understanding of budget planning, allocation and disbursement processes; the movement of funds through the system; and entry points for intervention.

Understanding the Platform
Understand the legal structure of the platform, as this determines the process for seeking funding.

Building the Strategy
Lead a workshop with the platform to define the funding objectives and develop a funding strategy.

Securing Your Funding
Begin the process of applying for and receiving funds, which varies based on the platform's structure and position in the government.

Receiving Your Funding
Put in place strategies to avoid pitfalls that can make it difficult to receive funding in the first year.

> **▶ BUILDING SUPPORT FOR FUNDING**
>
> It is never too early to spread the 'Why One Health' message. An advocacy brief with relevant data and advocacy messages targeted to each country's experience with One Health can help platform champions lay the groundwork for a funding request; a sample brief is included in this toolkit. It is important for platform champions to sensitize as many stakeholders as possible about the One Health approach in preparedness and response and the importance of making coordination a priority. Some suggested audiences for platform champions are legislators, politicians, ministry officials, and other decision-makers and influencers in the funding cycle.

[2] Peter Sands et al. From Panic and Neglect to Investing in Health Security: financing Pandemic preparedness at a national Level, IMG Working Group on Financing Preparedness, May 2017

[3] Marie-Paule Kieny et.al., Health-system resilience: reflections on the Ebola crisis in western Africa, Bulletin of the World Health Organization 2014

UNDERSTANDING THE BUDGET SYSTEM

To formulate a relevant and effective funding strategy, the working group must first understand the budget planning, allocation and disbursement processes; the movement of funds through the system; and potential bottlenecks and entry points for intervention.

To provide a clearer understanding of how the budget process works, we present an outline of an annual budgeting cycle below. Specifics of the process will vary by country, and the working group should aggregate information on the local budget system to understand it fully.

The Budgeting Annual Cycle

- Budget planning: Month 1-3 (2 people, 30 days)
- Budget formulation: Month 3 (30 days, 1 person)
- Budget request preparation: Month 4 (1 person, 30 days)
- Budget request submissions and defense: Month 5 (2 people, 2 weeks)
- Allocations announcement: Dependent on system
- Disbursement follow-up: All year (60 days)
- Expenditure: All year (30 days)
- Monitoring and reporting all year (30 days)

Budget Planning

The budget planning process entails all ministries, departments and agencies (MDAs) collecting and costing their needs. Ministries usually collect information from facilities at the district, country and provincial levels. Ministries then aggregate and prioritize these needs in a budget, taking into account funds forecasted to be available. The working group can learn more about this process by speaking to ministry officials and the Ministry of Finance (MoF), consulting local budget law and reviewing previous PFM assessments.

Budget Allocation

After prioritizing their needs, ministries send their budget requests to the MoF. The MoF reprioritizes budgets across all the MDAs. During this phase, the MoF may ask individual ministries to justify their costing of needs—this is called a budget defense. Following the defense, the MoF makes an allocation—the estimated amount to be given to the MDA in the country budget. Often, these allocations are based on the country's revenue forecasting.

Disbursement of Funds

In many countries, if revenue falls short, actual disbursement will fall short of the allocation. The process between allocation and disbursement differs in every country and may require an additional request and approvals process; the working group should speak to the finance department within a ministry or to the MoF to understand the country's specific allocation and disbursement process.

Budget Execution and M&E

Budget execution is the process of spending funds in line with the budget and monitoring expenditures using internal controls and M&E. It is important to understand and plan for the approvals and other costs required by your specific budget system. A large part of DRM, in the long term, is successful compliance—reliably spending and tracking expenditures so that decision-makers consider the platform a reliable and worthwhile partner.

For a practical guide to understanding the budget process refer to the ***budget action planning tool***.

UNDERSTANDING THE PLATFORM

The next step in formulating a funding strategy is for the working group to collect all relevant information and clarify the legal structure of the platform, as this determines how it requests funding.

Aggregate All Relevant Information

As a first step, the working group should aggregate all relevant information, including:

- Legal establishment documents of the platform
- Budget law/finance law
- Decentralization or establishment law
- Two past platform budgets and the national budget. If there is no past platform budget, collect any donor budgets that funded platform.
- Donor contracts
- Relevant ministry budgets
- Platform strategy documents
- Platform org chart
- Any past PFM assessments, such as a PEFA (https://pefa.org/), open budget information (https://www.internationalbudget.org/opening-budgets/open-budget-initiative/) or World Bank country reports on public finance (https://data.worldbank.org/), which will help you learn about the country budget system, any major risks and recommendations.

> ▶ **ADVOCACY: ESTABLISHING PARTICIPATION IN THE PROCESS**
>
> At this stage, advocacy efforts should focus on building support for DRM among NOHP stakeholders, whose agreement and buy-in is critical. Stakeholders must understand that DRM is essential to the platform's survival and expansion. The case for DRM is made above in the "Why DRM?" section. This information can be used to make the case to NOHP leadership and staff.

In addition, if the group knows certain information is lacking, it may want to conduct an assessment, using the *PFM self-assessment tool* as an optional starting point.

This step should be completed weeks or days before the strategy workshop is scheduled. Once some or all of this information is compiled, the group can reconvene and discuss the strategy elements.

Understand the Legal Structure of the Platform

It is important to understand the legal status of the platform and where it sits in the overall government structure, as this determines how the platform participates in the budget process. The working group must understand the following:

- Legal status
- Organizational character
- Position in government structure
- Ability of NOHP to generate revenue

Below are some guiding questions and answers to help you figure out the above points.

Is the platform legally established?	
Follow-up	Is there a document in place defining the legal status and character of the platform?
Detail/ Explanation	If the platform was formally established as an agency or department, it should have a document such as a mandate, MOU, charter or circular stating this. If the platform was formed as an informal inter-ministerial committee, it may lack a legal document. Without legal establishment, the platform must seek funding under another ministry or department.
Is the platform part of a national or provincial/state level budget?	

Follow-up	Is platform a line item in one or more ministry budgets?
Detail/ Explanation	If the One Health platform or preparedness and response is a line item under the public health or another entity's budget, all data should be gathered from that agency. Look at where the organization falls in the overall organizational structure of the government. If it is under a ministry, then it should have a line item in that ministry's budget; if it is a separate agency, then there should be a line item in the national budget.
Does the platform have the legal right to generate revenue?	
Follow-up	• Does the establishment document or the budget law/decentralization law state whether the platform can make a budget request or generate revenue? • Does the platform have a bank account?
Detail/ Explanation	First, look at the budget law to see who can make a budget request. Then, refer above to see where platform falls in the overall government structure, to see if it can make a budget request. If the answer is yes, then the strategy should include a plan for a budget request. If the organization can make a budget request, then it must also have a bank account with controls in place to receive and manage the funds.

If the platform is not formally established or not part of the government structure, members should collectively decide the legal characterization most advantageous for funding. The platform may be able to apply for a charter or obtain legal status as a national/state/local agency through the legislative or executive branches. Alternatively, the platform could seek to become a line item under a national ministry such as health or agriculture.

BUILDING THE STRATEGY

Now, the working group can lead a workshop with the platform to define the funding objectives and funding gap, outline roles and responsibilities, and draft a funding strategy that makes clear how much money the platform will seek and from whom.

Defining Objectives

The starting point for drafting a funding strategy is to define funding objectives. These objectives can be defined by determining the short and medium-term goals of the platform, the platform budget and the funding gap.

Define Short and Medium-Term Goals

First, the platform should define its short and medium-term goals and the associated activities and their costs. In the short term, for example, the platform may need only to fund immediate needs such as office space, supplies and staff salaries. In the medium-term, a platform may focus on small-scale activities; in the longer term, the platform could look to country-wide coordinated activities. Below are some options to help guide the decision. Note that each platform is different and might pursue a mix of the options presented below.

Funds for Staff and Operations	Platform Operations and Activities	Country-Level Preparedness and Response Activities through the Platform
• If the platform is recently established and activities are funded by an external source	• If the platform is planning to conduct activities in the next fiscal year	• If the platform is already managing preparedness and response activities

Define the Platform Budget

Now, focus on the plan for the next fiscal year. Using the *budget formulation tool* as a guide, include the platform's recurring expenses (e.g., office space, supplies, support staff). Then, list activities for the coming year. Break down each activity, costing out the people and time needed to complete the task before adding supply and transport costs. Once the rough budget is complete, the platform can estimate the funding gap, i.e. the difference between the budget and funds available.

Define the Funding Gap

The funding gap tells the platform how much money it needs next year (and can be extended to future years as well) and influences the strategy. To determine the funding gap, start with the platform's internal budget, then gather data on all current funding sources such as project funds or in-kind contributions like seconded ministry staff. The difference between the budget and the available funds is the platform's funding gap. This becomes the amount in the budget request.

Define Roles and Responsibilities

Before drafting the strategy, the platform should assign one to two people to serve as the budget preparation lead(s). These individuals may be from outside the platform, depending on the platform's structure. If the platform is part of a ministry, for example, a ministry representative may submit the budget. Regardless of the structure, someone must be identified to:

- Draft the yearly budget
- Draft the budget request
- Coordinate the approvals and submission process
- Review after submission
- Oversee the budget defense

> **▶ ADVOCACY: IDENTIFY A FUNDING CHAMPION**
>
> At this point, the working group has been garnering internal support for funding. Now, it is important to identify a champion who can continually advocate government funding. This individual should be able to influence government decisionmakers and be enthusiastic about the platform. Once this person is identified, they should be able to facilitate a smoother process toward funding. They may also be well-placed to defend the budget request, depending on their position in the government.

These individuals should be involved in defining funding objectives and drafting the strategy. Ideally, the responsible parties also have experience preparing budgets and strong writing skills.

Drafting a Strategy

Now that the platform has clarified its legal status and defined its funding objectives, it is time to draft the sustainable funding strategy. The strategy outlines the steps the platform will take to achieve its objectives and clarifies what funding the platform will seek from the government versus external sources, based on the funding gap exercise. The strategy also establishes roles and responsibilities in the strategy's execution and a budget calendar.

Once these topics have been discussed, the workshop facilitator assigns participants to complete each section of the *sustainable funding strategy template.* Once the main elements have been discussed and agreed upon, a consultant may finalize the strategy. The platform should also agree on a process to validate the final strategy; at a minimum, the secretariat and any funding partners, as well as officials from key ministries of the platform, should review the strategy.

Evaluate and Amend Strategy

Designate an advisor or working group to facilitate ongoing monitoring and re-evaluation of the strategy, according to established indicators. Key questions to ask include:

- Have funding needs changed?
- Have funding sources changed?
- Is the One Health platform able to remain compliant with existing funding sources? If not, why?
- Does the strategy still fit the need, or should it be updated?

SECURING YOUR FUNDING

Once the funding strategy has been drafted and validated, the responsible parties begin the process of applying for and receiving funds, in line with the platform's structure and position in government.
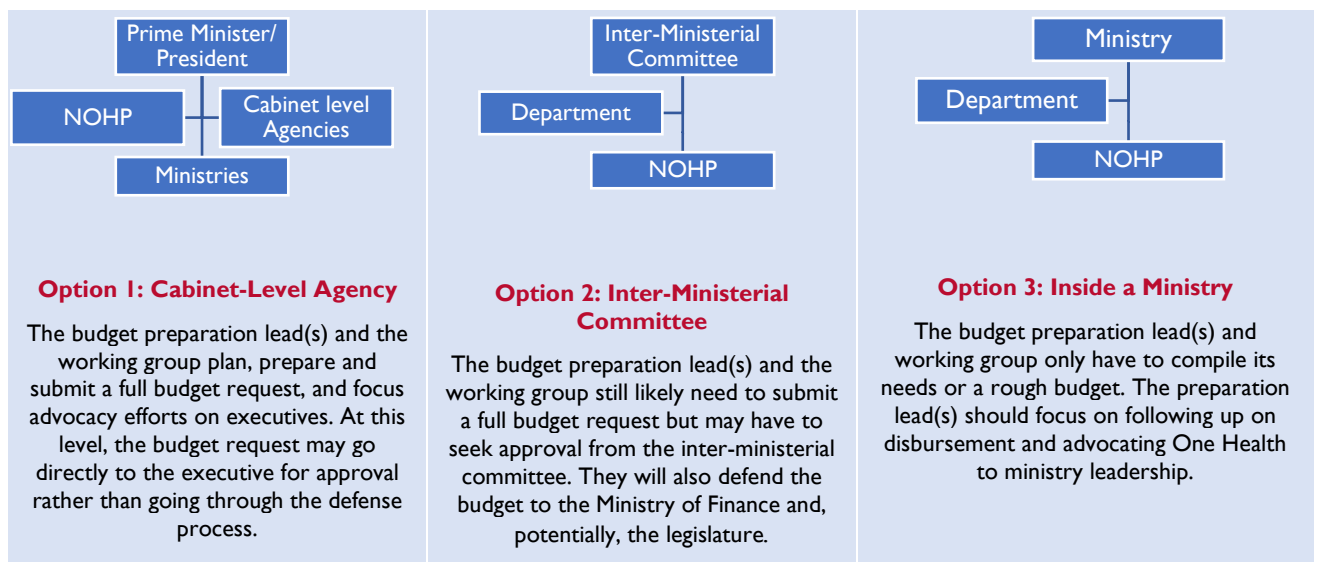
The first step of the working group is to ensure it has completed the necessary prerequisites to request funding (see text box). Then, it should support the budget preparation lead(s) in submitting—and possibly defending—the budget request.

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▶ **FUNDING PREREQUISITES**

✓ Government bank account (if necessary)
✓ Legal status as a government entity (either an agency, department or some other official status inside government)
✓ Funding champion
✓ Platform consensus to pursue the strategy

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Determine Who Will Complete the Request

The budget preparation lead should understand his or her role in the preparation process vis-à-vis the platform's legal status. Below are some of the most common legal statuses, with suggestions of how the budget request preparation process might work.

Option 1: Cabinet-Level Agency

The budget preparation lead(s) and the working group plan, prepare and submit a full budget request, and focus advocacy efforts on executives. At this level, the budget request may go directly to the executive for approval rather than going through the defense process.

Option 2: Inter-Ministerial Committee

The budget preparation lead(s) and the working group still likely need to submit a full budget request but may have to seek approval from the inter-ministerial committee. They will also defend the budget to the Ministry of Finance and, potentially, the legislature.

Option 3: Inside a Ministry

The budget preparation lead(s) and working group only have to compile its needs or a rough budget. The preparation lead(s) should focus on following up on disbursement and advocating One Health to ministry leadership.

What to Put in the Request

The requirements for a budget request vary from country to country and depend on the platform's place in the overall government structure. Specifics will be captured in the budget law or call circular. In general, a budget request contains an estimate for strategic activities with justification for each estimate. Some budgets require a detailed list of programs and activities, with a narrative explaining how progress will be achieved and measured against each strategic objective. The easiest way to find out the requirements is to ask the finance office of an agency or department. The budget preparation lead and platform secretariat are responsible for ensuring the budget is prepared in line with the country's specific requirements.

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▶ **ADVOCACY: BUILDING SUPPORT WITH DECISION MAKERS**

While the budget request is being drafted, your champion should be garnering support among decision-makers in the allocation of funding. The key to this advocacy effort is *knowing your audience.* Find out who will receive and review your budget request and hear the defense; consider your audience's priorities.

MoF: Interested in cost savings and value for money. Consider the argument that the One Health platform saves money in epidemics.

Legislature: Interested in keeping constituents happy and winning the next election. Consider the more emotional argument that One Health saves lives and prevents pandemics.

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Submission and Defense

The platform should approve the budget request before it is submitted, in line with the process codified in the funding strategy. A senior member of the board should formally submit the request to the appropriate entity (e.g., executive, line ministry or MoF).

Once the budget request has been submitted, the budget preparation lead and platform secretariat must follow up to ensure it is included in the prioritization process. After submission, some organizations may have to defend their budget request; the platform should have identified the person responsible for budget defense at the workshop. The presenter should be very familiar with the budget line items, understand how they contribute to the platform goals and know how the estimates were calculated. This person should also be able to articulate a clear case for funding One Health.

> **▶ HELPFUL TIPS FOR BUDGET DEFENSE**
>
> After the platform has identified the person responsible for budget defense, it will need to ensure she or he understands the case to defend it well. It is helpful to provide this person with reference materials on the platform and required funding; these materials can be prepared in the advocacy stage. Some tools may be found in the *One Health Strategic Plan Development Toolkit* or *Policy Advocacy Toolkit*. Clear and consistent communication will make the budget request presentation stronger and make defense easier for those presenting the case.

RECEIVING YOUR FUNDING

Plan for common pitfalls that happen after allocation and before disbursement and put in place mitigation strategies.

Numerous issues can arise between allocation and disbursement. These issues can make it difficult to receive funding the first year or to spend funding in a timely manner, resulting in less funding the following year. Below, we present common pitfalls and mitigation strategies.

- Submitted, but No Allocation: There may be a bottleneck in the process between submission and allocation. The request could have been improperly submitted, or decision-makers may not have enough information to make a decision for allocation.
  - Mitigation: Follow up to ensure the submission is compliant and advocate One Health to the right decision-makers.

- Allocated, but No Disbursement: There are usually several approval steps between allocations and disbursement. Sometimes allocations are made, but funding levels do not allow for full realization of the allocations. In other cases, the disbursement gets stuck at an approval stage.
  - Mitigation: Investigate the complete process, so the platform may follow the allocation through disbursement. There is no way to force approvals, but additional advocacy or information may help at an intermediate stage in the process.

- Disbursement, but Unable to Spend or Account for Spending: In some cases, an organization receives funding but fails to plan for spending—meaning they lack a way to procure goods and labor. In other cases, the money may be spent but not properly controlled or accounted for, making the organization unlikely to be eligible to receive funding the subsequent year.
  - Mitigation: Plan for budget compliance and follow up from the beginning. Identify the person responsible for budget compliance at the outset. Make a budget calendar with clear deadlines and time allotted for preparation and defense of request. Review the M&E plan with adequate checks to ensure expenditures are controlled and reported on. This way the value for money will be clear and making a case for more funding will be much easier.

Planning for the Future

After the funding strategy has been drafted, the working group should define areas where technical assistance might be needed over the coming years. The group might also want to explore other funding sources. They should decide how often to meet and review the strategy against the monitoring and evaluation indicators periodically.

ADDITIONAL RESOURCES

REFERENCES

1. [Introduction: A Toolkit for Ministries of Health to Work More Effectively with Ministries of Finance, 2013](). This toolkit produced by USAID's HFG (Health Finance & Governance) project presents a set of strategies, self-assessment methodologies, and performance management processes to help Ministries of Health better manage their own resources and effectively communicate with Ministries of Finance.

2. [Health Budget Advocacy: A Guide for Civil Society in Malawi, 2015](). This guide was produced by USAID's Health Policy Project and is intended to inform civil society organizations in Malawi on health budget advocacy, serving as an introduction and easy reference guide. The guide describes how health budgets are developed in Malawi at both the national and district levels and suggests entry points through which advocates can seek to influence government health budgets.