The U.S. Agency for International Development (USAID) submits this report pursuant to Section 7019(e) of Division G of Public Law 116-94, the Department of State, Foreign Operations, and Related Programs Appropriations Act (SFOAA), 2021 (P.L. 116-94), which incorporates by reference the following reporting requirement from the explanatory statement described in section 4 of the SFOAA:

Health Systems Strengthening.-In lieu of the House directive under this heading, the USAID Administrator, in consultation with the United States Global AIDS Coordinator, shall submit a report to the appropriate congressional committees not later than 120 days after enactment of the Act on: (1) the amounts made available for cross-cutting health systems strengthening activities disaggregated by each respective health element; (2) progress made to integrate across programs; and (3) the results achieved in the previous fiscal year to build accessible, accountable, and affordable local health systems. The report shall include achievements and challenges to coordinating and transferring responsibility for such efforts to local health systems and an overview of efforts to coordinate indicators and programmatic initiatives across funding accounts and agencies. The report shall also identify any aspects in which health systems strengthening activities have failed to achieve sustainable results, and recommendations for ways to address such challenges.

Amounts available for cross-cutting health systems strengthening activities

Beginning with the FY19 planning cycle, USAID’s Bureau for Global Health (USAID/GH) amended program planning guidance to encourage Missions to invest in health systems strengthening (HSS) activities funded by multiple health elements. The guidance specified that Missions must devote resources toward such co-funded cross-cutting health systems, consistent with existing legal authorities on the use of funds. The intent of this change in guidance was to encourage Missions to invest in cross-cutting aspects of HSS. The guidance includes technical considerations for how to design HSS programs, according to state-of-the-art practice. USAID/GH then used the process of reviewing and approving Mission Operational Plans to ensure that cross-cutting HSS programs were properly identified and in line with Agency strategic approaches. After two years of implementing this process, USAID is now able to track and report on the amounts made available through USAID Global Health Programs (USAID-GHP) account (non-HIV/AIDS) funding for co-funded cross-cutting HSS activities.
For all cross-cutting HSS funding, maternal/child health funding accounted for 42 percent and FP/RH accounted for 30 percent, respectively, of the total for cross-cutting HSS activities in FY 2020.
Typically, Missions use between 6 and 12 percent of their non-HIV/AIDS GHP budget to co-fund cross-cutting HSS, with some missions using more than 20 percent of their non-HIV/AIDS GHP budget to co-fund cross-cutting health systems, including in Laos, Timor Leste, and Indonesia. In absolute value, the Missions shown in the chart above have the largest cross-cutting HSS programs. In FY 2020, Nigeria programmed the largest amount toward cross-cutting HSS. Overall GHP funding in Nigeria decreased from FY 2019 to FY 2020, and when coupled with spending on COVID-19 and an increased focus on service delivery, this led to a reduction in resources for HSS activities. In Ghana, the decrease to cross-cutting HSS funding from FY 2019 to FY 2020 is reflective of an overall cut to the GHP budget for Ghana, but the percentage of funds going toward HSS still increased. In Mali and Kenya, the reduction in cross-cutting HSS is expected to be temporary as these Missions transition to new portfolios of awards for implementation. In Ethiopia, in addition to the Mission working on transitioning to a new portfolio of awards, the Mission’s funding was constrained by the U.S. Government pause on assistance during FY 2020.

**Progress made to integrate across programs**

Cross-cutting HSS activities reflect activities that are critical to multiple USAID/GH goals because they provide the foundational support necessary to build overall program sustainability. HSS activities that directly impact individual Global Health goals are undertaken within individual programs and are therefore not considered cross-cutting HSS activities. In response to a FY 2019 worldwide Office of Inspector General (OIG) report on HSS, USAID has taken a number of steps to better integrate HSS activities across programs, including instituting the above-mentioned operational planning review process. Notably, USAID recently launched a new [Vision for Health Systems Strengthening 2030](#), which is expected to serve as overarching Agency policy on strengthening health systems through the end of the 15-year period for achieving the 2030 Agenda for Sustainable Development Goals (SDGs) and to enable better integration of programs. In addition, USAID has developed a global education and training course on HSS for mission staff that can be delivered both in person and virtually, updated indicators for tracking investments, and developed a comprehensive measurement tool for health systems. These actions directly respond to recommendations in the FY 2019 OIG report on HHS.

An ongoing challenge to integration is USAID’s inability to provide centralized strategic direction or incentives to Missions to program in this way. The funding information presented above is based on a bottom-up programming process over which the Bureau for Global Health’s Office of Health Systems has little direct influence, and which is subject to the influence of centralized program directions emanating from funded programs.

**Results achieved to build accountable, affordable, accessible, and reliable local health systems**

In FY 2019, USAID issued a “[High Performing Healthcare](#)” Framework, which describes the characteristics that would be observed in a well-functioning health system. Those characteristics are broken down into dimensions of care that are accountable, affordable, accessible and reliable. Despite the programming challenges noted above, USAID has chronicled a series of impressive results over the last fiscal year, including:
• In the Democratic Republic of Congo, USAID built institutional capacity by supporting planning and program implementation. USAID supported the government to develop a funding coordinating mechanism known as “contrat unique.” The contrat unique brings stakeholders together to collectively identify priorities and include them in fully budgeted plans, which are then used to allocate and secure domestic resources. USAID led this process in the Lualaba provincial health division and formalized the contrat unique in February 2020 with technical and financial partners, local leaders, and private mining companies. In Lualaba province, the contrat unique mobilized $1.1 million in local resources, including more than $500,000 budgeted for local health spending;

• In Nepal, USAID supported municipalities to improve governance and accountability in districts with the highest concentrations of marginalized and disadvantaged groups and where health disparities are the greatest. USAID’s support resulted in an overall 34 percent increase in the unconditional budget allocation for health between FY 2018/2019 and FY 2019/2020 in Lumbini and Karnali Provinces. In addition, the average share of the municipal unconditional budgets devoted to health increased from 20 to 27 percent from FY 2019 to FY 2020. In FY 2020, USAID’s assistance leveraged $32 million for health programs in Karnali and Lumbini Provinces compared to $25 million in FY 2019;

• USAID supported the Ministry of Health in Mali to institutionalize the integrated Human Resources Information System (iHRIS), which makes up-to-date human resources for health (HRH) data available for decision-making at decentralized levels. USAID helped build the capacity of regional human resource managers to use iHRIS data and other integrated sources for decision-making. As of October 2020, iHRIS is used by eight regions and 40 health districts, in both the public and the private sector. Over 20,000 public doctors, nurses, and midwives are registered in iHRIS, along with over 3,600 private health workers. This allows the Ministry of Health in Mali to understand the full workforce capacity available to the local population, which allows them to identify resources that may be redeployed to address emerging needs. The Government of Mali has assumed full ownership of the iHRIS system;

• Recent independent evaluations confirm that USAID/Senegal’s government-to-government agreement (G2G) increased country ownership for USAID-funded activities and improved the Government of Senegal’s capacity to manage and monitor health sector programs. Findings also show improved financial management skills at the regional level, as well as improved timeliness and completeness of health data reporting. These improvements contributed to better health outcomes, including a significant decline in under-five mortality. Over a three-year period in G2G intervention zones, there was an increase in assisted births from 58 to 82 percent and a decrease in malaria transmission in children under five from six percent to less than one percent; and

• USAID’s investments in the Guinea health system allowed for more adaptable health services during the COVID-19 pandemic. USAID collaborated with regional health authorities to organize supervision of health facilities in multiple regions. A total of 221 USAID-supported health facilities benefited from telephone follow-up calls on components of the integrated package of essential health care services (malaria, family planning/reproductive health, maternal and child health, HIV/AIDS, etc.) to ensure that facilities could adjust to maintain continuity of services during COVID-19. Supervision activities kept health care providers up to date on COVID-19, including monitoring
compliance of infection, prevention, and control (IPC) measures, facility attendance, utilization of essential services, and health commodity stock availability.

In FY 2019, USAID established new indicator reporting requirements for HSS activities to track progress of USAID’s contributions to quality improvement, health system responsiveness, and financial protection. Quality improvement incorporates changes in processes and standards of care and its impact is measured through better, increased utilization of health facilities. Similarly, continuity of care is used as a proxy for the responsiveness of the health system by assessing the extent to which health providers ensure continuity of care, as well as the quality and effectiveness of that care for better health outcomes. The financial protection indicator measures a reduction in financial barriers to access services. These broad indicators are used to monitor changes as a result of USAID’s efforts in HSS and help make country health systems more functional and accountable for better health outcomes. The indicators are still being fully incorporated into Mission tracking processes. However, for FY 2020, 20 missions reported on one or more of the indicators, largely reaching targets each mission established in FY 2019.

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**Tracking India’s Success Using USAID HSS Indicators**

In 2020, the India Mission showed remarkable achievements in increasing health system responsiveness and facility utilization due to quality improvement activities through their various HSS projects. The India Mission identified that facility utilization was low (15 percent) and aimed to address this through quality improvement activities. USAID/India sought to improve management in dysfunctional sub-health centers and set a target to increase facility utilization from 15 to 20 percent. As a result of their efforts, the India Mission achieved a 29 percent increase in facility utilization from 15 to 44 percent.

Similarly, USAID/India was also able to improve health system responsiveness by reducing the average dropout rate in antenatal care visits (ANC1 and ANC4), and immunization with the diphtheria, pertussis and tetanus vaccine (DPT1 and DPT3) from 11 in 2019 to 3.5 percent in 2020. This reduction in drop out was achieved by behavioral change and community mobilization activities.

Although COVID-19 disrupted services, the ongoing support of USAID technical assistance to the local authorities and facilities in these catchment areas allowed them to recover from the disruption and continue to improve their services.
Responding to challenges to health system sustainability revealed through the COVID-19 pandemic

The COVID-19 pandemic has demonstrated that more needs to be done to ensure the resilience and adaptability of local health systems. To date, COVID-19 has had—and will continue to have—an extraordinary impact on the countries where USAID provides support. These health systems are severely strained by the pandemic and many ongoing essential services have suffered, with the pandemic contributing to lower quality care and escalating costs. The pandemic and the associated economic impacts have decreased public revenues and increased debt, affecting the public health budget, as well as contributing to other national challenges, including civil strife. All of these factors challenge the sustainability of USAID investments in health systems and other programs.

To further prevent the loss of development gains, strengthen key institutions and infrastructure, and ensure that countries are building back in a way that leaves them more prepared for and resilient to crises moving forward, USAID will continue to support cross-cutting activities that build local health system capacity.