



U.S. Agency for International Development Report to Congress on Transferring Responsibility to Local Health Systems during Fiscal Year 2019

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, 2020, which incorporates by reference the requirements of House Report 116-94:

The USAID Administrator is directed to report to the Committees on Appropriations, not later than 90 days after enactment of this Act, on the outcomes achieved over the last 12 months by U.S. global health programming including areas where results are being sustained by the transfer of responsibility to local health systems. The report should include best practices of global health integration as well as barriers to achieving greater integration including across funding streams and agencies.

USAID's global health programs aim to prevent maternal and child deaths sustainably, control the HIV/AIDS epidemic, and combat infectious disease. Achieving these objectives requires strong public and private health institutions that can mitigate the deleterious health and economic effects of deadly outbreaks, such as Ebola or SARS-CoV-2. During Fiscal Year (FY) 2019, USAID funded integrated health activities through multiple programmatic areas:

Building Sustainable Health-Financing Systems: USAID works to ensure the solvency of social health-insurance schemes by supporting host governments to balance the source and distribution of contributions and align purchasing and provider-payment mechanisms with the prioritization of benefits:

- In the Republic of Liberia, USAID funded the Ministry of Health (MOH) to design and advance health-financing reforms for the adoption of the [Liberian Health Equity Fund](#) (LHEF), a new national insurance model. USAID also funded a costing methodology for health-financing reforms to help the MOH strategically plan. This work continues in close coordination with the MOH to ensure the Government of Liberia can adapt and replicate it in the future.

Mobilizing Private-Sector Investment: USAID helps mobilize private-sector investment for the health sector within the context of overall financing strategies:

- USAID worked with the private sector and the Government of the Republic of Kenya to fund students from high-disease-burden, rural, and resource-poor areas to complete medical studies through low-cost loans. USAID negotiated to expand access to the program to include mid-level Medical Training Colleges for nurses, clinical officers, laboratory technicians, nutritionists, pharmacy technicians, and records officers, who make up 85 percent of health workers in Kenya. By 2018, 1,128 graduates were employed, 95 percent in regions with low health worker-to-population ratios, including 78 percent in rural facilities. Currently, 100 percent of those employed and eligible for loan repayment are repaying their loans. The fund has grown from \$1.1 million to \$9.8 million, with a domestic-to-donor funding ratio of 2:1.

Strengthening Public Financial Management: USAID works to ensure national governments formulate their health budgets based on outcomes and performance, and execute them with efficiency and transparency, while also ensuring health institutions monitor their financial status and report on the progress they have achieved with the funds. USAID also works to promote multi-sectoral coordination to influence population health and ensure the health sector advocates for funding with Ministries of Finance in a convincing and timely way:

- USAID worked with the Government of the United Republic of Tanzania to develop and implement a new financial-management system that enables public clinics and hospitals to prepare their budgets and receive funds directly based on the needs of the population versus relying on unpredictable monetary transfers from local government authorities. The new system contributed to an increase in revenue across all levels of government-funded health care and a shift in funding to primary health care across the country. It also enables health facilities to make contingency plans for emergencies.

Improving the Management of National Resources: USAID supports the national allocation and reallocation of government resources devoted to health care (*i.e.*, human, financial, and supplies) and supports reviews of these allocations to ensure the optimal use of resources and that Ministries of Health and Finance can make adjustments to respond to data and changing circumstances to achieve country-level results:

- In August 2017, the Republic of Malawi became the first country in the world to use the [Open Logistics Management-Information System](#) (OpenLMIS), an open-source, web-enabled software to improve the distribution of drugs and health commodities in low- and middle-income countries. By 2019, more than 680 (95 percent) of public health facilities had adopted OpenLMIS to report data on their inventories of medicines and order resupplies. The system captures reliable data that track activities such as the status of stocks of essential drugs like antimalarial medicines, anti-retrovirals, antibiotics, and

other health supplies. These data enable decision-makers to identify effective responses that align with health needs and national health priorities.

Promoting the Role of the Private Sector in Health Care: High-performing health institutions foster a whole-of-society approach that includes public, private, and non-profit actors. USAID promotes this inclusive and coordinated approach through the market segmentation of health care across sectors in a way that minimizes the duplication of care. Within the public sector, USAID supports Ministries of Health to outsource functions to the private sector based on comparative advantage. USAID also supports the inclusion of private-sector assets in public-health functions and the governance of health care:

- In the Republic of Indonesia, USAID leveraged more than \$240,000 from public and private providers through co-created solutions to provide health care for women. To date, the results include increased access to health care for 28,000 female factory workers; prenatal counselling and checkups by midwives in a nation-wide chain of convenience stores; and the deployment of “floating ambulances” into the referral system so that women in the more than 70 islands in the Province of South Sulawesi can reach emergency care. The national and Provincial governments are replicating these initiatives widely without USAID’s funding, which demonstrates a whole-of-society commitment and capacity to improve maternal health.

Addressing Inefficiencies in Health Care: USAID works to ensure governments prioritize their health activities to maximize impact, through strategic planning with key stakeholders and integrated digital solutions as feasible:

- USAID worked with the Ministry of Health and Family Welfare (MoHFW) in the People’s Republic of Bangladesh to deploy and manage the [Asset-Management System \(eAMS\)](#), which enables hospital managers to track the functional status of equipment to reduce waste, unnecessary purchases, and donations. By integrating eAMS with the MoHFW’s [Supply-Chain Management Portal](#), health-care providers save costs through precise forecasting and procurement, and improve management through greater visibility, transparency, and accountability. The MoHFW deployed the eAMS tool in 41 District hospitals and is scaling it up nationally.

Improving the Quality of Care: USAID funds the implementation of quality-improvement (QI) approaches across all levels of health care from facilities to the District, regional, and national levels. Activities include the development and implementation of QI policies, the teaching of leadership and management skills across levels, and the improvement of providers’ skills:

- USAID helped the Government of the Democratic Federal Republic of Ethiopia institute leadership and management training for the directors of health facilities to improve care. As a result of this training, in the Duber Health Center, the director integrated postpartum counseling on voluntary family planning into maternal and child health care at the facility. Staff received training in compassionate care and QI; engagement with women's groups helped dispel misconceptions about family planning; and antenatal care visits included counseling. Further, the set of actions that resulted from the training in management and leadership increased the number of women who chose to use voluntary family planning, and increased revenue from user fees to pay for upgrades to the delivery room.

Investing in Human Resources: USAID works with governments to plan and forecast needs for human resources (HR) for health. The Agency and its partners help to create and implement cross-cutting policies for recruitment and career progression; develop information systems that contain data on health workers, including their certifications and employment status; incentivize improvements to performance and standards, including through policies and other means to increase motivation, such as on-time and effective salary payments:

- USAID funded the Government of Tanzania to develop and implement an HR-management information system that allocates health workers to facilities based on need, which has resulted in the distribution of more than 6,180 new health workers to facilities across the country. The HR system improves the distribution of staff, even during shortages, and helps the managers of health facilities to train new staff, develop and implement customized retention strategies, and maintain personnel records to track performance.

Strengthening Community Health Care: As part of a whole-of-society approach to health care, USAID promotes mechanisms of coordination and leverage between communities and health institutions, including policies to overcome the fragmentation of services within communities, behavioral strategies to promote self-care/access, and community oversight of health care/health facilities:

- USAID, through a partnership with the United Nations Children's Fund (UNICEF) and the Bill and Melinda Gates Foundation, funded the Government of the Republic of Uganda to elevate community systems as a health-sector priority. USAID helped the Government reorient and align civil-society organizations, multilateral institutions, and donors toward a collaborative approach to primary health care through the development and implementation of a comprehensive, costed community health strategy. These partners formed a coalition of health actors to support Uganda's new policies, strategies,

and governance structures for community health. The National Community Health Learning and Improvement Initiative highlights promising practices for behavior change, such as model households, new research focused on the motivation and incentives of community health workers, District-level multi-sectoral governance, and innovations.

Improving the Collection and Use of Data and Information: The effective use of data is critical to high-performing health care. USAID supports the use of integration of data across institutions and levels of practice; data-governance protocols for privacy/interoperability; and the development of digital strategies, national capacities for the use of data, and overall evidence-based learning within health institutions:

- USAID supported the Ghana Health Service (GHS) to improve health providers' skills in the management and use of data across five regions. Staff from national divisions of the GHS participated in annual workshops and technical working groups. Health-management staff from the regional and District levels participated in data-visualization workshops to increase the use of information to improve the delivery and quality of care and support regular feedback to sub-District facilities. Workshops included the review and revision of health indicators to realign and reprogram related formulas in the online health-data platform used by GHS. Working groups also developed reports on the health sector for 2018 and 2019, which serve as information and planning tools for policy-makers and health-program managers. USAID's work helped providers use disaggregated and District- and facility-level data to better target interventions to facilities and Districts with the highest gaps in the delivery of care.

Building Resilient Health Care: Creating adaptive and transformative capacity within health institutions supports their overall resilience. USAID helps governments implement and adhere to the International Health Regulations (2005), overcome shocks, and put in place supportive policies for community, individual, and household resilience:

- USAID works with other donors and organizations in the Democratic Republic of Congo (DRC) to strengthen health care to be more resilient to systemic shocks. USAID provides assistance to 178 of the 516 Health Zones in the DRC, which cover nearly 30 percent of the population (more than 31 million people). A result is the “*contrat unique*,” a Provincial-level joint operational plan that defines partners' roles, reduces redundancy, and improves coordination. The tool was critical during the recent outbreak of Ebola and violent conflict in the Eastern DRC. In 2018, it led to a 63-percent increase in the delivery of health care in Lualaba Province.

Strengthening Pharmaceutical Systems (PSS): USAID examines the full system required for the delivery of safe and effective pharmaceuticals to patients who need them, including by ensuring a seamless process from the selection of medicines to their use. PSS requires regulatory regimes that include the registration of products; accreditation and other pharmacy-practice reforms to promote the rational use of products and combat antimicrobial resistance; pharmacovigilance/prescribing/dispensing policies and guidelines; post-marketing surveillance of the quality of products; the inclusion or prioritization of medicines in benefit packages; health-technology assessments; the tracking of pharmaceutical expenditures; supply-chain management, including the cold chain; and the manufacturing of quality products:

- In 2017, USAID helped the Government of the Republic of Mozambique (GRM) revise a 19-year-old pharmaceutical law, which led to a bill to establish the Directorate of Pharmacy (DNF) under the Ministry of Health as a single regulatory authority to monitor the governance and quality of pharmaceutical supplies in the country. USAID supports the DNF with technical expertise and capacity-development with the goal of enabling it to become an autonomous National Medicines Regulatory Authority (ANRAME) in 2020.

Achieving Greater Integration: In October 2019, USAID’s Office of the Inspector General (OIG) released a report titled, “*More Guidance and Tracking Would Bolster USAID’s Health Systems Strengthening Efforts,*” which identified barriers to achieving greater integration of health activities across funding streams. In response to this report, USAID took steps to provide better guidance on integrated health activities, identified the funding for them, and created resources to track progress in this area. In FY 2020, the Bureau for Global Health found that it devotes approximately ten percent of its programmatic resources outside of the President’s Emergency Plan for AIDS Relief (PEPFAR) to integrated and systemic activities. Going forward, USAID will use this information and other efforts in response to the OIG’s report to align and target our efforts to support sustained results and facilitate the transfer of responsibility to local institutions.

Transition of Responsibility to Local Health Institutions Through Specific Global Health Programs in FY 2019:

New Partnerships Initiative (NPI): USAID’s New Partnerships Initiative (NPI), launched on May 1, 2019, has the goal of diversifying our partner base and our modes of working. Consistent with the Agency-wide focus on the Journey to Self-Reliance, the Bureau for Global Health (GH) issued an NPI Annual Program Statement (APS) on July 13, 2019.

The first round focused on awards to new and underutilized partners (NUPs) to address the key drivers of child and maternal morbidity and mortality. The three awards GH has made to date under this round are the following:

- Strengthening Community Health Outcomes Through Positive Engagement (NPI SCOPE), a five-year, \$23.9 million cooperative agreement implemented by World Relief. SCOPE works in four countries: the Republics of Haïti, Kenya, Malawi, and South Sudan. The project will build the capacity of community health workers toward high-quality counseling for voluntary family planning for first-time parents, youth/adolescents, and postpartum mothers. It also will increase the use of primary health care for maternity, postpartum, and essential newborn care. In addition, the USAID Mission in Malawi has bought into the award to implement HIV-related activities under PEPFAR. This project includes sub-grants to local organizations through Christian Connections for International Health (CCIH).
- Community Partnerships for Respectful Care (NPI CPRC): A five-year, \$25 million cooperative agreement implemented by Americares. This project will build on USAID's funding for reproductive, maternal, neonatal, and child health, and will align with ongoing programs to address gaps specific to respectful health care, while working through underutilized partners to harness their full potential to influence societal norms related to respectful maternal care (RMC). This project will address both the supply of, and demand for, maternal health care through a community-level intervention model. Americares and its partners will support those who are providing skilled care, and aims to improve the quality of care and increase the number of women who deliver with a skilled birth attendant, as well as provide access to voluntary family planning, newborn and child health care, and nutrition outreach. This project includes sub-grants to CCIH, which will implement activities through the Christian Health Association of the Republic of Liberia and the Christian Social Services Commission in the United Republic of Tanzania.
- NPI Afya: Africa Christian Health Associations Platform (ACHAP), a first-time USAID prime partner, will implement a three-year, \$15 million Fixed-Amount Award (FAA). This project will use evidence-based and locally owned community health interventions designed to reduce maternal and child mortality and morbidity in the Republics of Kenya and Uganda. The project will improve maternal, newborn, and child health, as well as outcomes for voluntary family planning, while simultaneously building local technical and organizational capacity to sustain these outcomes post-award. ACHAP will make sub-grants to the Christian Health Association of Kenya and the Uganda Catholic Medical Bureau to implement activities.

- The second round of the NPI APS issued by GH focused on diversifying and broadening USAID’s partner base by working with an established health partner to provide sub-awards to local and locally established NUPs, such as community- and faith-based organizations and small businesses. Palladium will implement an award made under this round—EXPAND: New Partners for Better Health, a five-year, \$58.9 million cooperative agreement. Palladium is expected to pass 60 percent of the award through subawards to NUPs, and provide capacity-building and mentoring to strengthen their organizational capacity. As of July 2020, six of USAID’s Missions have bought into the award—in the Republics of Mali, Liberia, and Sénégal; the Federal Democratic Republic of Ethiopia; the United Republic of Tanzania; and the Bolivarian Republic of Venezuela. The organizations Palladium will support in these countries vary widely and include a private-sector health federation, a social-marketing organization, and groups that deliver interventions for tuberculosis (TB) and voluntary family planning.

NPI EXPAND also implements activities to respond to COVID-19-in five countries:

- In Liberia, NPI EXPAND will engage local non-governmental organizations (NGOs) to mobilize religious and community leaders to increase public awareness of the risks of infection with COVID-19 and how to prevent it;
- In Tanzania, NPI EXPAND will help local, community-run savings and credit groups shift their income-generating activities to the production of face masks for the general public;
- In Sénégal, NPI EXPAND will mobilize community-based organizations to help local health authorities conduct door-to-door visits to advise households on how to carry out physical distancing and prevent infection;
- In Mali, NPI EXPAND will help community-based organizations and communications networks use modern and traditional media to communicate accurate information about how people can protect themselves, their families, and their communities from COVID-19. Religious and community leaders will disseminate similar messages. Through these grassroots approaches, Malians can counter misinformation and rumors and take responsibility for fighting the pandemic.
- In the Federative Republic of Brazil, NPI EXPAND will bring together social-impact fund *SITAWI Finanças do Bem* and the Partnership Platform for the Amazon, a collective-action convening alliance founded by USAID and led by the private sector, to fund local NGOs that work in the Amazon region to reach underserved, vulnerable communities.

In support of each country’s Journey to Self-Reliance, awards under both rounds of the NPI APS issued by GH seek to improve the capacity of local partners. The APS remains open,

and USAID's Missions may issue rounds under this overarching mechanism at any time. In July 2020, USAID's Mission in the Republic of Zambia issued a round to implement HIV-related activities under PEPFAR.

USAID's Global Accelerator to End TB: At the 2018 United Nations General Assembly High-Level Meeting (UNHLM) on TB, governments agreed to meet ambitious targets of diagnosing and enrolling an additional 40 million people on TB treatment by 2022 (commonly referred to as "40 x 22"), with a focus on countries with the highest burden of the disease, and enrolling 30 million people on TB preventive therapy by 2022 (commonly referred to as "30 x 22"). To accelerate progress toward these targets, USAID launched the Global Accelerator to End TB to increase the commitment and build capacity of governments, civil society, and the private sector. The Accelerator focuses on countries with high burdens of TB where the Agency can align with local communities and partners to deliver results.

Through the Accelerator, USAID builds on-the-ground capacity to respond to TB by embedding technical experts into National TB Programs in Ministries of Health and investing directly in local organizations to drive community-generated results in improving the prevention, diagnosis, and treatment of the disease. USAID has made direct awards to 33 local partners in 20 countries, including faith-based groups and new partners. This represents nearly 25 percent of TB funds for FY 2019 allocated to USAID's Missions and an eight-fold increase from the previous year. The Accelerator has been a significant contributor to USAID's NPI:

- In the Kingdom of Cambodia, USAID made an award to KHANA, a local organization, to improve outcomes in finding and treating TB cases. As a new USAID partner, this organization works with USAID-funded technical advisors in Cambodia's National TB Program to find missing cases in Districts that have a high burden of the disease. This community-based approach has contributed to finding 14.5 percent of the country's TB cases.
- In the Republic of Indonesia, USAID is working with one of the country's largest faith-based organizations, *Muhammadiyah*, to lower the risk of COVID-19 for patients with TB, including its drug-resistant form. The award is establishing safe patient-care areas in *Muhammadiyah*'s network of more than 100 private hospitals and health-care facilities.

Localization of Implementation under PEPFAR: USAID has made steady progress in funding local partners since the completion of Country Operational Plans (COP18) in FY 2019. The HIV sector leads the Agency in direct financing to local organizations. In COP18, USAID only invested 35 percent of its funding under PEPFAR directly to local partners, and increased that amount to 45 percent in COP19. Current estimates show the Agency will channel 53 percent of our PEPFAR funding to local partners in COP20, with a trajectory headed north of 60 percent in

the next year. This is short of the goal of 70 percent set by the Office of the U.S. Global AIDS Coordinator, but is still a major achievement for the Agency. (Note: These funding percentages do not include internationally procured commodities, management and operations, regional programs, or centrally funded initiatives.)

Since the start of the PEPFAR Transition to Local Partners (COP18), USAID has added 65 new local partners in 17 countries, which makes a total of 115 current USAID local partners for the current implementation year (COP19). These new partners represent an 85-percent increase in awards to local partners. Most new partners are implementing care and treatment (C&T) and prevention for general or key populations, as well as providing services for orphans and vulnerable children (OVC). In addition to tracking funding to local partners closely, the Office of HIV/AIDS (OHA) in GH is also following the share of PEPFAR targets for monitoring, evaluation, and reporting (MER) attributed to local awards.

Overall, targets allocated to USAID's local partners have increased for multiple indicators, including the following:

- The number of people currently on treatment (TX_CURR);
- The number of people newly introduced to treatment (TX_NEW);
- The number of people who test positive for HIV (HTS_TST_POS);
- The number of people identified as key populations reached with HIV-prevention interventions (KP_PREV); and
- The number of people newly introduced to pre-exposure prophylaxis, a medication to aid in the prevention of HIV (PreP_NEW).

The shift of clinical targets to local partners is important to ensure additional funding and ownership for local partners. GH/OHA is working with USAID's Office of Acquisition and Assistance to track the timelines of awards for the delivery of care closely and finding opportunities to transition funding to new local organizations. This effort places a special focus on identifying organizations that are currently available to conduct this work and that have existing capacity to implement.