

## FinHealth - PFM in Health Toolkit - World Bank

### Objective and features

#### 1. Objective

The FinHealth toolkit aims to:

- identify the key PFM and health finance bottlenecks that constrain service delivery results at the service delivery unit level and how these constraints are related to PFM systems in the country; and
- make recommendations for the short or medium timeframe.

#### 2. Institutional coverage

National and subnational governments, health sector.

#### 3. Technical coverage

The tool covers budgeting, treasury arrangements, procurement, expenditure reporting, and sources of funds to the extent related to health financing.

#### 4. Application method

Custodian. As a public good, the tool can be used for self-assessment and applied by any external agency as well.

### Methodology

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Interviews are held with service delivery units, and findings are discussed with the ministry-level officials to formulate recommendations.

The earlier version of FinHealth had two questionnaires - one for health centers and one for primary health organizations and district health organizations - comprising details of the unit/organization, fund sources, annual budget formulation and execution, treasury and bank account arrangements, procurement management and maintenance, monitoring and evaluation, and expenditure reporting.

Some of the questions capture the answers in a set framework while other questions are more descriptive and capture information on the operations of the health centers. There is a possibility to select multiple answers for a question. The feedback and expectations of the interviewee are also captured in the assessment.

FinHealth tool uses fishbone diagrams to identify all causal factors for challenges in service delivery and focuses on PFM-related bottlenecks that could be addressed in the short and medium term.

#### 6. Benchmarking system

Narrative evaluation.

#### 7. Linkage to PEFA framework

Some of the health function question areas are directly linked to PEFA indicators on budget preparation process (PI-17), legislative scrutiny of budgets (PI-18), procurement (PI-24), internal audit (PI-26), and external audit (PI-30).

#### 8. Complementarity with PEFA framework

FinHealth provides details about how PFM system operations are affecting service delivery in the health sector.

### Development and use

#### 9. Development and coordination

Health sector specific challenges, flexibility of tools for the health sector, and service delivery related aspects have been discussed extensively in various forums as traditional assessment tools are not capturing delivery efficiency at service unit level. PERs (A07) in the health sector have also showcased the demand for assessment of health sector service delivery units.

The development of a tool to address how PFM systems are impacting the sectoral performance was the result of collective thinking of several partners through several initiatives. The tool was developed by WB with inputs from and in consultation with several partners including WHO, Gavi, UNICEF, and IMF. The WB and the Bill & Melinda Gates Foundation funded the development of the tool.

During the development of FinHealth, WB referred to Health Financing System Assessment (not a PFM diagnostic tool), PERs in the health sector, PIMA (B12), and SAI PMF (B26) frameworks, among others. The tool has been reviewed by partners and has been shared with the Universal Health Coverage 2030 (UHC 2030) PFM Technical Working Group.

FinHealth's initial version was designed in two parts - conceptual framework and questionnaires - with flexibility as its central element and not as a benchmarking tool (a full or partial assessment could be conducted, and scope can be defined based on needs). After several pilot tests and based on feedback from the discussions and reviews with several partners, FinHealth has been updated and finalized in the current version by incorporating indicators (H1-H24) and focusing on the recommendations for short and medium term.

#### 10. Assessment management

Assessment teams carry out a desk review of the available PFM assessment reports prior to the field work. Government engagement at various levels (central ministry, subnational government, local service delivery unit) is required to gather data, sample service delivery units, and undertake key interviews. Data on upstream planning and budgeting information regarding PFM systems is gathered from government sources. Governments provide comments on the findings, and validation workshops can be conducted where development partners may participate. Internal WB quality assurance process is in place.

#### 11. Uses by the government and members of the PFM community

FinHealth provides a focused analysis of the PFM constraints in health financing and service delivery.

#### 12. Sequencing with other tools

FinHealth can be conducted after fiduciary system assessments to study PFM bottlenecks at a service delivery unit level.

#### 13. PFM capacity building

Recommendations may include PFM capacity-building measures. FinHealth team supports countries in implementing the recommendations, through the wider WB team and through various WB programs.

#### 14. Tracking of changes and frequency of assessments

Indicator performance can be compared to track changes. Custodian-recommended assessment frequency is every four years.

#### 15. Resource requirements

The cost of a FinHealth analysis ranges between US\$50,000 and US\$100,000, depending on the scope of the study and the size of the country. The average time required for an assessment is about one year. Timeframe depends in part on the scale and depth of the data collection undertaken to gather evidence.

A large team may be required to gather data from the service delivery centers within the assessment scope. In pilot studies, participating ministries of health and ministries of finance have allocated resources for data collection.

### Transparency

#### 16. Access to methodology

FinHealth methodology is intended for publishing and use as a public good. WB is also planning to develop a website on how to conduct the assessment.

#### 17. Access to assessment results

Explanation of the framework is available in the published report on Armenia (2019), [available](#) at the WB's Open Knowledge Repository. Publication of the assessment results is encouraged.