9. FIVE STRATEGIES FOR PLANNING AND FINANCIAL SUSTAINABILITY IMPLEMENTATION IN MONGOLIA

These recommendations were developed following planning and costing for the national immunization program in September 2005. Recommendations for implementation cover 5 areas:

1. **Linking the MYP to the Master Health Plan Budgeting and Planning Systems**
2. **Developing Planning Structure & Function at Central Program Level**
3. **Monitoring of Planning Outcomes**
4. **Mobilizing resources for planning implementation**
5. **Increasing program efficiency**

1. Linking the MYP to the Master Health Plan

The National Immunization MYP is linked to the same 5 year planning cycle as the health sector Master Plan (2006 – 2011).

There are distinct advantages associated with linking the MIP MYP to the planning and budgeting cycles and strategic directions of the master plan.

Firstly : *The Health Sector Master Plan* identifies 7 key areas for implementation. By sharing these same key areas, the NIP MYP not only supports the national strategic direction, but also MOH key area investments will support NIP longer term directions. For example, international donors such as GAVI are now more focused on addressing health system wide barriers such as human resource development and distribution and transport and communication systems. These system investments are sector wide, but have particular application to immunization systems which are heavily dependent on mobile human resources to reach hard to reach populations.

Secondly :*A Medium Term Expenditure Framework* provides a long term public expenditure plan comprising all national and international resources. It serves to program all resources together so that resources are allocated effectively according to the sector's priorities. It is intended to increasing the efficiency fo the sector in meeting its goals. This is of particular relevance to the NIP, as it is more likely to result in a shifting of resources from tertiary to the primary care level of care (where all the vaccinations are provided).

Thirdly : *A Health Planning & Budgeting Framework* has also been developed by the Ministry of Health. There are distinct program advantages associated with linking of the NIP MYP to this planning and budgeting framework. The NIP will strengthen its planning capacity by taking advantage of technical assistance that the Ministry of Health will be able to provide with its proposed new sector planning guidelines. The new planning cycle (annual review, objective setting and budgeting) will enable program managers to develop needs based public health objectives rather than relying upon historical budgeting and activity patterns.

2. Developing Planning Structure & Function

In order to co ordinate and monitor planning development and implementation, it is recommended that an immunization technical working group team is established at national level to:

- ⇒ **Coordinate planning implementation and resource allocation towards common goals**
- ⇒ **Monitor activities and outcomes in the annual operational plan**
- ⇒ **Organize quarterly annual reviews of the annual operational plan and MYP**
- ⇒ **Monitor and advocate for filling of resource gaps**

The group team should be chaired by the EPI Team Leader or Director NCCD, and involve participation of the EPI team and international advisers (WHO and UNICEF) and Dept of Finance when required.

It is recommended that the Ministry of Health / NCCD appoints a planning/finance officer to the EPI team in order to undertake the following roles:

- ⇒ **Co ordination of planning and financing tasks identified in the MYP**
- ⇒ **Managing and updating the planning and financing data bases**
- ⇒ **Providing secretariat support for the technical working group and ICC co ordination meetings**

It is recommended that the technical working group (co-ordinated by the EPI Team Leader / NCCD) takes responsibility for disseminating information on planning and financing to the following:

- ⇒ **Department of Finance**
- ⇒ **Ministry of Finance**
- ⇒ **GAVI regional Working Group**
- ⇒ **Local Authorities at the Aimag Level**

3. Monitoring of Planning & Financial Outcomes

It is recommended that the planning officer in the EPI team monitors planning and financial indicators on a half yearly and annual basis, and provides updates on progress to the TWG (and to the ICC through the Director of NCCD)

It is also recommended that Aimag EPI coordinators participate in an annual review of the MYP and the Annual Operational Plan.

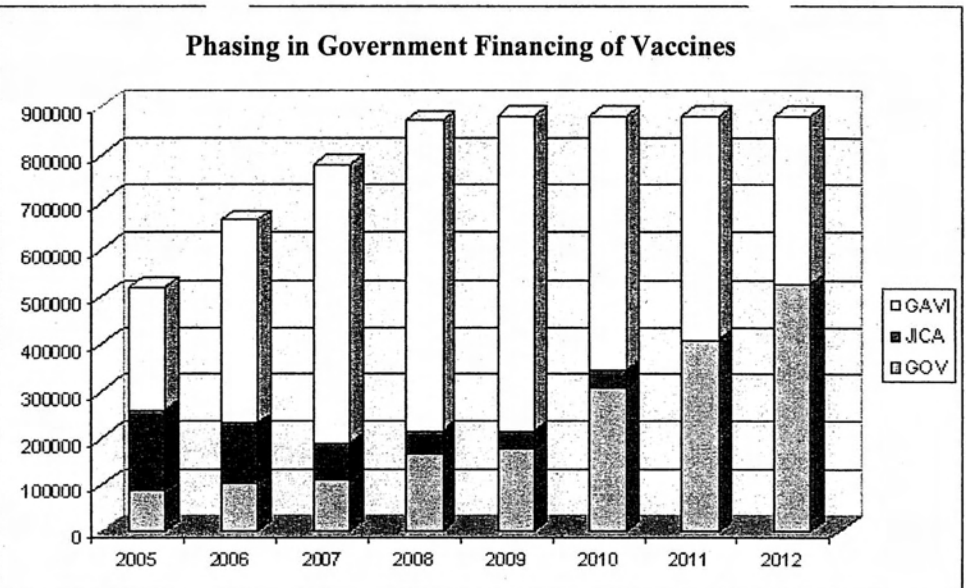
4. Mobilizing Resources for Planning Implementation

Four significant gaps have been identified in the long term financial analysis for the National Immunization Program.

- **GAP 1 : Financing of pentavalent vaccine after 2011 when GAVI phase I ends in 2009**

  It is recommended that the Government of Mongolia develop a co financing or "bridge financing" proposal to GAVI in phase II in order to sustain the price of the vaccine within government affordable limits

  It is further recommended that the Government of Mongolia commence co financing of pentavalent vaccine from 2009, in order to gradually increase the government commitment to an affordable level by 2012 (When GAVI Phase II will commence)



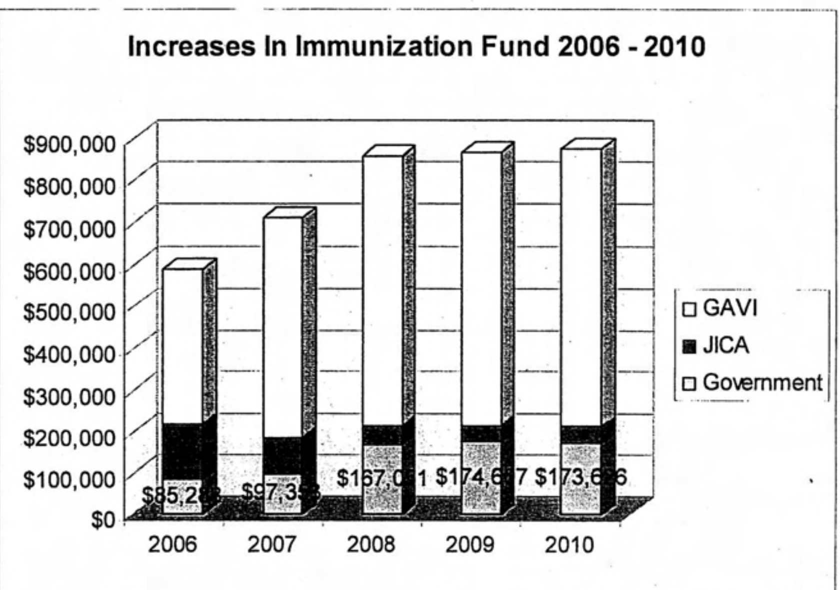
- **<u>GAP 2</u> : Financing of traditional vaccine**

In the next 5 year development plan for JICA, support for the health sector has not yet been clarified. This creates significant finance gaps in procurement of traditional vaccine (DPT, Measles & Mono-valent Hepatitis B Vaccine). Options for addressing this vaccine gap include the following:

1. **Increasing the government commitment gradually through annual increases in the Immunization Fund**
2. **Identify additional multi lateral or bi lateral donor to complement the government increases in vaccine funding**
3. **The Immunization Fund replacing completely the JICA commitment**

The table and graph below provide one scenario for increasing government investment in the Immunization Fund. It involves a step by step approach (adding a vaccine at a time) to the budget of the government in order that the Immunization Fund increases its investment from $88,000 in 2004 to $174,000 in 2010 (and a gradual phasing down of bi lateral support for traditional vaccines).

2006	..07	2008	2009	2010
Government	**Government**	**Government**	**Government**	**Government**
BCG	BCG	BCG	BCG	BCG
OPV	OPV	OPV	OPV	OPV
	DT	DT	DT	DT
		Birth Dose Hep B	Birth Dose Hep B	Birth Dose Hep B
			DPT	DPT
		Inj Safety 100%	Inj Safety 100%	Inj Safety 100%
JICA	**JICA**	**JICA**	**JICA**	**JICA**
DPT	DPT	DPT		
Measles	Measles	Measles	Measles	Measles
DT				
Hepatitis B	Hepatitis B			



According to this proposal, there will be an overall 43% increase in the vaccine and injection supply budget between 2006 and 2010, but the government contribution will keep pace with these increases (the government contribution to the budget will increase from 39% to 82% between 2006 and 2010).

From 2010, it is expected that the Government of Mongolia could negotiate a new agreement with GAVI for co financing of pentavalent vaccine (bridge funding mechanisms). In terms of overall immunization budget, it is proposed that the government investment increase from 1,046,392 in 2006, to 1.1 million in 2010.

- **GAP 3 : Financing of immunization capital equipment and maintenance costs**

  Cold chain was last introduced in Mongolia in 1993. A new capital investment is required (valued at $753,418 in 2006-2010). Additionally, the MYP 2006 – 2010 focuses on the installation of a new waste management system (valued at $566,498)

Options for addressing this capital maintenance, replacement and installation include the following:

1. **Increasing the government commitment gradually through annual increases in the Immunization Fund (capital investments)**
2. **Increasing commitments from local authorities for capital maintenance**
3. **Identifying an alternative multi lateral or bi lateral donor**
4. **Identifying complementary GAVI support through Immunization services support (ISS) or health systems support (HSS) funding in 2007**

- **GAP 4 : Financing of Immunization Services recurrent costs**

  Aimag local authorities are responsible for disbursing health funds that are allocated from central level. In the current costing of the MYP, these funds are marked as being allocated by central MOH. However, funding gaps can develop at sub national level if local authorities do not disburse funds according to need (it is not currently possible to identify sub national funding gaps – this will require sub national data collection).

  To ensure that sub national funding gaps are identified and filled at sub national level it is recommended that the following options are considered:

1. **Undertake sub national analysis of program costs and financing**
2. **Development and implementation of a national communication strategy for immunization, that includes communication meetings with local authorities to ensure that they are aware of the benefits and resource needs of immunization**

3. **Analysis of systems barriers at sub national level is conducted, and a proposal is subsequently developed for GAVI phase 2 (2007) support for health system strengthening activities (training, supervision, communication)**
4. **Train and develop Multi year planning and costing skills at sub national level, in order that Aimag EPI managers can mobilize adequate resources for recurrent immunization costs from local authorities**

5. Increasing Program Efficiency

The cost per child estimated for Mongolia at $41,7 per child in 2010 is high on an international comparison basis. There are three main reasons for the high cost per child:

4. **Introduction of pentavalent vaccine in 2006 (resulting in an increase of vaccine and supplies spending from $ 220,503 in 2004 to $ 814,871 in 2010, which is a 3.7 times increase in vaccine spending)**
5. **Comparatively low birth cohort of 48,000 (the non-vaccine fixed costs of the program cannot be spread over a large enough population, and therefore the unit costs of immunization will be much higher).**
6. **Demographic and geographic factors (dispersed populations, vast distances, climactic factors)**

This being the case, there are significant financial pressures to increase program efficiency. A 15% reduction in vaccine wastage targeted for 2010 will result in a saving of $130,000 in vaccine costs per year for pentavalent vaccine.

It is recommended that a national *wastage reduction strategy* be implemented through training and supervision programs from central to amiag and soum level.

Although Mongolia has the lowest population density in the world (1.5 persons per square kilometer), the country is rapidly urbanizing, with approximately 60% of the population now resident in urban areas. Additional program efficiencies can therefore be found by attracting more densely populated urban areas to *use fixed facilities*, rather than relying on outreach to achieve program objectives.

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