

Fact Sheet

Title of the proposed Joint Programme A Thousand Health Posts in the Land of a Thousand Hills: Promoting Universal Health Coverage by Catalyzing Investments in Financially and Environmentally Sustainable Primary Health Care

UNCT Rwanda

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Relevant UNDAF Outcome/s and Output/s

? Economic Transformation

? Outcome 1: By 2023 people in Rwanda benefit from more inclusive competitive and sustainable economic growth that generates decent work and promotes quality livelihoods for all.

? Outcome 2: By 2023 Rwandan Institutions and communities are more equitably productively and sustainably managing natural resources and addressing climate change and natural disasters.

? Social Transformation

? Outcome 3: By 2023 people in Rwanda particularly the most vulnerable enjoy increased and equitable access to quality education, health, nutrition and WASH services.

? Outcome 4: By 2023 people in Rwanda particularly the most vulnerable have increased resilience to both natural and man-made shocks and enjoy a life free from all forms of violence and discrimination.

? Transformational Governance

? Outcome 5: By 2023 people in Rwanda benefit from enhanced gender equality, justice, human rights, peace and security.

? Outcome 6: By 2023 people in Rwanda participate more actively in democratic and development processes and benefit from transparent and accountable public and private sector institutions that develop evidence based policies and deliver quality services.

Relevant objective/s from national strategic document/s

National Strategy for Transformation (NST-1)- all targets until 2024, KPIs refer to established GoR M&E framework

Pillar: Economic Transformation

Priority 1: Create 1,500,000 (over 214,000 annually) decent and productive jobs for economic development.

KPI #3

Priority 5: Increased innovative financing including higher value of payments and transactions done electronically

KPI #12

Priority 7: Sustainable Management of Natural Resources and Environment to Transition Rwanda towards a green economy

Pillar: Social Transformation

Priority 3: Enhanced access to basic infrastructure for health facilities KPI #20b

Priority 3: Enhancing demographic dividend through ensuring access to quality health for all KPI #22

Promote Resilience to Shocks and Graduation from Poverty and Extreme Poverty KPI #16

Pillar: Transformational Governance

Priority 1: Strengthen and promote gender equality and ensure equal opportunities for all Rwandans by fostering the culture of solidarity and support to vulnerable groups to be achieved through mainstreaming across sectors, strategies and local investments.

Priority 5: Strengthen capacity, service delivery and accountability of public institutions KPI #32

Health Sector Strategic Plan IV, Health Financing Sustainability Policy and Strategic Plan - all targets until 2024

1. Strengthen health systems building blocks (policies, resources and management)

2. Strengthen all levels of service delivery (organise services effectively at all levels, referrals)

3. Ensure effective governance of the sector: strengthen decentralization, partnership, private sector coordination and strengthened health security

4. Government to engage with the private sector in order to increase investment in health and implement innovative health financing strategies

5. Electricity and Kerosene costs will be reduced through a switch to solar

National Energy Policy, Energy Sector Strategic Plan & Electrification Plan- all targets until 2024

? These documents set the broad parameters for sector development and affirm that all health facilities shall be considered productive end-users and social infrastructure, and thus prioritized for electrification access.

? GoR planning targets 100% access of health facilities to electricity. Health Posts are category 5 social end-users in planning models.

SDG targets on which the progress will be accelerated (includes targets from a range of SDGs and development pillars)

Goal 1: End Poverty

Goal 2: Zero Hunger

Goal 3: Good Health and Well-Being 3.3
3.8
3.c

Goal 4: Quality Education

Goal 5: Gender Equality 5.6

Goal 6: Clean Water and Sanitation

Goal 7: Affordable and Clean Energy 7.1

Goal 8: Decent Work and Economic Growth 8.5

Goal 9: Industry, Innovation and Infrastructure

Goal 10: Reduced Inequalities

Goal 11: Sustainable Cities and Communities

Goal 12: Responsible Production and Consumption

Goal 13: Climate Action 13.2

Goal 14: Life Below Water

Goal 15: Life On Land

Goal 16: Peace, Justice and Strong Institutions

Goal 17: Partnerships for the Goals 17.17

Self-Assessment

The proposal reflects the integrated nature of the SDGs Yes

The proposal is based on an inter-agency approach (two or more UN entities involved), with RC coordinating Joint Programme preparation and implementation Yes

The proposed results are part of the UNDAF and aligned with national SDG priorities Yes

The proposed Joint Programme will be led by government and include key national stakeholders Yes

The proposal is based on country level consultations, as explained in the Concept note, and endorsed by the government (the letter of endorsement) Yes

The proposal is based on the standard template for Concept Notes, it is complete, and it includes: Yes

- Theory of Change demonstrating contribution to SDG acceleration and transformation to implement the 2030 Agenda and awareness of relevant financial policy efforts at regional or national level,
 - Results-oriented partnerships, including a strategy to engage and partner with IFIs/MDBs,
 - “Quick wins” and substantive outcome-level results, and
 - Initial risk assessment and mitigation measures.
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The proposal is expected to leverage resources for the SDGs at scale Yes

Proposal for Joint Programme

1. Summary of the Joint Programme

The JP supports the Government of Rwanda (GoR) reach its vision for UHC and Universal Energy Access by 2024 by increasing the financial viability and sustainability of rural Health Posts (HPs) and enabling the footprint of this critical social infrastructure to be expanded through an integrated approach that reinforces and scales up partnerships and catalyzes new investment. The JP will benefit 1,000 HPs by demonstrating new financing and technological innovations to both sustain and expand the current footprint, including in refugee camps.

Health is wealth. Despite evidence that investments in health access generates high returns up to 112% public spending in the health sector as a share of GDP is falling. The health system still needs to enhance its financial sustainability: the national public insurance scheme faces challenges to fully cover the increasing cost of health services, while inefficient billing and repayment processes challenge cash flows for private service providers. Domestic resources are insufficient to accelerate progress towards UHC and SDGs , and while new approaches to catalyze private investment in the sector are encouraged, challenges exist due to the long-term nature of payoffs.

The resilience of the system is also challenged by limited geographical access to health services and lack of reliable energy to deliver and expand them. This affects the country's resilience to public health threats such as Coronavirus, Ebola among others. An expanded HP footprint will strengthen GoR efforts to engage communities in the prevention, detection, and response to these threats.

At macro-level, the JP will increase the efficiency of health financing by supporting the use of electronic billing, claiming, payments and interconnectivity of digital platforms used by both the national insurance administrator (RSSB) and the HPs. It will also support GoR to capture the Integrated Financial Management Information System (IFMIS) usage for all HPs. At meso-level, existing mechanisms for PPPs supporting GoR to provide primary health care and rural electrification will be de-risked in partnership with private and development banks. A proof of concept for a receivables financing facility or partial credit guarantee will be realized. It will also cover the transactional costs to enable market placement of the SDG impact bond that can generate growth capital for an existing PPP. At micro-level, operational efficiencies for HPs will be improved through the provision of business development and optimization support. Where appropriate, solar power will be subsidized to reduce cash flow bottlenecks and environmental footprint.

2. Thesis and theory of change of the Joint Programme

To achieve its ambitious targets for UHC, social equity, and clean energy access—key drivers of NST1--Rwanda faces various blockages. Specifically, sustainable service delivery at the lowest level in the health system (HPs) accounting for most illnesses affecting rural communities are constrained by various challenges. The JP demonstrates innovations at three integrated levels to address these, resulting in a scaled up footprint by catalyzing investment and improving financial and environmental sustainability.

Macro-level: Health system strengthening

The sustainability of HPs is intrinsically linked to the national insurance scheme because client co-payments have a low monetary value. Delays in billing and repayment from the administrator create cash flow bottlenecks for private nurses and contribute to loan defaults. E-billing/claiming systems and digital innovations can reduce these as well as fraud. The roll-out of IFMIS in all HPs will track government co-funding and improve results monitoring for accountable delivery. By establishing and enforcing accreditation systems, uneven quality of care and attractiveness of PPP HPs will be enhanced.

Meso-level: Innovative financing mechanisms for integrated SDG investment:

Through blended financing approaches, existing (yet limited) private financing and scarce philanthropic funds could be leveraged more effectively. By integrating investments in expanding health and energy access through a coordinated programme, GoR targets can be reached more quickly. The JP builds off a solid foundation established through PPPs in place with One Family Health (OFH) and Society for Family Health (SFH). If de-risking mechanisms are put in place, such as a receivables financing facility or a partial credit guarantee, then debt funding provided by banks to existing GoR PPP partners can be sustained and ramped up. By supporting market placement of an SDG impact bond already shown through a feasibility study to be viable, innovative financing mechanisms can be demonstrated that will generate growth capital to expand the private HP network.

Micro Level: Support models for financially and environmentally sustainable HPs

Technical and business skills development of private nurse entrepreneurs will support HPs to be on a pathway for sustainability through improved cash flow and operational efficiency. Solarizing around 400 HPs will reduce running costs and increase revenue over time, increasing access to clean energy for critical social services and contributing to improved health outcomes and health-seeking behaviors. An expanded network will bring greenhouse gas reductions and promote climate resilience at grassroots level to address rising burden of disease from climate change.

Assumptions:

- a) Public financial resources are insufficient to rapidly reach targets to scale up coverage to ensure a fully functional, electrified HP in every cell.
- b) Implementing partners have capacity to scale up HPs and continuously provide quality care
- c) E-billing/claiming systems results in timely repayment and improves cash flow
- d) Government assurance on enforcement of PPP regulation and co-funding commitments
- e) Availability of integrated health system with efficient, well-functioning Community-Based Health Insurance (CBHI) scheme can expand toward UHC
- f) Continuous capacity building to strengthen nurses entrepreneurship and business management
- g) Increased HPs results in more demand for health services and their financial sustainability.

3. What are the expected results of the proposed Joint Programme?

Short-term

- ? A functioning partnership framework for integrated SDG financing(SDG17)
- ? Over \$6 million direct cost savings generated to the MoH and RSSB and efficiencies gained from the community-based point of service delivery(SDG3)
- ? Skills of over 1,000 private nurses enhanced to run profitable HPs, of at least 60% women(SDG5)
- ? Over 3,000 decent jobs created to support private nurses and supporting staff(SDG8)

Mid-term

- ? Increased access to, and quality of, basic health services and child health in 1,000 communities(SDG3)
- ? Increased capacity to detect, educate, and service rural communities to help control the spread of epidemics and non-communicable diseases(SDG3)
- ? Percentage of HPs electrified using clean energy technologies increased at least 25% from baseline(SDG7 & 13)

? Increased capacity across HP network to use GoR IFMIS, electronic billing and payment systems(SDG3 & 8)

Outcome-level:

? Improved maternal mortality and child health outcomes(SDG1&3)

? Resilient societies and accountable public institutions(SDG7&13)

? Enhanced gender equality(SDG5)

? Reduced inequalities(SDG10)

? Increase action to address climate change(SDG13)

? Stronger and resilient health systems(SDG3)

This innovative approach addresses cross-cutting issues such as gender, resilience, environmental sustainability and human rights.

Over half of the nurses are women thus the programme will further enhance gender equality and solar panels help to achieve the environmental targets in a sustainable manner. Moreover, HPs will be established in refugee camps to ensure that no one is left behind. Lastly, as we are building on existing partnerships, the approach can be easily scaled-up.

To achieve sustainable results the JP will support an integrated set of interventions. First, the UN will enhance the capacity of GoR and its implementing partners to sustain and scale up HPs run under the PPP model. The second element is the resilient health system. The implementation of e-billing, EMR system and digitization of reimbursement claims would improve financial sustainability. Also, the accreditation system ensures quality of care sustainably and expansion of health posts with capacity to prevent, notify and respond to epidemics will further strengthen the capacity of the country to address epidemics and natural hazards of public health concerns in a sustainable manner. The third factor is the increased operational efficiency. The JP will support them with business development and management skills to empower social entrepreneurs enhancing financial sustainability over time. Through partnerships with private companies accredited by the national electric utility, the JP will expand solarization of HPs to leverage co-investment.

4. Describe the innovative nature of the Joint Programme

The ways in which the JP is innovative can be summarized as:

? From a financial standpoint, in terms of using financing and de-risking mechanisms not already adopted in the current local banking marketplace, and by attracting new participants and investors.

? In terms of its application to new geographies, by scaling up proven approaches to PPP for HPs to new and remote areas of the country.

? In terms of its use within the UN system, in accordance with UN reform principles by drawing upon the comparative advantage of PUNOs in a cross-sectoral investment programme.

? In terms of creating space for women to not only participate but to lead the implementation of interventions.

The proposed approach will bring several innovations to address gaps in expanding the national footprint of primary HPs and enhancing both access and quality of service delivery. The application of digital technologies by HPs and the insurance administrator is an innovative way to increase efficiency and address cash flow bottlenecks. This is the key barrier to the financial sustainability of HPs as private nurses are constrained by suboptimal patient management and billing systems.

Blended finance approaches remain largely untested in Rwanda, particularly in social sectors, such as health. Since 2018 interest from GoR and development partners has drastically increased. GoR is exploring putting in place a dedicated facility to kickstart such

initiatives. Demonstrating proof of concept for workable approaches to attract more debt financing for UHC and primary care and pioneering models will thus translate into quick replication in other service delivery areas.

The JP will support catalyzing more private and donor investment, reducing the current high risks faced by franchisees and banks unfamiliar with this space and potentially reduce borrowing costs for low-income social entrepreneurs. As such they will be fully co-invested in realizing better primary care for all Rwandans; provision of improved services will also ensure beneficiaries are more willing to co-invest in their own care.

Solarization of HPs will enable additional private actors and non-traditional investment to be mobilized in the form of PPPs with local energy companies, including those owned by women. The national utility has estimated the opportunity cost of electrifying HPs at \$3,982/unit, implying an average payback period of less than 2 years using solar. Results-based climate finance from a public donor or impact investor from clean energy access and carbon reductions could also be viable with additional feasibility.

5. Expected added value of the UN and the Joint SDG Fund

In Rwanda, generally, while bilateral donor's investment on single SDG investment is widespread, the government seeks integrated implementation for SDGs domestication in line with national priorities such as NST1. International/Development Financial Institutions could be potential investors to mobilize resources on integrated SDGs. However, their interest focuses on policy-based reform and the modality is not the same with the size of intervention and implementation approach, which the UN provides to empower beneficiaries promptly. It seems that there are no willing stakeholders who are interested in financing proposals unless the bottlenecks are addressed by the UN.

Under the proposed JP, the PUNOs seek to leverage their comparative advantages and provide consolidated support to achieve UHC and expand access to primary care by facilitating a more private sector-led approach to health system strengthening through the innovative financing.

The UN is best placed as it has experience with innovative development financing structures, sustainable procurement, digital solutions, and solarization of health facilities. UN works with blended finance mechanisms under the partnership with MoH and builds a strong partnership with Laerdal Global Health private company to equip the HPs with relevant medical equipment. UN has supported CBHI and the public financing of RSSB extensively. Market placement of an SDG social impact bond that will generate growth capital for an existing PPP will also build on an existing feasibility study funded by the UN and Ministry of Finance and Economic Planning. To promote the Leave No One Behind commitment, the UN plays an important, unique role to advocate and incorporate interventions addressing the needs of vulnerable people such as those living with disabilities and refugees. The UN is recognized as an honest agent who can effectively bring together different stakeholders such as the Government, private partners, NGO and banking sectors under the common agenda.

6. Leadership and implementation of the Joint Programme

? RCO will provide strategic guidance and facilitate collaboration between PUNOs and GoR.

? UNFPA will coordinate implementation and provide capacity building support to all stakeholders to ensure that the JP results are scalable, replicable and sustainable. On RCO delegation, UNFPA will directly implement M&E and communication.

? UNDP will lead on the implementation of innovative financing instruments and HP solarization. UNDP will support the convening of

private sectors including those already registered under LTA to supply and install solar in HPs. UNDP has a Technical Specialist already advising MINECOFIN.

? WHO will leverage its existing partnership with RSSB, experience on health system strengthening and public financing for health.

WHO will provide TA support for improved financial management and accreditation systems for HPs.

? UNHCR will provide TA to ensure inclusion of refugee camps and host communities.

GoR will provide overall coordination through a national steering committee. The Ministry of Local Governance will select suitable locations and coordinate constructions of HPs while the Ministry of Health will take care of operationalization of HPs. The Ministry of Finance and Economic Planning will provide support to enhance the financing model of HP including introduction of receivable fund facilities, partial-guarantee or impact bonds. The Ministry of Emergency Management will ensure the JP includes refugee camps and host communities. The Ministry of Infrastructure will ensure that innovative financing and delivery mechanisms used to increase solarization of HPs meet existing policy and technical standards and will co-invest in up-front costs of connections.

SFH and OFH will coordinate daily operations in HPs and implement capacity building of nurses. Local private banks will continue playing a key role in provision of ongoing concessional debt financing that will be de-risked through a partial credit guarantee or facility to improve cash flow based on insurance repayment receivables from RSSB

7. Expected period of implementation

The planned period for implementation of the JP is November 2020 to October 2024.

The signing agreement with Implementing Partners, OFH, SFH and private companies will be conducted. It will enable sustainable PPPs to ensure GoR achieves economic and social transformation pillar on National Strategy for Transformation, a high-level national development plan first period of implementation is aligned with the closure of the JP.

The Ministry of Infrastructure will approve selected private solar energy suppliers and confirm the final mechanism to incentivize HPs electrification installed by private partners. The solarized HPs will be aligned to meeting existing targets under the National Electrification Plan and sustainable energy for all (SE4ALL) national action plan.

An agreement will be signed in year 1 with local private banks to de-risk existing credit support to implementation partners of the Ministry of Health. It will align with existing and planned loan agreements for the period of implementation.

The JP would run parallel with the implementation of the Health Sector Strategic Plan and the newly drafted Health Financing Strategic Plan. An agreement with the Ministry of Health and Ministry of Local Governance will be made on both expansion of new HPs and sustaining of existing HPs plans.

8. Cost, co-funding, and co-financing of Joint Programme

The overall investment programme cost to achieve the anticipated results is estimated at \$35 million. Expected SDG Fund share is \$8.95 million, or about 25 percent of the total. Roughly \$850,000 of the budget is dedicated to strengthening health financing and developing digitization innovations. Roughly \$6.2 million will be dedicated to innovative financing mechanisms to de-risk commercial

lending and private investment in start-up costs for HPs operated by social entrepreneurs, and local renewable energy companies. Roughly \$950,000 will be dedicated to operations optimization and business development support for service providers.

The JP delivers high value for money and UN funding would be highly cost-efficient. First, the JP builds upon existing partnerships between the GoR, UN, local banks, and private companies/CSOs and past UN support to promote blended finance approaches. In this way, early-stage activities can be refined to reach implementation at scale, with minimal startup costs and time. For example, a feasibility study has already shown scaling-up PPPs by OFH are suitable for an impact bond, and could attract new outcomes funders such as the Government of Canada that has set up a call for innovative development finance.

Secondly, the integrated approach would result in large savings to the GoR to reach multiple SDG targets simultaneously, thereby increasing the efficiency of public spending toward the investment program. By sustaining and expanding the national HP footprint and incentivizing their electrification through PPPs, the alternative scenario of fully grant and/or domestic budget-based support is avoided. Estimated savings to MoH on staffing costs alone are estimated at \$2.33 million per annum. Macro-level interventions to enhance health financing and an enabling environment for PPP will also ensure scarce taxpayer resources are devoted to increasing universal insurance coverage.

Third, the majority of SDG Funding will be dedicated to private sector leveraging and operationalizing innovative financing mechanisms. Specifically, these will reinforce and expand existing lending by commercial banks through the provision of additional risk cover. The private funding mechanisms will multiply the private financing leverage of investment already being made by OFH, private banks and private nurses.

In total, roughly \$5 million from PUNOs from existing programmatic and policy advisory work in relevant sectors and thematic areas will co-fund the JP. The investment programme costs also comprise co-funding from USAID of over \$3 million earmarked for funding 72 new rural HPs to be functional in the time period and to strengthen health system financing.

9. Risk assessment

There are two key elements to the successful realization of this integrated investment program, each with its own set of risks. The first relates to effective private sector engagement as co-investor to GoR and implementing partner. To mitigate the risk that local banks and private companies do not avail of the innovative financing and technology innovation schemes, the JP will ensure private sector commitments with relevant stakeholders before implementation. The JP was designed through robust consultations with local private banks, private energy companies, and the most significant PPP actors in the health space. The UN already has long-term partnerships with private actors and started the conversation on JP design. Moreover, SFH and OFH already have PPP agreements in place with the MoH through the implementation period to scale-up and equip HPs. Ecobank, one of the region's largest commercial banks, is already actively lending in this area and interested to come on board. Second commercial bank, Access Bank, also supports SFH in existing operations.

The second element is sustained government coordination at all levels. The integrated multi-sectoral nature of the investment program poses challenges and risks to seamless implementation. Strong buy-in and coordination by the government, at all levels, is essential to

ensure rapid delivery of activities and that interventions have lasting impacts.

The long-term cost and benefits of having more financially and environmentally sustainable HPs through PPP models and solarization requires greater understanding at various levels, and GoR leadership to demonstrate the return on investment from more integrated infrastructure and local planning. To mitigate these risks, the JP was designed as a result of robust consultations with all key government stakeholders, in particular the Ministry of Health, RSSB, Ministry of Infrastructure, and Ministry of Finance and Economic Planning to align with nationally defined planning priorities and existing policies. The implementation will follow close engagement with national and district-level government counterparts and build on its results after concluded.

Lastly, the JP will be managed and implemented according to the highest standards of quality and ethics to ensure no significant reputational risk to the UN. Safeguards will be put into place to ensure that UN principles including non-discrimination, gender equality, transparency, accountability and participation, are all followed.

10. Convening the private sector and engaging IFIs/DFIs

The JP pivots around engagement with local banks and private companies to catalyze investment. An existing financing model will be de-risked to increase local banks' comfort levels to provide credit to private nurses and PPP providers that act as key intermediaries and co-financiers of HPs. A debt instrument provided by Ecobank, one of Rwanda's largest commercial banks, enables start-up loans of approximately \$5,000 to private nurses to be repaid over time at subsidized rates. However, the continuity of this financing is not assured for the entire JP period without additional support.

In addition to core engagement with local banks and private companies, UN agencies and GoR partners will collaborate to crowd in additional banks and Banque Rwandais de Développement (BRD) in the financing approaches. The latter has a mechanism in place to crowd-in local solar companies and maintenance providers under a PPP model for expanding rural electrification; the approach for financing solarization will seek to build upon this.

Finally, the UN has engaged the World Bank in coordination for macro-level reforms to increase the sustainability of the insurance scheme. Following a preliminary information exchange, UN will coordinate on potential TA, including through a new social inclusion operation under appraisal.

11. Leverage and catalytic function

The comprehensive nature of the JP will unlock new sources of private finances and align them with SDG agenda. The overall leverage ratio is targeted at 1:4, which is high considering that the JP targets social infrastructure serving beneficiaries with limited means, and the huge socio-economic impacts expected. The main sources of funding that SDG Funds would leverage:

- (a) GoR expenditure, specifically: future earmarks linked to results targets for expanding HPs and electrification of HPs, assets provided to HPs under PPPs and IFMIS software, and savings of expenditure on staffing and ongoing running costs from electricity.
- (b) Continued and potential expansion of debt funding to HP start-up capital by Ecobank, to be achieved through a partial credit

guarantee that aims to cover 25% of first losses from non-repayment of loans or subsidized receivables financing mechanism.

(c) Funding from private and CSO partners, including OFH and SFH, and Solar Energy Companies, enabling expanded HP footprint

(d) New growth funding from interested social impact investors (e.g. Novartis Foundation) and potential government “outcome funders” (e.g. Canada, USA) from the successful market placement of an impact bond.

(e) Private funding from nurses as social entrepreneurs contributing to the sustainability of non-public HPs.

(f) Funding from beneficiaries/households to complement CBHI insurance subsidy, from private nurses and PHSPs toward solarization of their facilities.

Private sector leveraging is estimated at minimum \$20 million, from successful issuance of an SDG impact bond in the amount of \$8 million and \$12 million in new private co-funding from existing partners like OFH and local energy companies as the HP network expands.

The JP will demonstrate the viability of PPP models toward health care provision at the bottom of the pyramid. Similarly, credit subsidization support will be extended to enable solarization of suitable HPs that can be delivered through approved private companies accredited by MININFRA and Rwanda Energy Group demonstrating how to leverage limited public funds through performance-based incentives for private companies for social infrastructure. This will also demonstrate the value-added of a multi-sector approach toward social infrastructure, which can be replicated in other sectors beyond health and energy. Finally, all existing private partners are already operating in other countries (e.g. OFH is active and interested in expanding its business model and Ecobank has a footprint in 35 African countries) and readily able to replicate and scale the models elsewhere. UNHCR can replicate the model in other refugee settings outside Rwanda

12. Technical support and seed funding

Technical support from experts (TA) is required for four months to further refine the proposed innovative financing mechanisms. For example, the quality of existing financial models for the impact bond will be reviewed and strengthened. A qualified consultant has already been identified and ready to begin work to also include packaging the transaction for the needs of pre-identified appropriate impact and outcomes funders. The impact bond model is also attractive to pre-identified philanthropic partners such as Novartis Foundation, as their up-front investment would be pooled to leverage larger impacts than if they contributed in isolation to PPP service providers. The viability and comparative benefits of a receivables financing facility and partial credit guarantee will also be evaluated in relation to existing commercial lending by Ecobank toward operations of HPs.

Private investment by local energy companies will be crowded in through a results-based payment mechanism or partial capital subsidy. However, additional technical feasibility on the cost-benefit ratio for solarization of rural HPs, and the selection of the most appropriate sites and systems to meet local needs will be conducted. It will take into account factors such as estimated power demand, savings from economies of scale, geographic location and solar radiation, and estimated budget for maintenance costs. For example, a 2019 report on the status of electrification conducted for the national electricity utility estimated the power load for health posts to be 1 kWp, rising to 1.76 kWp over time. The study will also reconfirm the HPs to be targeted for solarization versus grid connection based on criteria of Electrification Plan and expansion plans (currently 120 existing and 280 new assumed).

One validation workshop will be conducted with all relevant stakeholders to share the result of the feasibility assessment. As a result of the workshop, an agreement on the JP content, timeline and milestones will be achieved among stakeholders and further clarify the structure of existing partnership with GoR.

The lead agency, UNFPA will be transferred 150,000 USD to coordinate the work with technical experts in collaboration with PUNO. The RCO will provide strategic guidance and coordination on seed funding and implementation of the JP.

Signatures

Signed Signature Form

[Signature page UNRwanda SDG fund concept note Health.pdf](#) 298.26 KB

Government Endorsement

Letter of Endorsement

[MINECOFIN Endorsement Letter- UN SDG Fund- for Component two_0.pdf](#) 531.46 KB