

**Joint SDG Fund – Component 2 – SDG Financing**  
Template for the Joint Programme Final Progress Report (preparatory funding)

**Cover page**

**Reporting period: June 30 – December 31, 2020**

**Country: RWANDA**

**Joint Programme (JP) title:** A Thousand Health Posts in the Land of a Thousand Hills:  
*Promoting Universal Health Coverage by Catalysing Investments in Financially and Environmentally Sustainable Primary Health Care*

**Short title:** **A Thousand Health Posts in the Land of a Thousand Hills**

**List of PUNOs:** UNFPA, UNDP, WHO, UNHCR

**RC (name):** Fodé Ndiaye

**Representative of Lead PUNO (name and agency):** Mark Bryan Schreiner, UNFPA

**Government JP Focal Point (name and ministry/agency):** Mr. Richard Mushabe, Director of Planning a.i., Ministry of Finance and Economic Planning (MINECOFIN)

**RCO JP Focal Point (name):** Ms. Aimee Muziranenge E-mail: [aimee.muziranenge@un.org](mailto:aimee.muziranenge@un.org)

**Lead Agency JP Focal Point (name):** *Dr. Mathias Gakwerere* E-mail: [gakwerere@unfpa.org](mailto:gakwerere@unfpa.org)

**Budget (Joint SDG Fund contribution):** 150,000 USD

**Budget Expenditures:** 129,668 USD

**Delivery Rate: 87.3%** - *Prep Funding Rate (%) =  $\frac{\text{Expenditures PUNO}}{\text{Total transferred funds Jan 2020 to December 2020}}$* :

## **Short Description of the Joint Programme (1 paragraph for each section)**

*This description will be used to update your country page in our online platform (please scan the website before answering) <https://sdqinvest.jointsdgifund.org/proposals>*

The JP entitled “A Thousand Health Posts in the Land of a Thousand Hills: *Promoting Universal Health Coverage by Catalysing Investments in Financially and Environmentally Sustainable Primary Health Care*” will expand the Rwanda Health Post footprint millions of vulnerable Rwandans to receive better access and quality primary health care. The JP will support accelerated achievement of government targets for boosting health care and energy access through catalytic financing, integrated SDG investment planning, improved financial management of Health Posts, and digital solutions. It will demonstrate innovations across three integrated levels to accelerate the national Health Post scale-up and ensure long-term financial sustainability as well as climate responsiveness by incorporating renewable energy. Bottlenecks to upscale proven public-private community partnership models will be removed while empowering nurses (mostly women) as social entrepreneurs. In total 1000 new and existing facilities will benefit from the key interventions. This will result in key gains to health outcomes including women’s reproductive, maternal, neonatal and child health, universal energy access, and gender equality including by creating thousands of more decent jobs for women. Enhanced capabilities and resilience of the network will also facilitate prevention and response to health emergencies including COVID-19.

*Financial leverage (estimated target in US\$): **22,000,000***

### **Challenge:**

*Explain the key challenge(s) the JP aims to tackle with reference to both development and financing challenges and how they interconnect.*

The resilience of Rwanda’s health system and ability to respond to threats such as Coronavirus and Ebola is challenged by increasing costs and reduced fiscal space, limited geographical access due to its geographical terrain, and lack of reliable energy to expand services. While models for Public Private Community Partnership for primary care have been demonstrated, challenges remain to refine and take them to scale. Moreover, limited access to electricity challenges the operational sustainability of remote health facilities; reliable electricity is required for the digitisation of health and immunization records, electronic submission of invoices, refrigeration of medical supplies and vaccines, and running various diagnostics and tests. An effective Covid-19 response calls for increasingly expanding the network of health facilities to sub-national levels, including those closest to communities, known as Health Posts. This will ensure continued progress against critical health outcomes whilst ensuring continuity of health services especially for women, whilst enabling ‘last mile’ interventions to address public health threats. While the Rwandan government recognizes that its targets cannot be funded by public resources alone, and envisages that much of the gap to meet a national rollout of Health Posts can be met through PPP models, unblocking investment requires new financing and technological solutions not currently available in the market.

**Innovation (financial instrument/mechanism/approach):**

*Summarize the financial mechanism(s) proposed and why the approach is different from conventional and/or alternative approaches and how it is fit for purpose to address the challenge described above.*

The programme will support social entrepreneurs across Rwanda running 1000 health clinics to expand primary health care through improved access to finance, business support, and solar energy access. It will demonstrate innovations in financing and digital health, including credit enhancement and investor risk mitigation instruments pivotal to the sustainability and scalability of privately operated health posts. In leveraging existing public-private partnership models to the greatest extent possible, the Rwandan government can reach its targets more quickly using fewer public resources. The establishment of a pooled impact fund using an outcome-based risk sharing model to keep financing costs affordable to small social enterprises will ensure that private health post operators have affordable access to their full spectrum of financing needs to establish and run facilities. Capacity building and support to enhance the use of digital platforms to facilitate e-health including billing and claiming, will ensure greater financial sustainability of PPP models for service delivery, as clinics are highly dependent on the public health insurance scheme. The solar financing strategy is also innovative by adopting a performance-based approach and partnering with private energy companies and local financial institutions with existing concessional renewable energy funds and capacities to maximize synergies. An innovative 'electricity as a service' model, which will tie energy companies into maintaining the solar systems for their full lifetime, will also be tested.

**SDG Impact:**

*Please describe the development impact the JP aims to achieve. Do not list the SDGs.*

The programme promotes Agenda 2030 through contributions toward universal health coverage, universal access to sustainable energy, as well as women's empowerment. The results areas mainly target SDG 3 & 5 with measurable contributions to four additional SDG targets. It will empower over 5 million vulnerable Rwandans across 7,000 villages through better access to healthcare and create over 5,000 decent jobs—mostly for women. By expanding PPP models, the dependency of economic growth on public sector investments will decline, further reducing an existing "gender gap" in unemployment. An expansion of the health post footprint will dramatically reduce the average time required to access care. This will bring a variety of positive impacts across a range of Reproductive Maternal Neonatal Child and Adolescent Health (RMNCAH) related health indicators including skilled birth attendance, the uptake of modern contraceptives, reduced rates of maternal, neonatal and child mortality and morbidities, and higher immunization rates. Strengthened governance, capabilities, supply chains, and more reliable electric power will boost resilience of the system in face of public health threats, including malaria and COVID-19. The JP will further directly contribute to sustainable energy access for all, through an estimated 400% increase in the number of posts electrified using clean energy as compared to the baseline.

**Partners:**

*Please list key partners involved in implementation as well as secured investors. Do not mention more than 4-5 partners. Do not mention generic stakeholders (e.g. Government, private sector), but only specific institutions/partners.*

In addition to the Government of Rwanda, led by MINECOFIN and the Ministry of Health (MoH), the project partners include several private, non-governmental actors and local financial institutions:

1. **One Family Health**, Private Partner. This co-investor has pioneered the PPP model for health posts in Rwanda and operates as a local company in Rwanda with a long-term MOU with the Ministry of Health. It provides start-up and working capital loans and on-going management support to 125 nurse-entrepreneurs including a digital medical record and insurance claim system. It is an active partner and is the process of signing an MOU with UNDP
2. **Society for Family Health**: CSO Partner. This co-Investor has set up 169 health posts using a Public Private Community Partnership model in Rwanda to date with funding from its corporate and philanthropic donors. It is pioneering 'second generation' health post design and operations to expand the service offer available at increasingly decentralized levels. It is committed to be an active partner and scaling up its operations under the programme. An existing MOU is in place with UNFPA.
3. **Urwego Bank**, a subsidiary of Hope International Potential Financial Partner, is one of Rwanda's leading SME-focused banks. This presumed financial partner would be an administrator of the solar energy financing scheme, building on its existing know-how and financing expertise from providing results-based finance to solar energy companies for mini-grids and households. As the JP evolves the bank may also be able to offer and bundle together subsidised working capital loans to the nurse-entrepreneurs.
1. **Ecobank**, one of the largest commercial banks in Africa and in Rwanda, is a presumed Financial Partner. Negotiations commenced in February and November 2020 with the Head of Corporate Finance Division. Ecobank is already providing start-up debt funding to HPs via OFH. Short-term credit enhancement support of the JP will ensure continued and expanded leadership of the bank in lending to HPs and give comfort to other local banks and investors to provide credit to this emerging sector.

## Final Progress Report (MAX 3 PAGES)

### 1.1. Progress achieved

Provide brief description of the project's developments, results and achievements during the preparatory phase including 1) financial vehicle design; 2) market assessment; 3) feasibility study; 4) pipeline assessment; 5) legal assessment; 6) investor mapping and matching; 7) others. Please list the names of strategic documents developed (if any).

The JP preparatory phase contributed greatly to refine the concept. Efforts had a strong focus on market assessment, preliminary financial vehicle design, and undertaking various technical feasibility studies to affirm the need and most effective value-added approach for the proposed JP components and interventions laid out in the concept note. The process was instrumental in:

1. Establishing clearer baselines for the project interventions, including number of health posts operation, status of their electrification, and scenarios for network expansion over time given existing GoR targets and investment agreements.
2. Kick starting a more strategic dialogue of potential partners in a blended financing approach to Health Post development and to understand critical barriers to unlocking investment for this segment of the healthcare market in Rwanda.

3. Identifying the most pressing and critical challenges and financial service needs faced by nurse entrepreneurs and elaborating which solutions instruments could fit the local context and business environment
4. Determining the existence of current options and investor appetite for the solutions, and showing how credit enhancement facilities, credit guarantee mechanisms and new outcome funds or Social Impact Bonds could be the most optimal and feasible interventions for the problems and needs identified in the studies and consultations with stakeholders.
5. Initiating development of an integrated planning model for future health post development and electrification using an open-source GIS tool and sensitizing health and energy sector planners as well as private partners to the benefits of more joined up planning processes.
6. Supporting a three-day stakeholder workshop and project proposal formulation retreat that built critical buy-in for the JP to succeed in the implementation phase.
7. Conducting basic investor mapping and preliminary outreach to external investors and technology partners which creates a foundation for further co-financing in implementation.

The following documents were developed through independent consultants:

- Technical Report/Feasibility Study on “Financing the Expansion of Health Posts in Rwanda”
- Technical Report/Feasibility Study on “Baseline and Feasibility Assessment for Electrification of Rural Health Facilities in Rwanda” and accompanying GIS-based planning decision-support tool and map.
- Technical Report on “Assessing the capacity of the Health Post platform for Sustainable Primary Healthcare in Rwanda”
- Technical Report/feasibility study on “Assessing Digital Solutions and Options to Fast-Track Efficiency of Claims Reimbursement and Increase Resource Accountability and Transparency in Health Posts in Rwanda”
- Technical Report on “Assessing the viability and integration of health post public private community partnership model in humanitarian contexts and refugee settings”
- SDG finance Joint Program proposal document (costed with RRF matrix)

### **1.2. Challenges faced**

Did the UNCT face any major challenges in the preparatory phase? Briefly explain the challenges, their impacts, and how you overcame those.

The main challenges faced were related to recruiting and onboarding consultants to undertake studies given the need to abide to UN policies and regulations within a limited timeframe allocated to the preparatory phase. In addition, COVID-19 related challenges affected the speed of operations across participating agencies and line ministries. Nevertheless, these challenges were managed through adherence to COVID-19 prevention guidelines with more virtual meetings than physical and strictly respecting social distancing and hygiene during the final physical formulation workshop. To overcome these challenges, the Resident Coordinator and Heads of Participating UN Agencies played an instrumental role in high-level engagement with the leadership of Government institutions to ensure that they include SDG financing JP among top priorities and provide timely support whenever deemed necessary.

### 1.3 Partnerships leveraged

Did you leverage new partnerships during the preparatory phase (e.g. government, private investors, IFIs, bilateral/multilateral banks, etc.)?

- Yes  
 No

Provide in bullet points the main highlights on strategic partnerships and with whom.

The JP leveraged partners from private sector, government institutions and civil society for the development of the JP proposal during the preparatory phase. This includes commercial banks (ECOBANK , Urwego Opportunity Bank), the Development Bank of Rwanda (BRD) as a potential financial Partner for solar energy financing under debt arrangement with solar companies, and the Rwanda Social Security Board (RSSB).

- Clarity around institutional responsibilities and clear leadership and endorsement from the Ministry of Finance and Economic Planning, The Ministry of Health, the Ministry of Infrastructure, and the Ministry of Emergency Management was secured.
- Although already consulted in the concept phase, the UN partnership with One Family Health (OFH) & Society for Family Health deepened with more active involvement and in-kind support for the studies and formulation of the project proposal.
- Initial partnerships with other potential funders and knowledge providers were also initiated including Abbott, Differ Group and the Health Financing Institute.

### 1.4. Co-funding mobilized

Did you secure additional funding or in-kind support for the proposal during the preparatory phase?

- Yes  
 No

If yes, please include amounts committed during the prep-phase.

Source of funding	Yes	No	Type? (\$ or in kind support)	Name of organization	Amount (USD)	Comments
Government	<input type="checkbox"/>	<input type="checkbox"/>				
Donors/IFIs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Both	USAID	\$1.92 million	Committed parallel funding to the investment programme and provided some in-kind technical expertise for baseline assessments
Private sector	<input type="checkbox"/>	<input type="checkbox"/>				
UN/PUNOs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Both	UNFPA, UNDP, WHO, UNHCR	\$5.0 million	The PUNOs increased their pledged co-funding compared to the concept note phase discussions.

Other partners	<input type="checkbox"/>	<input type="checkbox"/>				
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**1.5. Budget changes (if relevant)**

If there were changes in the actual budget from the one shared as part of the Fund Transfer Request, please briefly justify these changes. Please, explain briefly:

**No changes were made to the initial budget request.**