

Analysis of the Health Financing Landscape in Timor-Leste

Key findings and actionable insights from the USAID Health System Sustainability Activity



Objectives of the Health Financing Landscape Analysis

- Assess progress of the Health Financing Strategy 2019– 2023 based on the implementation of the strategic interventions and key action proposed.
- Identify strategic activities that will bolster the government's efforts to implement the health financing strategies and public financial management reforms.

Strategies and key actions from the Health Financing Strategy 2019–2023

- Ensure sufficient and sustainable public financing for health. Monitor the effect of resource mobilization interventions by setting up a functional unit composed of Ministry of Health staff and partners for implementation of National Health Accounts.
- Restore a unified pooling and resource allocation mechanism through the creation of a Health Sector Budget Working Group and its program budgeting tasks.

- Harness reforms in program budgeting and performance-based resource allocation by finalizing and testing an improved resource allocation formula and introducing performance-based allocation to the municipalities.
- Make the Package of Essential Health Services a tool to determine entitlement, and for planning and contracting, through a review, costing, and feasibility analysis.

INTERMEDIATE RESULTS:

- Increased MOH capacity to collect, analyze, and use health financing data for decisionmaking
- Increased coordination and collaboration for more effective program budgeting and implementation
- 3. Increased municipality capacity to support the implementation of health programs

Figure 1. Summary of Health Financing Landscape Analysis

FINDINGS

- The government has not significantly prioritized health spending.
- The policy response to the global COVID-19 pandemic has spiked health spending, but the long-term effects are unknown.
- Fragmentation in health financing for institutions and municipalities continues.
- Limited resources and technical capacity at the municipality level impact service delivery.
- The current provider payment approach does not take into consideration performance or service quality. Funding is based on facilities' requests and available funding.

PROPOSED ACTIVITY TASKS

- Support the creation of a health financing unit at the Ministry of Health and provide capacity development technical assistance. Institutionalize responsibility for NHA.
- Actively engage the anticipated Health Systems Strengthening Working Group and a potential health financing and/or public financial management subgroup.
- Engage in the development of a framework and feasibility study for a nutrition-focused performance-based financing program.

ACTIVITY NEXT STEPS

- Finalize terms of reference for the proposed Health Financing Unit.
- Engage with the Health Systems Strengthening Working Group.
- Collaborate on the design of a nutrition-focused performancebased allocation system for municipalities.

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