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# RESEARCH STUDY REPORT

## Alternative Sources to Fund Health in Liberia

**JUNE 2024**

This publication was produced for review by DAI/ Civil Society Activity (CSA). It was prepared by Naymote.

# **NAYMOTE PARTNERS FOR DEMOCRATIC DEVELOPMENT**

## **RESEARCH ON ALTERNATIVE SOURCES TO FUND HEALTH IN LIBERIA**

This study report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of Naymote Partners for Democratic Development and do not necessarily reflect the views of USAID or the United States Government.

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## Abbreviations and Acronyms

BOT	Build-Operate-Transfer
CAR	Corporate Social Responsibility
CBHI	Community-Based Health Insurance
CHB	County Health Board
CHT	County Health Team
CSA	Civil Society Activity
CSO	Civil Society Organization
DIB	Development Impact Bond
GOL	Government of Liberia
SIB	Social Impact Bond
KII	Key Informant Interview
Naymote	Naymote Partners for Democratic Development
NGO	Non-Governmental Organization
PBF	Performance Based Financing
PPPs	Public Private Partnerships
USAID	United States Agency for International Development
WHO	World Health Organization

## Executive Summary

Liberia's health sector has struggled with limited financial resources, hampering efforts to improve health outcomes and access to quality healthcare. Traditional funding sources, such as government budget allocations, international aid, and out-of-pocket payments, are often insufficient and have limitations in terms of sustainability and equity. As a result, there is a growing recognition of the need to explore alternative sources of funding to strengthen Liberia's healthcare system and improve health outcomes for its population.

This report examines alternative funding options that can provide a more sustainable financial base for health in Liberia. Naymote with support from the United States Agency for International Development (USAID) commissioned this study under the “Civil Society Activity” project in June 2024, to investigate alternative sources of funding for health in Liberia and identify sustainable financing mechanisms to strengthen the country's healthcare system. The study assessed and identified best practices in other countries, especially in Africa, in generating additional funding to augment National Health Budgets.

The study also documented key policy recommendations and strategies as well as suggestions around how recommendations in the report can be rolled out, especially by the government of Liberia through the National Legislature and Ministries of Health, and Finance and Development Planning, respectively.

### Sampling and Data Collection

Using standard questionnaires, desk review and Key Informant Interviews (KII) was conducted and data was collected from May 31 – June 15, 2024 via mobile phones using Google Form electronic data collection and management platform.

The researchers interviewed 35 Key Informants (KIs), including lawmakers, policymakers, healthcare administrators, finance experts, donors, and representatives from civil society organizations. This helped to triangulate the data acquired from the 35 interviews.

### Key Findings

The government of Liberia can leverage on several ways to source alternative funds for health.

- **Public private partnerships & health infrastructure development** – Liberia can encourage private investment in healthcare infrastructure through Build-Operate-Transfer (BOT) agreements, where private entities finance, build, and operate health facilities for a period before transferring ownership to the government.
- **Joint Ventures:** The country can foster joint ventures between the government and private companies to develop and manage health facilities, ensuring efficient service delivery.
- **Outsourcing Services:** Outsource non-core healthcare services such as diagnostics, waste management, and facility maintenance to private providers, enhancing efficiency and reducing costs. Some respondents indicated **pharmaceutical Partnerships** as an alternative. Partner with pharmaceutical companies for the local production and distribution of essential medicines, reducing costs and ensuring a steady supply.

- **Innovative Financing Mechanisms** - the government can issue Health Bonds including Social Impact Bonds (SIBs) where private investors will provide upfront capital for health projects and are repaid by the government or donors based on the achievement of specific health outcomes.
- **Health Insurance Schemes** - A National Health Insurance should be introduced. It will expand the coverage and efficiency of the National Health Insurance Scheme to pool resources and ensure universal health coverage, as well as introduce a Community-Based Health Insurance (CBHI). The government can embark upon a model where salary contribution could be highly effective, working population can contribute a small percentage of their salary to health insurance through monthly payments.
- **Sin Taxes** – Government should introduce compulsory payments, or "sin taxes," on goods such as tobacco, alcohol, and sugary products. They proposed that the rate is a 2% tax on these items. They believed that sin taxes target products that have negative health impacts. The revenue generated can be earmarked specifically for healthcare services, particularly in treating conditions related to the consumption of these products.
- **Gambling and Gaming:** Government should impose taxes on every gambling or gaming transaction at casino in Liberia. By taxing each transaction, the government can tap into an underutilized sector for healthcare funding.
- **Health Levies and Taxes** - The government should implement or increase taxes on tobacco, alcohol, and sugary drinks, earmarking the revenue specifically for health funding.
- **Telecom and Airline Levies** – Government should introduce additional levies on mobile phone usage and airline tickets, with funds directed to healthcare services and infrastructure.
- **International and Domestic Philanthropy/ Diaspora Bonds** – Government should issue diaspora bonds specifically targeted at Liberians living abroad, encouraging them to invest in the country's healthcare sector.
- **Tourism and Environmental Taxes:** Government should introduce taxes on tourism-related activities, such as a city tax or an environmental waste management tax, with proceeds directed toward health financing. Additionally, a portion of airline tax revenue could be allocated to healthcare.
- **Taxing Hazardous Industries:** Government should introduce innovative taxes on industries that pose potential health hazards, such as fisheries and production companies. Industries with potential environmental or health risks should contribute to public health challenges. By taxing these companies, the government can secure funding for healthcare while incentivizing safer practices.
- **Mobile Phone Usage Tax** - Negotiate with telecommunications companies to collect a small fee from every dollar spent on phone cards. A suggested rate is 2 cents for every dollar. They believe that mobile phone usage is widespread, and a small tax on each transaction can generate significant revenue without burdening consumers. This could become a sustainable source of funding for the healthcare system.

- **Taxing Hazardous Industries** - Impose innovative taxes on industries that pose potential health hazards, such as fisheries and production companies. They stressed that industries with potential environmental or health risks contribute to public health challenges. By taxing these companies, the government can secure funding for healthcare while incentivizing safer practices.
- **Innovative Taxing for Religious Institutions** - Engage religious institutions, such as mosques and churches, in contributing to the national health insurance scheme. One suggestion is to encourage financial support during regular services. They indicated that religious institutions have a large following and social influence. By holding conversations with them, the government can encourage a voluntary or structured contribution system that supports healthcare funding, especially during regular gatherings.
- **Land Sector Contributions:** Some of the fees and revenues generated from land sector activities should be redirected to healthcare. This approach could offer an additional funding stream to support health services and initiatives.
- **Taxation on Junk Food Imports** - Government should implement a tax on imported junk foods. They believed that junk food contributes to lifestyle-related health issues. Taxing these imports would not only generate revenue but could also deter consumption, promoting healthier eating habits.
- **Global Health Initiatives (The Global Fund & Gavi, the Vaccine Alliance)** - Increase engagement with global health initiatives like The Global Fund to Fight AIDS, Tuberculosis, and Malaria for continued support and funding. Gavi, the Vaccine Alliance - Partner with Gavi to secure funding for immunization programs and vaccine procurement.

The study concludes that by leveraging public-private partnerships, innovative financing mechanisms, international and domestic philanthropy, development partnerships, and community and social funding mechanisms, Liberia can build a sustainable and resilient healthcare system. Collaboration among government, civil society, and international partners will be crucial to the success of these initiatives.

## Recommendations

1. **Strengthen Regulatory and Institutional Frameworks:** Create an enabling environment for Public Private Partnerships and private investment in health.
2. **Adopt Innovative Financing Mechanisms:** Implement health insurance schemes, community-based health insurance and explore social impact health bonds.
3. **Engage Diaspora and Businesses:** Develop strategies to attract diaspora contributions and encourage CSR initiatives.
4. **Enhance Development Partnerships:** Improve project management and accountability to secure and effectively utilize international aid.
5. **Promote Community Funding:** Mobilize communities and leverage technology for health savings groups and crowdfunding initiatives.

## Introduction and Background

Naymote Partners for Democratic Development (NAYMOTE) is a leading national civil society organization promoting democracy, political governance, human rights, and civic engagement in Liberia. NAYMOTE promotes citizens' understanding of democratic processes and the long-term benefits of their participation in these processes. Established in 2001 by student leaders and activists, the institution has grown into a leader in Governance, and Gender Equality programming thus developing expertise in programs targeting youth (males and females) women and local leaders.

Naymote

The United States Agency for International Development (USAID) has partnered with Naymote to implement the health component of the Liberia Civil Society Activity (CSA) along with six national CSOs. The Liberia Civil Society Activity is a five-year program funded by USAID and implemented by DAI Global, LLC (DAI). It aims to strengthen Liberians' ability to advocate for policy reforms, policy implementation, and service delivery improvements through multi-stakeholder coalitions that build feedback loops among the GOL, CSOs, and citizens around reform priorities. The project provides opportunities for CSOs to build linkages with their peer groups and constituencies at national and subnational levels and use linkages to communicate reform achievements back to their constituencies and engage them in policy dialogue.

As part of engagements under the CSA project, Naymote conducted research on alternative sources to fund health in Liberia. The study is designed to investigate alternative sources of funding for health in Liberia. In other words, the study identified sustainable financing mechanisms to strengthen the country's healthcare system, and best practices in other countries, especially in Africa, in generating additional funding to augment National Health Budgets.

### 1. Scope and limitation of the study

The study was limited in a number of ways. First, it was not a national study; it was instead a study that examined alternative sources to fund health in Liberia through a comprehensive review of existing literature, reports, policy documents, and academic articles related to health financing in Liberia.

The study also covered 35 key informants, including lawmakers, policymakers, healthcare administrators, finance experts, donors, and representatives from civil society organizations based in four targeted counties where questionnaires for the study were administered.

Table 1: Targeted Counties and Key Informants/ Respondents

Categories of Respondents	Number of Respondents	Location
Lawmakers	5	Montserrado
Policymakers/ Public Officials	8	Montserrado, Margibi, Bassa and Bong



Healthcare administrators/ practitioners	6	Montserrado, Margibi, Bassa and Bong
Finance Experts	6	Montserrado, Margibi, Bassa and Bong
Donors	2	Montserrado
CSOs representatives	8	Montserrado, Margibi, Bassa and Bong

## 2. Methodology

The study employed both quantitative and qualitative approaches during data collection in order to examine alternative sources to fund health in Liberia through a comprehensive review of existing literature, reports, policy documents, and academic articles related to health financing in Liberia. Standard questionnaire was developed for the study. The institution conducted desk review and researchers collected data through Key Informant Interviews (KII) with 35 citizens, including lawmakers, policymakers, healthcare administrators, finance experts, donors, and representatives from civil society organizations. The data was collected from May 31 – June 15, 2024 via mobile phones using Google Form electronic data collection and management platform.

The institution conducted a comprehensive review of existing literature, reports, policy documents, and academic articles related to health financing in Liberia. Through the desk review, the institution assessed and identified best practices or initiatives in other countries, especially in Africa focusing on alternative funding sources for health and their effectiveness. Moreover, the desk review extracted relevant data on the current health financing landscape, including government budgets, donor contributions, and out-of-pocket expenditures, as well as analyze key findings and trends to inform the research process and guide the formulation of interview questions.

Purposeful sampling was also used to select 35 key informants, including policymakers, healthcare administrators, finance experts, donors, and representatives from civil society organizations. Semi-structured interviews were conducted to explore stakeholders' perspectives on alternative health financing, challenges, opportunities, and best practices.

### 2.1 Questionnaire development

Naymote drafted the protocol and questionnaires for the study and submitted them to CSA team for review and inputs to finalize the structure of the questionnaires to meet the study objectives. The desk review questionnaire covered current sources of funding for health in Liberia, distribution of health financing across different healthcare sectors and regions within Liberia, existing policies, strategies, and initiatives aimed at mobilizing alternative sources of funding for health in Liberia, evidences that exists regarding the effectiveness and sustainability of alternative health financing mechanisms implemented in other countries or regions with similar contexts to Liberia, as well as key challenges and barriers to implementing alternative health financing mechanisms in Liberia.

The key informants questionnaire covered geographic and demographic information, experiences, challenges, and impressions of respondents on the current state of health financing in Liberia, including strengths, weaknesses, and areas for improvement, insights into potential alternative sources of funding for health that could be explored or expanded in Liberia, innovative financing models or strategies that have been successful in other contexts and could be adapted to Liberia, perceived feasibility and acceptability of alternative health financing mechanisms among stakeholders in Liberia, including government officials, donors, healthcare providers, and community members, as well as policy recommendations to enhance the mobilization of alternative sources of funding for health in Liberia, taking into account sustainability, equity, and effectiveness.

## **2.2 Recruitment and training of researchers**

Naymote recruited consultant, and trained four junior researchers. Naymote training methods included an analysis and revision of questions to enable trainees comprehend the key informants questionnaire so that they could correctly administer them; simulation of the study, and piloting the survey.

To understand the extent to which the study methodology ensures validity and reliability, Naymote used a training day to conduct a pilot interview to provide feedback on the questionnaire as well as provide a platform for the junior researchers to experience hands-on administering of the tool. After the survey pilot, Naymote conducted a debriefing session to discuss feedback, which led to the final revision of the questionnaire.

## **2.3 Data cleaning and analysis**

Data collection and management by way of Google Forms data collection and management platform enabled data monitoring and cleaning in real-time. The platform allowed for the validation of response entries to avoid double entries and alerted data collectors whenever mistaken values were entered.

The primary analysis of survey data was conducted through the electronic data collection software. The data was later exported to Excel for further analysis and presented as charts depicting percentages of responses representing survey participants' insights and experiences. Analysis of Key Informant Interview responses sought to identify patterns and trends in the responses provided by different categories of respondents as well as to also look for differences in the responses.

## **2.4 Desk Review**

Before field data collection work began, the research team conducted a comprehensive review of relevant literature, reports, policy documents, and academic articles related to health financing in Liberia. Through the desk review, the institution assessed and identified best practices or initiatives in other countries, especially in Africa focusing on alternative funding sources for health and their effectiveness.

The desk review exercise was designed to prepare the research team for the study, as well as facilitate furthering enrichment of Key Informant questionnaire. However, the research team could not access relevant materials such health financing policies on alternative sources to fund health in Liberia, as well as publications on funding health in Liberia. This challenged

the research team to further understand the legal, regulatory, and cultural concepts that underpin alternative sources to fund health in the Liberian context.

## 2.5 Target Audience

The primary target group for this study was 35 key informants, including policymakers, healthcare administrators, finance experts, donors, and representatives from civil society organizations across four counties, namely Montserrado, Margibi, Bassa and Bong counties. Semi-structured interviews will be conducted to explore stakeholders' perspectives on alternative health financing, challenges, opportunities, and best practices. In the four targeted counties, 35 Key Informant Interviews were conducted to further flesh out the findings from the survey.

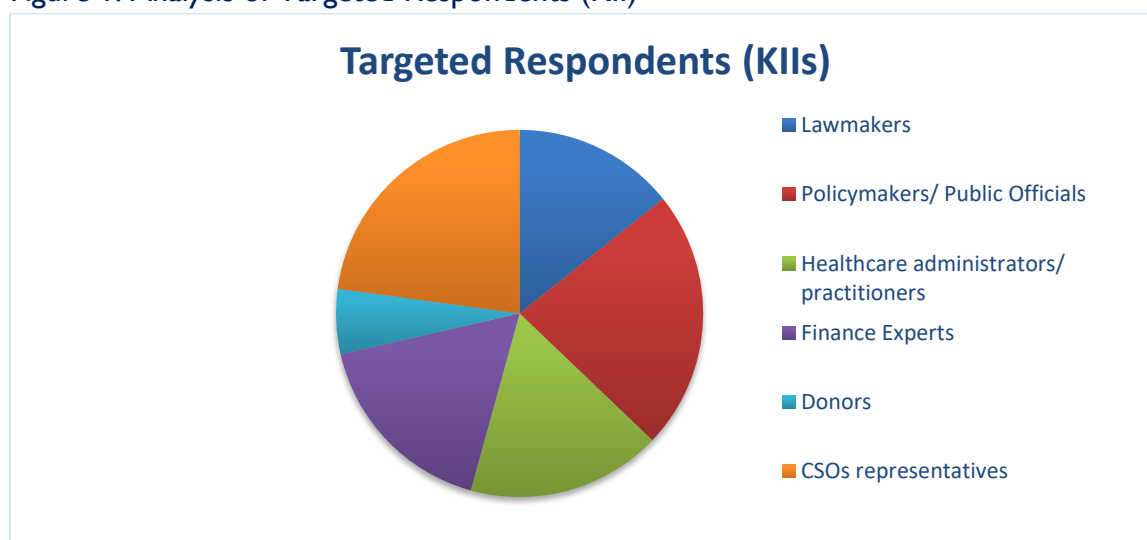
## 3. Presentation of Key Findings, Discussions, and Analysis

This segment of the report presents and analyzes the data obtained from the study. The data presentation includes frequency distribution of data as charts and percentages used to draw inferences from the data in line with the objective of the study.

### 3.1 Demographic

The data sources of this study are the respondents interviewed during KIIs to provide data, and materials gathered from desk review conducted. The study also gathered insights from key informants. In other words, the study gathered the perspectives of policymakers, finance experts, healthcare administrators, CSOs as well as other knowledgeable stakeholders. 35 male and female stakeholders participated as Key Informants.

Figure 1: Analysis of Targeted Respondents (KIIs)



KII respondents were drawn from across four counties. Lawmakers and donors were drawn from Montserrado, while Policymakers/ Public Officials, Healthcare administrators/ practitioners, Finance Experts and CSOs representatives were all from Montserrado, Margibi, Bassa and Bong.

Table 2: Localities of Respondents

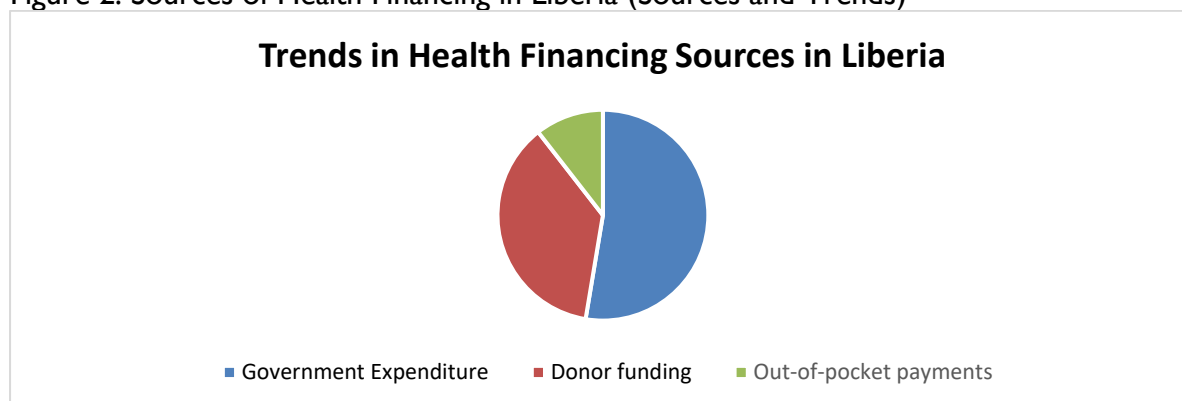
Categories of Respondents	Location
Lawmakers	Montserrado
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Healthcare administrators/ practitioners	Montserrado, Margibi, Bassa and Bong
Finance Experts	Montserrado, Margibi, Bassa and Bong
Donors	Montserrado
CSOs representatives	Montserrado, Margibi, Bassa and Bong

### 3.2 Lead Question

There were two sets of questionnaires: the first set was designed for desk review while the second set of questionnaires was designed for Key Informant Interviews (KIIs). The questionnaire consisted of questions covering respondents perspectives on the current state of health financing in Liberia, including strengths, weaknesses, and areas for improvement, insights into potential alternative sources of funding for health that could be explored or expanded in Liberia, innovative financing models or strategies that have been successful in other contexts and could be adapted to Liberia, policy recommendations to enhance the mobilization of alternative sources of funding for health in Liberia, taking into account sustainability, equity, and effectiveness etc.

### 3.3 Sources of Health Financing in Liberia

Figure 2: Sources of Health Financing in Liberia (Sources and Trends)



Liberia health sector is underfinanced. Health financing in Liberia is highly dominated by government expenditure (national budget), donor funding/ traditional aid and out-of-pocket payments.

**Government Expenditure.** The Liberian government allocates a portion of its budget to the health sector, though this amount has historically been limited due to economic constraints. The government funding covers salaries for health workers, infrastructure maintenance, and basic healthcare services. Despite efforts to increase health sector funding, it remains inadequate to meet the population's healthcare needs comprehensively. Some respondents referenced the country 2023/2024 national budget which account for US\$79,

901, 200 million (11%) of the national budget towards health which is relatively low. Current funding towards health cannot cater to the overall functionality, efficiency and effectiveness of health facilities across the country. Moreover, the current health budget or limited donor aid cannot cater to availability of medical supplies and drugs at facilities, health education and awareness, mitigation of drugs stock-out, health practitioners salary, logistics at facilities, well being of citizens etc.

**International Aid/ Donor Funding.** The country is reliant on international aid/ donor funding and grants for health financing. Donor funding plays a significant role in Liberia's health sector, with various international organizations and countries providing substantial financial assistance. Though the country receives support from organizations like the World Bank, USAID, Global Fund, European Union, UN Agencies (WHO, UNICEF etc.) etc. and bilateral partners, it's still insufficient to cater to an enhanced health system.

**Out-of-Pocket Payments.** Payments by individuals and households are a major source of health financing in Liberia. These payments cover costs for medications, consultations, and treatments not subsidized by the government or covered by donor programs. High out-of-pocket expenses can lead to financial hardship for many families, potentially deterring them from seeking necessary medical care. Private health providers offer services that are often paid for out-of-pocket, contributing to the overall health financing landscape.

Various international and local NGOs contribute to the health sector through service delivery, advocacy, and capacity building. Key informants indicated that Liberia lacks innovative financing mechanisms and the country health sector is seriously underfinanced. They said that there's high potential for 15% allocation of the country's budget to health, introduction of health bonds and insurance schemes. They emphasized that Liberia needs to invest in community mobilization and technology infrastructure to support these mechanisms despite bureaucratic and regulatory hurdles that need to be addressed in Liberia to enhance public private partnerships.

### 3.4 Health Financing Challenges in Liberia

Despite several sources of funding highlighted above, Liberia faces challenges such as insufficient funding, dependency on donors and inequity.

Figure 3: Health Financing Challenges in Liberia

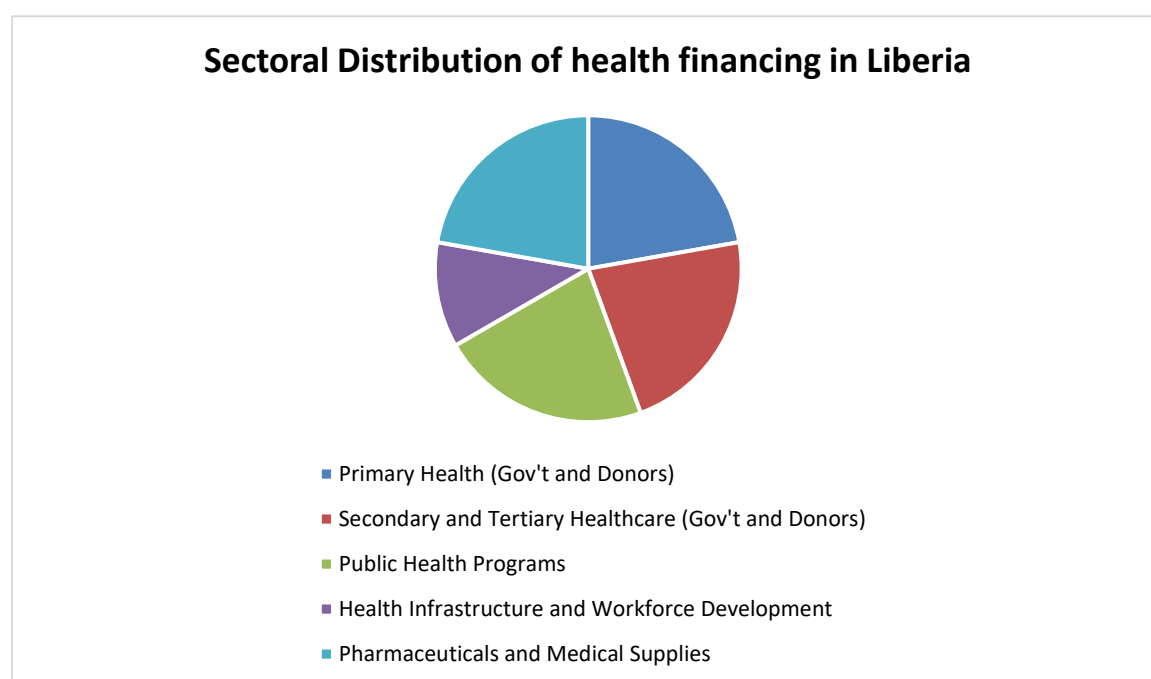


Overall funding for health in Liberia is still inadequate to address all health needs effectively. Moreover, there's heavy reliance on donor funding which can lead to sustainability issues, especially if donor priorities change. Additionally, out-of-pocket payments can create barriers to accessing care, particularly for the poorest segments of the population. There's a need to improve health financing in Liberia through increased government allocation, more effective use of donor funds, and strategies to reduce out-of-pocket burdens on patients.

### 3.5 Distribution of health financing across different healthcare sectors and regions within Liberia

The distribution of health financing in Liberia varies across different healthcare sectors and regions, influenced by the priorities of government expenditure, donor funding, and out-of-pocket payments.

Figure 4: Sectoral Distribution of Health Financing

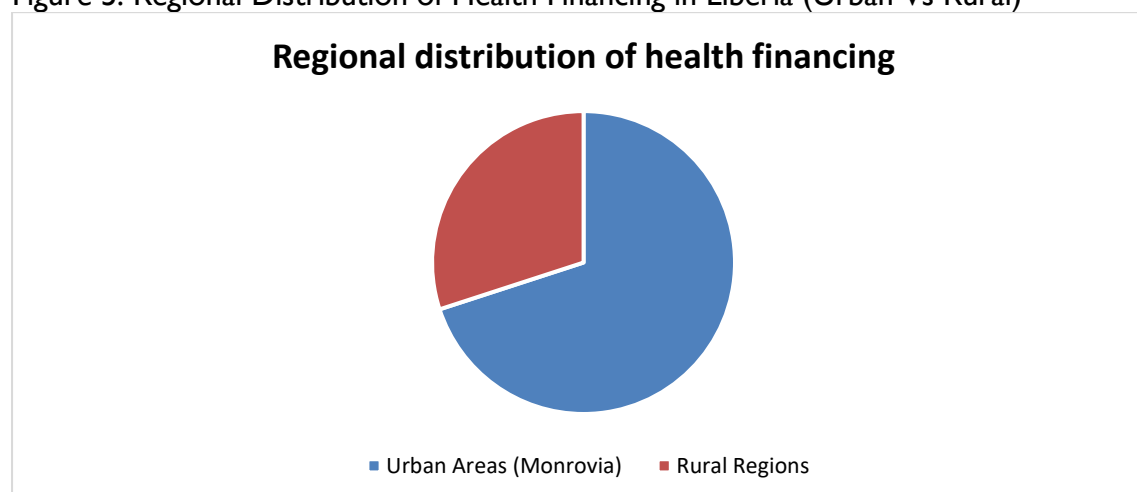


A significant portion of health funding is directed towards primary healthcare services, which include basic health services such as maternal and child health, immunization, and infectious disease control (e.g., malaria, HIV/AIDS, tuberculosis) and many NGOs focus on primary healthcare, providing services in underserved areas and complementing government efforts. Funding for secondary and tertiary healthcare (hospitals and specialized services) is relatively limited. These levels of care often face funding shortfalls, impacting the quality and availability of advanced medical services and some donor funding is allocated to strengthening hospitals and specialized healthcare services, but this is less compared to primary healthcare funding.

Regarding public health programs, significant resources are allocated to public health initiatives, including disease surveillance, health education, and response to health emergencies. The Ebola outbreak (2014-2016) highlighted the need for strong public health

systems, prompting increased investment in this area. Limited investment is made in building and maintaining healthcare infrastructure and training health workers. This includes construction and renovation of health facilities, as well as capacity-building programs for healthcare professionals. Funding is also allocated to procure essential medicines and medical supplies, although drugs stock-out/ shortages are common.

Figure 5: Regional Distribution of Health Financing in Liberia (Urban Vs Rural)



KII respondents indicated that all counties receive a share of the national budget for health financing within their region, but some perceived that a larger share of health funding is directed to urban areas, particularly the capital, Monrovia, where most tertiary hospitals and specialized healthcare services are located. Urban areas tend to have better access to healthcare facilities and services, while rural regions often receive less funding, leading to disparities in healthcare access and quality. They perceived that many rural areas rely heavily on NGO support for healthcare services.

**Disparities.** The Southeast and Northern Regions tend to be more underserved compared to central regions around Monrovia. Limited infrastructure, fewer healthcare workers with limited skill, and challenging logistics contribute to these disparities.

### 3.6 Potential Alternative Sources of Funding for Health that could be Explored or Expanded in Liberia

- A. Public-Private Partnerships (PPPs).** The government of Liberia can leveraged on several ways to source alternative funds for health through public private partnerships.
- Health Infrastructure Development –** Respondents indicated that Liberia can encourage private investment in healthcare infrastructure through Build-Operate-Transfer (BOT) agreements, where private entities finance, build, and operate health facilities for a period before transferring ownership to the government.
- Joint Ventures:** The country can foster joint ventures between the government and private companies to develop and manage health facilities, ensuring efficient service delivery.
- Outsourcing Services:** Outsource non-core healthcare services such as diagnostics, waste management, and facility maintenance to private providers, enhancing efficiency and reducing costs. Some respondents indicated

**pharmaceutical Partnerships** as an alternative. Partner with pharmaceutical companies for the local production and distribution of essential medicines, reducing costs and ensuring a steady supply.

- B. Innovative Financing Mechanisms.** According to key informants, the government can issue Health Bonds including **Social Impact Bonds (SIBs)** where private investors will provide upfront capital for health projects and are repaid by the government or donors based on the achievement of specific health outcomes. Also, **Development Impact Bonds (DIBs)** – Similar to SIBs, government should introduce DIBs and involve private investors funding health interventions with repayment linked to successful outcomes, but typically with donor agencies rather than governments as the payers.
- C. Health Insurance Schemes.** A National Health Insurance should be introduced. Respondents indicated that it will expand the coverage and efficiency of the National Health Insurance Scheme to pool resources and ensure universal health coverage, as well as introduce a Community-Based Health Insurance (CBHI): Intended to promote CBHI schemes in rural areas, where community members contribute to a common fund to cover medical expenses, ensuring affordability and access. Respondents recommended that the CHBI can be managed by the County Health Board in local county steering committee in collaboration with the County Health Team. The government can embark upon a model where salary contribution could be highly effective, working population can contribute a small percentage of their salary to health insurance through monthly payments.
- D. Sin Taxes** – Government should introduce compulsory payments, or "sin taxes," on goods such as tobacco, alcohol, and sugary products. They proposed that the rate is a 2% tax on these items. They believed that sin taxes target products that have negative health impacts. The revenue generated can be earmarked specifically for healthcare services, particularly in treating conditions related to the consumption of these products.
- E. Gambling and Gaming:** Government should impose taxes on every gambling or gaming transaction at casino in Liberia. By taxing each transaction, the government can tap into an underutilized sector for healthcare funding.
- F. Health Levies and Taxes** - The government should implement or increase taxes on tobacco, alcohol, and sugary drinks, earmarking the revenue specifically for health funding.
- G. Telecom and Airline Levies** – Government should introduce additional levies on mobile phone usage and airline tickets, with funds directed to healthcare services and infrastructure.
- H. International and Domestic Philanthropy/ Diaspora Bonds** – Government should issue diaspora bonds specifically targeted at Liberians living abroad, encouraging them to invest in the country's healthcare sector.
- I. Tourism and Environmental Taxes:** Government should introduce taxes on tourism-related activities, such as a city tax or an environmental waste management tax, with proceeds directed toward health financing. Additionally, a portion of airline tax revenue could be allocated to healthcare.



- J. **Taxing Hazardous Industries:** Government should introduce innovative taxes on industries that pose potential health hazards, such as fisheries and production companies. Industries with potential environmental or health risks should contribute to public health challenges. By taxing these companies, the government can secure funding for healthcare while incentivizing safer practices.
- K. **Mobile Phone Usage Tax** - Negotiate with telecommunications companies to collect a small fee from every dollar spent on phone cards. A suggested rate is 2 cents for every dollar. They believe that mobile phone usage is widespread, and a small tax on each transaction can generate significant revenue without burdening consumers. This could become a sustainable source of funding for the healthcare system.
- L. **Taxing Hazardous Industries** - Impose innovative taxes on industries that pose potential health hazards, such as fisheries and production companies. They stressed that industries with potential environmental or health risks contribute to public health challenges. By taxing these companies, the government can secure funding for healthcare while incentivizing safer practices.
- M. **Innovative Taxing for Religious Institutions** - Engage religious institutions, such as mosques and churches, in contributing to the national health insurance scheme. One suggestion is to encourage financial support during regular services. They indicated that religious institutions have a large following and social influence. By holding conversations with them, the government can encourage a voluntary or structured contribution system that supports healthcare funding, especially during regular gatherings.
- N. **Land Sector Contributions:** Some of the fees and revenues generated from land sector activities should be redirected to healthcare. This approach could offer an additional funding stream to support health services and initiatives.
- O. **Taxation on Junk Food Imports** - Government should implement a tax on imported junk foods. They believed that junk food contributes to lifestyle-related health issues. Taxing these imports would not only generate revenue but could also deter consumption, promoting healthier eating habits.
- P. **Health Levies and Taxes.** Respondents said that **Sin Taxes** is needed. They said that the government should implement or increase taxes on tobacco, alcohol, and sugary drinks, earmarking the revenue specifically for health funding. **Telecom and Airline Levies** – Government should introduce additional levies on mobile phone usage and airline tickets, with funds directed to healthcare services and infrastructure.
- Q. **International and Domestic Philanthropy.** When asked about alternative sources to fund health, respondents named **diaspora engagement bonds** as an alternative to fund health in Liberia. **Diaspora Bonds** – Respondents indicated that government should issue diaspora bonds specifically targeted at Liberians living abroad, encouraging them to invest in the country's healthcare sector. Government should also initiate **Diaspora Philanthropy** by engaging the Liberian diaspora in philanthropic activities and fundraising campaigns to support health projects in Liberia.

- R. **Corporate Social Responsibility (CSR).** Respondents said that government should encourage local businesses to adopt health initiatives as part of their CSR activities, such as sponsoring health initiatives, donating medical equipment's, and funding health education programs. Also, **International Corporations should** partner with multinational corporations operating in Liberia to leverage their CSR funds for healthcare development.
- S. **Development Partnerships and Grants (Multilateral and Bilateral Aid).** The government should clearly document and targeted **Health Grants**. Respondents mentioned that the government should seek targeted grants from international organizations such as the World Health Organization (WHO), the World Bank, and bilateral partners focused on specific health issues like maternal and child health, infectious diseases, and health infrastructure. Also, collaborate with international development partners to provide technical assistance and capacity-building programs for healthcare workers and administrators. Respondents highlighted partners in health support to Maryland County as an example other bilateral partners can replicate.
- T. **Global Health Initiatives (The Global Fund & Gavi, the Vaccine Alliance).** Increase engagements with global health initiatives. **The Global Fund** - Increase engagement with global health initiatives like The Global Fund to Fight AIDS, Tuberculosis, and Malaria for continued support and funding. **Gavi, the Vaccine Alliance** - Partner with Gavi to secure funding for immunization programs and vaccine procurement.
- U. **Community and Social Funding Mechanisms (Crowdfunding Platforms).** Respondents said that online campaigns and mobile donations are very effective tools for resource mobilization. They indicated that the government should utilize online crowdfunding platforms to raise funds for specific health projects, engaging both local and international donors. **Mobile donations** - Implement mobile-based donation systems allowing individuals to contribute small amounts through their mobile phones.
- V. **Community Cooperatives.** Across counties and communities, establish **community health savings groups**. Community health savings groups will allow their members to regularly contribute small amounts to a common fund, which can be used for health emergencies and preventive care.

### 3.6. Innovative Financing Models or Strategies that have been successful in other contexts and could be adapted to Liberia

#### A. Health Insurance Schemes:

In other countries, innovative financing is well integrated in the health sector. For example: Rwanda's Community-Based Health Insurance (CBHI) is highly successful, it's a compulsory, subsidized health insurance scheme which achieved 91 percent coverage at its peak (2011-12), and covered 83 percent of the population in 2017-18. Rwanda innovative financing/ health

insurance scheme is well-integrated.<sup>1</sup> The Mutuelles de Santé covers over 91% of the population and the government support with efficient management. The scheme provides financial protection and increases access to healthcare services. Evidence shows a reduction in out-of-pocket expenditures and increased utilization of healthcare services among insured populations. In Rwanda, there's strong political commitment, government subsidies, and integration with other health financing mechanisms which contribute to its sustainability.

In Ghana, the National Health Insurance Scheme (NHIS) provide widespread coverage, while the government is backing the insurance scheme with robust administrative systems in place. Ghana's National Health Insurance Scheme (NHIS) was introduced in 2003 to replace the cash and-carry system of paying for healthcare service at point of receiving it. The NHIS operates Ghana's public healthcare system and allows three different kinds of insurance plans (District Mutual Health Insurance Schemes, or DMHIS; private mutual insurance schemes; and private commercial insurance schemes). The most popular plan is the DMHIS, which operates in every district in Ghana. The NHIS has had impressive achievements since its creation, especially in terms of increases in coverage, availability of health services, and utilization of healthcare services. By the end of 2011, around 8.2 million people (or 33 percent of the Ghanaian population) were covered by the insurance scheme. Also in practice, the NHIA payments are only income related for the 3 percent of the population in the formal sector. For the informal sector, the premium is a flat rate per person. In practice, beneficiaries in the informal sector pay 8–12 Ghanaian cedis (GH¢) annually to be able to enroll.<sup>2</sup>

In Senegal, there's growing use of innovative financing and community health insurance is expanding gradually. The Plan Sésame for elderly healthcare and CBHI is expanding and there's government initiatives and community involvement in the process.

**Comparative Insight:** Rwanda and Ghana's insurance schemes provide strong models while Senegal shows growing promise. Liberia needs to build administrative capacity and community engagement for similar schemes.

## **B. International and Domestic Philanthropy:**

There's also small scale philanthropy with limited diaspora engagement ongoing in Liberia. The country receive yearly donated drugs from USAID, these drugs are supplied at health facilities across the country but with limited supervision and monitoring of the usage of the drugs. Transparency and accountability of the drugs is a major issue that when addressed in Liberia, could give rise to more international and domestic philanthropy. There could be high potential to increase contributions from the diaspora and local businesses.

Rwanda has effectively leveraged philanthropy. Strong engagement with diaspora and CSR from businesses. One UN Rwanda initiative and significant diaspora contributions, coupled with government engagement and strategic initiatives are implemented. Ghana has an active

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<sup>1</sup> Pathé Diop, Francois, Butera, Jean Damascene, "Community-Based Health Insurance in Rwanda," Africa Region Findings & Good Practice Infobriefs, No.256, The World Bank, 2005, <http://hdl.handle.net/10986/9650>

<sup>2</sup> The National Health Insurance Scheme in Ghana Implementation Challenges and Proposed Solutions: Gissele Gajate-Garrido, Rebecca Owusua, [The National Health Insurance Scheme in Ghana \(usaid.gov\)](http://www.usaid.gov), 2013

philanthropy sector with substantial diaspora and corporate contributions. Diaspora bonds and CSR initiatives from local and multinational companies are ongoing and successful, there's strategic engagement and favorable policies on philanthropy. In Senegal, there's increasing philanthropy with growing diaspora involvement.

There's diaspora funds for health projects and active CSR programs. Also, there's government support and organized diaspora networks. Ghana and Rwanda's effective engagement with philanthropy provide models, while Senegal is advancing steadily. Liberia needs strategies to mobilize the diaspora and incentivize corporate contributions.

### **C. Performance-Based Financing (PBF)**

Burundi has implemented PBF programs to improve health service delivery, particularly in maternal and child health. Burundi launched PBF in 2006 in three pilot provinces among 18 provinces following the recommendations from a general meeting on health (Les Etats Généraux de la santé) in 2004. In this scheme, providers paid incentives for all contract services while promoting health facility autonomy on health revenue utilization. At the facility, incentives are shared between health providers using a PBF tool that considers education level, experience, hours worked, and work performance.<sup>10</sup> All public health facilities are under a PBF contract, each with a catchment area. Private health facilities operating within that catchment area are eligible for a PBF secondary contract. Under that secondary contract, a private health facility accepts implementing a part of the public health facility responsible for that catchment area under certain conditions, such as providing each monthly report to that public health facility. The public health facility takes 5% of PBF payment on the services offered by that private health facility<sup>3</sup>. Studies indicate increased utilization of health services, improved quality of care, and enhanced provider motivation. The sustainability of PBF is linked to continuous funding and integration into national health strategies.

In Rwanda, PBF initiatives have shown success in increasing healthcare service delivery and improving health outcomes, especially in maternal and child health. Significant improvements in the quality and quantity of healthcare services have been documented. Institutionalization of PBF within the national health system and ongoing donor support are key factors for sustainability.

### **D. Public-Private Partnerships (PPPs)**

Nigeria has engaged in various PPPs to improve health infrastructure and service delivery. These partnerships have enhanced the quality of healthcare facilities and services provided, especially in urban areas. There are clear legal frameworks and mutual benefit for public and private entities are crucial for the sustainability of PPPs. Nigeria is open to public-private partnering in fields including leasing, franchising, concessions, equity and joint venture

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<sup>3</sup> The factors that influence performance-based financing in primary health care provision in Muramvya province, Burundi, Yandemye Innocent , Sunjoo Kang , Kennedy Diema Konlan, <https://e-jghs.org/pdf/10.35500/jghs.2023.5.e4>

participation. Many states are focusing on facilitating PPP projects, with Lagos State estimating that 70 per cent of its ongoing and planned projects will be in PPP format<sup>4</sup>

## **E. Innovative Financing Mechanisms**

Zimbabwe introduced an AIDS levy (3% tax on income) to fund HIV/AIDS programs. The levy has provided substantial domestic funding for HIV/AIDS initiatives, reducing dependency on external donors. The levy is seen as sustainable due to its integration into the tax system and broad public support.

## **4. Challenges**

The study encountered several challenges, especially with at the field level. Challenges specifically included:

- Some KIIs declined to participate in the study because they did not receive formal communication from Naymote prior to the interview, even though they had been mobilized by Naymote's county coordinators.
- In some counties, participants were asking for fees for their participation in the study. This situation resulted in a lengthy time for successfully convincing the participant about the objectives of the study.
- Some Key Informants who agreed to participate in the study at some point during the interview complained that the time allotted for the discussions was long and threatened to quit.

## **5. Conclusion**

This report highlights several alternative funding sources that can significantly enhance the healthcare system in Liberia. By leveraging public-private partnerships, innovative financing mechanisms, international and domestic philanthropy, development partnerships, and community and social funding mechanisms, Liberia can build a sustainable and resilient healthcare system. Collaboration among government, civil society, and international partners will be crucial to the success of these initiatives.

Additionally, by learning from the experiences of Rwanda, Ghana, and Senegal etc., Liberia can diversify and increase financial resources for health, achieving significant improvements in health outcomes and access to quality healthcare services.

The evidence from these countries indicates that alternative health financing mechanisms can be effective and sustainable when tailored to the specific context and needs of the population. Key factors contributing to their success include strong political commitment, diversified funding sources, integration into national health strategies, and continuous monitoring and

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<sup>4</sup> Public Private Partnerships of Nigeria, Commonwealth Governance, 2017 [Public Private Partnerships in Nigeria \(commonwealthgovernance.org\)](https://commonwealthgovernance.org/public-private-partnerships-in-nigeria)

evaluation. For Liberia, adopting and adapting these proven mechanisms, while ensuring strong governance and stakeholder engagement, could enhance the effectiveness and sustainability of its health financing efforts.

## 6. Recommendations

Based on key findings from the research, the following are recommended for consideration:

### **Government**

- A. Strengthen Regulatory and Institutional Frameworks: Create an enabling environment for PPPs and private investment in health.
- B. Adopt Innovative Financing Mechanisms: Implement health insurance schemes, community-based health insurance and explore social impact health bonds.
- C. Engage Diaspora and Businesses: Develop strategies to attract diaspora contributions and encourage CSR initiatives.
- D. Enhance Development Partnerships: Improve project management and accountability to secure and effectively utilize international aid.
- E. Promote Community Funding: Mobilize communities and leverage technology for health savings groups and crowdfunding initiatives.
- F. Implement some of the potential alternative sources of funding for health highlighted in the report that could be explored or expanded in Liberia

### **CSOs/ INGOs/ NGOs**

- A. Legislative Advocacy: CSO's should advocate for legislative measures to formalize proposed contributions and taxes dedicated to healthcare funding.
- B. Stakeholder Engagement: CSOs should continue coordinating with government and relevant stakeholders to advance these recommendations.
- C. Policy Development: CSOs should work with policymakers to draft actionable policies around VAT allocations, sin taxes, and health sector contributions from various industries.

These recommendations, if adopted, could significantly impact health outcomes by securing more reliable and sustainable funding sources for Liberia's healthcare system.

## Annex A - Questionnaires for the Study

### **Part A: Desk Review Guide:**

- 1. What are the current sources of funding for health in Liberia, including government expenditure, donor funding, and out-of-pocket payments?
- 2. What is the distribution of health financing across different healthcare sectors and regions within Liberia?
- 3. What are the existing policies, strategies, and initiatives aimed at mobilizing alternative sources of funding for health in Liberia?
- 4. What evidence exists regarding the effectiveness and sustainability of alternative health financing mechanisms implemented in other countries or regions with similar contexts to Liberia?
- 5. What are the key challenges and barriers to implementing alternative health financing mechanisms in Liberia, as identified in the literature?

**Part B: Key Informant Questionnaire:** Key Informant Interview Questions Specifically for lawmakers, policymakers, healthcare administrators, finance experts, donors, and representatives from civil society organizations

**Basic Information**

Respondent Details	
<b>Name:</b>	
<b>Location:</b>	
<b>City:</b>	
<b>County:</b>	
Interview Details	
<b>Date:</b>	<b>Interviewer Name:</b>
<b>Start Time:</b>	<b>Location:</b>
<b>End Time:</b>	<b>Gender:</b>

**Key Informant Interview Questions:**

1. What are your perspectives on the current state of health financing in Liberia, including strengths, weaknesses, and areas for improvement?
2. Can you provide insights into potential alternative sources of funding for health that could be explored or expanded in Liberia?
3. What experiences or examples do you have of innovative financing models or strategies that have been successful in other contexts and could be adapted to Liberia?
4. What are the perceived feasibility and acceptability of alternative health financing mechanisms among stakeholders in Liberia, including government officials, donors, healthcare providers, and community members?
5. What policy recommendations would you propose to enhance the mobilization of alternative sources of funding for health in Liberia, taking into account sustainability, equity, and effectiveness?

## Annex B - KII Consent Form

Without expectation of compensation or other remuneration, now or in the future,

I \_\_\_\_\_ agree the purpose of this interview has been explained to me, and hereby give my consent to Naymote-Partners for Democratic Development for said interview.

- ☐ I agree the interview may be audiotaped
- ☐ I agree for my photograph to be taken and used in the report
- ☐ I agree you may use direct quotes from the interview in the report

Please check ONE

- ☐ NAYMOTE may attribute quotes to me by name in the report
- OR

☐ NAYMOTE may NOT attribute quotes to me by name in the report (If you check this box we will say “an official...” or “an advocate...” without disclosing your name or position)

This consent is given in perpetuity.

Name: \_\_\_\_\_

Position/ Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Contact(s): \_\_\_\_\_

Date: \_\_\_\_\_

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Witness (NAYMOTE)

I certify that the information provided on this KII consent and release from is accurate and meets the approval of the interviewee.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name & signature of Naymote Representative