



## **EU signs the Joint Financing Arrangement (JFA) to support the Health Sector Development Program in Ethiopia**

**ADDIS ABABA, 31 July 2014** – On Thursday 31 July 2014 and in the presence of the Federal Minister of Health H.E. Dr Kesetebirhan Admassu, EU Ambassador to Ethiopia H.E. Ms. Chantal Hebberecht signed the Joint Financing Arrangement (JFA) paving the way for the EU to officially join the MDG Performance Fund (MDG-PF).

The EU's initial contribution to the MDG-PF will be 21 Million EURO, or over 500 million ETB. With health being one of the three focal sectors under the 11<sup>th</sup> EDF covering EU support to the country in the period 2014-2020, this initial contribution will be complemented by substantial additional support in the years to come.

The MDG-PF is a pooled funding mechanism for support to the health sector managed by the Federal Ministry of Health (FMOH). The fund is intended to provide additional, flexible resources to fill crucial gaps in funding of the Health Sector Development Program (HSDP). It was started in 2007 with funding from GAVI. At present, the UK, Spain, Netherlands, Australia, Irish aid, the Italian Cooperation, UNFPA, WHO, UNICEF, World Bank, and GAVI contribute to the MDG PF. With today's signature the European Union officially joins the MDG-PF Club.

At the occasion of the signing ceremony, H.E. Ms. Hebberecht said: *"By signing this Joint Financing Arrangement and formally joining hands with other Development partners who have already done so in the past, I feel honoured that we are contributing to the aid effectiveness commitments applying the Ethiopian Code of Conduct to Promote Harmonization in the Health Sector and the IHP+ principles in general. This is only the beginning and I am confident that the EU-Ethiopia cooperation in the health sector will further renew our excellent partnership with the Government of Ethiopia"*.

The MDG-PF uses Government financial management, accounting, audit and procurement systems. There is a single annual report and single audit for all partners. Procurement follows national public procurement regulations with procurement of goods delegated to the Pharmaceutical Fund and Supply Agency (PFSA). Procurement is at national level with the resources distributed in kind to regions and service providers. The main types of expenditure that have been supported under the MDG-PF are procurement of supplies, commodities and equipment; construction; and training.

The JFA represents a common understanding between the FMOH and development partners and it governs the management of the MDG-PF. It is adopted pursuant to and subject to bilateral agreements between the parties (ie. Government and signatory Development Partners). The JFA is based on the 'one plan, one budget, one report' framework. Funds are disbursed by contributors to one FMOH bank account. There is also a consultative process with the highest Government-development partners' policy body, the Joint Consultative Forum (JCF), to agree on the allocation of the MDG-PF. The JCF is chaired by the Minister of Health and co-chaired by representative of the Health, Population and Nutrition (HPN) development partners' forum.