

**Sustainable Financing  
For Health Accelerator**

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# Disbursement Linked Indicators Course Case Study: Pakistan

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**29<sup>TH</sup> SEPTEMBER**

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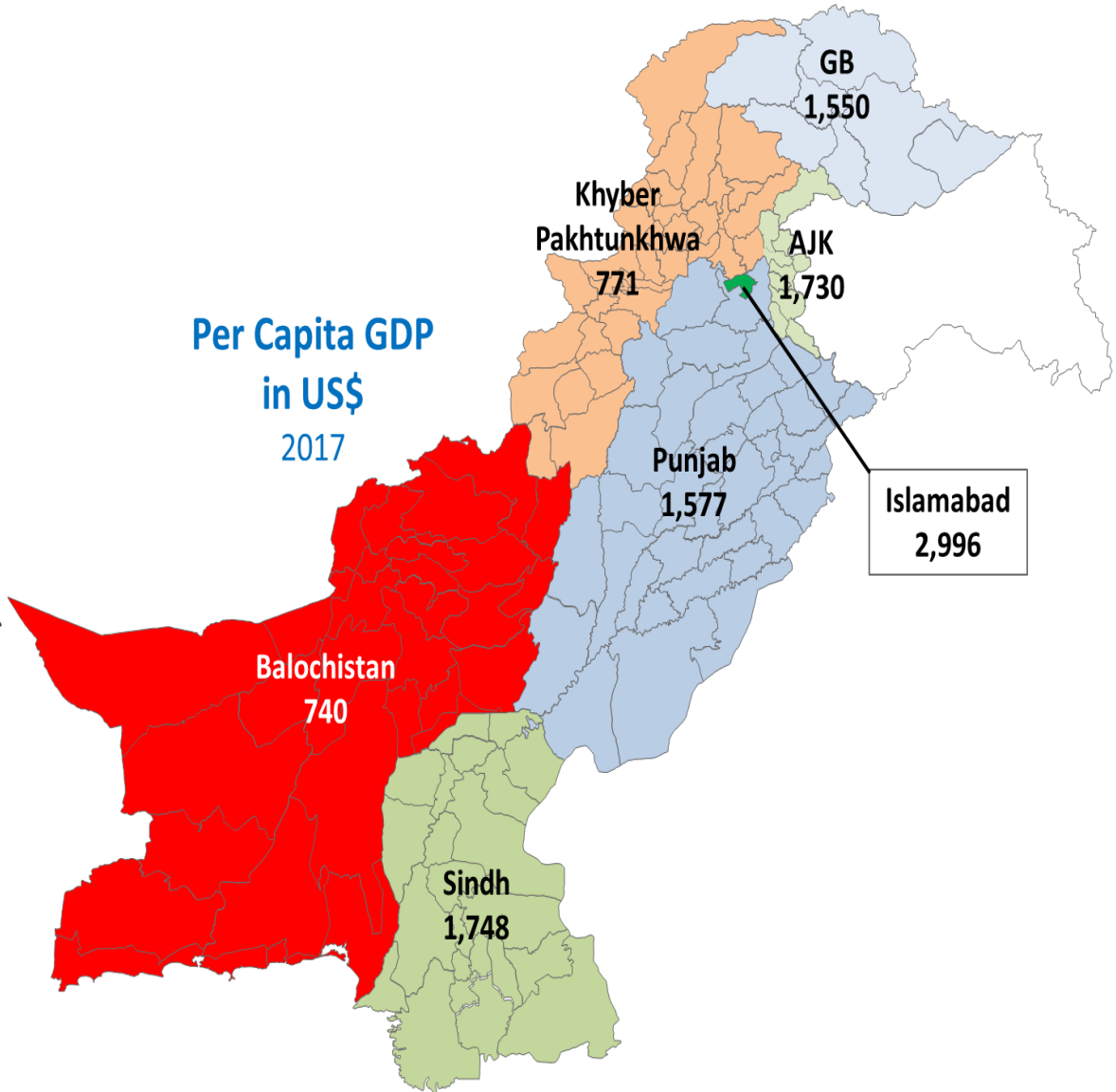
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# Country Context

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PAKISTAN

# COUNTRY CONTEXT



SOURCE: Economic Survey 2018-19



## POPULATION

- 227.5 million (2020) (1.4 million Afghan Refugees)
- 32 million Children < 5 year



## GDP PER CAPITA

- US\$ 1,497 in 2018-19
- US\$ 1,652 in 2017-18



## OUT OF POCKET EXPENDITURE

- About 57.6% of total health expenditure



## SPENDING ON HEALTH

- Per capita health expenditure: US\$ 45
- Per capita government health expenditure: US\$ 15.8



## IMMUNIZATION

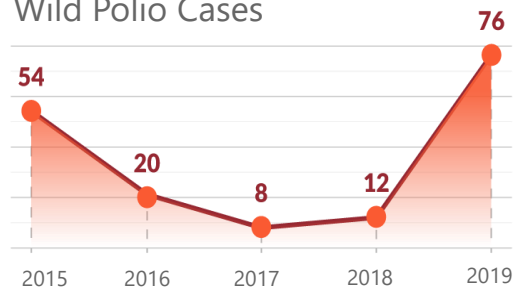
- Low immunisation coverage
- One of 3 countries where Polio is endemic

Source: Situation Analysis Report 2020 & National Health Account 2015-16

# IMMUNIZATION CONTEXT

## INCREASE IN POLIO

Wild Polio Cases



## PARTIALLY IMMUNIZED

3 levels of immunisation

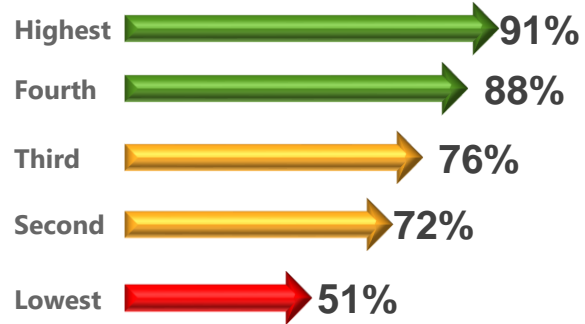
**Partially immunized (30.7%)**

**Zero dose (3.7%), 225,000 children each year**

**Fully immunized (65.6%)**

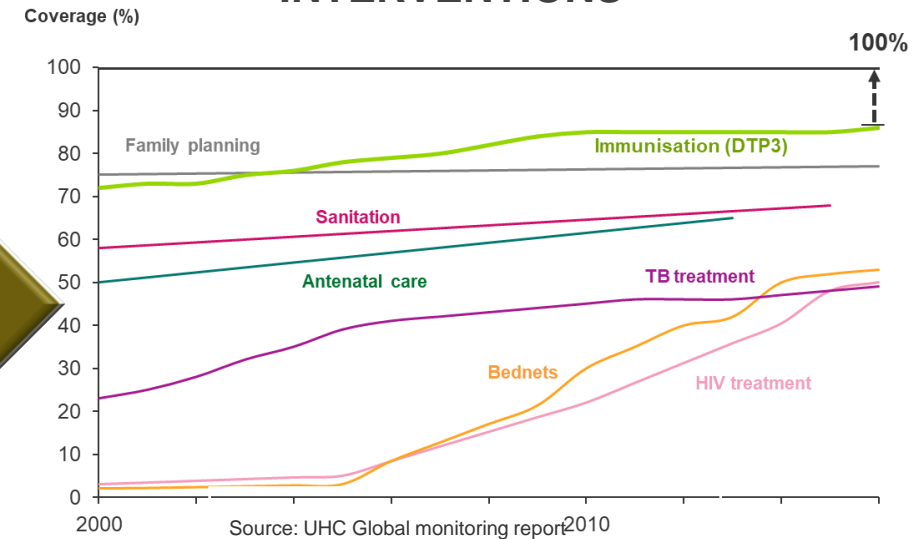
## INEQUITY REMAINS A CHALLENGE

Penta 3 coverage by wealth quintile, DHS



Source: National Strategy to increase immunization coverage 2019

## HIGHEST AMONG HEALTH INTERVENTIONS



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# National Immunization Support Project (NISIP) 2015-2021

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# WNY NISP?

## Project Objective

Increasing equitable **coverage of services** for immunization against vaccine preventable diseases (VPD), including poliomyelitis, for children between 0 and 23 months in Pakistan.

## Promoting UHC

Promoting **universal health coverage**, providing quality, affordable health care to everyone, while reducing financial risks associated with ill health, and increasing equity.

## Supporting National Priorities

Incentivizing results and address bottlenecks in support of the Pakistan national EPI program, which is articulated in the **National Comprehensive Multi-Year Plan** for the Immunization Program of Pakistan, 2014.

## Single Financing Platform

Providing a **single financing platform** to coordinate sources of international support for Routine Immunization;

## Performance based Approach

Employing a performance-based financing structure to incentivize outcomes in a highly decentralized context (improving provincial results)

# PROJECT FINANCING

*An innovative financing instruments aligning incentives for program performance at the provincial and national levels in both health and finance.*



## MULTI DONOR TRUST FUND

US\$ 109.75 million through MDTF including:

- **Gavi:** US\$ 99.75 mil
- **USAID:** US\$ 10 mil



## IDA LOAN

IDA credit of **US\$ 50 million** through Investment Project Financing focusing on results and well defined qualitative and quantitative targets



## BUY DOWN OF IDA CREDIT

**US\$ 25 million** for a partial, results linked buy-down of the IDA credit from BMGF



# PROJECT OBJECTIVES

1

## Increase Government Investment

Increase commitment at Federal level & more provincial ownership

- Increased commitment at Federal level (avg release to PC-1 before NISP 62% and after NISP 83%)
- More Provincial ownership by committing and providing vaccine share

2

## Efficiency of using Country Systems

Using country's own administrative systems to deliver aid

- Improved alignment, increased country ownership, strengthened country systems, improved coordination, lower transaction costs etc.

3

## PFM Reforms

- Pooled procurement mechanism
- Improving Accounting in EPI

- Vaccine needs assessment, central procurement, pre-financing, avoiding delays
- Enabling projections of program costs, increased allocative efficiency, and planning for sustainable financing

4

## Effective Financing Arrangements

- Move budgets from Dev to Regular
- Tracking expenditure with FMIS
- Capturing all immunisation financing

- Full movement to regular budget
- Budget allocation
- Financial statements and audit

# NISP COMPONENTS

1

## Strengthening Provincial Management, Governance and Stewardship Functions

- M&E
- Surveillance Systems
- vLMIS
- Oversight, Coordination & Stewardship

2

## Improving Service Delivery Performance

- Planning & performance
- Human Resources
- Supervisory systems for EPI
- Linkages to Communities

3

## Demand Generation

- Social mobilisation & Community awareness
- Advocacy
- School curriculum

4

## Vaccine Supply Chain

- National procurement
- Strengthening procurement capacity of provincial vaccine supply chains
- Using Cold Chain Platform

5

## Improving Capacity for Improved Immunisation Coverage

- Capacity of Federal & Provincial EPI cells
- Research & Evaluation
- DLI certification
- Coordination of Technical Assistance

Results-based approach through a Disbursement-Linked Indicator (DLI) mechanism to incentivize provincial results

# DISBURSEMENT LINKED INDICATORS

Percent of children aged between 12-23-month-old in each project province who are **fully immunized**

**DLI 1**

Percentage of UC in each project province for which revised **computerized UC level micro plans** are in functional use at district and provincial levels

**DLI 2**

Percentage of districts in each project province reporting at least **80% coverage of Penta3** immunization in children between 12-23-month-old, as validated by third party

**DLI 3**

Number of Districts in each project province with at least **80% timely and complete reporting on vLMIS**

**DLI 4**

Percentage of districts in each project province with their recognized surveillance sites having functional online **surveillance systems** for VPD and AEFI

**DLI 5**

Percentage of districts in each project province with at least **95% functional cold chain** equipment in place as per specifications in each tier of the health system

**DLI 6**

Percent of detailed **UC supervisory plans** implemented by district supervisors and made available to supervisor officers in each project province

**DLI 7**

Percent of children under two years of age with **vaccination cards** available in each project province

**DLI 8**

Budget allocations for immunization are continuous, adequate and can be easily tracked within the provincial **financial management information systems**

**DLI 9**

# DISBURSEMENT AGAINST DLIs



**PAYMENT BASED ON  
ACHIEVEMENT OF DLI TARGETS**



Gov spends its own funds for required inputs



Progress measured using province-specific targets



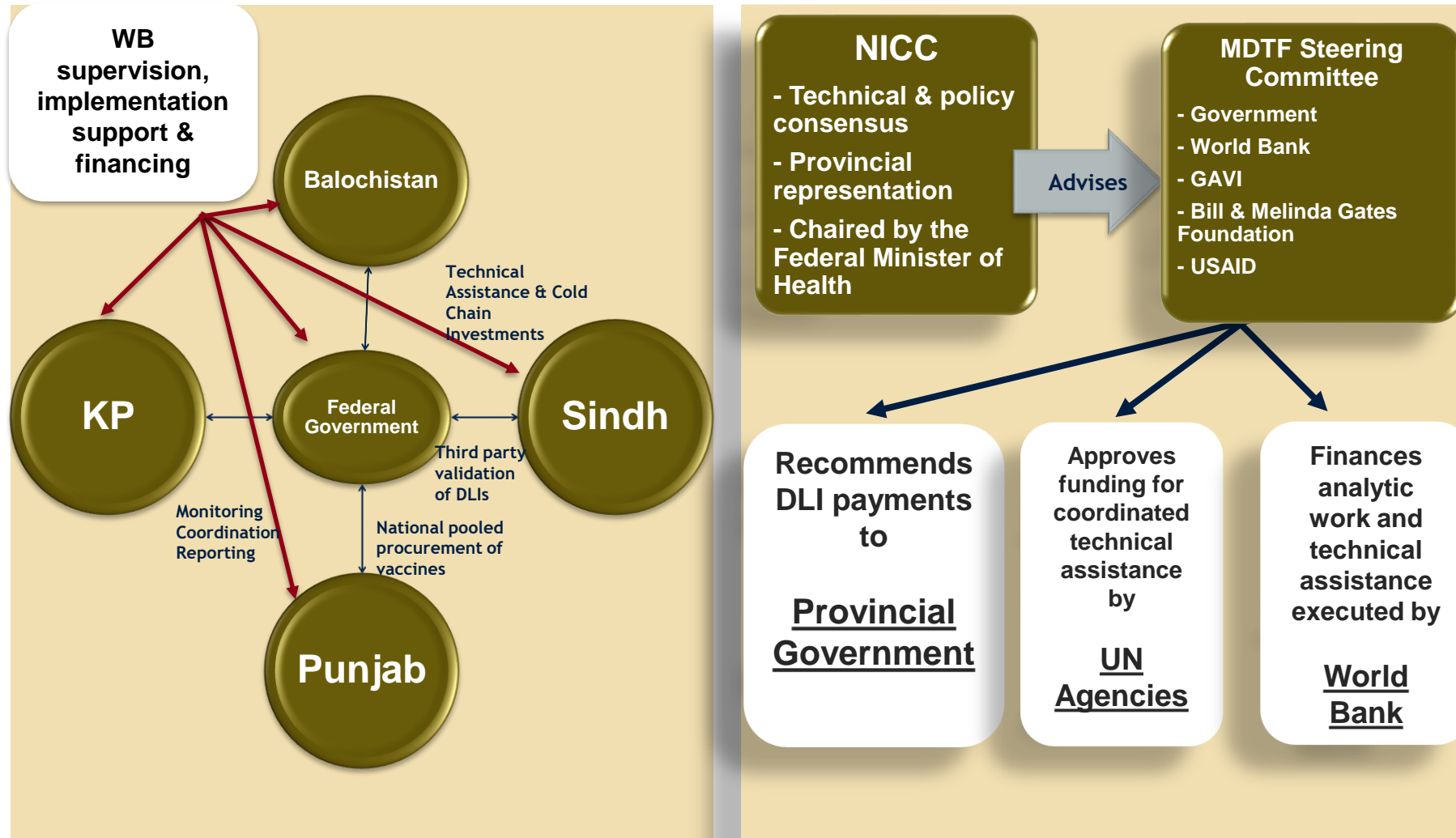
DLIs to be verified by third party



Gov reimbursed upon achievement of targets

# PROJECT GOVERNANCE

## Use of GoPk mechanisms for financing, implementation, monitoring & coordination



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# ACHIEVEMENTS OF NISP

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## SUMMARY OF ACHIEVEMENTS



- **Owned by the Government** and helped operationalization of immunization support in a decentralized setting (increased resource allocation at provincial level, established of pooled procurement mechanism, strengthened government systems)
- **Reduced fragmentation**, improved **coordination** and made the engagement at high level more successful.
- Helped **moving immunization budget to the recurrent side** and incentivized performance, while decreasing programmatic and fiduciary risks.
- Common **deliverable framework** brought more focus on results and reduced reporting burden.
- **Challenges** remain and continued commitment from partners is needed to overcome them.

# YEARLY ACHIEVEMENTS OF DLIs (4 YEARS)

## YEAR 1

Indicator	Punjab		Sindh		KPK		Balochistan	
	Achievement	Target Y1	Achievement	Target Y1	Achievement	Target Y1	Achievement	Target Y1
<b>DLI7: Percent of detailed UC supervisory plans implemented by district supervisors and made available to supervisor officers in each project province. (Verified and disbursed)</b>	89	80	80	80	88	50	89	30

\*TPV results based on sample



## YEAR 2 DLIs

Indicator	Punjab		Sindh		KPK		Balochistan	
	Achievement	Target Y2	Achievement	Target y2	Achievement	Target Y2	Achievement	Target Y2
<b>DLI 2:</b> Percentage of UC in each province for which revised UC level computerized micro plans are in functional use at district and provincial levels <b>(verified and disbursed)</b>	97*	80	100*	100	99*	60	93*	40
<b>DLI4:</b> Number of districts in each province with at least 80% timely and complete reporting on vLMIS <b>(verified and disbursed)</b>	9/9*	36/36	10/10*	20/28	8/8*	20/25	9/9*	15/30
<b>DLI6:</b> Percentage of districts in each province with at least 95% functional cold chain equipment in place as per specifications in each tier of the health system	100	80	100	80	100	80	85	80
<b>DLI 9:</b> Budget allocations for immunization are continuous, adequate and can be easily tracked within the provincial financial management information systems <b>(verified and disbursed)</b>	yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

\*TPV results based on sample

## YEAR 3 DLIs

Indicator	Punjab		Sindh		KPK		Balochistan	
	Achievement	Target Y3	Achievement	Target Y3	Achievement	Target Y3	Achievement	Target Y3
<b>DLI 1:</b> Percentage of children aged between 12-23 months old in each province who are fully immunized	80* (PDHS) 76.6 (MICS)  Disbursed	75	49*	65	55*	75	29*	35
<b>DLI 3:</b> Percentage of districts in each project province reporting at least 80% coverage of Penta3	100	75	21	70	4	40	0	20
<b>DLI 9:</b> Budget allocations for immunization are continuous, adequate and can be easily tracked within the provincial financial management information systems <b>(verified and disbursed)</b> <i>Disbursement from MDTF is pending</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

- PDHS 2017-18 All basic vaccinations
- DLI 3 showing a decrease due to suspension of vaccination services under lockdown

# YEAR 4 DLIs

Indicator	Punjab		Sindh		KPK		Balochistan	
	Achievement	Target Y4	Achievement	Target Y4	Achievement	Target Y4	Achievement	Target Y4
<b>DLI 5.</b> Percentage of districts in each project province with their recognized surveillance sites having functional online surveillance systems for VPD and AEFI	100%	70%	100%	80%	100%	40%	100%	30%
<b>DLI 8:</b> Percent of children under two age with vaccination cards available in each project province	81%*	50%	-	60%	-	55%	-	30%

\*From Punjab MICS 2018

# LESSONS LEARNED

1

**Equity:** Explicit need for equity focus otherwise indicators can be influenced by easy to win percentages leaving the worst offs behind

2

**Transaction costs:** Substantial reduction in transaction costs for Gavi

3

Need for **long term vision**, cannot change a DLI-based instruments in short intervals

4

**Measure & Verification:** to ensure that they aren't time consuming, focus on quality and equity to ensure most disadvantaged are reached

5

**Risk:** Shifting risks to implementers so it is important o have basic level of capacity in provinces for the system to work better

6

Challenges around Non-DLI components & non-survey DLIs

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NISP  
*in times of COVID-19.....*

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# CONTRIBUTION TOWARDS RESPONSE TO COVID

*Leveraging NISP's Pooled Procurement Mechanism in response to COVID-19. In the COVID-19 public health crisis, NISP has provided a platform for immediate action.*



- One of NISP's key features, **pooled procurement mechanism**, has procured an uninterrupted supply of vaccines for the past four years
- Because **provincial governments** now have almost complete responsibility for health, this process allows for efficient, collective planning of essential procurements.
- Responding to **COVID-19** pool procurement mechanism provided a fast, structured way to procure essential supplies such as **masks and other personal protective equipment** for frontline health care staff
- It was leveraged to obtain **\$1.5 million in masks and protective gear** from \$8.5 million in rapidly reallocated NISP funds
- One of the very first procurement of protective equipment in the region was deployed through NISP and legal arrangements with the **UN partners.**

# CONTRIBUTION TOWARDS RESPONSE TO COVID

*Leveraging other aspects of NISP's partnership in response to COVID-19*



- Regular **joint missions** (e.g. Gavi joint supervisory, appraisal and evaluation missions) with the Gates Foundation, Gavi, WB and USAID and others to all parts of the country laid the groundwork for the capacity and relationships that are needed to address COVID-19
- NISP's **financial management capacity** and procedures has allowed for the smooth flow and oversight of funds
- The **implementation capacity** of federal and provincial health agencies is now being leveraged for ongoing efforts under Pandemic Response Effectiveness Project (US\$247 million).
- NISP also continues to ensure **sustainable delivery of immunization services**
- NISP has helped immunization financing through detailed **accountability of public funds** and by incentivizing regular financing of this core public health function, laying the groundwork for fiscally sustainable financing of primary health care.

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# *ANNEX*

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# PROJECT OBJECTIVES

**Increase Government Investment**  
Increase commitment at Federal level & more provincial ownership

1

Provinces	Punjab	Sindh	KPK	Balochistan
Average release rate per PC-1 (2017-18 & 2018-19)	99%	56%	77%	65%

(Federal) Releases and expenditures (PKR)	Pre- NISP Years					N I S P	Post-NISP Years			
	2004-05	2005-06	2006-07	2007-08	2008-09		2015-16	2016-17	2017-18	2018-19
Requirement as per PC1	1,477.17	1,605.60	1,758.78	1,577.25	5,057.88		2,652.38	4,998.49	6,519.79	7,101.00
Allocation	800.00	985.00	1,200.00	1,600.00	6,000.00		1,859.41	6,297.85	6,232.95	7,472.00
Releases	800.00	985.00	1,200.00	2,100.00	1,500.00		1,750.26	4,217.63	6,205.00	6,178.29
Expenditure	771.99	983.19	670.26	2,052.12	1,437.41		1,102.67	3,511.65	6,080.00	5,398.17
% PC1/released	54%	61%	68%	101%	25%		66%	84%	95%	87%

## Key Successes:

- ❖ Increased commitment at Federal level (avg release to PC-1 before NISP 62% and after NISP 83%)
- ❖ More Provincial ownership by committing and providing vaccine share

## Key Challenges:

- ❖ Un predictable funding – delay in releases and budgetary cuts
- ❖ Parallel financing

# PROJECT OBJECTIVES

Cost of Parallel Implementation as Percentage of Total Disbursement by

Development Partner and Year, 2011–15 in 63 countries

Period	WB	GF	Gavi	KfW	All
2011	13.40	5.00	16.30	3.10	37.80
2012	19.60	9.50	44.20	5.10	78.30
2013	19.60	171.30	132.10	7.10	330.10
2014	17.30	196.80	79.00	10.00	303.10
2015	72.40	224.90	108.40	15.00	420.70
<b>Total</b>	<b>142.30</b>	<b>607.50</b>	<b>380.00</b>	<b>40.30</b>	<b>1,170.00</b>



*For aid to be effective, donors need to respect partner country ownership over their own development policies and practices. This means, among other things, using country's own administrative systems to deliver aid. Decades of development experience shows that bypassing country systems and policies weakens a country's ability to determine its own future. (OECD 2010)*

**Efficiency of using Country Systems**  
Using country's own administrative systems to deliver aid

2

## Benefits of using country systems

Improved alignment with partner country policies

Increased country ownership and domestic accountability

Strengthened country systems

More stable macroeconomic framework

Higher efficiency in public expenditure

Greater potential for overall impact

Improved coordination

Increased predictability and sustainability of donor programs

Lower transaction costs for official development assistance (ODA)


# PROJECT OBJECTIVES

## PFM Reforms

- Pooled procurement mechanism
- Improving Accounting in EPI

3

### Pooled Procurement Mechanism

  
Annual Vaccine Need  
is consolidated by  
Federal EPI



Single contract  
awarded to  
Supplier



Procurement done  
on behalf of provinces  
by  
Federal EPI



Provinces pay back  
Federal EPI

### Improving Accounting in EPI

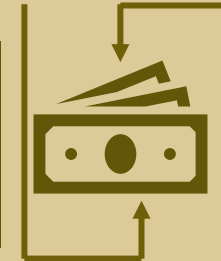
DDO codes structure and off-budget reporting

Current  
expenditure

Development  
budget

Foreign  
funding

To facilitate DDO wise  
Budget and detailed  
expenditure tracking



Now tracking fund flows to the  
EPI (irrespective of source, cash  
or in kind)

Enabling projections of program  
costs, increased allocative  
efficiency, and planning for  
sustainable financing

# PROJECT OBJECTIVES

## Effective Financing Arrangements

- Move budgets from Dev to Regular
- Tracking expenditure with FMIS
- Capturing all immunisation financing

4

Intensive hands-on technical assistance/supervision by the WB FM team



### Moving Budgets

Incentivize full movement of EPI funding from Development Budget to **Regular Budget**



### Budget Allocation

Budget allocation for immunization are continuous, adequate & easily tracked within the provincial expenditure through **Financial Management information System**



### Finance Statements

- Submission of IUFRs (Interim **Unaudited** Finance Statements) within **45 days** of end of each semester
- Submission of **Audited** Financial Statements accompanied by Management Letter by **31 Dec** of each Financial Year



### All Financing

Preparation of National Immunization Accounts – **capturing total** direct on budget and off budget financing