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## New Way to Finance Health in World's Less Developed Nations Results-Based Financing can get 20 percent more health care with same funds

Countries and major donors are changing the way they finance maternal and child, malaria, tuberculosis and HIV/AIDS health programs in low-income countries to increase their impact.

The approach, called Results-Based Financing for Health, or RBF, pays providers or recipients of health services after pre-agreed results have been achieved and independently verified.

RBF is a change from paying for inputs to paying for services delivered. It works for both donors and developing countries. It assures donors that their funds are being used as intended and producing the desired results. This includes how countries disburse their own resources.

Early research shows that countries that use RBF can get 20 percent more health care for the same amount of money with a higher quality of care. "Evidence shows that results-based financing has a significant impact – saving lives and expanding access to quality, essential health services for the poorest women and children in developing countries," says Jim Yong Kim, President of the World Bank Group.

UN Secretary General Ban Ki-moon, whose multi stakeholder partnership, *Every Woman Every Child*, is sparking important gains, says: "Innovative approaches to financing are urgently required to meet the health needs of the world's women and children. Results-based financing can improve the quality and efficiency of services and, just as important, enhance equity."

“RBF shows the way for changing aid from a focus on input to a focus on results and outcomes and thus provides a promising new modality complementary to systemic approaches,” says Chancellor Angela Merkel of Germany. Norway and Germany are implementing an innovative RBF approach in Malawi to improve maternal health.

In Rwanda, the government decided to implement a national RBF scheme, paying incentives for the delivery of quality maternal and child health services. The rigorous evaluation showed that the program improved both the coverage as well as the quality of health services. The results also showed that an equal amount of financial resources without the incentives didn’t achieve the same gain in outcomes.

“Rwanda proves that RBF can be successful under almost any conditions if we support the process,” says Ambassador Claver Gatete, Minister of Finance and Economic Planning in Rwanda.

"By the use of incentives people’s lives can be positively improved in an effective manner. We have proved this method with the evaluations in more than a dozen countries,” says Norwegian Minister of Foreign Affairs Børge Brende.

“This approach to delivering aid aims to ensure every penny we spend on life-saving health program produces real results. It is good for donors, good for taxpayers and, most importantly, good for the millions of people across the developing world who desperately need access to better healthcare,” says Lynne Featherstone, UK International Development Minister.

Created in 2007, the Health Results Innovation Trust Fund, managed by the World Bank, is supporting 36 RBF programs in 31 countries, committing \$404 million of donor funding from the Governments of Norway and the United Kingdom, which is co-financing to \$1.6 billion from the International Development Association. About 75 percent of HRITF funding supports programs in sub-Saharan Africa, which bears over half the global burden of maternal mortality.

RBF approaches, funded by the HRITF and through other sources of funding have contributed to:

- In Tanzania, 24-hour staffing for birthing clinics where poorly paid staff were working only for a few hours.
- In Burundi, over just one year, births at health facilities rose by 25 percent, prenatal consultations went up by 20 percent and the number of children fully vaccinated increased by 10 percent.
- In Argentina, a 74 percent decline in neonatal mortality.
- In India, an increase from 700,000 to 12 million women using clinics and hospitals to deliver babies.

## **World Bank scales up RBF with new partners**

On December 11th, RBF experts from around the world will meet in Oslo to review the experience with RBF programs so far and determine a roadmap for scaling up.

Besides the partners, Norway, UK, the World Bank Group, UNICEF, The Global Fund to Fight AIDS, Tuberculosis and Malaria, and GAVI Alliance, representatives from Germany, Japan, Sweden, the US and the Bill & Melinda Gates Foundation will attend the meeting. These attendees have expressed interest in joining the RBF program.

Almost all see RBF as a way to get more results for their money and efforts. For example, The Global Fund to Fight AIDS, Tuberculosis and Malaria recently joined the partnership for RBF, expanding funding objectives beyond maternal and child health to include malaria, tuberculosis, and HIV/AIDS.

“We studied the RBF results very carefully,” says Mark Dybul, M.D., Executive Director of the Global Fund. “Clearly, if it worked for maternal and newborn health, it should work for AIDS, tuberculosis, and malaria.”

“When we invest in the areas of greatest need – the most disadvantaged communities – we achieve the greatest results,” says Anthony Lake, Executive Director of UNICEF, who will attend the meeting. “Results-based financing can help us make better and smarter investments there. This is good for the most marginalized populations and it’s good for investors – all those who are putting their hard-earned resources into helping others.”

“Accountability and results are at the heart of GAVI’s work with countries. By joining in the RBF effort, we can help children in getting other lifesaving medicines and join forces to reach every last child,” says Seth Berkley, M.D., CEO of The GAVI Alliance.

Rajiv Shah, M.D., M.B.A., USAID Administrator, says, “Emblematic of a more results-oriented, evidence-based approach to development, initial RBF results from these low-income countries are promising. By delivering global health more efficiently and effectively than ever before, we can help end extreme poverty and its most devastating consequences of child hunger and child death.”

### **The need to set better incentives**

There is now a wide range of countries implementing RBF, funded through the World Bank, other donor agencies or government funding. For many of these countries, evaluations are in progress and several have completed the evaluations, for example:

**In India**, a RBF program provided cash incentives to encourage women in rural India to give birth in hospitals. In the program, women who forego traditional home births and deliver in hospitals are given \$30 two weeks after delivery. The women were also encouraged to seek postnatal care. A study published in the Lancet showed the program quadrupled the number of women giving birth in hospitals.

The dramatic increase in attended deliveries improved outcomes for both mothers and newborns and provides a model for other countries.

**In Tanzania.** His Excellency Jakaya Mrisho Kikwete, President of the United Republic of Tanzania has long been a champion for maternal, newborn and child health. The pay for performance program in Tanzania focused on maternal and child health. The program shifted health workers' focus from routine service provision to a results oriented focus. This led to increased institutional delivery and other MNCH indicators. The incentives provided were used to address bottlenecks in service delivery including motivating health workers and reducing drug shortages.

"Reporting significantly improved in quality and timeliness, and therefore strengthened accountability," reports Hussein Ali Mwinyi, M.D., Minister for Health and Social Welfare. "The results of the program were two fold - strengthened health systems and improved health outputs."

**In Argentina,** the two-tier RBF program paid provinces for the enrollment of poor women and children in health insurance, and for the achievement of health outcomes such as infants born at healthy birth weights. Providers were paid on a fee-for-service basis for mostly preventative maternal and child health services.

The results were "quite dramatic," reports Paul Gertler, Ph.D., Professor of Economics at the University of California Berkeley who led the evaluation of Argentina's plan. The assessment found a 32 percent reduction in stillbirths, a 23 percent reduction in low birth weight babies, and a 74 percent reduction in hospital neonatal mortality for RBF program service users. The statistics were all confirmed by examining 300,000 birth certificates, a much larger sample than available ever before for other RBF evaluations.

Based on these results, Argentina's RBF program has been expanded to include other health issues, including adolescent health, teen pregnancy and other women's health issues.

### **RBF in detail**

RBF is an umbrella term that encompasses many different kinds of interventions. The formal definition of RBF is that it "covers cash or non-monetary transfers to a national or sub-national government, manager, provider, payer or consumer of health services after predefined results have been attained and verified. Payment is conditional on measureable actions being taken."

Afghanistan was the first recipient of an HRITF grant in 2007. Now, three quarters of the projects are located in Africa and another 13 percent in South Asia. The remaining projects are in Latin America and the Caribbean, East Asia and the Pacific, the Middle East and North Africa, and East and Central Asia. Three countries -- Sierra Leone, Burundi and Rwanda -- have nationwide RBF programs.

Rwanda, Burundi, Nigeria, Cameroon, Zimbabwe, and Zambia are all examples where RBF approaches have contributed to significant advances in coverage and quality of maternal and child health services. As an added benefit, these grants have helped to make health systems more accountable by shifting the focus to measureable results.

RBF is a comprehensive health system reform that if well designed and supervised can help address challenges in the health system by:

- Using rigorous verification to make health systems more efficient, and transparent.
- Addressing key bottlenecks in the system, such as prioritization and purchasing, autonomy and resources for frontline health workers.
- Fostering a cultural change that empowers frontline staff and makes them more accountable.
- Addresses financial barriers by using vouchers or removing user fees to enable access to maternal and child health services.
- Improving health equity by reaching the most vulnerable through targeting

Monitoring and evaluation are an integral part of RBF projects. All HRITF-funded programs have rigorous impact evaluations to assess the impact of RBF and to see which design factors cause specific achievements. This makes it possible to identify what works and what doesn't. For example a design flaw in the Democratic Republic of Congo's pilot RBF program was identified and is informing the technical design of a new RBF program.

### **Sharing global knowledge on RBF**

HRITF shares knowledge from RBF programs widely, via traditional and digital tools, including for example via Facebook, seminars and the website [rbfhealth.org](http://rbfhealth.org). The *All Things RBF* blog is also used to provide a place to engage RBF practitioners around the world to share and discuss their experiences.

Based on these results, the next phase will focus on supporting countries scaling up the successful pilot programs.

Health experts and policy makers are beginning to look beyond health for other areas where RBF could be applied. One such area is education, where a system of incentives might be used to keep young girls in school, preparing them for a useful occupation and, at the same time, discouraging child marriages and preventing teen pregnancy.

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