



African Contributions to Global Health

Video Transcript

Results-Based Financing in Africa

What are the most effective tools and interventions to improve health in low- and middle-income countries? For me as an economist by training these questions have been the main focus of my research. One specific health systems intervention that has become increasingly popular in recent years is Results-Based Financing.

Financing is an essential component of any health system. In most countries, government or health insurance companies pay providers and health facilities directly. Most typically, these payments are either fixed -- for example, salaries or maintenance payments; or linked to the services that have been provided - for example, the number of patients treated for specific conditions.

The idea of Results-Based Financing is to build financial incentives into these contracts. This directs provider attention to areas that are deemed particularly important from a public health perspective. In other words, we pay more to providers that do well, while we take away money from providers that don't comply with recommendations. Penalties are of course possible, but are much harder to implement in practice. In many low and middle-income countries, the quality of healthcare services remains poor. The causes may include: Lack of training and resources, lack of efforts on the part of the provider, or lack of user or patient demand. Results-Based Financing contracts can help to motivate staff, but can also provide urgently needed financial resources to healthcare facilities across a range of settings. These contracts can come in many shapes and sizes. Results-Based Financing contracts can reward performance in a linear way, namely for each service provided; or in a non-linear way by paying bonuses only when certain targets are achieved. One can also pay in cash or provide other in-kind rewards.

At the beginning of every Results-Based Financing programme, the government agrees on which health services need to be prioritised. Next, bonuses are set up for each of these services, and agreed on with providers. Once a contract is in place, systems need to be set up for reporting and the verification of reports to avoid over-reporting, while procedures to deal with fraud must also be established. As you can imagine, this process can take quite a bit of time.



Results-Based Financing programmes have been implemented in many countries in sub-Saharan Africa. Globally there are currently more than 40 such programmes in low- and middle-income countries.

Perhaps the most influential Results-Based Financing programme has been in Rwanda. This programme started in 2001 as a pilot in only two districts, with the objective of improving maternal and child healthcare, but it was quickly scaled up to a national level from 2006. The basic formula used in this programme is the sum of all incentivised services, times the agreed price -- with an extra bonus for the provision of high-quality services. The original prices varied from 18 cents for basic services to 4.6 \$ for a delivery. The results of the evaluated programme were overwhelmingly positive, with improvements recorded in both the quantity and quality of services.

The Democratic Republic of the Congo is one of the poorest countries in the world, with a very fragmented and weak healthcare system. Its Results-Based Financing programme was launched in 2009 in a region called Haut Katanga in the South East of the country, bordering Zambia. The pilot and evaluation phase lasted until 2012. While everybody was hoping for results similar to Rwanda, this did not happen. Some improvements were recorded in terms of the staff presence and lowering of prices, but overall utilisation of services did not change, and staff motivation actually declined.

The results from Rwanda suggest that Results-Based Financing can have a positive impact on the quality and quantity of health services delivered. But the results from the Democratic Republic of the Congo suggest that such positive effects should not be taken for granted.

Conceptually, the main advantages of Results-Based Financing are that it can provide an incentive to work harder, that it can allow facilities to lower the prices and that it can provide liquidity. The main challenges with such programmes are that they are difficult and complicated to set up, while their focus on financial targets may reduce intrinsic motivation of healthcare workers.

You will find further information on the examples of Rwanda and the Democratic Republic of the Congo attached to this step. We invite you to read through these resources and share your thoughts. We are looking forward to your comments!