



International Conference Statement

International Conference on Performance Based Financing (PBF)
6 and 7 March 2012
Dar Es Salaam, Tanzania

Preamble

This conference was organized by the Ministry of Health and Social Welfare (MOHSW) and the Christian Social Service Committee (CSSC) in Tanzania, with the support of Cordaid and the European Union. Participants included government officials and civil society representatives from Tanzania, Burundi, Rwanda, Cameroon, Central African Republic, Zambia, Democratic Republic of Congo, Congo Brazzaville, Mozambique, Zimbabwe, Afghanistan and Kenya and representatives of international donor agencies and NGO's.

Some PBF principles

- Separation of functions: regulator (MOH), providers, purchaser, fund holding and patients
 - Decentralization and collaboration of Public and Private systems at all levels
 - Contracts and competition
 - Regulator is focused on indicators, quality, equity, budget, norms, and public health priorities
 - Autonomy of management in health facilities
 - Costs and revenues need to be balanced at the level of health facilities
 - Negotiation of a contract on the basis of a health facility business plan
 - Inclusion of community organisations
 - Payment of subsidies in cash
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- PBF can also be used in other sectors (education, infrastructure etc.)

Performance based financing intends to shift the focus in health system financing from paying for inputs (staff, drugs, equipment etc) to outputs and outcomes (improved services or more patients treated). It is considered to be a new strategy to boost health system performance, specifically in relation to maternal and child health (MDG 4, 5 and 6). It also matches the principle of managing for results as reflected in the Paris Declaration on aid effectiveness.

Observations

The WHO estimates that annually an average of \$60 per capita needs to be spent in low income countries to achieve the millennium development goals. For this purpose funding levels need to be increased. At the same time, the WHO mentions that about 20 to 40% of resources spent on health are wasted. This calls for new strategies to increase efficiency, cost-effectiveness and accountability of health systems.

Participants of the **High level conference Performance Based Financing (PBF)** observe that PBF can be an effective approach to improve quality and cost-effectiveness of health systems and thus increase universal coverage and support the achievement of the Millennium Development Goals, provided that it is implemented according to the PBF principles.

PBF is not a magic bullet and should be part of a comprehensive package of system reforms. As health contexts are constantly changing, continuous real time fine-tuning of PBF is necessary.

Key Recommendations

1. Country ownership is crucial in Performance Based Financing initiatives. Therefore, all national and local stakeholders need to be involved in the setup. This includes government institutions as well as civil society and communities.
2. PBF has proven to be a flexible approach and can be tailored to different settings. It can be applied in fragile as well as stable situations. At the same time, more research is needed to prove what works in which specific setting.
3. Separation of functions and checks and balances are key to the success of any PBF program. The voice of the population (clients) is a very crucial component in this respect and needs ample attention, for instance in verification of results.
4. PBF data management should not be neglected because it reinforces the existing HMIS (SNIS) system.
5. PBF can be a feasible strategy to harmonize donor support. Donor organizations can “buy” specific indicators and thus create a basket.
6. Although PBF principles can be applied even with limited available local resources, the (financial) sustainability of a PBF program should be taken into account by all (funding) partners from the beginning.
7. PBF needs to go together with decentralization to the lowest level of the health system, creating real autonomy for providers.
8. All stakeholders considering to start or fund PBF approaches, should have appropriate PBF knowledge and capacities.
9. PBF programs will seek for a balanced combination between intrinsic and extrinsic motivation of health staff.
10. Potential risks like the neglect of non-subsidized services will be subject of regular monitoring. Ethical questions should be taken into account.