



Ministry of Foreign Affairs

Outcome-based Financing (OBF) Introduction

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- General introduction
- Applications in Ethiopia
- Use chat box to ask questions



Why more innovative financing and results-based approaches?

Closing the 2,5 trillion financing gap (OECD)



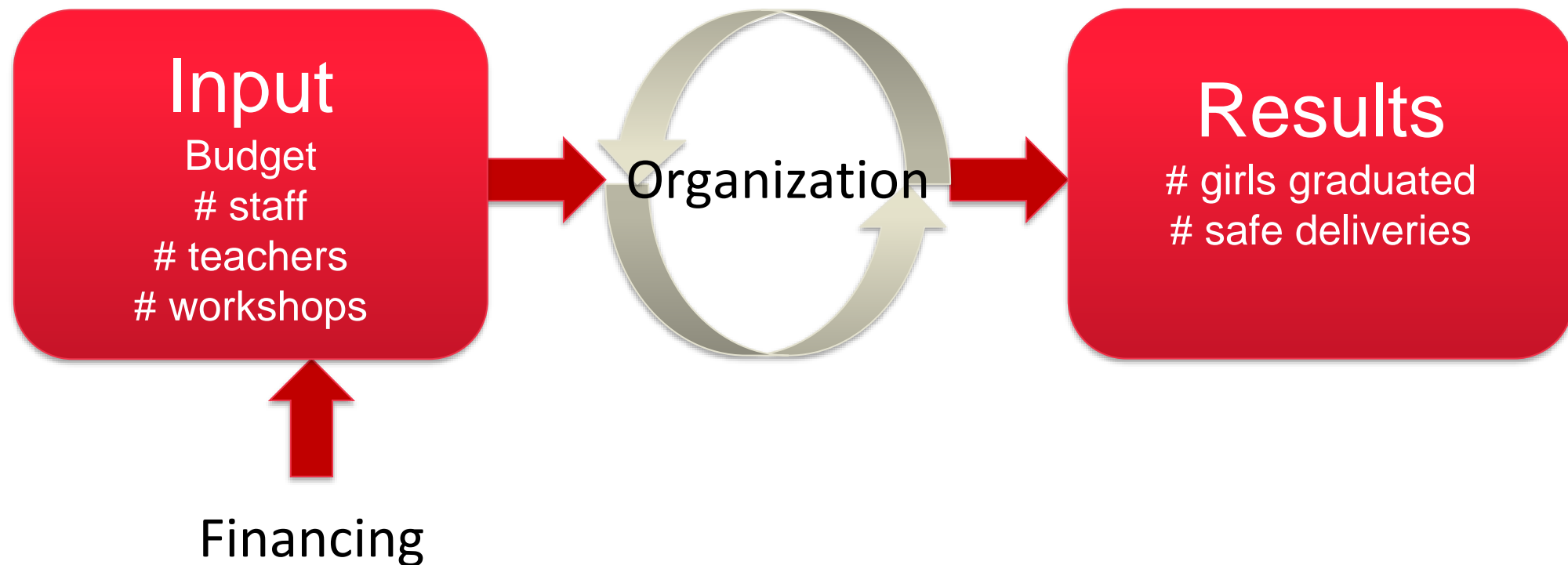
Additional Funding

Efficient spending





What is Results-based financing?





Different Applications (all results-based)

National (outcome)	Cash on Delivery Aid (maternal mortality; vaccination coverage)	World Bank Program for Results: grants or drawing rights; buy-down
Development organizations	Outcome-based financing (OBF): payment or contract based on the outcomes generated by organizations	
Service Provider (output)	Performance-based financing (PBF): payment on the basis of outputs of public and private service providers (contracting)	
Individual (output)	Conditional Cash Transfers (e.g. girls in school)	Vouchers: Free use of services (e.g. institutional delivery or FP)



Why?

- **'Money Talks'**: Financial incentive
- **Transparency**: Clarity about expectations (also for public)
- **Better monitoring (M&E)**: Independent verification, continuous adaptations to improve results
- **Risk**: reduced risk funders, more risk for service providers / organizations
- **Autonomy**: Better matching with local needs and opportunities, implementation flexibility (budget and activities), creativity and entrepreneurship; "Hands off funders, responsible recipients". Aligns with **localization**.





Applications in Ethiopia

- Performance-based financing (PBF) for health facilities (Cordaid)
- Number of services is performance metric, but conditional on quality
- Verification (registers; trace patients)
- Counter-verification

No	Indicators	Price (ETB)
1	Out Patient Consultations (new and repeat cases)	18
2	Out Patient Consultations for children < 5 years (new and repeat cases)	36
3	Growth monitoring for children < 2 years	36
4	Minor surgery cases	36
5	Severe Acute Malnutrition (SAM) children < 5 years	90
6	Referred Deliveries to Hospital	180
7	Immunization of Children < 1 year (fully vaccinated)	144
8	Vitamin A supplementation (distribution) given to children 6-59 months	18
9	HIV positive tested Pregnant Women put on PMTCT option B+	108
10	Newborn management of a baby born to an HIV positive mother.	108
11	Testing for HIV/AIDS	18
12	Cases of STIs treated	36
13	Cases of TB diagnosed positive by Microscopy	270
14	Cases of TB treated and cured	180
15	Skilled delivery (excluding caesarian section)	360



Applications in Ethiopia



- Payment to DKT on the basis of couple years protection (CYP)
 - Condition for patient quality (counseling)
 - Condition for method mix availability
- If performance is below expectation:
 - Terminate contract
 - Renegotiate number and price of CYP
- Verification of M&E systems and through survey



Applications in Ethiopia

- Triggerise: number of SRH services
 - Condition for patient quality (counseling)
 - Condition for method mix availability
- Reach: Access to WASH facilities and SRH referrals





More information

- <https://www.youtube.com/watch?v=Swhtazv9cHk>
- <https://www.cgdev.org/>
- <https://www.oecd.org/dac/peer-reviews/Results-based-financing-key-take-aways-Final.pdf>
- <https://www.un.org/sustainabledevelopment/sg-finance-strategy/>
- <https://www.sida.se/English/publications/140517/results-based-financing-approaches-rbfa--what-are-they/>

