Results Based Financing – Reality Bites

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MARCH 2016
Things I wish I knew during design
Using RBF
• Opportunities
• Threats

Interactions
• Client
• Management

Results
• Design
• Achievement
• Verification
Opportunities
When is RBF most effective?
1. For system-level Reform

• Brilliant instrument for reform:
  – Generates political will
  – Helps simultaneously address multiple bottlenecks

• But be clear and specific about desired reforms:
  – Identify the discrete, actionable steps needed

• Education:
  – Student assessments
  – Teacher recruitment / promotion
2. When you know the ‘what’ but not the ‘how’

- Lack of clarity/agreement on Theory of Change
- PforR puts the client in the driver seat
  - Increases flexibility
  - Encourages creativity, innovation
- Education
  - ToC for student learning is notoriously unclear
  - Example: how to improve PTRs
Threats
Which Enabling Conditions Matter?
HINT:
Its not about capacity but about willingness
1. Willingness for Open Data
2. Willingness to incentivize the implementation level

- Education is often decentralized
- But donor incentives target MoF/MoEVT
- Are incentives meaningful to people who matter?
Dealing with Clients
• The ‘Why RBF’ question

• Mitigating the Client Risk
  – Jointly determined Results Chain/DLIs
  – Course correction

• Capacity building
Results
DLI Design

1. Outcome vs Non-outcome indicators
2. Detail vs Paternalism
3. Precision vs flexibility
4. Liquidity vs flexibility
DLI Achievement

- Make your DLI pop
- Exploit your DLI
- What happens to Non-DLI results?
The devil is in ...
Things I wish I had known

• RBF is powerful – but you need to be prepared

• Obsess over 2 things:
  1. Results Chain
  2. Implementation level actors

• Invest in 3 things:
  1. Open dialogue
  2. Open data
  3. Open course-correction