Brazil and Mozambique
PforRs Examples

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Whilst these are three complementary instruments, there may be some areas of overlap.

**IPF**
- Supports ring fenced, defined set of activities and disbursement is based on reimbursements of such expenditures.

**DPF**
- Supports a set of policy and institutional actions and disburses to the general budget.

**PforR**
- Supports government programs of expenditures; uses government systems and disburses against achievement of defined and verified results.

Typically not much overlap – recent IPF with Contingent Financing has some overlap with DPF-DDOs.

Sector specific Development Policy Financing.
What does Program-for-Results Involve?

• PforR involves the following steps:
  • Identification of Government program (national or subnational, sectoral or cross-sectoral, existing or new)
  • Definition of the Program supported by the operation
  • Identification of key results and Disbursement Linked indicators
  • Assessment of the program in terms of technical, fiduciary and social and environmental impacts
  • Identification of opportunities for building capacity and enhancing system performance
  • Strong focus on implementation support and achievement of results
Two Pillars of PforR: Programs and DLIs

Program Definition/Program of Expenditures
- PforR has supported a range of government programs
- The majority have supported sub Programs, either sectorally or geographically
- Program boundaries also define the scope of the assessments to be carried out

Disbursement Linked Indicators (DLIs)
- PforR has supported a range of DLIs depending on the Program
- DLIs include service delivery indicators, outputs and/or outcomes
- DLIs also include institutional indicators including on fiduciary and environmental and social issues
- Each DLI has a specified verification protocol before disbursement
Program Definition
DLI Formulation

- Variables to take into consideration in selecting DLIs— the quantity, allocation of funding, scalability, and timing.
Program Action Plan (PAP)

• Every PforR operation includes a Program Action Plan (PAP)

• A key feature of PforR Preparation, PAP is closely monitored during implementation.

• A limited set of key priority actions for strengthening institutions and improving systems performance, selected from each assessment serve as key inputs to the PAP.

• Types of improvements that may be included in the PAP include:
  
  o Actions to improve the technical dimensions of the program and the formal rules and procedures governing the organization and management of the systems used to implement the program.
  
  o Actions to enhance the capacity and performance of the agencies involved.
  
  o Risk-mitigating measures to increase the potential for the Program to achieve its results and to address fiduciary, social, and environmental concerns.
Mozambique
Primary Healthcare Strengthening Program
### Health Outcomes

#### Table 2: Coverage and outcome indicators by urban and rural areas, and by income quintiles, 2003-2015

<table>
<thead>
<tr>
<th>Coverage/Utilization Indicators</th>
<th>2003 (DHS)</th>
<th>2015 (IMASIDA)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Avg. Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>Child birth at a health facility (%)</td>
<td>47.6</td>
<td>81.0</td>
</tr>
<tr>
<td>Children 12-23 months fully immunized (%)</td>
<td>63.3</td>
<td>80.5</td>
</tr>
<tr>
<td>Modern contraceptive prevalence rate 15-49</td>
<td>11.7</td>
<td>23.2</td>
</tr>
<tr>
<td>IPT for malaria prevention in pregnancy (%)</td>
<td>18.6</td>
<td>26.0</td>
</tr>
<tr>
<td>Children &lt;5 who slept under an ITN (%)</td>
<td>35.7</td>
<td>42.2</td>
</tr>
<tr>
<td>Pregnant women who had ≥4 ANC visits (%)</td>
<td>53.1</td>
<td>70.7</td>
</tr>
<tr>
<td>Stunting (% children&lt;5)</td>
<td>41.0</td>
<td>29.2</td>
</tr>
<tr>
<td>Total fertility rate (TFR)</td>
<td>5.5</td>
<td>4.4</td>
</tr>
<tr>
<td>Age specific fertility rate (15-19 per 1,000)</td>
<td>179</td>
<td>143</td>
</tr>
<tr>
<td>Adolescent 15-19 who became mothers or pregnant for first time (%)</td>
<td>41</td>
<td>32</td>
</tr>
<tr>
<td>Malaria prevalence among children &lt;5 (%)</td>
<td>38.3</td>
<td>16.8</td>
</tr>
</tbody>
</table>

#### Additional Notes
- Intermittent Presumptive Treatment during antenatal visit, at least 2 doses of Fansidar/SP for malaria prevention, and the figures pertain to the DHS 2011.
- Data from the DHS 2011 and IMASIDA 2015
- The figures are from the DHS 2011 as IMASIDA did not collect nutritional data.
- Figures from 2011 DHS
## Strengthening of the Health System

### Health Systems

<table>
<thead>
<tr>
<th></th>
<th>Mozambique</th>
<th>Health center</th>
<th>Hospital</th>
<th>Urban</th>
<th>Rural</th>
<th>South</th>
<th>Central</th>
<th>North</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caseload (per provider per day)</td>
<td>17.4</td>
<td>17.6</td>
<td>8.9</td>
<td>17.3</td>
<td>17.4</td>
<td>17.2</td>
<td>17.7</td>
<td>17.1</td>
</tr>
<tr>
<td>Absence from facility (% providers)</td>
<td>23.9</td>
<td>23.2</td>
<td>33.2</td>
<td>28.3</td>
<td>23.1</td>
<td>22.9</td>
<td>19.4</td>
<td>30.5</td>
</tr>
<tr>
<td>Diagnostic accuracy (% clinical cases)</td>
<td>58.3</td>
<td>57.5</td>
<td>66.0</td>
<td>57.1</td>
<td>58.5</td>
<td>54.6</td>
<td>59.7</td>
<td>60.4</td>
</tr>
<tr>
<td>Adherence to clinical guidelines (% clinical cases)</td>
<td>37.4</td>
<td>36.4</td>
<td>48.3</td>
<td>37.2</td>
<td>37.4</td>
<td>38.4</td>
<td>37.2</td>
<td>36.8</td>
</tr>
<tr>
<td>Management of maternal and neonatal complications (% clinical cases)</td>
<td>29.9</td>
<td>29.1</td>
<td>38.4</td>
<td>27.5</td>
<td>30.5</td>
<td>28.9</td>
<td>31.0</td>
<td>29.8</td>
</tr>
<tr>
<td>Drug availability (% drugs)</td>
<td>42.7</td>
<td>41.0</td>
<td>66.2</td>
<td>43.9</td>
<td>42.6</td>
<td>44.5</td>
<td>41.1</td>
<td>43.3</td>
</tr>
<tr>
<td>Equipment availability (% facilities)</td>
<td>79.5</td>
<td>79.3</td>
<td>74.6</td>
<td>82.8</td>
<td>78.8</td>
<td>79.3</td>
<td>82.9</td>
<td>74.1</td>
</tr>
<tr>
<td>Infrastructure Availability (% facilities)</td>
<td>34.0</td>
<td>32.1</td>
<td>63.2</td>
<td>54.3</td>
<td>32.1</td>
<td>36.7</td>
<td>46.0</td>
<td>15.7</td>
</tr>
</tbody>
</table>

Source: Service Delivery Indicators Survey, 2015
Focus of the Investment Case

Health Financing

Low Per Capita Health Expenditure

Worse Results Based on Per Capita Spending

Source: Health Public Expenditure Review, 2015
Inter-Regional Inequality

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<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Zambezia</td>
<td>9.5%</td>
<td>13.2%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Tete</td>
<td>8.6%</td>
<td>9.4%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Cabo delgado</td>
<td>8.2%</td>
<td>9.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Sofala</td>
<td>7.3%</td>
<td>8.0%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Maputo Province</td>
<td>6.8%</td>
<td>7.4%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Manica</td>
<td>6.4%</td>
<td>6.6%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Gaza</td>
<td>6.3%</td>
<td>5.7%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Maputo City</td>
<td>6.1%</td>
<td>7.3%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Niassa</td>
<td>6.1%</td>
<td>6.4%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Nampula</td>
<td>4.1%</td>
<td></td>
<td>17.0%</td>
</tr>
<tr>
<td>Inhambane</td>
<td>3.9%</td>
<td></td>
<td>6.0%</td>
</tr>
</tbody>
</table>

Source: Health Public Expenditure Review, 2015
Program Development Objective

• To improve the utilization and quality of reproductive, maternal, child and adolescent health and nutrition services, particularly in underserved areas.

Key Program Results
• Percentage of Institutional Deliveries in rural areas of 6 lagging Provinces (Zambézia, Nampula, Tete, Sofala, Maputo Province, and Cabo Delgado)
• Percentage of women aged 15-49 using modern family planning methods, particularly among women aged 15-19
• Percentage of children 0-24 months of age receiving the established Growth Monitoring and Promotion (GMP) package of nutrition services in the 5 most lagging Provinces
• Improved general, rural and district hospital performance through benchmarking
Theory of Change

**Health Financing:**
- DLI 5: Stable domestic health resources
- DLI 6: Equitable distribution of investment budget

**Health Systems Improvements:**
- DLI 7: Enhanced ratio of clinical staff
- DLI 8: Hospital performance
- DLI 9: Health centers performance
- DLI 10: Community health workers & care groups

**Health Service Delivery Outcomes:**
- DLI 1: Institutional deliveries
- DLI 2: Antenatal visits
- DLI 3: Family planning
- DLI 4: Nutrition

**Program Interventions:**
- Provincial facilitators
- Social audits
- Mobilizing private sector
- Expenditure monitoring
- Linkage with vertical progs
- Performance-based allocations
- Benchmarking hospitals
- Independent results validation
- TA & policy dialogue
- Demand side incentive
- Behavior change campaigns
- Training APEs & care groups
- PFM and fiduciary safeguards
- Donor coordination
- SDI survey

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**Outcomes:**
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- DLI 2: Antenatal visits
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Better coordination with Health Partners

- The PforR will strengthen harmonization of financing to support the Investment Case – guided by agreed DLIs
- Assessments and dialogue with GoM and HPs will determine how finances can be channeled (new multi-donor trust fund)
- PforRs use country systems – assessments will also determine any needs for reinforcing fiduciary oversight
PFM for [Service Delivery] Results Program
Weak PFM weakens service delivery

Health Sector
• Public medicines sold in the market
• Expired/damaged medicines on the shelves
• Frequent stock-outs
• Patients don’t get medicines when needed/ affecting health outcomes

Education Sector
• Teachers don’t turn-up yet they get paid
• School funds delayed or diverted
• Inadequate expenditure classification at district level impeding expenditure control and transparency
• Weak or inexistent oversight on use of resources
• Low student retention and completion rates/Poor learning outcomes
Ample evidence for:

- Strong central PFM reforms (*PEFA 2006>>2010*), but lately stalling (*PFM updates from EU, IMF, WB*)

- Weaker implementation of PFM systems and procedures in line ministries and local level (*System Use Study, School-Grants Evaluations, Medicines procurement and supply chain management system assessment 2011*)

- Concerning service delivery outcomes (*PER, Edu PETS, SDI survey, 3/3 education census, DHS, UN HDI*)

- Deteriorating governance environment (*WGI, Competitiveness Indicators*)
PFM for Results Program - PDO

• Improve transparency and efficiency of expenditures for:
  • storage, distribution and availability of medicines (in over 1,300 health centers), and
  • management of 4,348 ‘complete’ primary schools.

- Patients receiving medicines
- Kids learning in well-managed schools
Education

Core Service Delivery Problems:
- Weak school governance
  - less empowered councils with limited parent participation
  - ineffective school supervision
  - high absenteeism rates
- Delayed school grants
- Inadequate expenditure classification
Health

Core Service Delivery Problems:

• Uneven availability of medicines
• Weak logistics and stock reporting
• Poor warehouse management
• Parallel market for stolen medicines
RESULTS: DLIs progress at MTR against the program targets

- Avg. 74%
Institutional Strengthening

- MoF engaged with sector ministries and provinces to monitor performance against established indicators
- Program supported government-led sector strategies and expenditure programs
- Tribunal Administrativo conducts an audit of performance against established indicators
- Problem driven iterative adaptation (PDIA) implemented through interconnected change interventions of incentives, capacity development, communication & facilitation
PforR Components

- $4.4m Coaching
- $42.6m Performance-based Allocations
- $8m Capacity Dev

Disbursement Linked-Indicators (DLIs)

- Patients receiving medicines
- Kids learning in well-managed schools
Performance-Based Allocations

Finance Ministry

Education Ministry

Health Ministry

DLIs

SCHOOLS

Provinces

Districts

PIs

PIs

PIs/ Grant Cond.

HEALTH POSTS
PFM Capacity Development

• Demand-led and competitive
• Simplified process for smaller activities
• Collaboration between sector & PFM institutions
Management Capacity

CAPACITY DEVELOPMENT FUNDS ($8 mil)
National Direct. Treasury (DNT)
Program Coordination Team (PCT)
Primary Coach

Sector Ministry Teams
- Facilitation
- Capacity Building
- Incentives
- Communication

Coaches (4)

Provincial Teams
- Facilitation
- Capacity Building
- Incentives
- Communication

Facilitators of Change (22)

Central PFM Institutions
- CEDSIF
- IGF
- TA
- UFSA

PBA FUND ALLOCATIONS ($42.6 mil)
SWAps/PforRs in Brazil
Challenges

• Deteriorating government credibility and citizen satisfaction
• Gridlock and difficulties in striking credible commitments due to high fragmentation
• Distortions and incentives’ misalignment in the intergovernmental relations worst during crises
• Low vertical and horizontal coordination and cooperation within the public sector
• Wide variation in capacity and fiscal profiles of states and municipalities
• Growing wage bill and pension obligations at the subnational level
Prioritization and Use of DLIs

- Management for results, modernization of processes and systems and strengthening of monitoring and evaluation are the most common areas supported.
- The areas of focus for technical assistance and interventions are also prioritized considering the impact on sectors.
- SWAps/PforRs have been effective tools to provide incentives to advance reforms.
- DLIs and the policy actions in multi-tranche DPLs and related results have often proven more effective than interventions supported by traditional technical assistance projects.
- DLIs and policy actions create support from key decision makers (Secretary of Finance) and elevate the profile of the interventions.
- When complemented with properly sequenced technical assistance DLIs are most impactful.
- A value chain analysis is used to identify governance constraints within sectors.
- Doing joint diagnostic work and missions with sectoral colleagues is critical.
Experimentation with DLIs/PforRs

Map of Projects Led by Public Sector and Multi-sectoral Operations with Significant Governance Components

Map of Fiduciary Work and Strengthening of Local Accountability Institutions
RBM is Rapidly Disseminating across Brazil

Implementing:
- Minas Gerais, Pernambuco, São Paulo, Rio de Janeiro and Bahía, some elements in Ceará
- 16+ municipalities using performance agreements in the education sector.

Planning/Considering:
- Amazonas, Acre, Espírito Santo, Mato Gross do Sul, Paraná, Rio Grande do Sul, and Tocantins
Lessons Learned

• Institutional change is not linear, involving advances and regressions, and it is often punctuated.
• Best results observed when there is continuous long-term engagement.
• Lower than expected institutional inertia, possible to have rapid results and demonstration.
• Importance of investing in analytical work and evidence before project initiation.
• Subnational work is important for innovation and experimentation.
• Importance of finding the right balance in multi-sectoral projects (avoid overextending.)
• Crucial to consider political cycle and risks of leadership and staff turnover in program design.
• Strong implementation support and close supervision is necessary.