# Performance based funding for health system strengthening cash support

## PBF is designed to create incentives for countries to improve immunisation outcomes by strengthening health systems.

GAVI supports health system strengthening (HSS) through a performance based funding (PBF) approach that links funding to immunisation outcomes. As agreed by the GAVI Board in November 2011, countries approved for HSS grants in 2012 and onwards will be implementing their grants with PBF.

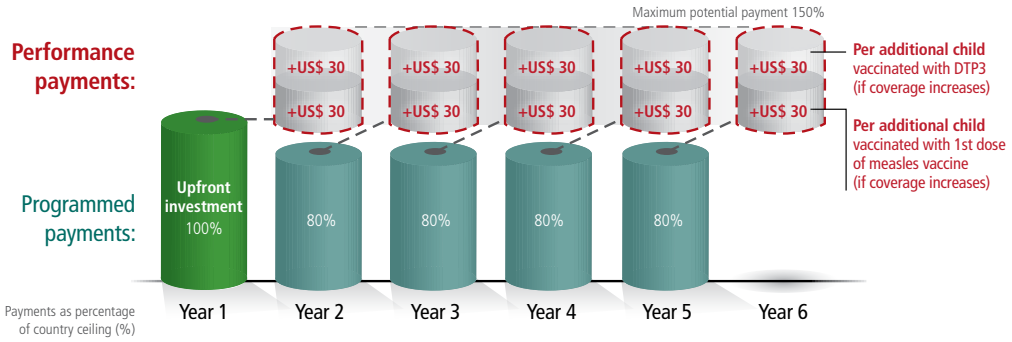
With PBF, GAVI's HSS cash support will be split into two different types of payments: a programmed payment, based on progress in implementation and on achievement of intermediate results, and a performance payment, based on improvements in immunisation outcomes.

The key elements of GAVI's PBF approach are as follows:

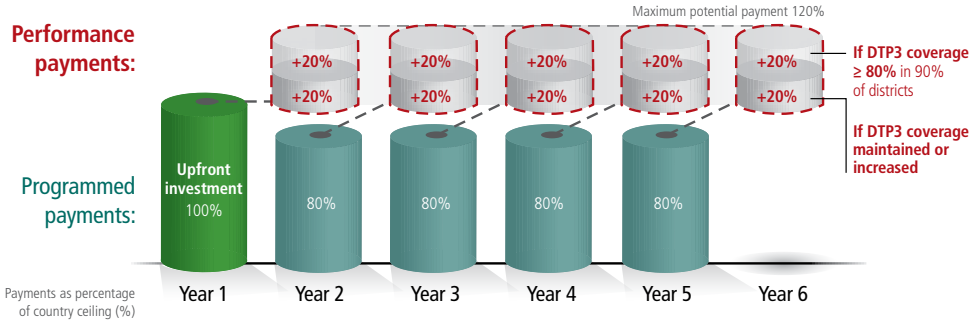
- In the first year, countries can budget up to 100% of the annual country ceiling[1] as an upfront investment. After the first year, countries can budget up to 80% of the annual country ceiling - this is the programmed budget against which payment will be made based on satisfactory progress in implementation and achievement of intermediate results. Countries whose total grant budget would fall below US$ 3 million are exempt from the 80% rule.
- Countries may earn additional payments as performance payments, which exceed the programmed payment and may also exceed the annual country ceiling. See below for decision rules determining receipt of performance payments, based on immunisation outcomes and data verification.
- Performance payments should be used solely for activities to be implemented in the country's health sector, and cannot be used for GAVI's co-financing requirement. Countries are to allocate performance payments across lead implementers, including civil society organisations (CSO), based on discussions with the lead implementers and Health Sector Coordination Committee (HSCC) / Interagency Coordination Committee (ICC) or equivalent.
- Performance payments, similar to all other cash payments from GAVI are subject to GAVI's transparency and accountability policy.

## GAVI's performance based funding for HSS cash support

### Countries with DTP3 coverage < 90%




### Countries with DTP3 coverage ≥ 90%




**Programmed payments** are based on progress in implementation and achievement of intermediate results.
**Performance payments** are based on improvements in immunisation outcome indicators.

Note: all payments are made by GAVI in accordance with GAVI's policies and procedures.
Performance payments for a given year will be made the following year, based on performance of the indicators listed and data verification.
The following are exempt from the 80% rule: those countries whose total grant budget would fall at or below US$ 3 million when this rule is applied.

## Decision rules for determining receipt of performance payments

*For countries with <90% DTP3 at baseline*[2]

DTP3 performance payment of $30 per additional child immunised is paid if:

- DTP3 coverage is higher than the previous year or the previous high coverage level since the initiation of the PBF grant, as per the country's administrative data.
- DTP3 coverage as measured by the administrative data system is not more than five percentage points higher than the WHO/UNICEF estimate of DTP3 coverage for the country.

Measles performance payment of $30 per additional child immunised is paid if:

- Routine measles first dose (MCV1) coverage is higher than the previous year or the previous high coverage level since the initiation of the PBF grant, as per the country's administrative data.
- MCV1 coverage as measured by the administrative data system is not more than five percentage points higher than the WHO/UNICEF estimate of routine measles first dose coverage for the country requirement.

*For countries with ≥90% DTP3 coverage at baseline*[2]

DTP3 performance payment of 20% of ceiling is paid if:

- DTP3 coverage is maintained at 90% or above, as per the country's administrative data.
- DTP3 coverage as measured by the administrative data system is not more than five percentage points higher than the WHO/UNICEF estimate of DTP3 coverage for the country.

Equity performance payment of 20% of ceiling is paid if:

- All districts in the country submitted immunisation coverage reports (not to the GAVI Alliance, but to the country's own reporting system).
- At least 90% of districts in the country have ≥80% DTP3 coverage, as per their reports.

*Requirements for all countries*

- Countries have routine mechanisms in place to independently track data quality over time, with relevant reports and summary measures shared with the GAVI Alliance[3].
- Countries have at least two independent and high quality household surveys[3] conducted every five years—one with a full birth history (such as DHS or MICS with full birth history) and one interim coverage survey (such as EPI coverage survey or MICS without full birth history).
- Countries meet the terms and conditions of GAVI's transparency and accountability policy and the Partnership Framework Agreement with the GAVI Alliance.

[1] GAVI calculates the total funding envelope for each country (referred to as the country ceiling), based on the country's gross national income per capita and total population, and communicates these ceilings to countries.

[2] Per the latest WHO/UNICEF estimates.

[3] Further guidance will be available from the GAVI Secretariat on acceptable quality household surveys and mechanisms for tracking data quality that fulfill these requirements.

## Data verification for performance payments

Countries must pass checks and balances for data verification (administrative data should not be more than five percentage points higher than WHO/UNICEF estimates), independent assessments of the quality of administrative data, and periodic household surveys.

For countries with a discrepancy of greater than five percentage points between administrative data and WHO/UNICEF estimates, GAVI will provide additional support to assess and strengthen country data and information systems. Additionally, as part of the PBF learning agenda, GAVI will work with such countries on a country-by-country basis to adapt the PBF design - for example, through the use of WHO/UNICEF estimates and household surveys, as the direct means of assessing improvements in coverage over time - to meet country circumstances.

Countries must explain in their applications whether they already have independent data quality assessment mechanisms and household survey schedules in place that meet GAVI requirements, and if so what the specific mechanisms and plans are[3]. Countries that do not have these in place at the time of application should explain what they will do to put such mechanisms and plans in place – some of these activities may be funded with the GAVI HSS grant, as long as other funding sources are used to complement GAVI funding. The disbursements for year two of the grant will not be made if countries have not put in place specific data quality assessment mechanisms and survey plans to meet these requirements.

GAVI requires regular reporting from countries along with routine grant monitoring and end-of-grant evaluation. GAVI recommends that all monitoring and evaluation (M&E) activities are conducted as an integral part of a country's routine system of monitoring service delivery and data quality, in close collaboration with the national programmes and ministeries of health, and aligned with the country planning and review processes.

While GAVI's current PBF approach is applied to HSS grants at the national level, GAVI also encourages countries to use PBF at sub-national levels. Countries are encouraged to consider alignment with other existing PBF schemes in their country, such as the World Bank's results-based financing programmes.

Finally, given that GAVI's PBF approach is new, learning from the first phase of countries will be applied to improve the PBF approach in the future.

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*For further information on GAVI HSS cash support please email gavihss@gavialliance.org*

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