

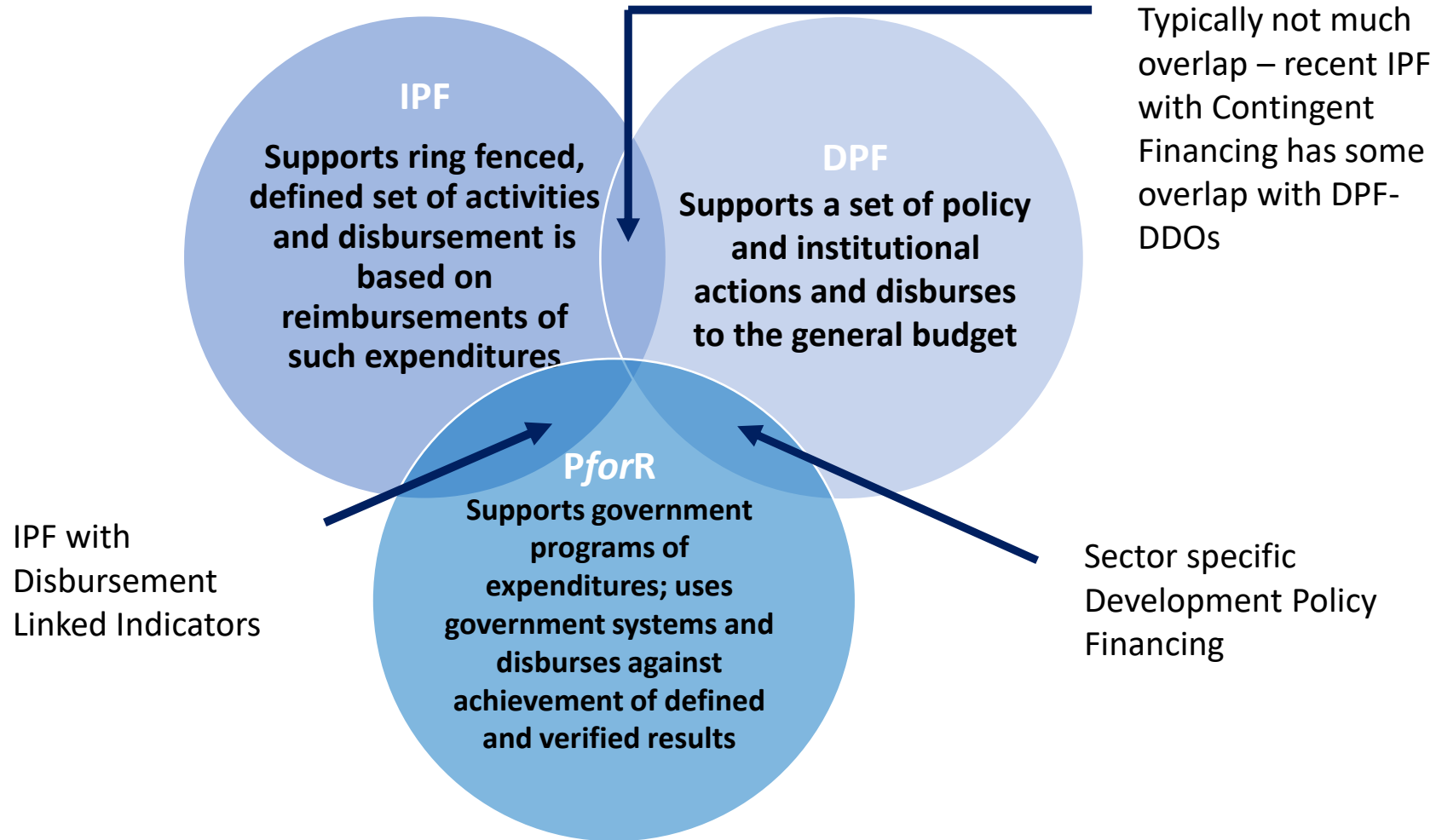
# Brazil and Mozambique PforRs Examples

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



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

Sector specific Development Policy Financing

IPF with Disbursement Linked Indicators

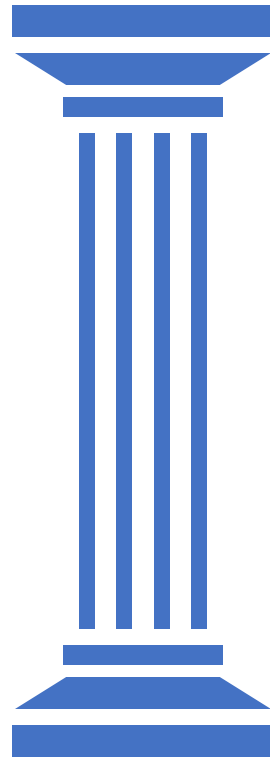
# What does Program-for-Results Involve?

- 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

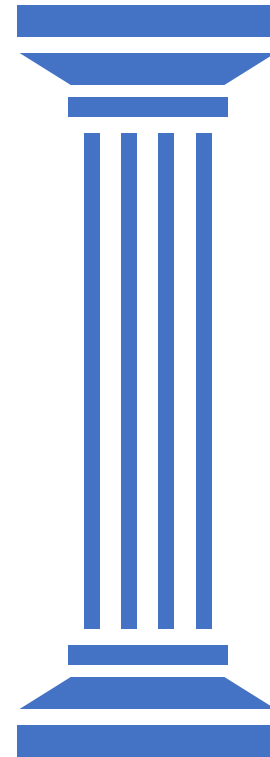
## Program Definition/Program of Expenditures

- 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

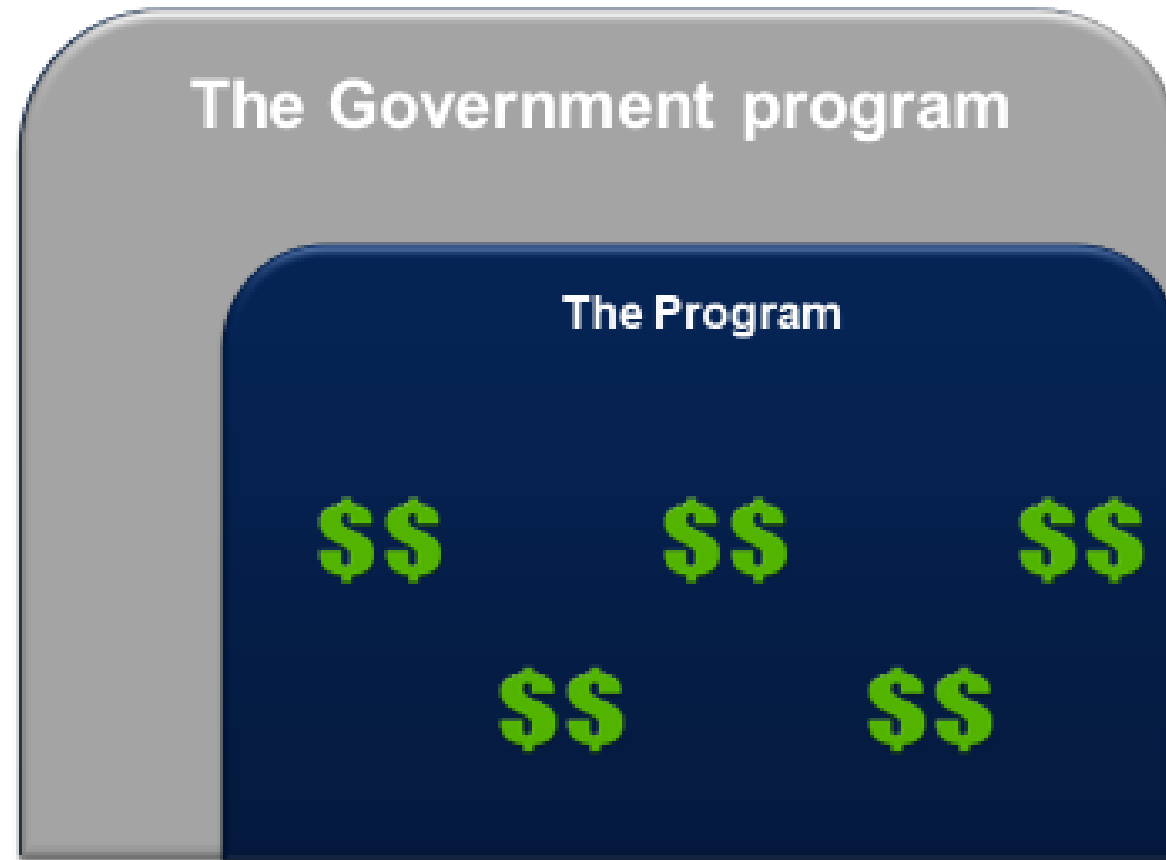


## Disbursement Linked Indicators (DLIs)

- 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

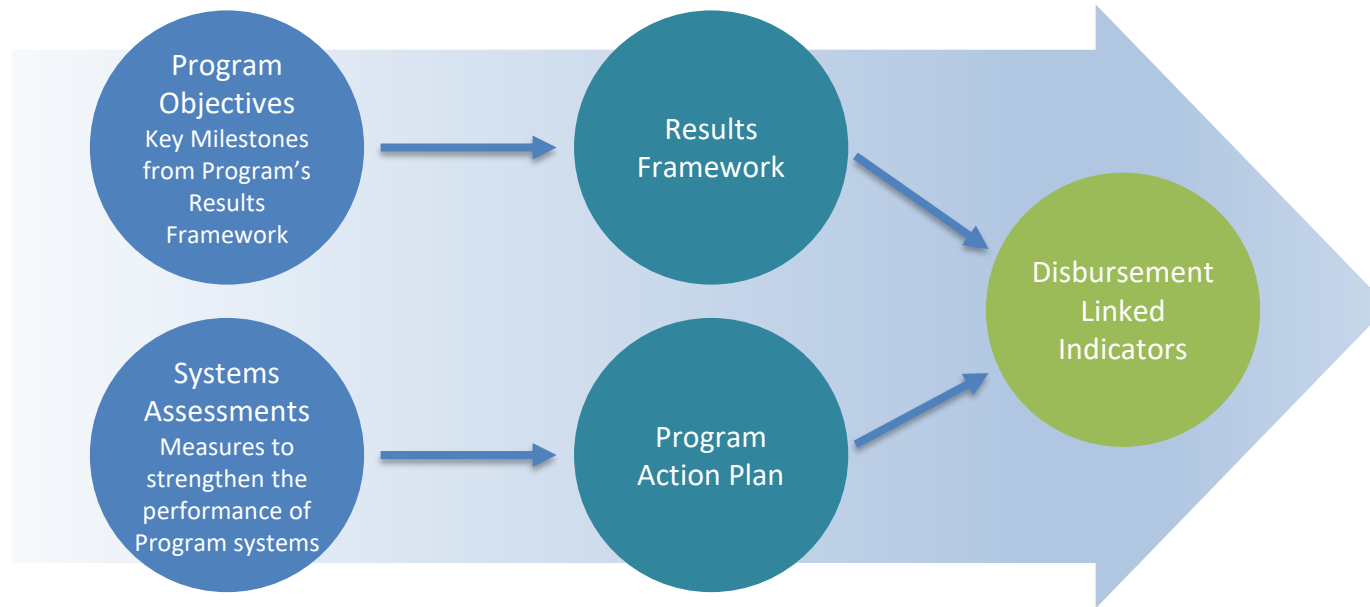


# Program Definition



# 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:
  - 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.
  - Actions to enhance the capacity and performance of the agencies involved.
  - 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



# Investment Case (the 'program') – Low Outcomes

## Health Outcomes

Table 2: Coverage and outcome indicators by urban and rural areas, and by income quintiles, 2003-2015										
Coverage/Utilization Indicators	2003 (DHS)					2015 (IMASIDA)				
	Avg.	Urban	Rural	Q1	Q5	Avg.	Urban	Rural	Q1	Q5
Child birth at a health facility (%)	47.6	81.0	33.9	25.0	89.5	70.3	90.7	63.1	51.9	95.3
Children 12-23 months fully immunized (%)	63.3	80.5	56.0	45.2	90.3	65.8	77.9	61.7	52.7	85.1
Modern contraceptive prevalence rate 15-49	11.7	23.2	7.0	3.9	34.8	25.3	34.3	21.5	16.7	43.0
IPT for malaria prevention in pregnancy (%)	18.6	26.0	15.7	16.6	25.1	34.2	43.4	31.0	27.1	39.7
Children <5 who slept under an ITN (%)	35.7	42.2	33.1	32.4	39.6	47.9	53.6	45.9	41.1	57.0
Pregnant women who had ≥ 4 ANC visits (%)	53.1	70.7	45.2	N/A	N/A	54.6	65.4	50.9	42.7	72.6
Outcome indicators										
Stunting (% children<5)	41.0	29.2	45.7	49.3	20.0	42.6	35.0	45.5	51.1	24.1
Total fertility rate (TFR)	5.5	4.4	6.1	6.3	3.8	5.3	3.6	5.1	N/A	N/A
Age specific fertility rate (15-19 per 1,000)	179	143	207	N/A	N/A	194	134	230	N/A	N/A
Adolescent 15-19 who became mothers or pregnant for first time (%)	41	32	49	60.5	24.6	46.4	35.0	54.0	61.4	26.0
Malaria prevalence among children <5 (5%)	38.3	16.8	46.3	54.9	5.6	40.2	19.4	47.0	60.5	7.4
2008/9 Household survey					2014/15 Household Survey					
Water and sanitation indicators										
HH use of water from a safe source (%)	40.5	64.7	30.5	28.6	64.3	50.9	83.1	36.7	33.2	84.0
HH use of improved latrine (%)	16.0	41.6	5.5	2.6	47.0	20.6	39.0	12.5	9.9	35.4

Note: Q1: Poorest quintile; Q5 Better-off quintile

<sup>[1]</sup> Intermittent Presumptive Treatment during antenatal visit, at least 2 doses of Fansidar/SP for malaria prevention, and the figures pertain to the DHS 2011.

<sup>[2]</sup> Data from the DHS 2011 and IMASIDA 2015

<sup>[3]</sup> The figures are from the DHS 2011 as IMASIDA did not collect nutritional data.

<sup>[4]</sup> Figures from 2011 DHS

# Strengthening of the Health System

## Health Systems

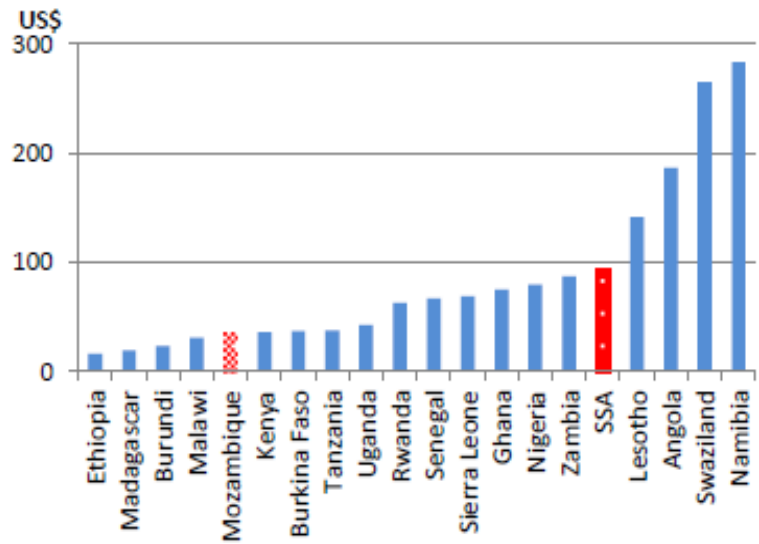
	Mozam- bique	Health center	Hospital	Urban	Rural	South	Central	North
<b>Caseload</b> (per provider per day)	17.4	17.6	8.9	17.3	17.4	17.2	17.7	17.1
<b>Absence from facility</b> (% providers)	23.9	23.2	33.2	28.3	23.1	22.9	19.4	30.5
<b>Diagnostic accuracy</b> (% clinical cases)	58.3	57.5	66.0	57.1	58.5	54.6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

Source: Service Delivery Indicators Survey, 2015

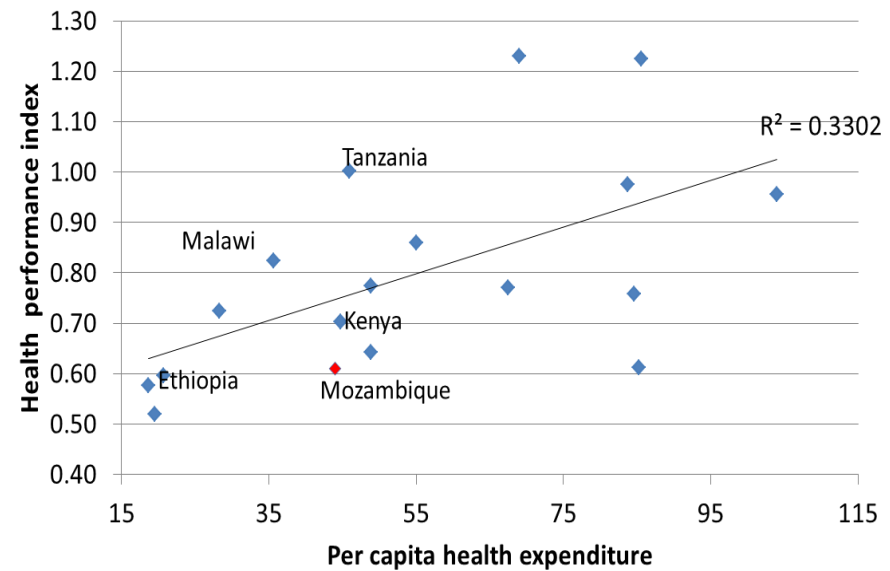
# Focus of the Investment Case

## Health Financing

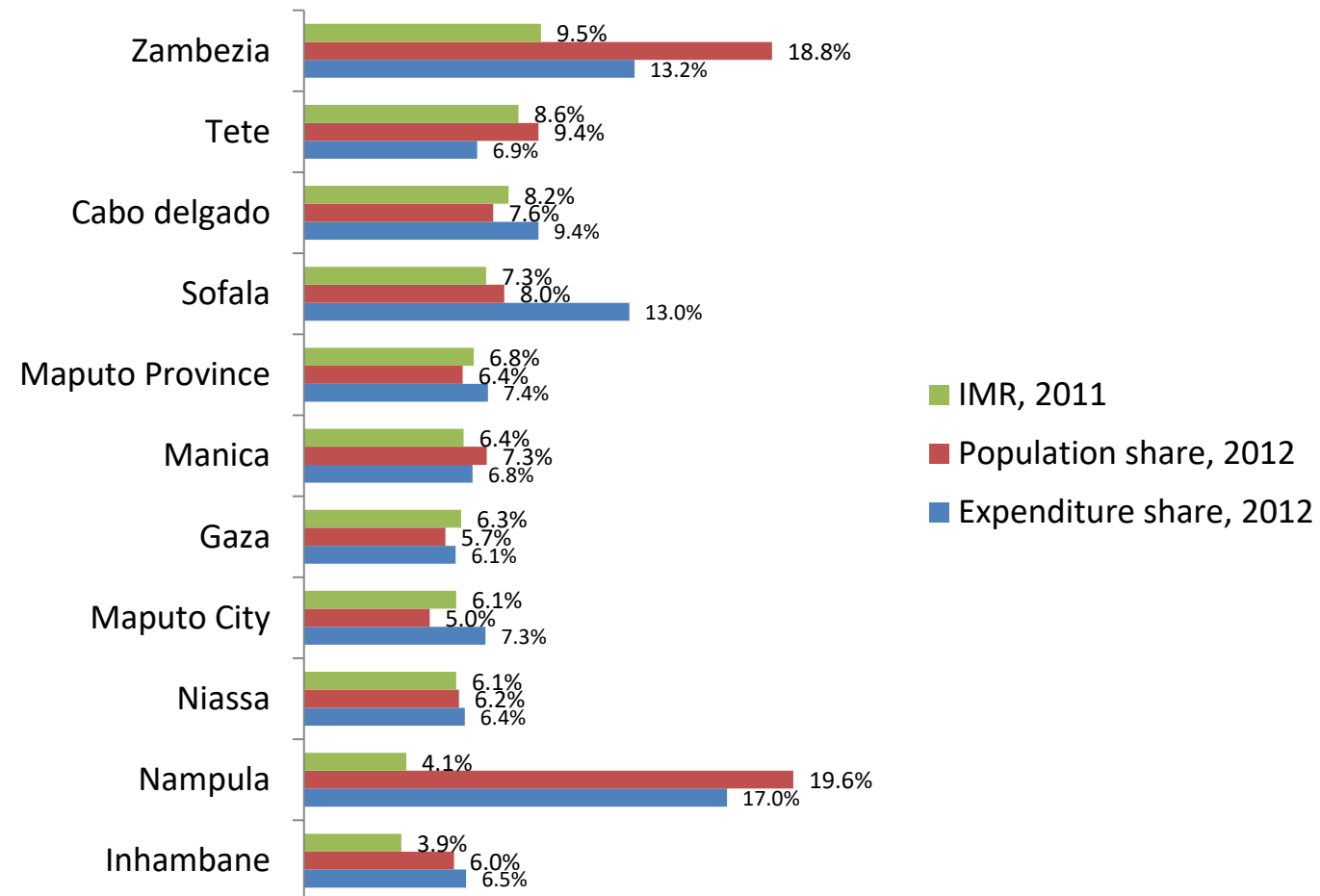
*Low Per Capita Health Expenditure*



*Worse Results Based on Per Capita Spending*



# Inter-Regional Inequality



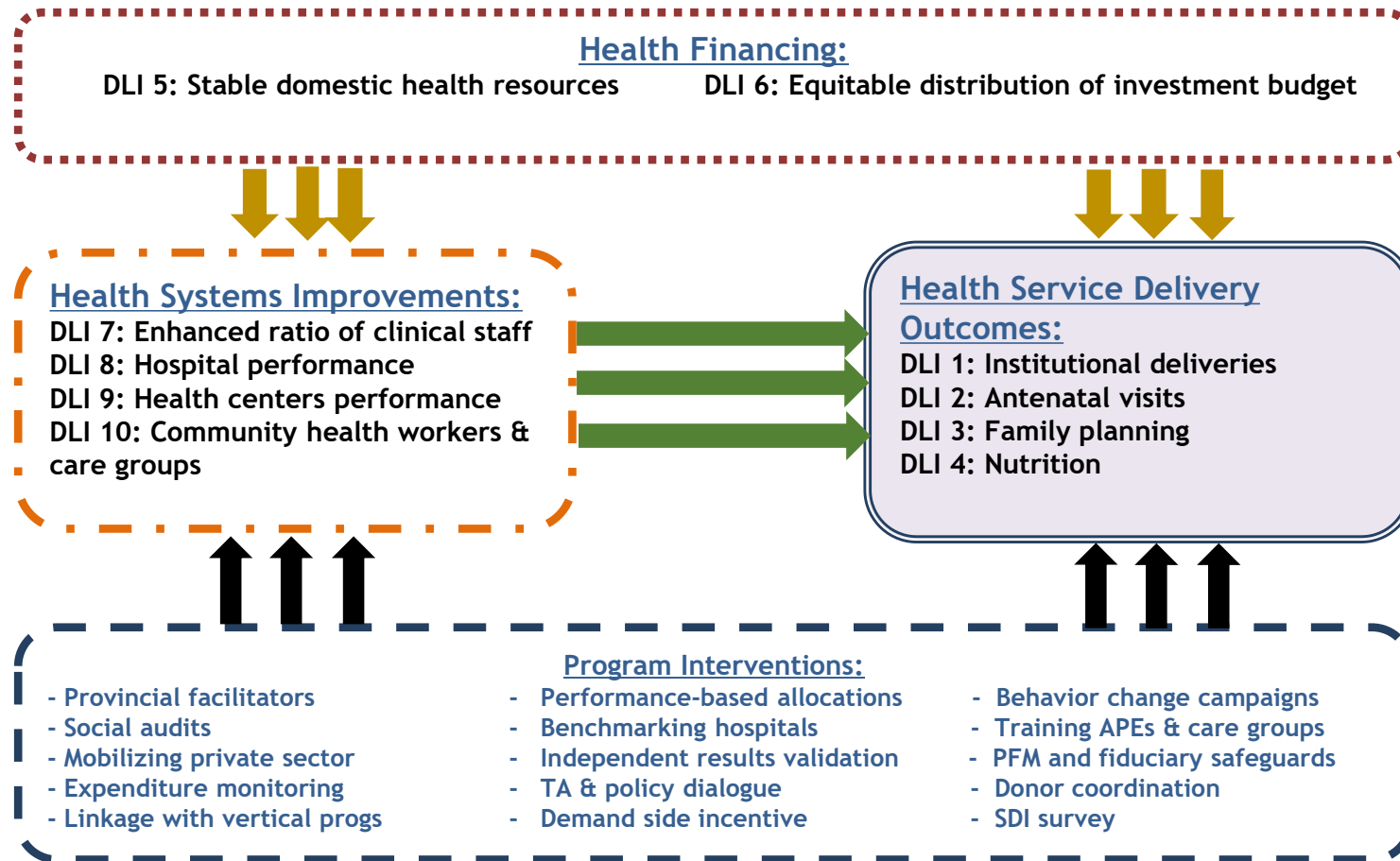
# Program Development Objective

- **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



# 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

DLI

DLI

DLI

DLI

# Health

## Core Service Delivery

### Problems:

- Uneven availability of medicines
- Weak logistics and stock reporting
- Poor warehouse management
- Parallel market for stolen medicines

DLI

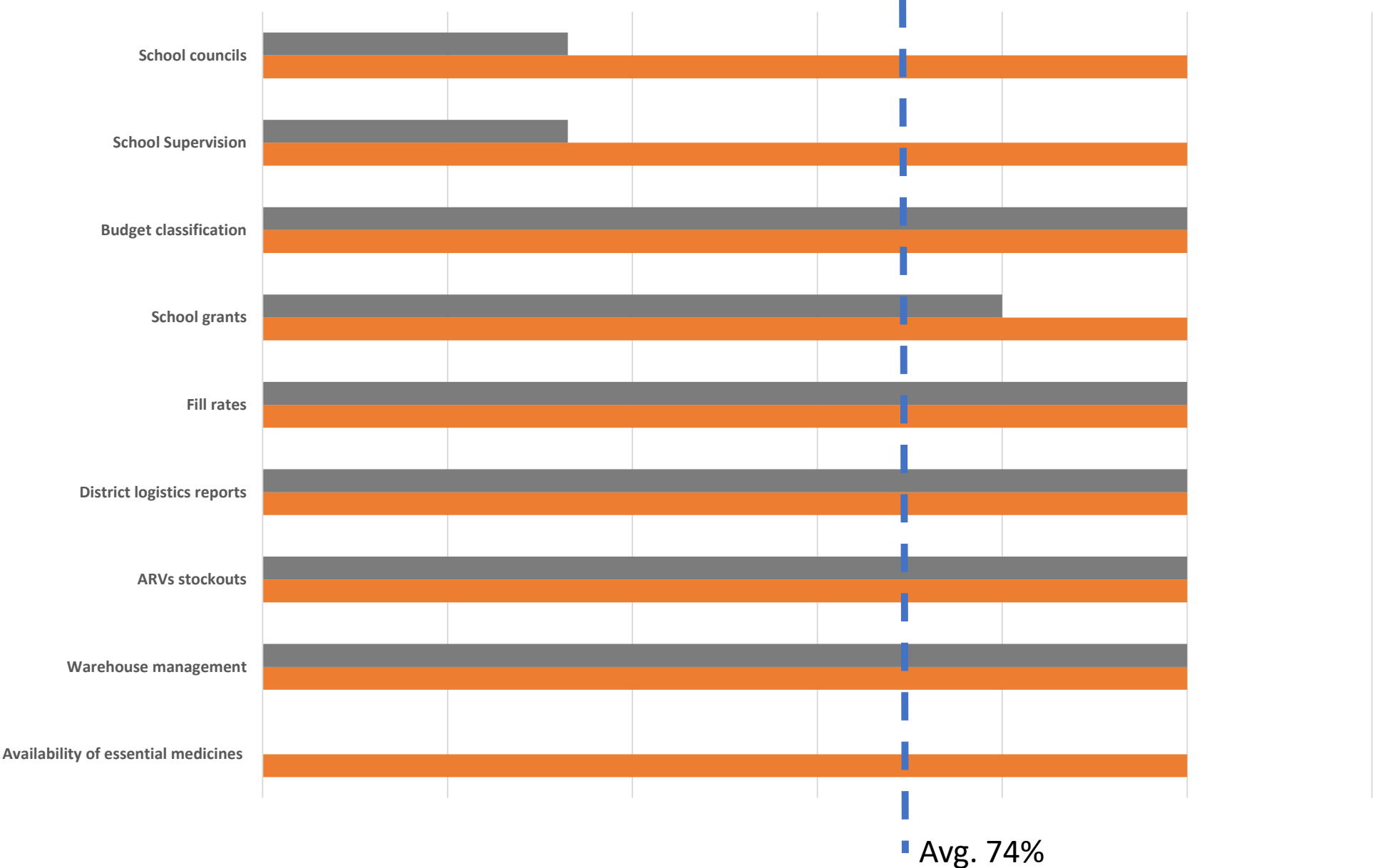
DLI

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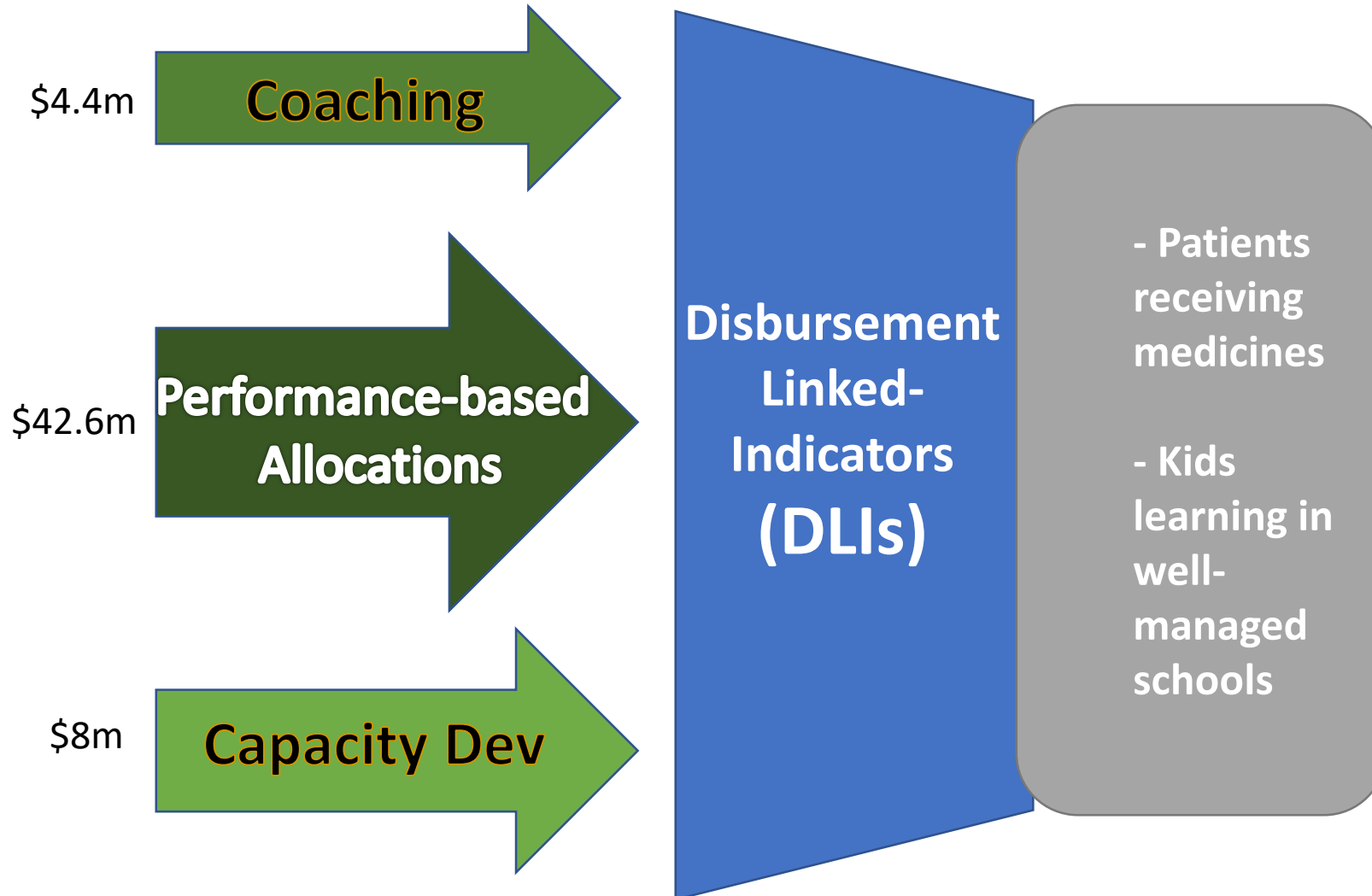
# RESULTS: DLIs progress at MTR against the program targets



# Institutional Strengthening

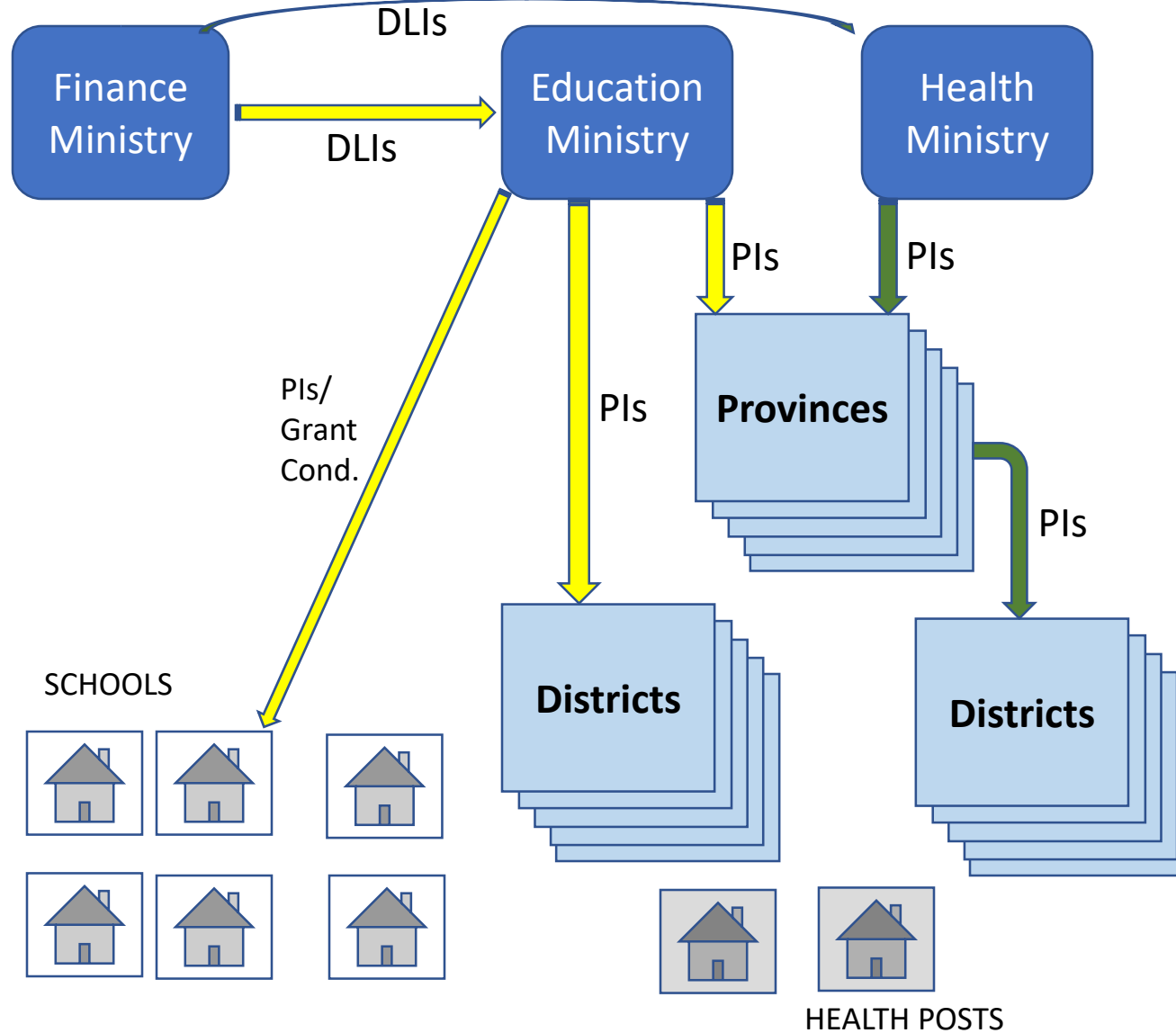
- MoF engaged with sector ministries and provinces to monitor performance against established indicators
- Program supported government-led sector strategies and expenditure programs
- Tribunal Administrativo conducts an audit of performance against established indicators
- Problem driven iterative adaptation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

# PforR Components





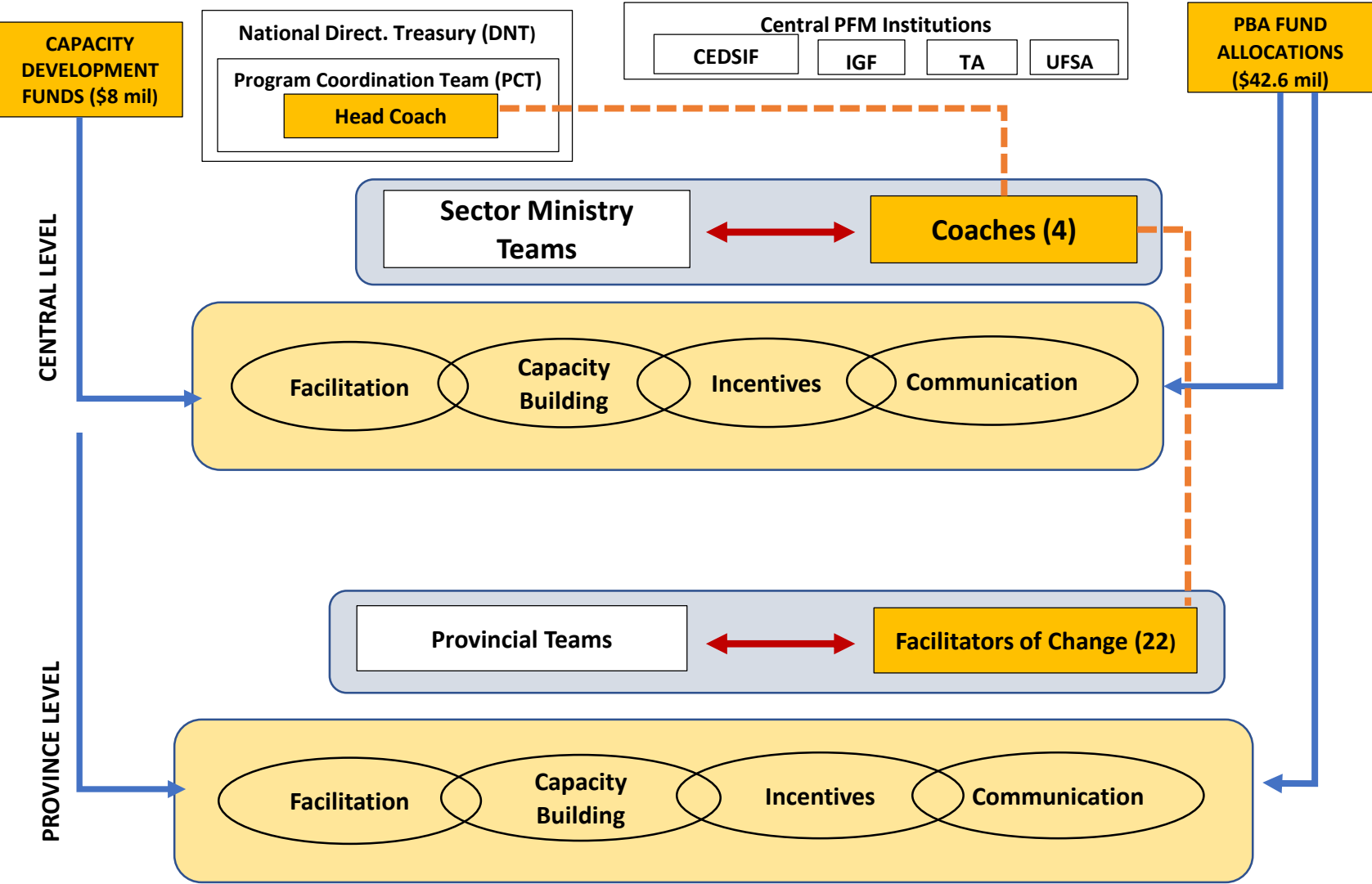
# Performance-Based Allocations



# PFM Capacity Development

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

# Management Capacity



# 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

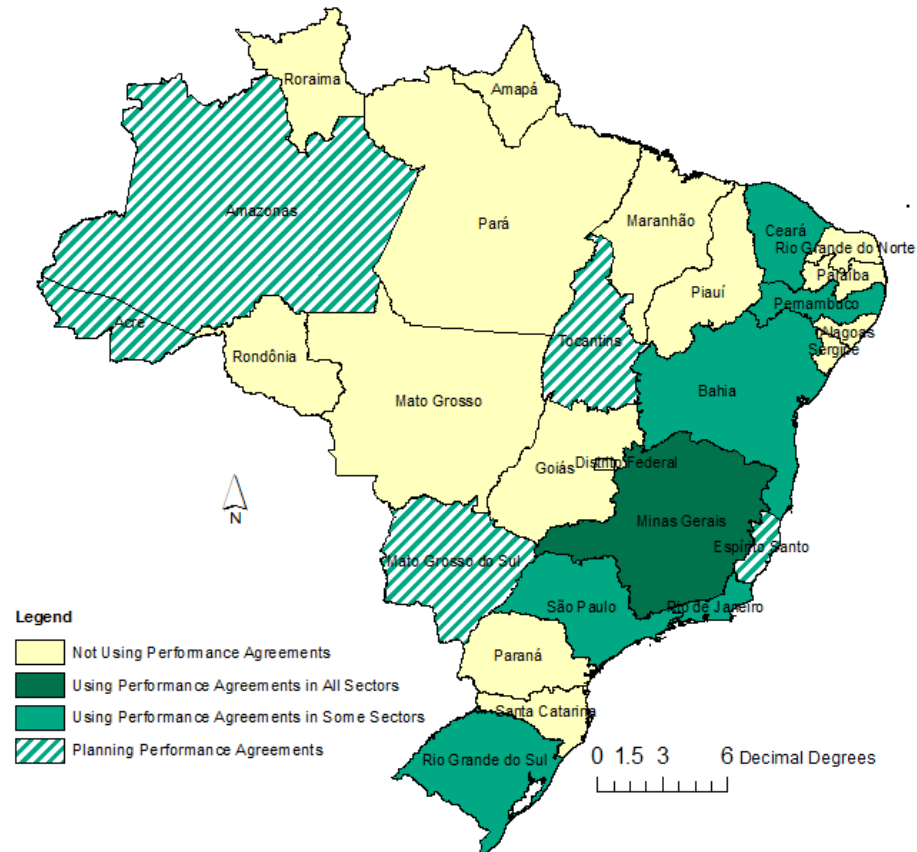
# RBM is Rapidly Disseminating across Brazil

## Implementing:

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

## Planning/Considering:

- Amazonas, Acre, Espírito Santo, Mato Grosso 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.