

# In Schematics: Burundi Performance-Based Financing through a Private Purchaser

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In 2006, the Dutch NGO CORDAID introduced and supported Performance-Based Financing (PBF) pilot projects to improve basic health care in Burundi with financing provided by the government of the Netherlands.<sup>1</sup> The PBF approach through a private purchaser is based on the separation of three functions: service provision, health system regulation and purchasing (which includes verification).

This schematic illustrates the PBF through a private purchaser in Burundi. CORDAID created Local Fund Holding agencies (FHAs), which assumed, once trained, full responsibility for introducing PBF and supporting its implementation. The FHAs contracted individual health facilities (both hospitals and health centers) for a set of well-defined services<sup>2</sup>, whereby an additional bonus could be earned based on performance against quality criteria. The FHA verified service quantity and ensured quality was assessed in health centers and hospitals, as a condition for releasing performance incentives. The schematic walks through the different steps taken in the Burundi PBF model through a private purchaser in relation to invoice submission, verification and payment while highlighting the different actors involved in the process. Further descriptive information can be found in *Verification at a Glance*, by editors: Joseph F. Naimoli and Petra Vergeer at: <http://www.rbfhealth.org/rbfhealth/library/doc/309/verification-glance>

PBF through a private purchaser is different from the PBF approach where the government is the largest purchaser, as currently in Burundi and Rwanda. For Burundi a new national PBF model has been developed, largely based on the CORDAID model. A newly formed Provincial Committee for Verification and Validation (CPVV) which consists of government and non-government representatives (including the former FHAs) now contracts the health facilities and verifies the results in Burundi.

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<sup>1</sup> Initially in two provinces and subsequently scaled up to seven provinces with funding from the EU, GAVI and CORDAID. In two other provinces Health Net International TPO and the Swiss Development Cooperation also supported PBF projects, with a similar operational structure to CORDAID's model.

<sup>2</sup> At health center level, fifteen to twenty services are purchased, whereas twenty services are purchased at hospital level.

# BURUNDI

VERIFICATION

COUNTERVERIFICATION

