

# Mobilizing Multiple Voices for RBF Success: The Role of Stakeholder Consultations in Results-Based Financing

BY Sarah McCune and Petra Vergeer

Appreciating the need to reform their respective health sectors and recognizing the potential of results-based financing (RBF), a ministry of health (MOH) will often approach the World Bank or its development partners about implementing RBF. Stakeholder consultations, which are frequently MOH-led, are an important component of RBF design and implementation. They provide opportunities for the individuals, groups, organizations, and institutions involved in RBF to participate in the decision-making process and to express their opinions about the implementation of the new financing approach. The information collected during these consultations can subsequently be used to improve project design and to identify and then mitigate any risks. The collaborative nature of stakeholder consultations, moreover, promotes transparency and accountability.

Depending on the social, political, and institutional context in which RBF is implemented, the stakeholders involved in consultations can vary from country to country. Typically, however, the stakeholders include beneficiary representatives at community level, health service providers and government entities at different levels, special interest groups, and donor and implementing organizations. Early consultation with each of these stakeholders is crucial to ensure appropriate RBF design and to secure buy-in for the program, which in turn, helps to ensure its sustainability and success. This paper will highlight examples of different stakeholder consultations and will provide a framework for how to conduct them within the context of RBF.

## Community level

Early engagement with stakeholders at the community level is an integral part of RBF design. Holding consultations with these demand-side stakeholders can help to identify any bottlenecks in service delivery and barriers to or utilization of health services.

The RBF program can then be designed specifically to address these issues and to ensure that the needs of the beneficiaries are being adequately met. An example of stakeholder consultation at the community level comes from Burundi. The findings of a social assessment study carried out by the Government of Burundi revealed that the Batwa were a particularly vulnerable population and lacked access to health services. The study concluded that increased collaboration was needed between the Batwa and health workers. The preparation of the RBF program in Burundi therefore included participatory consultations with the community, which resulted in ensuring that Batwa representatives were included in the health committees that oversaw the functioning of health facilities and the use of RBF incentives, which were also adjusted for serving the Batwa. These representatives also sought to empower the community to participate and to have a voice in their health care.<sup>1</sup>



## Health care providers and other government authorities

Health care providers are other important stakeholders that should be consulted during RBF design. For example, in Nigeria, focus group discussions and interviews were held with health workers at different levels of the health system. These consultations helped to identify the challenges that health workers faced in providing quality services and informed the level of RBF incentives required in order to attain the desired results. Several rounds of consultations were held with different Nigerian government authorities about their role and their capacity, and from these, the institutional arrangements of the RBF program emerged. Specifically, it became clear that the Nigerian Constitution outlined an

important role for the National Primary Health Care Development Agency (NPHCDA) in the development of primary health care policy, and that a health bill stipulated that such agencies would be formed at state level and would manage a portion of the funds provided to Local Government Authorities (LGAs). Consultations additionally confirmed that two of the RBF pilot states were in the process of developing their own state-level agency (SPHCDA), and they would therefore be the most appropriate agency to become the purchaser in the Nigeria RBF program. The consultations also revealed that the primary-care health departments of the LGAs had an important responsibility to oversee the quality of services. They were consequently assigned a verification role to ensure the quality of care in health centers.



Oriye Rindre, Chairman Traditional Council, Wamba LGA

### Special Interest Groups

Special interest groups, such as labor unions, patient advocacy groups, and professional associations, are other key stakeholders that are engaged with before and during the implementation of RBF. The World Bank's recent case study on the implementation of RBF in Benin highlights the importance of holding consultations with such stakeholders.<sup>2</sup> Due to the prominent role that labor unions play in Benin's health sector and in the country more generally, it was vital to the implementation process and to the program's success that the support of union leaders was secured. Initially, it was thought that the union leaders would support the introduction of an RBF approach given its emphasis on health worker bonuses. However, union leaders expressed strong opposition related to concerns that RBF would privatize the health sector and that the establishment of performance standards would lead to existing staff being fired. Union leaders specifically took issue with the word "performance." For them, it negatively connoted the subjective criteria that supervisors had used in the past to make decisions about health workers' career trajectories. As a result, in the RBF program the word "performance" was replaced with "results." The perpetuation of the country's system of clientelism was another concern that union leaders raised; they worried that the health facility managers would have too much power if allowed to decide how to use the RBF incentives. The leaders instead wanted a "uniform national [bonus] allocation system that would cover all workers at the facilities participating in the project."<sup>3</sup> Thus in the subsequent RBF design, a formula was used so that every health workers was entitled to a share of the health facility incentive based on their respective salary level. Finally, to alleviate concerns that RBF was inappropriate for the country given its low-income status, a study tour was arranged for union leaders to see Rwanda's RBF program. Having seen RBF work in Rwanda and satisfied with the changes to the RBF design, the union leaders consequently withdrew their opposition, and RBF in Benin was implemented in April 2012.

### Donor and Implementing Organizations

Donor and implementing organizations working in a country's health sector are other key stakeholders that should be involved early in consultations. Their acceptance of and even participation in an RBF program can help to systematically coordinate efforts and to allay any concerns about competing interests. One example of consultations with donors emerges from Haiti where World Bank staff engaged early with USAID in discussions on RBF. USAID was already supporting a service delivery project (SDSH) with an RBF component. In mid-2012, the Haitian Minister of Health requested that all future RBF mechanisms implemented in the country employ the same approach and methodology. At the time, the Ministry of Public Health and Population (MSPP) and the World Bank were designing their RBF mechanism, and USAID was developing their follow-up project to SDSH. The outcome of including USAID early in the consultations was to facilitate numerous discussions, which ultimately resulted in harmonizing the RBF approaches of the MSPP, World Bank, and USAID.

An example of a stakeholder consultation process with both donor and implementing organizations comes from Burundi. Based on positive pilot results, the Ministry of Health in Burundi chose to scale-up the RBF approach nationwide and requested the support of donors and implementing agencies. However, there was disagreement between the MOH and these partners in how the approach should be scaled-up: the MOH favored assuming the role of the purchaser, while the partners preferred an independent agency to take on this role. To counter the stalemate

that ensued, consultations were held with the different stakeholders and were supported by independent mediators. These consultations led to a consensus agreement on a hybrid model whereby a team of incentivized, provincial-level government bureaucrats and contracted staff formed the provincial verification and validation committee (CPVV), which ultimately assumed the role of the purchaser in the approach.<sup>4</sup>

## **A Three-Step Framework to Conduct Stakeholder Consultations**

The examples above demonstrate that stakeholder consultations are context-specific, and that the “techniques, methods, approaches, and timetables will need to be tailored for the local situation and [for] the various types of stakeholders involved.”<sup>5</sup> In any context, however, three, key steps are necessary for productive and effective stakeholder consultations about RBF.<sup>6</sup> These steps include planning, engagement with stakeholders, and the incorporation of their feedback.

### **Planning**

Careful and thoughtful planning is vital to ensure that the subsequent stakeholder consultations will be productive. A stakeholder analysis (SA) can be an effective tool for such planning and may be used during the preparation of an RBF program. Broadly, an SA identifies and prioritizes the stakeholders involved in or relevant to the implementation of RBF; it also assesses their respective interests and incentives and how these interests and incentives may positively or negatively influence an RBF program. Furthermore, it explores how the different stakeholders may be affected by the implementation of an RBF program and “highlights points of risk and opportunity...and identifies potential stakeholder coalitions and rivalries.”<sup>7</sup> The knowledge generated from an SA can be used to plan strategies for effective stakeholder consultation. Information yielded from the SA can be also be utilized in tandem with the results of the stakeholder consultation to improve program efficiency and design and to clarify implementation arrangements and responsibilities.

An SA was recently completed in Tajikistan where a RBF program is being developed. Its results help to illustrate the process that is typically involved in conducting an SA and the knowledge that is generated from it. The SA identified 24 different stakeholders among the MOH, other non-MOH public entities, local authorities, civil society, mass media, and development partners. The identification of these stakeholders revealed who would gain or lose from the intervention and who would support or oppose it. The SA also assessed the relationships among the different stakeholders. A series of subsequent analyses highlighted more detailed information about the stakeholders, including their power and leadership, their support or opposition for the RBF program, their knowledge of the program and their role within it, and their general interest in the program. These analyses addressed specific issues, such as which stakeholders controlled and mobilized strategic resources, the risks and disadvantages that stakeholders perceived would result from the program, and whether or not key stakeholders’ understood the program’s goals. The information was then used to group stakeholders and recommendations for how to most effectively approach the stakeholder consultations were developed.

### **Stakeholder Engagement**

Once the stakeholders and their roles and interests vis-à-vis RBF have been identified, the process of engaging with them through consultations can begin. The approaches to engagement are likely to differ based on the information revealed in the SA, and some of the decisions regarding the implementation of RBF will require consultation with only a select group of stakeholders. All consultations, however, should aim to follow basic principles of good practice.<sup>8</sup> Stakeholder consultations that follow these principles of good practice will be well-targeted, initiated early and held throughout the implementation process, inclusive of vulnerable and marginalized groups, and free from intimidation and undue influence.<sup>9</sup> Principles of good practice also dictate that stakeholder consultations should be well-documented, contextually and culturally appropriate, and conducted in a way that supports open dialogue.<sup>10</sup>

### **Incorporating Feedback**

Actually incorporating stakeholder insights into an RBF program is just as important as holding the consultations themselves. The incorporation of stakeholder feedback improves the chances of designing an RBF program that is most aligned with the local context and promotes its sustainability, which ultimately helps to ensure the success of the program. In addition, it is important to establish mechanisms that facilitate a process in which stakeholder views are regularly collected and then systematically fed back into RBF implementation so as to amend program design if appropriate. In Afghanistan, for example, stakeholder feedback revealed that the proposed timeline for scale up of RBF

to the hospitals was too ambitious and that the program should first be solidified at the primary level. In response, the RBF scale-up in hospitals was delayed which allowed provincial managers to gain a more in-depth understanding of the program at the primary-care level and ultimately lead to a more successful and efficient scale-up at the hospital level when it occurred.

## **Conclusion**

RBF programs are systems-level and multi-layered interventions that require engagement with a variety of stakeholders within and outside a country's health sector. Because the introduction of such programs intrinsically necessitates a structural reorganization of the distribution of stakeholder functions, the potential for conflict exists. Indeed, be they the government ministries, labor unions, or expectant mothers in maternity wards; stakeholders may have competing interests and incentives that must be recognized and addressed before and during the implementation of RBF. A carefully managed process of stakeholder consultation is thus required. Ultimately, these consultations promote collaboration, accountability, transparency, and sustainability, all of which are critical to ensuring the success of RBF.

## **Endnotes**

- 1 World Bank. 2012. Targeting for Inclusion: Reaching the Most Vulnerable Groups in the Burundi Health Project, Case Study.
- 2 Lieff, Benderly B. 2013 Benin Case Study. World Bank.
- 3 Ibid.
- 4 Fritsche, Gyorgy. 2010. Burundi Performance-Based Financing Case Study. World Bank.
- 5 International Finance Corporation. 2007. Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets. IFC.
- 6 These steps have been adapted from the IFC's stakeholder engagement handbook cited above.
- 7 World Bank. 2013. Political Economy Analysis of Rural Health Stakeholders in Tajikistan. World Bank.
- 8 International Finance Corporation, 2007. Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets. IFC.
- 9 Ibid
- 10 Ibid

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