



**Department for International Development
Payment by Results**

Contents

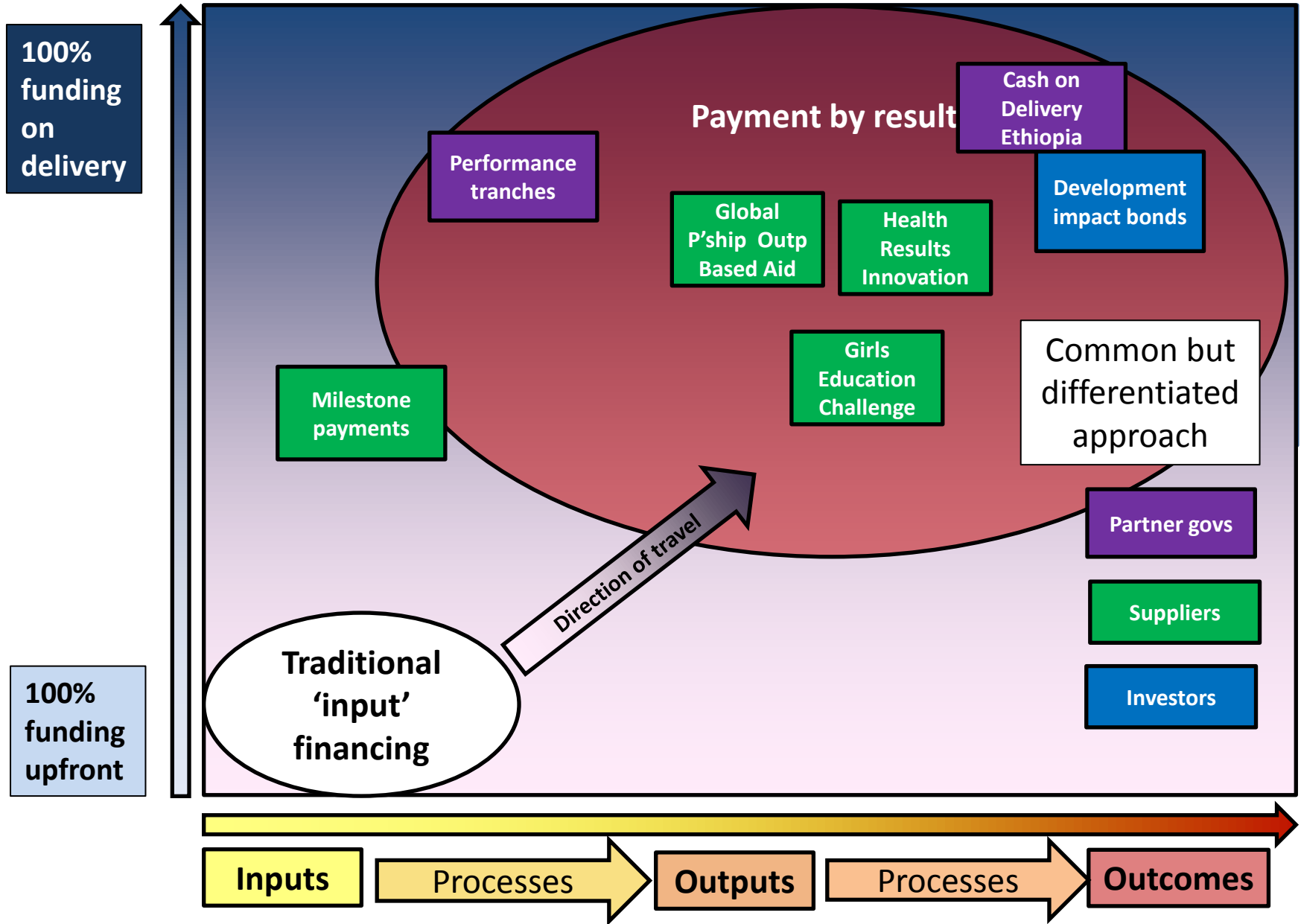
- Context – international & domestic shifts.
- What is Payment by Results (PbR)?
- PbR in practice.
- DFID's Strategy for PbR.

UK Civil Service Reform – principles for better services with less

1. **Choice**
2. **Decentralisation:** “empowering all potential providers, from whichever sector, with the right to propose new ways to deliver services”
3. **Diversity of provision:** “[encouraging] new, innovative providers to compete for contracts”
4. **Fair access:** “[building] incentives for supporting particular social groups ...into contracts”
5. **Accountability:** “getting good value for money for taxpayers, so that we no longer tolerate mediocrity and pay even when services are of poor quality”

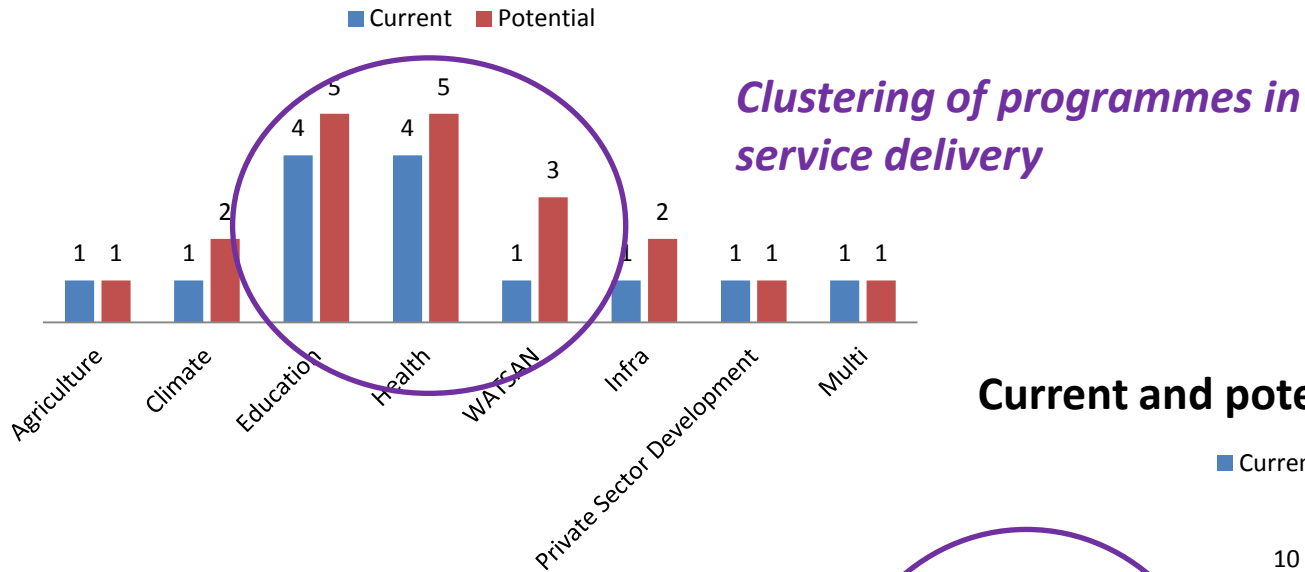
Open Public Services
White Paper

What is payment by results?

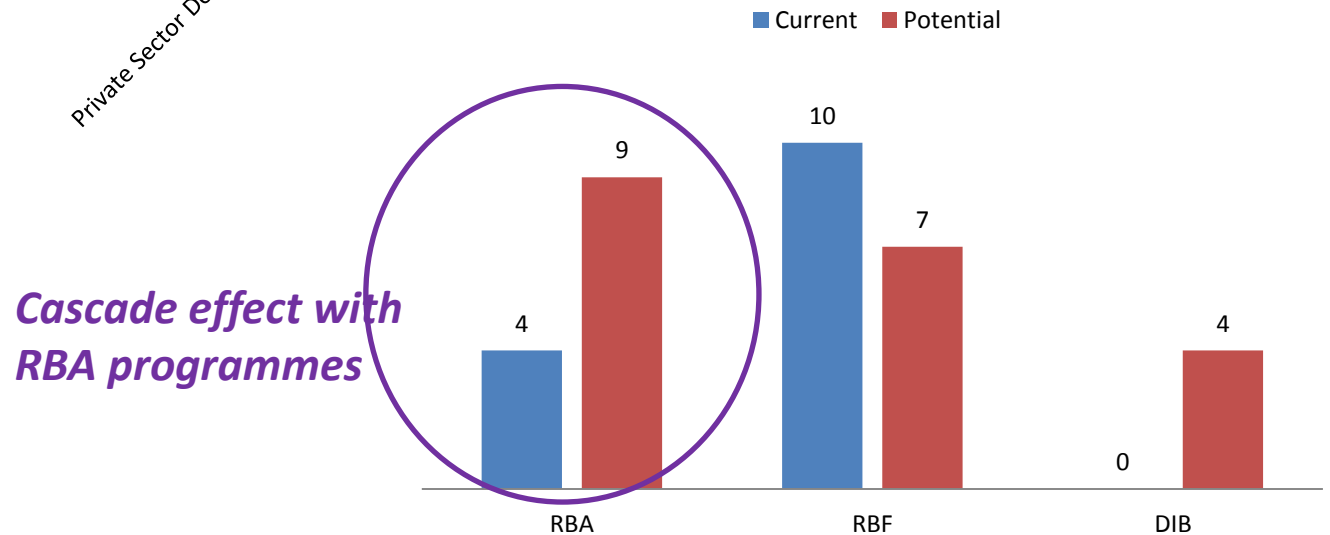


Paying by *outcomes*: DFID's current activities

Current and potential programmes by sector



Current and potential programmes by type



PBR in practice – two pilot programmes

	Education Results Based Aid in Rwanda	Health Results Based Financing Uganda
Results	Improved completion of education, measured by sitting key grade exams.	Improvements to key maternal and child health indicators.
Risk	100% paid on delivery of results, a component of a mixed-modality education disbursed as Sector Budget Support.	Essential medicines and small seed grants paid up front.
Who gets paid?	Government of Rwanda, Ministry of Education.	Individual health facilities.
Technical Assistance (TA)	No initial TA given – recipient discretion emphasised.	TA to business planning, financial management, supply of drugs, and District Health Teams for independent monitoring of services.

PBR in practice: How does it work?

Funder

Aligned development result:
Improved lower secondary completion

Agree indicator of results:

- Number of students sitting an exam

Agree payment structure (unit price)

Grade	P6	S3	S6
Payment per additional child	£30	£100	£30
Additional payment 2014/15	£10	£10	£10

Publish and announce MoU

Textbooks in schools
Building new schools
Provide coaching for
teachers

**Independent
verification of
results**

Disbursement of funds:
Unit price x
number of
students sitting
exam =
payment £

Partner

Time



DFID approach to PbR – building the evidence base

- **Expand the evidence base by doing more PbR:**
 - Expanding the scope of PbR where appropriate, with a view to strategically addressing evidence gaps;
 - Rigorous, independent and comparable evaluations, in order to learn “what works”;
 - Leading by example, influence, link with and learn from others applying PbR both domestically and internationally.
- **Build capabilities for doing PbR in the right ways, by:**
 - Translating evidence into action across the organisation;
 - Addressing systematic and incentive changes required to expand the scope of PbR;
 - Building skills and competencies relevant to PbR, in our partners and ourselves.

Thank you.

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