



Photo Jimma, Ethiopia, 2020, Frank van Lierde, Cordaid

A STRONGER ETHIOPIAN HEALTH SYSTEM THROUGH PERFORMANCE BASED FINANCING

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PERFORMANCE BASED FINANCING IN ETHIOPIA

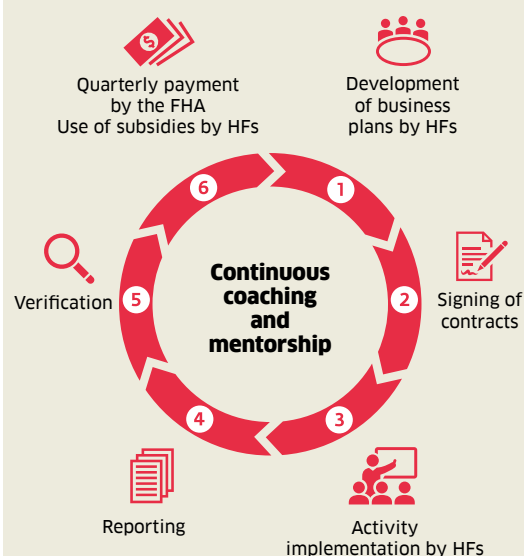
In 2015, Cordaid initiated a PBF showcase project in Borana zone, in close collaboration with the Oromia Regional Health Bureau and the Borana Zonal Health Department. Initially health services in this dryland area were rarely used, and services provided were of low quality. After three years, the project saw substantial improvement in the access to care, the quality of care, the reliability of data and the motivation of staff.

Based on these positive results, in July 2018 the project was scaled up to cover about 60% of the Borana Zone, while in October 2019 a second PBF project started in 13 districts of Jimma zone of the Oromia region. Since 2021, the PBF approach was further expanded to reach all 21 districts and 14 districts of Jimma and Borana zones respectively. Both PBF projects are supported by the Embassy of the Kingdom of the Netherlands.

HOW DOES PBF WORK?

1. Business plan is developed by the health facilities (HFs), whereby it has the autonomy to decide how to invest its PBF payment.
2. Facilities sign contracts with the Performance Purchasing Agency (PPA): Cordaid Borana or Cordaid Jimma.
3. Each month, the PPA verifies the accuracy of health data reported by each health facility. If the difference between reported and verified data exceeds 10%, there is no payment for that service that month.
4. HFs are also rewarded for the quality of care which is measured quarterly through both a technical evaluation and an evaluation of perceived quality by the community. Some HFs receive an additional remoteness bonus.
5. The HFs are paid on a quarterly basis based on the verified services and they use the subsidies as per the approved business plan. These payments are done by the Fund Holding Agency (FHA).

Performance based financing process



FACTS AND FIGURES

PBF in Ethiopia

4.425.380
Catchment population

710
Health posts

165
Health centres

13
Hospitals

35
Districts

2
Jimma and
Borana Zones

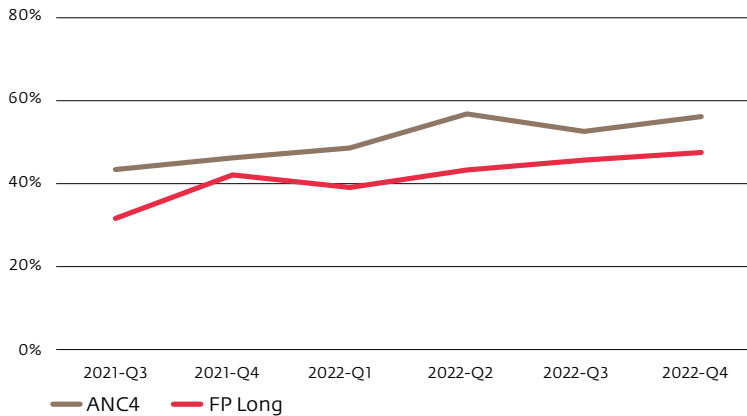
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Oromia Region

“PBF has given life to the activities of our facility.”

Staff member of
El Waye health centre,
Borana Zone.

RESULTS: MORE PATIENTS, BETTER DATA REGISTRATION

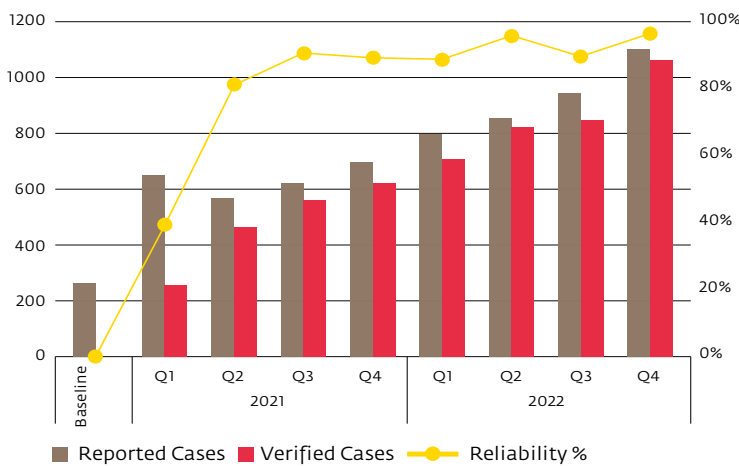
ANC4 and long-acting family planning (FP Long) coverage at HC level, Borana Zone Phase III (Q3 2021 – Q4 2022)



MORE PREGNANT WOMEN ARE MAKING 4 ANC VISITS AND MORE WOMEN 15-49 ACCESSING LONG-ACTING FAMILY PLANNING METHODS

- Over the past 6 quarters of PBF, the proportion of pregnant women making four antenatal care visits (ANC4) increased by 12.7 percentage points in the phase III health facilities. The same trend was observed for women 15-49 utilising long-acting family planning methods.
- For other essential services, such as mothers making their first antenatal care visit and deliveries attended by skilled personnel, an increase in service utilisation was also noticed.

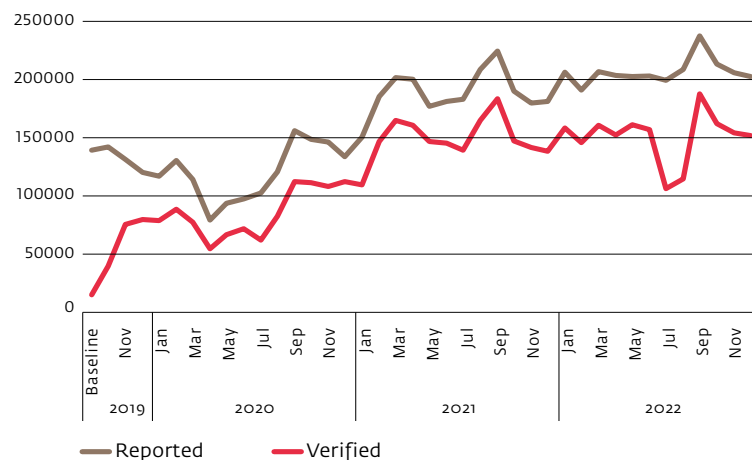
Skilled deliveries at HC level, Jimma Zone Phase II (Dec 2020 – Dec 2022)



MORE WOMEN DELIVERING IN FACILITIES AND MORE ACCURATE DATA

- Data reliability improved considerably. The percentage of reported skilled deliveries fully verified went up to 99% by Dec 2022 in Jimma Phase II facilities. The high-quality health data is a result of strict verification, contributing to the Information Revolution as part of Ethiopia's health ambitions.
- Utilisation of skilled deliveries also increased between December 2020 and December 2022 as evidenced by an upward trend in both verified and declared cases.

Total number of reported and verified cases (all facilities), Jimma Zone Phase I (Sept 2019 – Dec 2022)



IMPROVED DATA ACCURACY

- One of the first visible results of the PBF approach is improved data accuracy, as shown by the programme in Jimma Zone. From the baseline, done in September 2019, until December 2022, the percentage of verified cases increased from 11% to 75%.
- Health centres only get paid if the difference between reported and verified numbers is less than 10%. As a result of this strict verification and coaching, facilities started to improve the accuracy of the reported data, leading to an observed decrease in reported cases. This trend is visible across almost all services included in the programme, leading to more reliable data for decision-making.

“Previously, my staff would see patients, but their data handling was poor. Since we started PBF a year ago, that has changed. Data handling in this hospital has dramatically improved. The staff has come to understand that you cannot do your job without providing accurate data.”

Abdulkarim Gali, in Jimma zone (hospital director, Agaro Hospital)

A MOTIVATED HEALTH WORKFORCE

Participating health facilities are granted autonomy to decide how to spend the money earned through PBF. They develop a business plan outlining priorities for improvement for the upcoming period. A maximum of 30% of the health facility’s quarterly PBF earnings can be used as an extra incentive to staff, on top of their regular salaries, whereas a minimum of 70% must be spent on investments to improve quality of services.

Investing to improve services for the community

Facilities use the subsidy to fill critical gaps affecting their performance, such as: purchasing medical equipment like microscopes and laboratory materials; improving facilities’ infrastructure; maintaining or expanding buildings; buying furniture; or buying cleaning materials. Some improve the power system by purchasing generators or solar panels, while others buy motorbikes to visit patients at home. Other facilities use subsidies to ensure substantial improvements in availability of essential drugs and medical supplies.



Photo Borana, Ethiopia, 2017, Petterik Wiggers, Cordaid



Photo Jimma, Ethiopia, 2020, Frank van Lierde, Cordaid

“As a health centre, we had been aware of our gaps for a long time, but we did not have a way to do anything about it. Nobody respected our capacity to prioritise. Being able to do that ourselves boosted our attitude.”

Andu Alem, in Jimma zone (health center director, Sigmo PHCU)

Team spirit: motivated, caring and entrepreneurial health staff

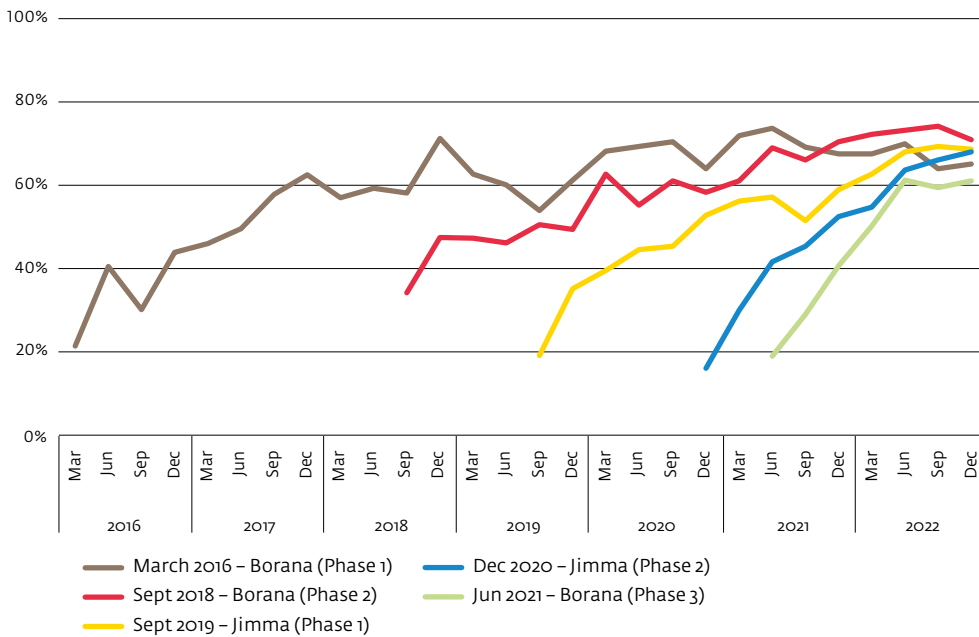
The PBF approach changes how a health team functions. PBF promotes entrepreneurship, leading to better management of resources and higher staff motivation. Health staff members feel more driven to engage with the community in a caring manner, because they feel more confident and have the means to provide good quality services. Staff also feel more empowered to make the changes and investments they think are necessary to improve the care to their community.

PBF CONTRIBUTION TO ETHIOPIA’S HEALTH AMBITIONS

HEALTH SECTOR TRANSFORMATION PLAN II	PBF’S CONTRIBUTION TO THE HSTP II AGENDA
Transformation in equity and quality of services	PBF improves patient satisfaction and the use, accessibility and quality of health services
Information revolution	PBF realises reliable health data for decision making through rigorous data verification
Transformation in the health workforce	PBF stimulates a motivated, professional, patient oriented and compassionate health workforce
Transformation in health financing	PBF stimulates efficient use and management of existing health resources
Transformation in leadership	PBF is a health system approach engaging with and enhancing leadership at all levels

RESULTS: IMPROVING QUALITY OF CARE

Average technical quality scores at Health Centre level for Borana and Jimma zones



HIGHER QUALITY OF HEALTHCARE SERVICES

- Over the course of seven and a half years the average score of the 8 Borana phase I health centres increased from 22% to 65%.
- The 15 additional Borana health centres under phase II achieved an average score of 71% in December 2022, a notable improvement from 34% four years prior.
- The phase III health centres (22) achieved an average score of 61% in December 2022, a notable improvement from 19% a year and half prior.
- Since the introduction of PBF in Jimma Zone the average total scores for health centres increased from 19% during the baseline to 69% in December 2022 for phase I facilities and from 16% during baseline to 68% in December 2022 for phase II facilities.
- Some of the highest quality scores obtained were for: Logistics, Medicines and Supplies and Outpatient Consultations for Children Under 5.



Photo Ethiopia, 2017. Petteirik Wiggers, Cordaid

“Before PBF started our health centre had a reputation for poor quality. Many people in the communities did not even know that our health centre existed. Those who did know it, were unwilling to come and visit, as they did not trust the quality. Now, we can provide good quality care. We are getting a lot of positive feedback from the community.”

Midwife, Tolera Boru
in a Health Center in
Borana zone

In partnership with



Oromia Regional
Health Bureau



Kingdom of the Netherlands

The Embassy of the Kingdom
of the Netherlands in Ethiopia

ABOUT CORDAID

Cordaid is an internationally operating value-based development and emergency relief organisation working in and on fragility. We support local communities in their efforts to improve justice, health care, food security, education, and economic opportunities.

Our mission is to work towards a world without poverty and equal opportunity. We offer international expertise through a locally led approach, having decades of in-country experience in the countries we operate in. Cordaid is a founding member of Caritas Internationalis and CIDSE and a member of the ACT Alliance.

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