The Nigerian PBF Approach to Contracting Using State Actors

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# Background

In 2011, the Federal Government of Nigeria (FGN) through a credit from the World Bank launched a Results-based financing (RBF) program in health under the Nigeria State Health Investment Project (NSHIP) piloted in three States of the Federation. The RBF approach was adopted based on global best practices and experiences from other sub-Saharan countries such as Rwanda and Burundi, as an output-based system of health financing.

Introducing RBF approaches into a country is not always easy and needs to follow basic principles which are relevant for designing country models, however, each country has to design or adapt its RBF model based on its realities.

In Nigeria, consultations between FGN and the World Bank was key to identifying and considering country level nuances required for the introduction of RBF. This includes aligning with the Africa Strategy (2011) – *Africa’s Future and the World Bank’s Support to it* which focuses on the foundation of strengthening governance and building public sector capacity through institutional strengthening and enhancing incentives in the civil service.

# Objectives

This research aims to assess the degree to which the design of NSHIP adheres to the conceptual design and framework of RBF programs based on its eleven best practices.

# Methodology

To meet the objective of this research, we measure its fidelity against the distinct roles that various actors play in an ideal RBF setting. Literature review of RBF in developing countries, PBF toolkit and guidelines and the NSHIP project documents was done to collect data. The case is defined as the Nigerian NSHIP RBF model from late 2011 to 2017 and analysis is made based on the modified implementation fidelity framework of Carroll et al. (2007).

# Key findings

The study found the majority of the intervention components were implemented with fidelity (80%, 4/5), whiles 20% (1/5) underwent modifications due to contextual circumstances. Empirical data showed that the institutional arrangement based on separation of functions were implemented with slight adaptations made on country level nuances.

# Conclusion

Experience from the NSHIP model suggests that integrating RBF approaches into the health system first requires a design mechanism that includes adequate space for dialogue and debate to ensure understanding and ownership among key stakeholders. Secondly, alignment with and adaptation to, the specific, local institutional context is critical.

So far, the Nigerian RBF approach to contracting is unique as it shows that the capacity of State actors can be built to take on new roles in RBF design and implementation.