**Assessing the Effect of Performance-Based Financing (PBF) on Health Care Quality in Nigeria: Experiences from Nigeria State Health Investment Project (NSHIP) Implementing States**

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**Abstract**   
**Introduction**   
Health systems are measured by the population health indices as well as quality of care provided. Between 2000 and 2010, the Nigerian health system occupied third to the worst performed health systems in the World. These poor health indices resulted to the country missing the MNCH MDGs targets. The diagnostic of the Nigerian health system revealed series of systemic problems including high fragmentation/poor coordination, low incentives, low technical efficiency, chronic stock-outs of essential drugs, dilapidated infrastructure/equipment and lack of systematic measure of health care quality and system performance. As a step to address these systemic problems, Nigeria is using a credit from the World Bank to implement Nigeria State Health Investment Project (NSHIP) with focus on performance-based financing (PBF) in three States which has introduced series of measures including quantified systematic measure of quality/project performance review, institutional coordination, autonomy at all levels of implementation, and strengthening of existing systems. This study therefore assessed the effects NSHIP on quality of health care in Nigeria and evaluating the role of PBF principles in enhancing coordination mechanisms.

**Material and Methods**

The study used mixed research methods in which primary and secondary data sources were collected for analysis. The secondary data were obtained from the NSHIP portal while the primary data include interviews with stakeholders involved in the NSHIP implementation. Simple descriptive statistics and qualitative methods were used for data analysis.

**Results**   
The study found a positive influence of NSHIP on the coordination mechanisms in the implementing States. The understanding of quality of care concept spread across frontline health workers and data analysis also revealed improved quality of care from average of 25% to about 70%. The low discordance from community client satisfaction survey (CCSS) results also showed consistency in quality of health care and improved provider-patient relationships.

**Discussions/Conclusion**   
The introduction of NSHIP has influenced the implementing States in several ways. The NSHIP States adopted PBF data verification model for verifying health facility register information before uploading into national data instance. The three States were found to be well informed about quality of care. Consequently, patient care/respect and tracking has improved. More so, the PBF has enhanced clear separations of functions among key stakeholders at all levels of implementation. The study recommended that there is need for expansion of PBF to more States in order to turn around population health indices in Nigeria.