PART TWO

Case Studies

The chapters that follow provide in-depth looks at a broad range of performance-based approaches and attempt to give a sense of the design and operational issues involved in establishing functional incentive programs. We look at incentives operating on the demand side, such as conditional cash transfers; those that are focused on directly changing provider behavior, such as the programs in Haiti; and programs that combine both supply- and demand-side approaches (such as in the Nicaragua case).

The studies show that well-designed incentives can increase use, quality, and efficiency in a variety of situations:

—In fragile and more stable states, nongovernmental organizations (NGOs) have been contracted and paid based on results. Pay for performance provides a way to establish leadership of a nascent government, while building on existing capacity to deliver services (Afghanistan), and works in settings where the government is not able or willing to take the lead (Haiti).

—In decentralized and centralized contexts, incentives provide a way to establish Ministry of Health leadership and ensure a focus on health results while shifting operational responsibility to lower levels. —In very poor countries and in the most developed countries, across varying capacity constraints, pay for performance can be both pro-poor and equity enhancing.

The scale of interventions in these cases also varies: some, such as Haiti and Rwanda, start with small pilots, whereas others, such as Afghanistan, are implemented at full scale.

The cases demonstrate that paying for performance is a development strategy about more than buying results today. It can be about strengthening capacity to deliver services by enhancing systems for the long haul—raising health status for the long run, a necessary building block for any country's long-term development. Copyright © 2009 CENTER FOR GLOBAL DEVELOPMENT 1800 Massachusetts Avenue, N.W. Washington, D.C. 20036 www.cgdev.org

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