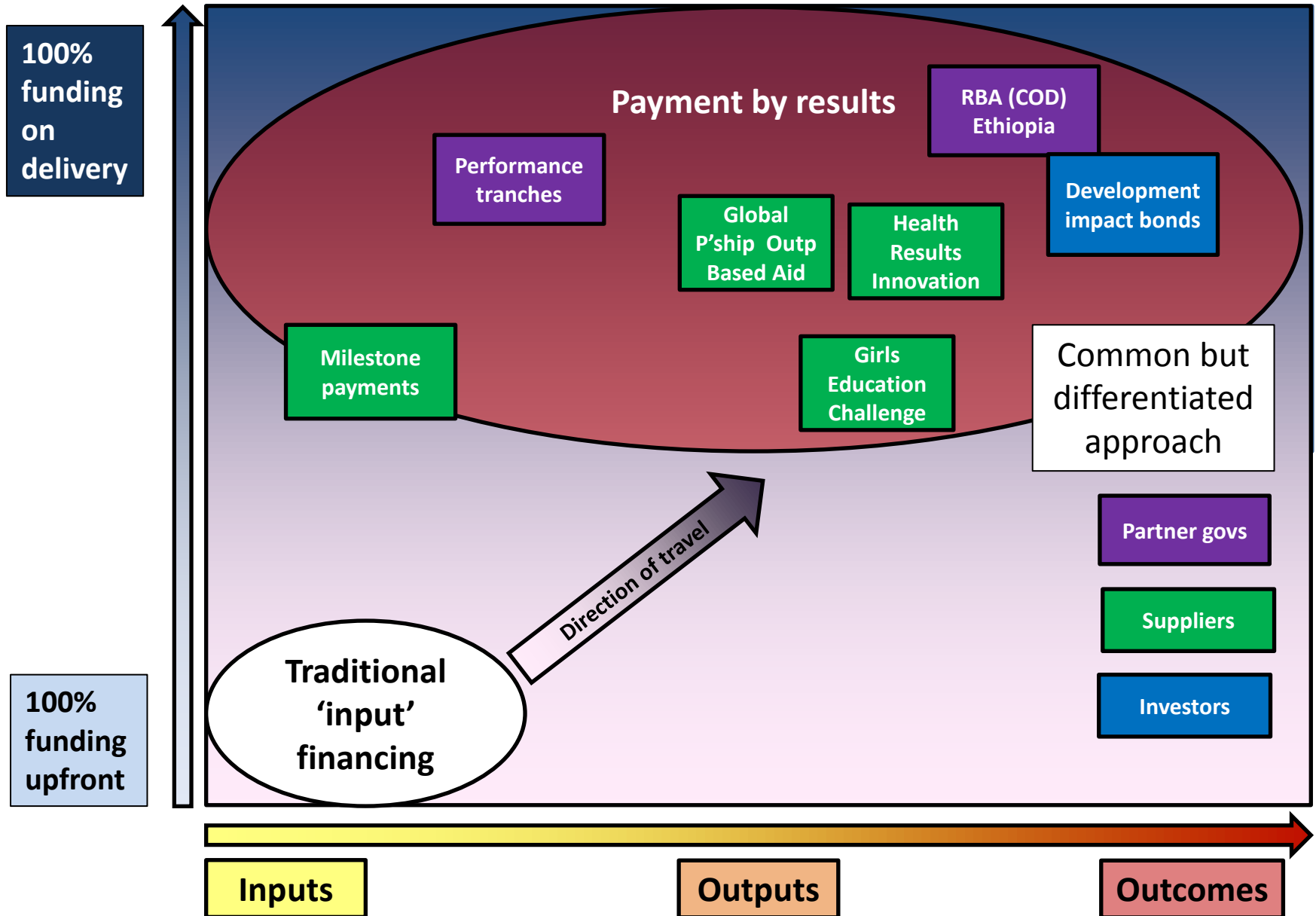




**Department for International Development  
Payment by Results**

# Payment by results: transferring risk for delivery



# Why and where PbR? We need more evidence

Potential Benefits	Potential limitations
<ul style="list-style-type: none"><li>• Risk sharing</li><li>• Incentives</li><li>• Innovation</li></ul>	<ul style="list-style-type: none"><li>• Measurement</li><li>• Evidence</li><li>• Poorly designed PbR could:<ul style="list-style-type: none"><li>- increase costs</li><li>- risk perverse incentives</li></ul></li></ul>

- **Trade off between benefits and risks. We *think* PbR works best where:**
  - Indicators can be defined and independently measured
  - Sufficient institutional capacity and control to deliver intervention

# Emerging lessons



Warning: this  
isn't evidence!

- It ain't easy! (skills, finance, time)
- Complementary measures?
- Performance management tool
- Simplicity & communication matter
- Context

# Questions for discussion

- **Rationale?** (aid effectiveness, value for money, risk transfer)
- **Circumstances?** (sector, country/context factors)
- **What do we already know?** (evidence, process lessons)
- **How to build better evidence?** (kinds, questions, methods, comparability)
- **How to build capabilities?** (skills, processes)

# Thank you

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