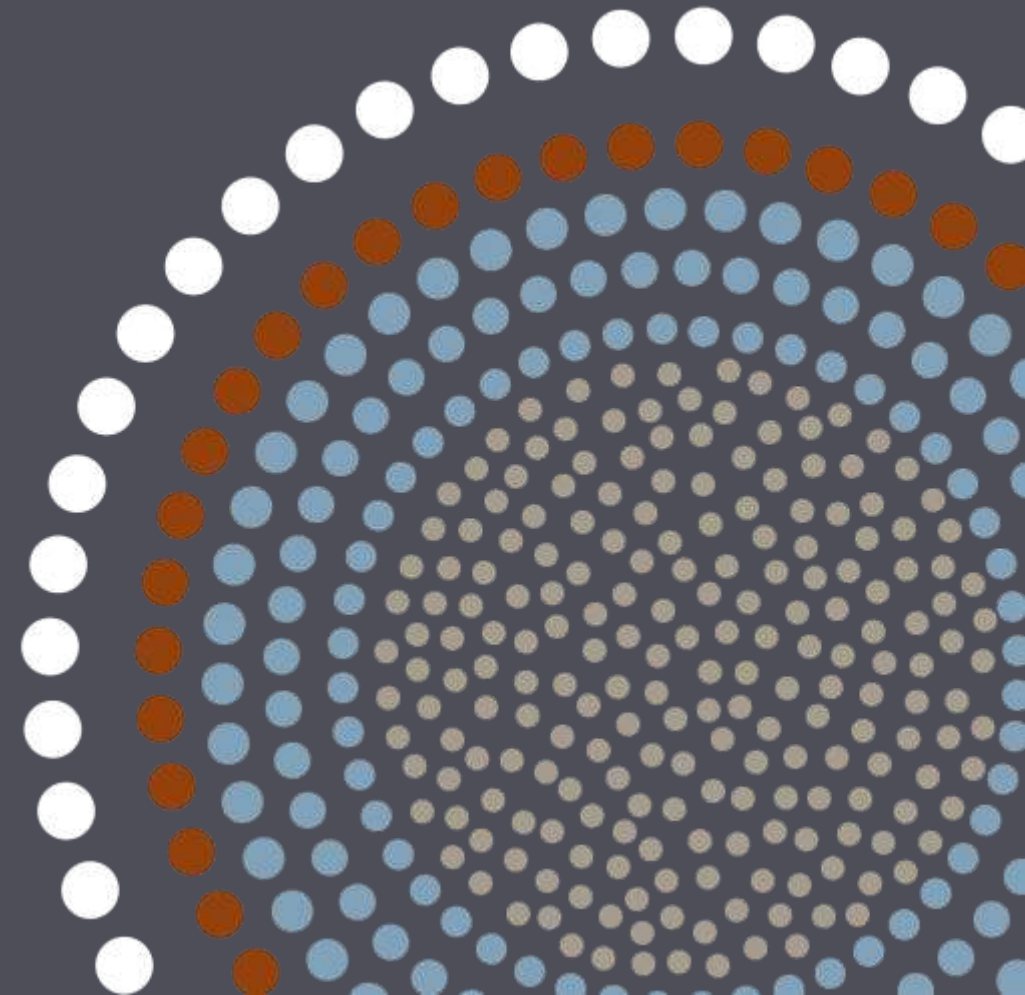


Results-Based Financing Forum 2023



Reflections of first 2 days of GPRBA Forum

Quick summary



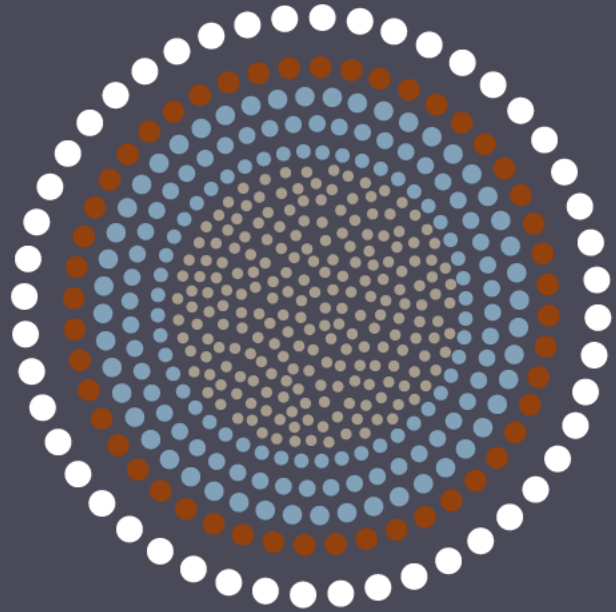
- **A crystal-clear Theory of Change is key: if project is designed well, with right people and right results, it works well"**
- **Coordination, prevention, and innovation is what the governments need from RBF approaches.**
- **"RBF is not the goal but the means"**
- **"Awareness of RBF towards increased ownership is important"**
- **Not just projects or contracts but also "actual results" on ground**
- **"Just building things, do not help achieve results"**
- **"Incentives and political economy analysis" are starting points.**

- **“Pay as you go” makes RBF appealing.**
- **Leaving behind better public functioning system is essential for sustainability.**
- **“When you overcomplicate, transactions cost go high”.**
- **“Mature market is needed for RBF to work”**
- **Political cycle makes RBF to work in certain context.**
- **RBF more effective in low-income countries as opposed to general assumption that it may work better in MIC**
- **“Think what good looks like for particular sector/intervention in 10 year and then work backward to define results”**

- **“Data is an important component to measure baseline and results. Therefore, capacity of data collection is critical”**
- **“Investing in human development is equally important, as infrastructure development”**
- **Use RBF where traditional methods of financing are not working.**
- **“Scalability and replicability: pilots to bigger impact project”**
- **P4R is a good instrument for achieving results in fragile context.**
- **“Performance vs. equity: matter of designing incentives”**
- **“Avoid jargon: use words that ordinary people can understand”**
- **RBF is a versatile tool.**

- **Sanitation=Dignity**
- **One reason people usually fall back into poverty is because of climate and health issues**
- **Gender is not only about women, but also about men who are key contributors to gender outcomes.**
- **Adaptation is not a choice but a necessity at this point of time. Untapped potential for RBF.**
- **Local communities play frontline role and are pivotal in crisis response and long-term recovery.**
- **Response to urban forced displacement is an opportunity to improve outcomes for both displaced and host communities; as well for the host city and institutions.**
- **Climate and multiple crises are defining challenges of our time.**

- **Cities are not only cause of emissions (2/3rd of emissions) but also potential “cure” to tackling climate crisis.**
- **RBF can incentivize targeting excluded groups (such as forcibly displaced).**
- **Social enterprises can provide last mile service delivery and incentivize results.**
- **RBF is sector agnostic and can lend itself to multiple interventions.**
- **RBF can incentivize to work with non-state actors.**



Results-Based Financing Forum 2023

URBAN PERFORMANCE GRANTS (UPG)

An Overview

Roland White

Global Lead: City Management and Finance; World Bank

Common objectives of the UPGs

i.

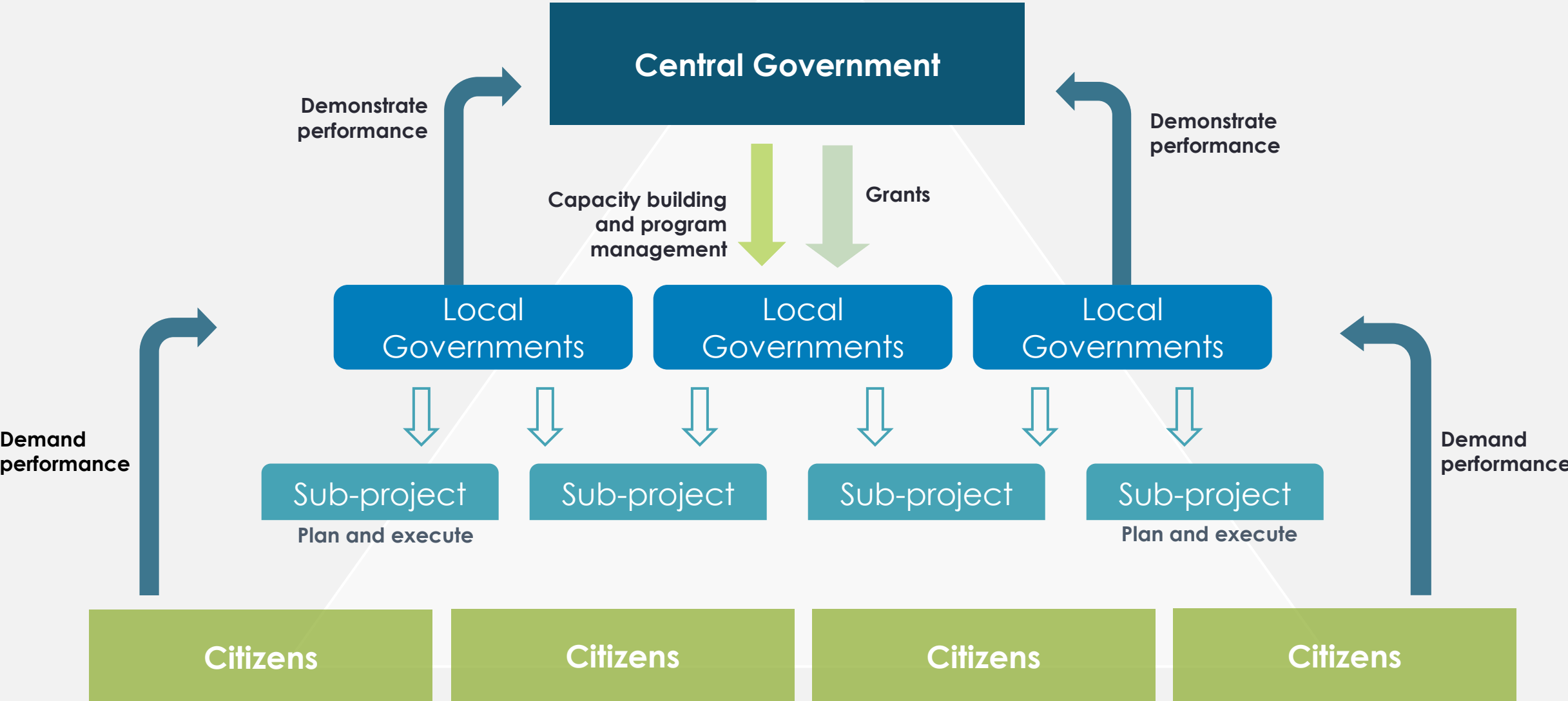
To improve the “transversal” institutional performance of local governments focusing on:

- strengthening the capacity;
- improving organizational functionality
- deepening accountability of LGs

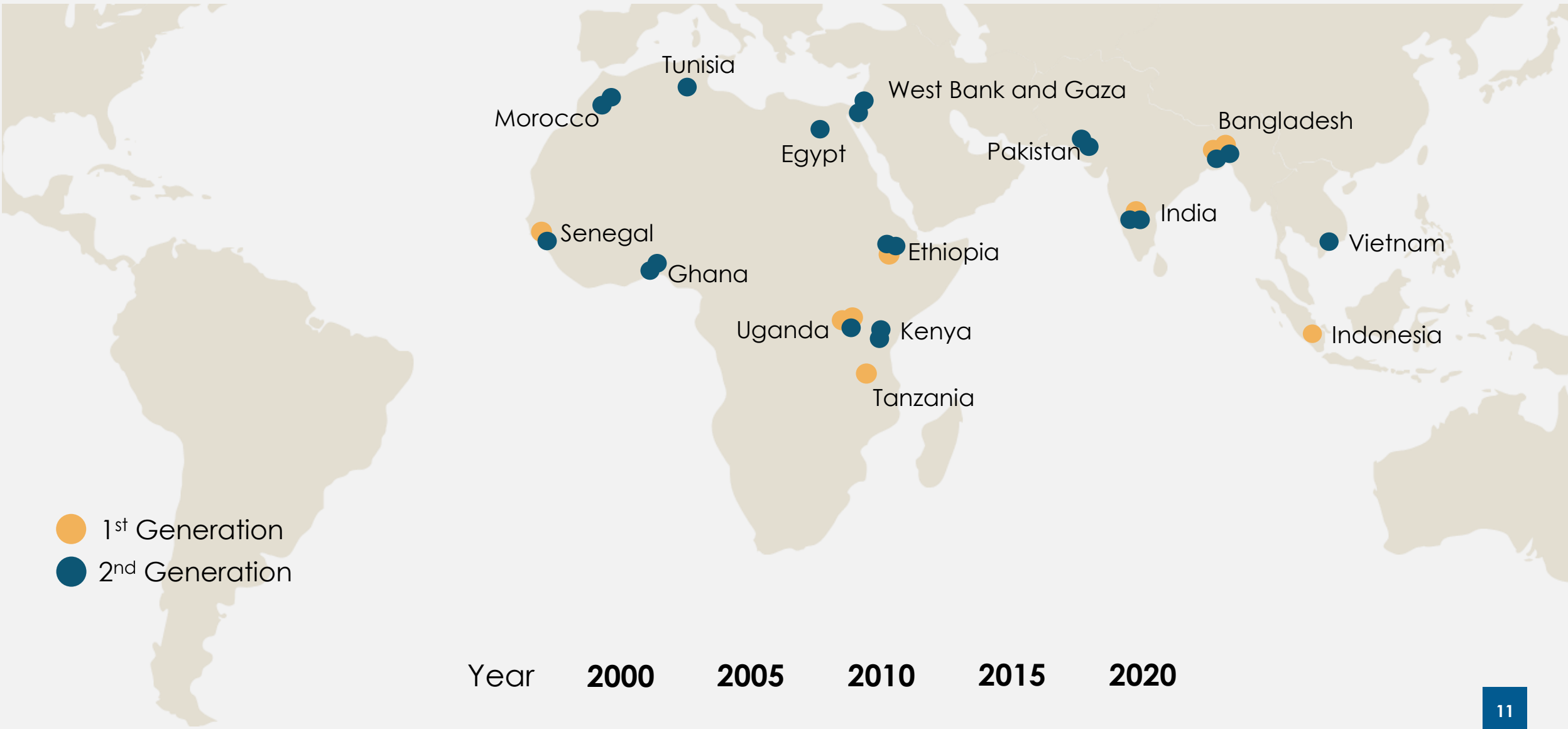
ii.

To expand the stock of municipal infrastructure in areas such as roads and drainage, water and sanitation, etc.

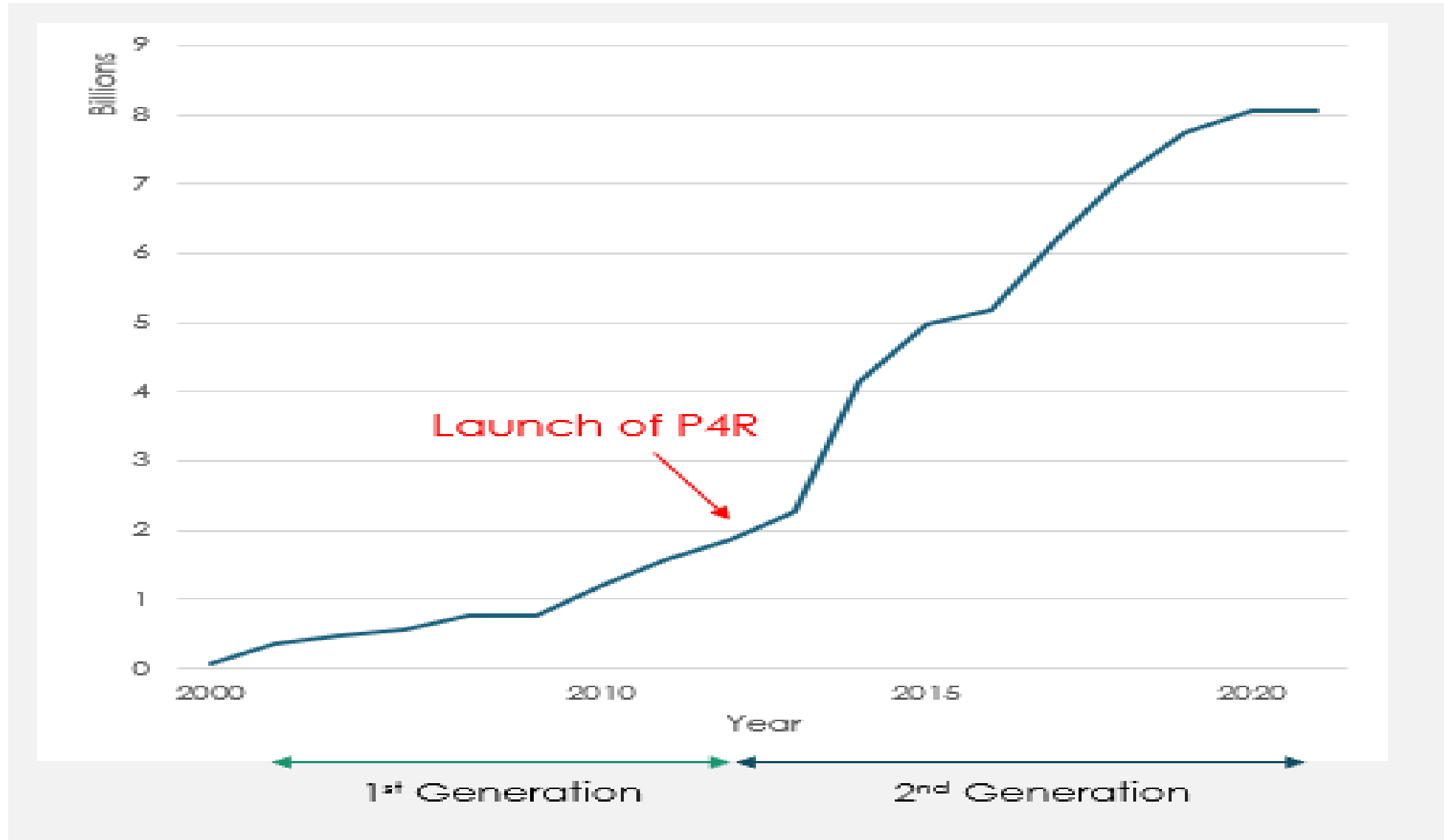
UPG Structure



WB UPGs tend to expand in size and coverage



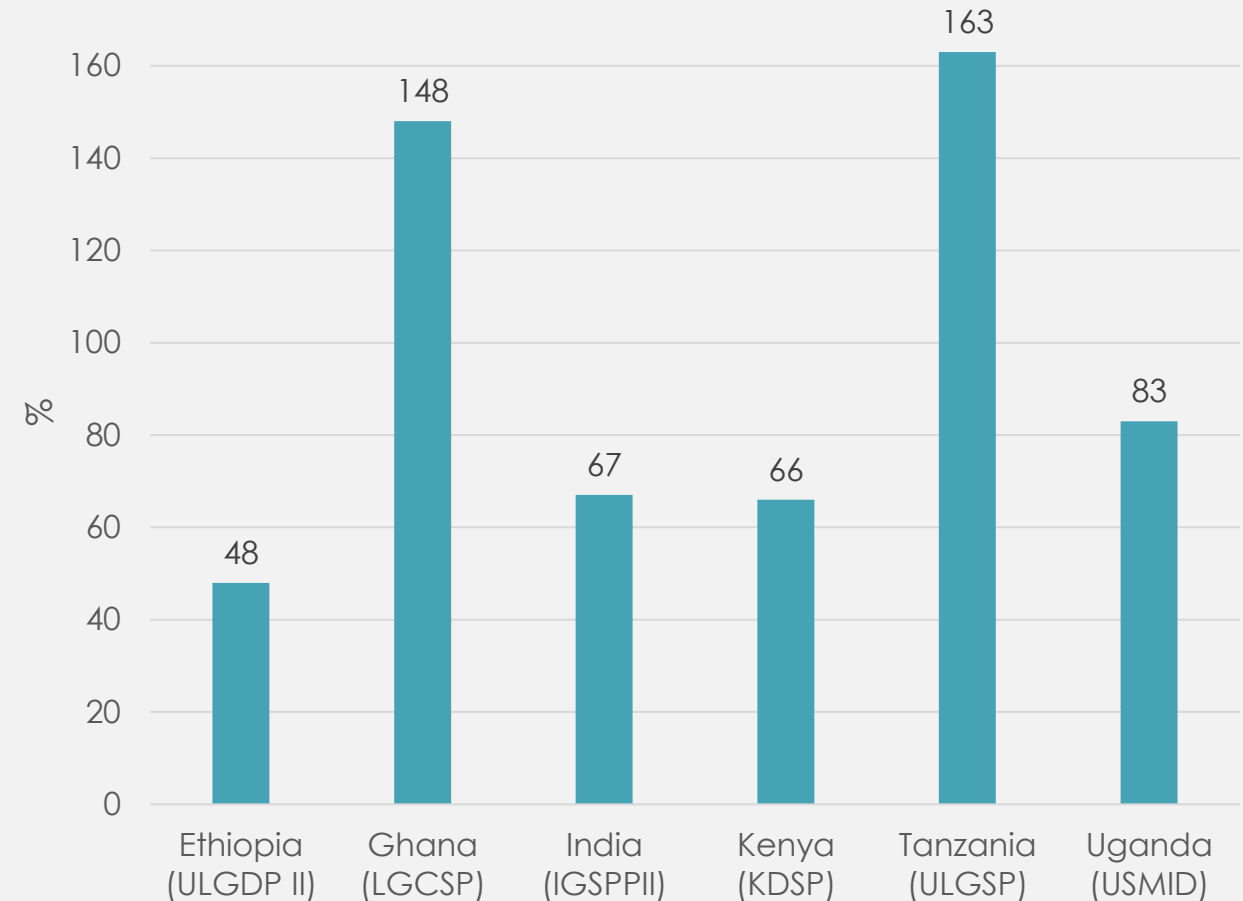
Steady growth in investment volume over time



Local governments under UPGs have shown significant improvement in institutional performance

- 6 cases – **Ethiopia, Ghana, India, Kenya, Uganda** and **Tanzania** - showed absolute increase in OSR collection
- In **Ethiopia**, share of LGs with 10% annual increase in OSR increased from 77% in Y1 to 85% in Y2
- LGs in Mozambique significantly increased nominal OSR (114%) and OSR share in total revenue – higher than non-targeted LGs

% increase in OSR over program period



* Measurement not possible in other two cases – Ghana and Tunisia

Note: % increase in OSR in nominal figures in local currency.

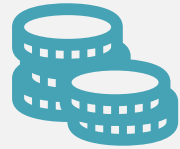
UPGs also improved other key performance areas



O&M

Improved in 8 UPGs

- # of ULGs complying with threshold of O&M budget increased by 200% and 95% in Uganda and Ethiopia
- In Ghana, APA score on asset management plans and strategies increased by 15%



PFM

Improved in 9 UPGs

- All ULGs had clean audit by end of program in Ghana
- In Uganda, clean audit statements improved from 8 to 22 ULGs



Accountability

Improved in 9 UPGs

- More use of citizen charter and public disclosure in Uganda, Tanzania, Ethiopia and others
- In Kenya, LGs with citizen inputs in budgeting increased by 52% through publicly disclosing previously unpublished documents



Investment Execution

Improved in 9 UPGs

- 86% average annual execution rate of subprojects
- Improved stably over program periods across all UPGs (including 90% in Kenya, 28% in Tunisia)



HR management

Improved in 7 UPGs

- In Kenya, APA score on score increased 17% through better staff performance management
- Minimum conditions on HR met in Ethiopia and Uganda by all LGs
- In West Bengal, HR staffing procedures and hiring key positions improved

Infrastructure & service delivery improved, and jobs created

7,000 km



of roads;
160km of bicycle/
pedestrian ways;
over 1,270km of
drainage

8,700



of street
lightings;
28 transit
facilities (bus
terminals, etc.)

350 ha



of parks;
90 local markets;
15 social facilities
(community
centers, etc.)
30 security facilities

80 million



of beneficiaries

2,000



of classrooms;
health facilities
especially after
COVID-19

290



waste collection
points; 1300 of
trash cans;
3 dumpsites

1 million



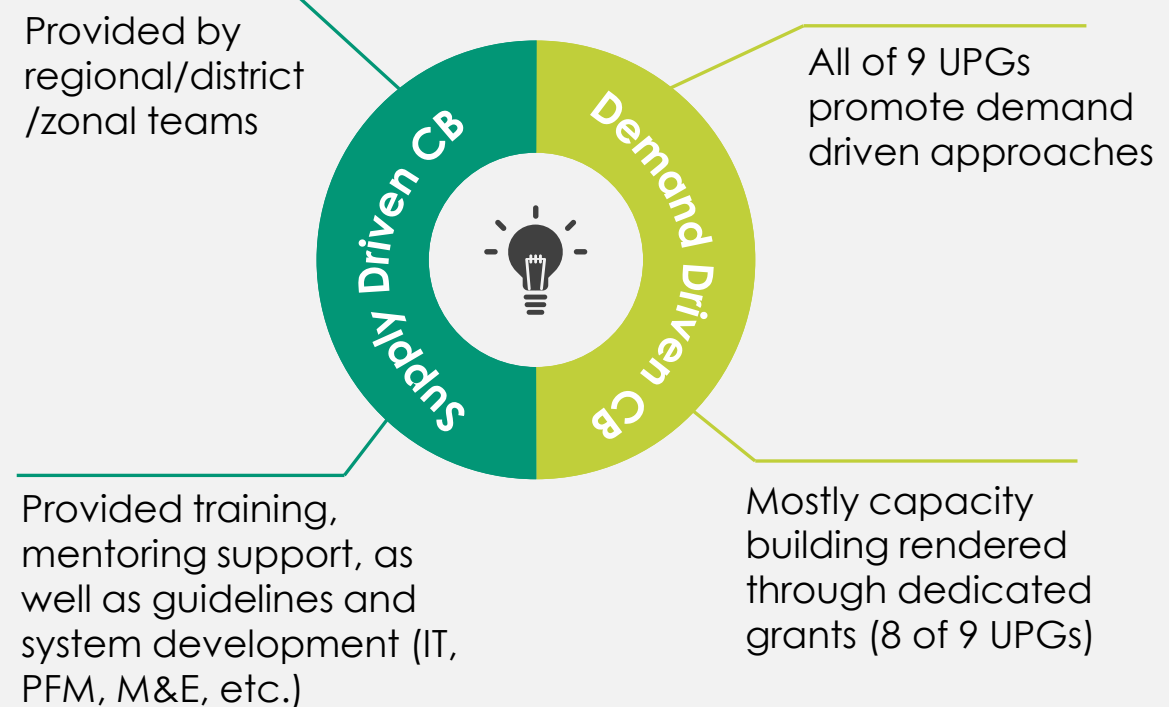
More than 1 million
jobs created

Capacity building support is integral to UPGs

Capacity building & technical assistance is critical to success of UPG

- In **India**, mentoring support has been a critical factor of good performance of ULGs
- In **Uganda** and **Ethiopia**, substantial capacity building support to new LGs have enabled them to catch up with older LGs
- In **Mozambique**, recent WB study showed that provision of TA has major impact on OSR improvements across ULGs

Most UPGs combine supply and demand driven capacity building support to improve impacts



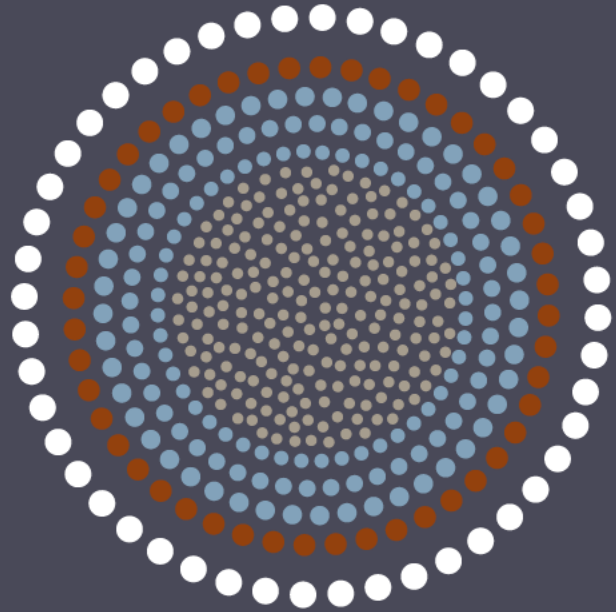
Robust performance assessment is key

Annual Performance Assessment (APA) conducted by an Independent Verification Agent (IVA)

- Generally, this is a firm contracted in for the purpose not a government agency which could be conflicted (e.g. implementing Ministry) or not have the capacity (statutory audit authority)

This does not (a) fully resolve the conflict issue; or (b) provide the basis for the Bank to independently assess the veracity of the “verified result”

Hence a Quality Assurance Assessment of each APA which the Bank itself undertakes of the verified result on a sample basis using a combination of contracted consultants and Bank staff



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Using RBF to Boost Private Sector Solutions to Development

Elaine Tinsley, WB – May 23, 2023



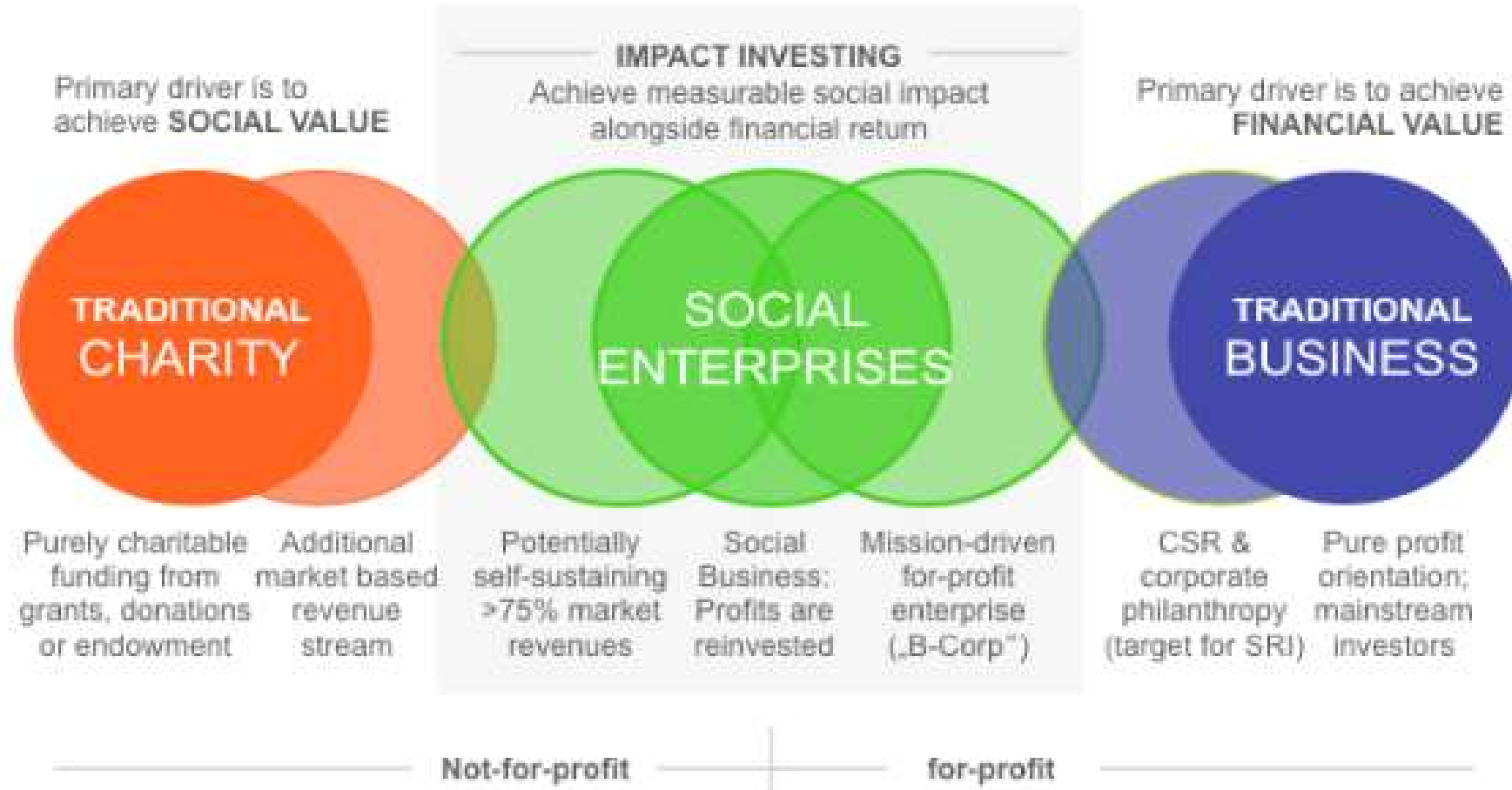
OBJECTIVE

- Demonstrate how RBF can be used to leverage private sector solutions (social enterprises) to deliver on development outcomes.
- Case Example: Kenya National Youth Opportunities Toward Advancement Project (P179414). Create youth employment and entrepreneurship through proven business models. Pilot a mechanism for the government to collaborate with SE to achieve youth employment, which can then be replicated at the county level.

WHAT ARE SOCIAL ENTERPRISES?

**Social
Environmental
Ethical
Inclusive**

The business model spectrum revisited



Social Enterprise: An enterprise that advances its social/environmental mission using business methods.

RBF Benefits: SE are **OUTCOME** oriented, SE innovate and reiterate to improve results, **SUSTAINABLE** solutions geared toward their clients

SOCIAL ENTERPRISE SOLUTIONS TO SDGs

- Decentralized water treatment ATMS (Waterlife)
- Serviced Toilets (Sanergy)

Access to WASH



- Last mile grid connection (Barrio Electrico)
- Solar home systems (Mobisol)

Access to Energy



- Empowering Community Health Workers (Living Goods)
- Mobile Health Clinics (Rides for Lives)

Last Mile Quality Health Access



- Specialized clinics (salaUno)
- Telemedicine (Meradoctor)
- mHealth (Dimagi)

Affordable Health Services



- Low-Cost Chain Schools (Bridge)
- Teacher Quality (STIR)
- School Ratings and Management (Gray Matters)

Improving Educational Outcomes



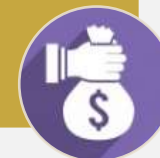
- Waste to Energy (CaribShare Biogas)
- Waste to Value (360 Recycle)

Reducing Waste



- Rapid IT Skilling (Gaza Gateway)
- Jobs Platform
- Adaptive Businesses (Deaf Can)

Livelihoods



- Improving agr. Productivity (Esoko)
- Farmer inputs (One Acre Fund)

Agricultural Productivity



CASE EXAMPLE: KENYA YOUTH EMPLOYMENT PROJECT

1. KYEOP project had a blind competition to identify 4 organizations for grant financing to each create 500 youth jobs/ opportunities.
2. Four social enterprises selected:
 - **Taka Taka** – waste recycling company that trains and pays youth for recyclable waste
 - **Hydroponics**- construct vertical gardens and green houses
 - **Life in Abundance**- youth self-help groups with business training and grants to start their own business
 - **Afya Research Africa** – set up health kiosks co-owned by the PWD groups as a revenue-generating asset for livelihood loans
3. Grant disbursement of \$300k based using disbursement milestones



LESSONS FROM PREVIOUS PROJECT

Lessons on Milestones	New RBF Operation Address
1. Government concern on value for money – micromanaging on how funds were spent through milestones	1. Focus solely on results – youth employment -- and not on intermediary steps.
2. Competition selection process, encouraged transparency but not necessarily the most suitable enterprises. Capacity limitations limited more innovative firms – 500 jobs too high.	2. Pre-select those enterprises with strong track record of generating youth employment, looking at quantity and quality of jobs generated.
3. Costly oversight of milestones	3. Select enterprises with built in monitoring systems and easy verification of new employees/entrepreneurs.
4. Limited flexibility with milestone interpretation/completion, leading to disbursement and significant project delays.	4. Have clear outcome and verification criteria, and defined payments. RBF creates incentive to obtain results faster as government only pays for results.
5. Getting the right beneficiaries – high dropout rates of those only interested in getting access to funding.	5. Payments based on skill development and actual employment. Payment can also be differentiated by youth category (single mothers, disabled, orphans, geography), creating incentives to target those groups.

NEW YOUTH EMPLOYMENT SE SOLUTION: FRANCHISE ENTREPRENEURS



- Choose enterprises that provide on-going entrepreneurial and technical training, as well as a branded product or “business in a bag”
- Hands-on but guided entrepreneurship – can later leverage those skills into their own entrepreneurial activities
- Flexibility in working hours and effort, and obtain quality supplies at bulk discount rate
- RBF payments based on completed training and sales – to ensure commitment of both entrepreneur and enterprise
- SE will likely use payments to support future expansion even once payments end



Model 1: One Provider – One Solution



Model 2: Multiple Providers – Same Solution



Model 3: Intermediary – Multiple Providers – Multiple Solutions



CHILDCARE ENTREPRENEURS



KEY TAKEAWAYS

- Trains and equips women to become “mamapreneurs” and run their own in-home daycare/ center with quality ECD practices.
- Women pay a franchise fee for branding (quality assurance) and to cover costs of Kidogo officer inspections and training.
- Grew from 85 mamapreneurs in 2019 to 502 in 2021 (during COVID), serving 9500 kids
- Present in 7 counties
- Benefits other women who now have reliable, quality childcare, to go to work



Before
and
After



Images from Kidogo

PAYMENT SCHEDULE



SOLAR ENTREPRENEURS

KEY TAKEAWAYS

- Targeted toward rural women, offering flexibility
- Provides last mile access to quality solar products
- Year-long monthly entrepreneur training program, several go on to create other enterprises
- Outcome: payback for entrepreneur training program, can select geographic areas to focus on.



LAST MILE HEALTHCARE: EMPOWERED COMMUNITY HEALTH WORKERS EXAMPLE: *LIVING GOODS*

Living Goods

- Recruitment and training of CHWs;
- Inventory loan at below market interest rates (repayable over 48 weeks)
- Supply of drugs of drugs at wholesale prices

CHWs

- Door to door sale of health products and services: (education on family planning and contraceptives, pre-natal care, common cold medicine, treatment for diarrhea, malaria, and pneumonia, etc.)
- Paid on performance + 15-20% of margin from sales
- Part-time \$15-20/month

Results

- *In Uganda:* 1,200 self-employed CHWs serve nearly 1,000,000 patients, which has led to 25% decrease in child mortality, for less than \$2/year/person;
- 15-18% decrease in sales of counterfeit medicine;
- Decrease in price of anti-malarial drugs by 15-20%

Low cost drug procurement and
distribution systems



BRANDED VENDORS

KEY TAKEAWAYS

- Earn about 290-510 KES a day
- Selling high protein snacks
- No capital required, provided with pushcart and uniform
- Opens bank accounts for bonus incentives
- Sellers go through the training Academy
- Located in Mombasa and Kisumu, Ghana



Financial inclusion
Facilitating saving-scheme for Vendors

Credit
A daily credit provided on purchase of products

Equipment
Push cart and uniform provided free of use



ANNEX - RESOURCES

Results-Based Financing Through Social Enterprises

A White Paper for the
Global Partnership for
Results-Based Approaches,
in Response to the
Covid-19 Pandemic



- 2020 GPRBA Publication on how SE were responding to COVID and modalities to engage with Social Enterprises

<http://hdl.handle.net/10986/34319>

SOCIAL ENTERPRISE BUSINESS MODELS

Education

- Low Cost Schools
- Learning Centers
- Improving Teacher Quality
- School Management Support
- Rapid IT Skilling

Health

- Specialized Clinic
- Telemedicine
- mHealth
- Food Fortification
- Micro health insurance
- Women's health
- Community Health Workers
- Female Hygiene
- Ambulatory Services

Water and Sanitation

- Safe Water ATMs
- Serviced toilets
- Market-led Rural Sanitation
- Water Beyond Pipes

Energy

- Solar Home Systems
- Off-grid Productive Appliances
- Mini-grids for Villages
- Grid Connection for BOP households

Waste

- Waste to Value
- Waste to Energy
- Collection Services
- Wastewater Treatment
- Integrated Waste Management
- Waste Management Awareness

Reaching the Last Mile

*Innovative Business Models
for Inclusive Development*

Editors Elaine Tinsley and Natalia Agapitova



LIVELIHOOD SE MODELS

Agriculture

- ICT Extension Services
- Non-ICT Extension Services
- Storage Solutions
- Post Harvest Solutions
- Productivity Enhancement
- Direct Market to Farm Linkages
- Multi-stakeholder Platform
- End-to-End Support
- Index-based Agriculture Insurance

Skills Development

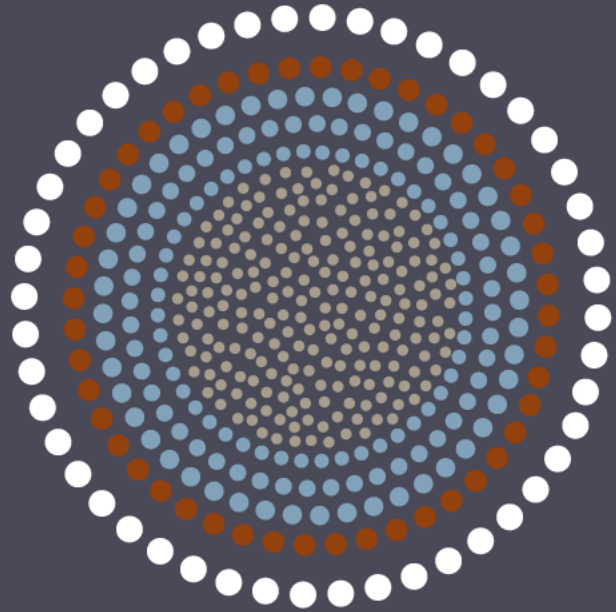
- Rapid IT Skilling
- Education-oriented Outsourcing Service Providers
- Empowered Community Health Workers
- *Early Childcare Providers*
- *Jobs Platform*
- *Disability focused*

Financing

- Consumer Financing
- Entrepreneur Financing
- Student Financing
- Health Financing
- Agriculture Finance Providers
- Agriculture Finance Intermediaries
- Mobile Money/Banking



[Private Sector Solutions to Helping Smallholders Succeed: Social Enterprise Models in the Agriculture Sector](#)



Results-Based Financing Forum 2023



**RBF Solutions from a
Community / Grassroots
Perspective**

**Joseph Muturi, Chair of Slum Dwellers Int'l
RBF Forum 2023
Nairobi, Kenya**



sdi.



Who Are We?

SDI is a global slum dweller movement of active urban poor federations working to create inclusive, resilient communities and cities in 20+ countries across the Global South.

sdi.

SDI's Theory of Change

SDI's work is programmatic with an outcomes-based approach.

Our Theory of Change is structured around 4 "Change Pathways," with all projects and programmes selected based on the degree to which they will bring us closer to achieving our stated outcomes.



The Know Your City Campaign

As part of SDI's community driven data-collection campaign, SDI has conducted:

- Citywide slum profiles in 175 cities
- Settlement profiles in 9,016 informal settlements
- Enumerations in 2,944 informal settlements

SDI has reached 4,618 settlements in 527 cities.



A group of people, including a woman in a pink shirt and a man in a blue shirt, are gathered in a community meeting. The woman in the pink shirt is wearing a colorful headband and is looking towards the left. The man in the blue shirt is wearing a dark jacket over a bright blue shirt. The background shows other people and a window with light coming through.

Financing for people and institutions matters.

NGOs and community-based organisations need funding for social processes and institutional strengthening as this creates the foundation for any other work they undertake.



Outcomes require patient, flexible finance.

Donors and other financing entities need to understand that achieving long term outcomes requires long-term, programmatic funding. Outcomes cannot be achieved through short-term, prescriptive project financing.



sdi.

Large scale slum upgrading: Mukuru, Kenya

- Mukuru Special Planning Area (SPA) aims to transform a 689-acre slum with some of Nairobi's severest challenges into a healthy and functioning neighbourhood, improving the lives of the 100,000 households who live there.
- Mukuru SPA is a precedent-setting partnership for participatory upgrading of informal settlements at scale. It involves Mukuru's residents, Nairobi County government and over 40 organisations from civil society, academia and the private sector — all working together in an innovative and evolving approach to large-scale collaborative community planning, with over 5,000 Mukuru residents taking part in community planning forums in 2018-19.



Simplified sewerage solutions in Tanzania

A woman in a striped shirt and patterned skirt carries a large blue pipe on her shoulder. In the background, other people are visible near a building with a blue door. The scene is set in a residential area with colorful walls and a dirt path.

- In Tanzania, the Federation's simplified sewerage solution in Vinguguti settlement has improved waste management and drainage and reduced flooding and illness related to waterborne diseases.
- The technology has been shared via peer-to-peer exchange and adopted by Nairobi government in the Mukuru SPA project by Mwanza local government and public authority.

Community driven data collection for climate planning in Malawi

A group of approximately ten women are gathered around a concrete well in a rural Malawian village. They are sitting on the concrete steps and ledge of the well, smiling and waving their hands. The women are dressed in traditional Malawian attire, including colorful patterned dresses and headwraps. In the background, there is a building with a red-tiled roof, a utility pole with power lines, and some trees. The scene is set outdoors during the day.

In partnership with local government, the Malawi SDI Alliance supported community enumerators to collect, analyse and disseminate data on climate-induced disasters in order to inform development of effective early warning systems and tools.

An aerial photograph of a residential area in the Philippines. The image shows a dense cluster of houses with brown and grey roofs. A yellow grid is overlaid on the houses, and several red circular markers are placed on specific plots. In the background, there are swimming pools and a larger building. The text is overlaid on a semi-transparent grey box.

Climate action for resilient upgrading in the Philippines

In the Philippines, the federation raised funds to purchase their land from private landowners in order to avoid evictions and gain rights to implement climate adaptation upgrades, such as improving drainage to reduce flood risk.

Women-centered savings groups



Youth mobilization and media work



Peer-to-peer learning exchanges





ZINYALALA NDI CHUMA

HOMELESS NOT HOPELESS



Community-driven data collection & mapping





Incremental slum upgrading



Partnerships with government and other urban development stakeholders





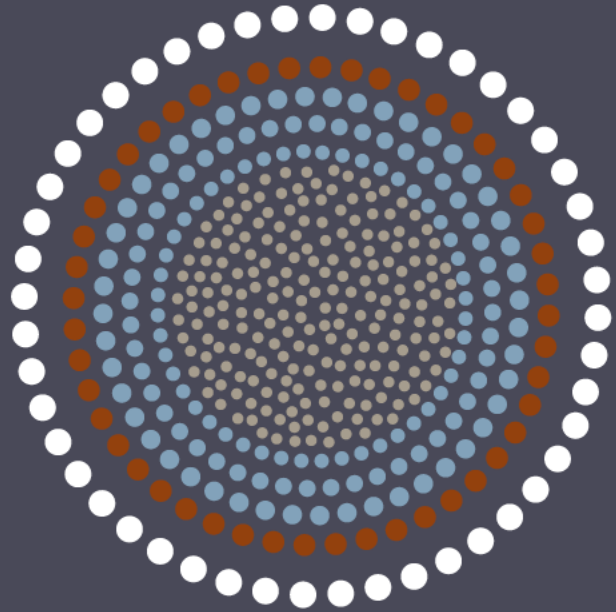
“Organized communities of slum dwellers and their networks must be the go-to leaders at city, regional, national and international levels, addressing urban challenges through citywide dialogues that produce solutions for all.”

Sheela Patel
For chair of the SDI Board





sdinet.org



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