



Advanced stages of PBF scale-up: lessons learned from Cameroon on the transfer of the strategic purchasing function to national agencies

Policy Brief

In many settings, the introduction of PBF has happened through the creation of small scale pilot projects often managed by international NGOs. Later on, as PBF projects get scaled-up, it is still common that external support is provided and international agencies remain responsible for the **purchasing role (Box 1)**, at least temporarily, before that function is transferred to national agencies.

The experience of PBF in **Cameroon** followed a similar pattern. After a period of small pilot projects (2004-2012), a national PBF program was introduced in 2011, covering 24 districts in 4 regions. The national program is funded by the Ministry of Health (MoH) and the World Bank, and until 2014 it hired two international agencies (AEDES and Cordaid) in charge of the purchasing role in different regions. The two agencies were responsible for supporting the transition of their role to national agencies, 3 years after the project's commencement.

In this brief, we analyze the Cameroonian experience of this transfer process and explore (i) the reasons why it is important for purchasing to be carried out by national bodies, (ii) how the transfer happened and which agencies inherited the role, and (iii) what were the factors facilitating and hindering the transfer. As this trajectory is not uncommon in settings at early to middle stage of PBF scale-up, the lessons learned in Cameroon

can be of use to other countries which are envisaging, in the short or longer run, to transfer the purchasing role to national institutions.

Why transfer the purchasing role to national agencies?

Purchasing health services can have a major role in steering the health system, especially when it is used strategically by aligning incentives in support of a country's health priorities. Transferring the role of purchasing to a national agency entails shifting key **decision rights** on how to use funds for health services from an external agency to a national institution. In this process, the state (sometimes represented by a parastatal agency) takes back full responsibility for its **stewardship function** in directing the health sector, which had been temporarily externalized, because of low capacity and for fiduciary reasons when funding is provided by aid agencies.

In the case of PBF in Cameroon, the transfer also served to improve the 'horizontalization' of PBF i.e. its **integration** with the national health system, as well as the **ownership** of the program by national actors and, linked to it, its **sustainability** in the future. This is because the transfer to national structures would reduce costs and, at the same time, the project would gain legitimacy which would make it easier to defend in budgetary decision-making.

Box 1. Purchasing health services* in PBF programs

Purchasing health services is one of the three key financing functions of any health system, alongside raising revenues and pooling them. Purchasing, in its most simple definition, consists of using the resources generated for the health sector to pay for health services (for example, by allocating resources following a predefined budget or providing inputs). However, such **passive purchasing** is often not enough to ensure better health results. Instead, countries have increasingly been moving towards **strategic purchasing** which entails using financial resources **effectively** and **efficiently** to pay for health services, aligning incentives to health priorities, in order to improve the health status of the population. Strategic purchasing activities include, for example, selecting providers and signing contracts, which clarify roles and responsibilities and define standards of care, defining the services to be funded and attach payment rates, for different levels of care, putting in place a verification and enforcement system, transferring funds to facilities in an equitable manner, using information systems to improve the effectiveness of provider payments.

PBF can be a useful means to improve some or all elements of strategic purchasing, compared to input-based funding which tends to rely on more passive purchasing. In PBF, many of the activities listed above need to be carried out explicitly by an agency responsible for them, which can be conducive to more active or strategic purchasing.

*Based on: **What is strategic purchasing for health? – RESYST Consortium** (<http://bit.ly/29BEnSN>)

What were the barriers and enablers for the transfer of the purchasing role? Lessons from Cameroon

Some factors facilitated the transition of the purchasing role in Cameroon. The most important one was that the transition was **planned right from the start**, and the international actors in charge of purchasing had a clear contractual responsibility for facilitating it. Another factor was the **availability of qualified national staff**, with PBF knowledge. Finally, the **existence of national structures** such as the RFHPs, and their legal status as public interest groups (**Box 2**), made the transition possible allowing for collaboration between the government, technical partners and communities and at the same time maintaining the PBF separation of functions.

Other factors hindered the transition. The active phase of the transition lasted only six months (July to December 2014), which proved **insufficient for detailed planning** and preparation. As a consequence, each region was left to drive the process as best as it could and this resulted in different solutions. **Communication** between the managers of the external purchasing agencies and national and regional health authorities was generally good, but frontline staff was not adequately informed. Finally, the **ability and willingness of the RFHPs** to take over the purchasing role was a concern, especially given the lack of a collaboration agreement between them and the Ministry of Health, to clarify roles and expectations (such a formal contract was established later, once the transfer had already taken place).

Box 2. The national agencies in charge of purchasing in Cameroon

The agencies selected for the transfer of the purchasing role were the **Regional Funds for Health Promotion** (RFHPs). These agencies were pre-existing entities in each of the regions. They had been created by the GIZ (*Gesellschaft für Internationale Zusammenarbeit* - German Cooperation) as regional dialogue structures, consisting of representatives of the communities (1/3 of the members), the MoH and public administration (1/3) and donors (1/3). Thus, they constitute **participatory governance bodies at the local level** in the health system. Their key role (before also assuming the purchasing function) consisted of **managing drugs and medical equipment** (procurement, storage and supply to facilities). Beyond the management and distribution of drugs and the procurement and maintenance of health equipment and infrastructure, their goal is also to support the MoH in strengthening good governance and reinforcing the decentralization of the health system. Under PBF, RFHPs underwent some organisational change, expanding their activities to include strategic purchasing and also health promotion.

In 2010, the legal status of RFHPs was changed from 'associations' to **'public interest groups'**. This change was necessary to ensure that they could receive and use public funds, and was therefore key for them to assume the purchasing role. The inclusive composition of their membership guarantees their accountability and also their independence from the government, making the semi-autonomous bodies a potentially optimal solution to ensure the purchasing role is managed by a national agency, while maintaining a separation of function from the MoH.

KEY POLICY RECOMMENDATIONS

This study on the experience of Cameroon points to some key lessons learned for **transitioning the purchasing function from international to national organizations**

- High-level **commitment** from the different actors is important throughout the process
- A well-established **transition plan** with a clear timeline of activities should be prepared at the beginning of the implementation of the project
- **Explicit guidance** outlining the objectives, actors and modalities as well as budget, of the transfer should be developed as early as possible
- A **communication plan** involving all stakeholders, from the central level to frontline staff, should be put in place and be communicated to all/transmitted to all concerned
- A **period of overlap** during which the outgoing team supports the new team would facilitate the transition process and ensure a greater continuity of PBF activities
- Formal **post-transition support** agreements should be clearly spelt out ensuring on-going support from the external agency for a defined period post the transition of the purchasing function
- Transition of purchasing to a national agency is part of the process of integration of PBF with the health system. Attention should be paid to the **connectors** between PBF-specific elements and the broader health system. The increasingly active purchasing role and the involvement of semi-autonomous agencies within a separation of functions contribute to the improvement of the entire health system financing architecture, rather than being a PBF-only feature.

This policy brief was prepared in August 2016 and is based on the article entitled "*The Transfer of the Performance Purchasing Role from International Actors to National Organizations: Lessons from the Cameroon performance-based financing (PBF) Program*" and the report "*Challenges of integrating an innovative health financing scheme into the health system: lessons from Performance-Based Financing (PBF) in Cameroon (2006-2015)*", authored by Isidore Sieleunou, Jean-Claude Taptue Fotso, Estelle Kouokam, Denise Magne Tamga, Habakkuk Azinyui Yumo, Anne-Marie Turcotte-Tremblay, Valéry Ridde.

The case study on Cameroon is part of a multi-country research initiative on "**Implementation research: Taking Results Based Financing from Scheme to System**" funded by the Alliance for Health Policy and Systems Research, World Health Organization, with technical assistance from the Institute of Tropical Medicine in Antwerp (Belgium). The research was carried out in Armenia, Burundi, Cambodia, Cameroon, Chad, Kenya, Macedonia, Mozambique, Rwanda, Tanzania and Uganda.