2022 CLA CASE COMPETITION

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Case Title:

USAID/Liberia's G2G Promotes and Strengthens Decentralization in Health Sector

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A rural health center, refurbished and supported by the Ministry of Health with funding received under the FARA G2G agreement. Credit: Solomon O. Gbodi, Ministry of Health

Summary:

Following Liberia's 14-year period of civil war, USAID/Liberia's Government-to-Government (G2G) Fixed Amount Reimbursement Agreement (FARA) mechanism provided much-needed cash to the health sector. Commencing primarily in three of Liberia's 15 counties, the FARA has grown to an eight-county performance-based financing approach to enable delivery of critical services through sub-national or county levels of the Ministry of Health (MOH). Cultivating a culture of continuous learning and improvement, embracing adaptive management, and monitoring and evaluation (M&E) for learning has shaped the G2G mechanism over more than a decade.

This is a story of meaningful localization in a context where the partner's needs, ambitions and capacities changed over time. It also demonstrates the commitment of Liberian institutions and leaders to developing and growing their capabilities and capacity. USAID/Liberia and the Government of Liberia (GOL) use implementation letters to revise and update the strategy, taking into consideration lessons learned and changes to the local context. The constant evolution of the arrangement has allowed USAID and the MOH to iteratively shift focus over time, from contracting-out to contracting-in; from central Ministry focus to decentralized county administration; and from service delivery quantity to quality at point of care. Through this experience, the MOH has worked alongside USAID in applying learning to activity management. Now, the MOH is using M&E for learning as they set the standards of their own performance-based financing program, based on evidence from USAID and World Bank experiences.

Which two subcomponents of the Collaborating, Learning & Adapting (CLA) Framework are most reflected in your case? Please reference them in your submission.

- Internal Collaboration
- External Collaboration
- Technical Evidence Base
- Theories of Change
- Scenario Planning
- M&E for Learning
- Pause & Reflect
- Adaptive Management
- Openness
- Relationships & Networks
- Continuous Learning & Improvement
- Knowledge Management
- Institutional Memory
- Decision-Making
- Mission Resources
- CLA in Implementing Mechanisms

1. WHAT: What is the general context in which the case takes place? What organizational or development challenge(s) prompted you to collaborate, learn, and/or adapt?

At the end of its second civil war in 2004, Liberia faced some of the worst health indicators in the world. The health sector was in shambles with limited doctors and health care workers, weak infrastructure, and gaps across basic policies and management functions. USAID's reliance on international NGOs and implementing partners was not aligned with Liberia's desire to rebuild public systems and infrastructure. Other donors at that time formed a pooled fund for the Ministry of Health, but the basket fund did not provide sufficient financial risk protection for USAID.

USAID needed to find a way to increase access to maternal, child, and newborn care and family planning and reproductive health care services for rural and marginalized populations, while at the same time strengthening the health system for future sustainability.

In 2011, USAID moved forward a solution - a Fixed Amount Reimbursement Agreement (FARA) mechanism - that pays for or reimburses the Ministry of Health (MOH) for agreed-upon deliverables and milestones. This FARA mechanism approach, which had not previously been used in this context, allowed reimbursements to be made when milestones were verified, instead of providing budget support, thereby reducing financial risk to USAID. It was an unconventional use of a FARA mechanism at the time, so there was a lot to learn and an acknowledgment from the start that aspects would need to be modified as both USAID and the MOH navigated this new way of doing business.

From FARA 1.0 to FARA 2.0, to the new G2G Health Partnership Agreement launched in January 2022, we have successfully completed ten years of G2G and are looking towards the next five year agreement. The successes of this activity are a result of the Mission's adaptive management, use of M&E for learning, and a culture of continuous learning and improvement.

2. WHY: Why did you decide to use a CLA approach? Why was CLA considered helpful for addressing your organizational or development challenge(s)?

USAID's relationship with the MOH has required adaptation and course correction, so our G2G activity needed to reflect that. CLA was built into the activity design from the start, with an acknowledgement that adaptive management and M&E for learning would be essential tools as USAID and the MOH embarked on an entirely new approach to collaboration.

Adaptive management, as well as CLA overall, was championed by Mission leadership. Particularly during points of significant turmoil and political stress related to the G2G agreements, adaptive management became a tool for the survival of the agreement as well as a sound development practice. For example, in connection with FARA 1.0, USAID's estimation of the costs associated with the completion of the milestones far exceeded the costs to the MOH of achieving those milestones. Although the MOH was proud to report its success in completing milestones at a lower cost, the perception of USAID having over-paid for milestones in the agreement could have derailed future G2G arrangements. But the Mission, demonstrating a culture of continuous learning and improvement, made sure a rigorous costing study was undertaken to inform future milestones. In another example, the Ministry of Finance diverted donor funding, including FARA reimbursements from USAID, from a MOH account to pay salaries, again sending a shock wave through the Embassy and donor community. The funds were returned to the account, and USAID set up a new funds transfer system to address vulnerabilities and improve safeguards. Through this period, adaptive management became a Mission buzzword. Over the more than 10 years of the G2G arrangement, adaptive management has allowed us to make sound technical decisions driven by evidence, to avoid politically driven decisions that would have been detrimental to achieving results, and further USAID's ability to support the Liberian people and to building the capacity of Liberian institutions.

3. How: Tell us the story of how you used a collaborating, learning and/or adapting approach to address the organizational or development challenge described in Question 2.

The Mission intentionally and systematically implemented a CLA approach to the FARA. The most significant shifts that resulted from CLA were a change from milestones that supported inputs to performance-based milestones that paid or reimbursed the MOH for reaching targets for delivery of priority health services. Another significant shift was the change from the MOH "contracting out" delivery of health services to INGOs to "contracting in" with the MOH directly providing and managing health services through County Health Teams, thereby building its internal capabilities. The Mission engaged the MOH, counties, and beneficiaries through M&E reflection points, to learn from experience and continue to incrementally move towards greater country ownership and stronger decentralized systems.

USAID reimbursements to the MOH at the start of FARA 1.0 were made to support basic functions, such as health care worker salaries, development of policies and plans, and establishment of financial and M&E-related systems. Over time, various health system strengthening achievements were made, including improvements to the MOH financial system that enabled greater accountability. Input-based milestones, such as processes and systems, are challenging to cost and, once basic systems were built, became a core responsibility of the MOH. Through assessments and stakeholder engagement, USAID noted that the MOH was becoming reluctant to take on payments for many of these services and basic operations. USAID feared the G2G would displace core responsibilities of the MOH. USAID made a deliberate decision and negotiated to stop supporting salaries and inputs and shifted the majority of resources towards paying for the provision of priority health services. Through a culture of continuous learning, USAID was able to continue to pursue an innovative results-based reimbursement model by adapting milestones to more clearly demonstrate results under the G2G.

The second significant change resulted from operations research through a pilot within FARA. The FARA was being implemented in three Liberian counties: Lofa, Nimba, and Bong. Of these counties, the work in Lofa and Nimba was implemented by INGOs. However, in Bong, the INGO began to work in collaboration with the local County Health Team (CHT). USAID then utilized M&E for learning by conducting a performance evaluation to compare counties and determined that the one county in which the INGO worked in collaboration with the CHT had achieved higher health outcomes. This provided support for moving implementation to the CHTs in the remaining counties - a change from "contracting out" to INGOs to "contracting in" to CHTs.

Another major shift to greater country ownership and stronger decentralized systems came from beneficiary engagement in M&E for learning. A performance evaluation, costing study, capacity assessment, and health outputs study were conducted in order to develop a holistic picture of the significance of these adaptations on the activity's goals. A questionnaire was developed to solicit as much information as possible from the beneficiaries themselves, while also determining, not only if CHTs had the capacity, but if CHTs could perform the needed services at the same price as the INGOs. As it turned out, CHT implementation costs were far lower than INGO's implemented services on behalf of the MOH. This provided evidence that CHTs could manage resources and implement service delivery interventions, which was a major finding. Had it not been for using M&E for learning, these major findings, which led to the dramatic shift from INGO implementation to local CHT implementation, would not have been possible.

What began as an intervention in three counties was expanded to six and then to eight counties in 2022. CLA allowed the Mission to fully transfer ownership to the CHTs in order to enable Liberians to improve health outcomes for thousands of their fellow citizens.

4. ORGANIZATIONAL IMPACT: How has collaborating, learning and adapting affected your team and/or organization? If it's too early to tell, what effects do you expect to see in the future?

Adaptive management in the G2G allowed the Mission to incrementally respond to the context and capacity in Liberia and expand a critical investment to a performance-based financing activity reaching over half of all Liberians, and which, with the World Bank, will cover the entire country in the years ahead. The success and power of this approach has significantly impacted development thinking within the health sector and within the USAID Mission. The pivot to a focus on localization, based on the success that came from strengthening local capacity, also impacted the Mission's ability to address an Agency priority as a result of integrating organizational learning.

One example of the spillover effect of this experience is the Strategic Technical Assistance for Improving Health System Performance and Health Outcomes (STAIP) Activity, launched in October of 2019, which utilizes adaptive management to enhance capacity at the county level, as a result of the success of FARA. STAIP initiated county-level dashboards, a significant aid in integrating lessons learned and adjusting, in order to successfully scale-up health services at the county level. In 2021, STAIP conducted its first CLA conference, a collaboration between USAID, the Ministry of Health, and partners within the health sector. At the conference, healthcare worker county representatives presented twelve different lessons learned. Three counties won an award for presenting a replicable demonstration of utilizing CLA. STAIP continues this work by building capacity of our county-level partners, both within their technical field, as well as within CLA. By increasing county-level health care workers' ability to adapt based on what their clinic is learning and collaborate with partners in other counties, USAID is best positioned to assist our partners in reaching sustainable development goals.

5. DEVELOPMENT IMPACT: How has using a CLA approach contributed to your development outcomes? What evidence can you provide? If it's too early to tell, what effects do you expect to see in the future?

The FARA, which has evolved thanks to robust CLA interventions, is having measurable impact. The results of the Liberia Demographic Health Surveys demonstrate that the FARA approach has been successful, particularly in increasing health facility delivery and skilled birth attendance. Health impacts in the longest-supported FARA counties (Bong, Lofa and Nimba - North Central Liberia) in most cases have materially exceeded those in Liberia as a whole. For instance, from 2013 to 2019, health facility delivery in North Central Liberia increased from 47.4 percent to 90.5 percent compared to national performance which increased from 55.8 percent to 79.8 percent. Similarly, FARA counties have performed materially better than non-FARA counties. For example, the North Central region achieved significant reductions in the under-5 mortality rate (97 per 1000 live births in 2013 to 83 in 2019) and in the child mortality rate (47 per 1000 children surviving to the first birthday in 2013 to 29 in 2019.)

Progress in the health sector from 2013 to 2019 is particularly meaningful, given that the Ebola pandemic (2014-2015) disrupted normal health care provision, shortly after completion of the 2013 Demographic Health Survey (DHS). In many instances it virtually shut down health facilities and seriously diminished public confidence in seeking care from facilities associated with disease and death.

The FARA as a performance-based financing system in Liberia has also improved the resilience of the health system. A study comparing Bong (a FARA county) with Margibi (a non-FARA county) found that Bong experienced less deterioration in the provision of health services as a result of the Ebola crisis and recovered more quickly post-Ebola.

6. ENABLING CONDITIONS: How have enabling conditions - resources (time/money/staff), organizational culture, or business/work processes - influenced your results? How would you advise others to navigate any challenges you may have faced?

USAID/Liberia's organizational culture lends itself well to a collaborative, learning, and adapting environment. This is due in large part to the country's particular vulnerabilities and challenges, including Ebola, which has necessitated a nimble approach to our programming. The Mission was forced to learn on the fly and rapidly adapt to this extremely overwhelming health challenge. In terms of resources, the Mission rapidly expanded its staff during this time, particularly in the health and program offices which were intimately involved with the FARA activity. In addition, because the Mission acknowledged that programming had to be able to pivot to respond to the Ebola crisis, CLA modalities, such as adaptive management, were incorporated into many Mission awards. In terms of processes, Foreign Service Nationals assumed more responsibility during this time, particularly as they possessed the institutional memory needed for effective decision-making. Decisions for programs were made as inclusively as possible, often bringing together a diverse group of both USAID staff and beneficiaries themselves. All of this contributed to a culture of CLA at the Mission that exists to this day.

The FARA was developed and continues to be informed by this culture of openness and trust, that was born in response to Liberia in crisis. This culture is informed by a staff that quickly understood the need for learning and adaptation. Lastly, the Mission needed real-time information to make the most effective development and humanitarian decisions. To do that, staff developed an extensive network of relationships with Liberians from the government, civil society, and the private sector in order to expand the Mission's situational awareness and to make the most informed decisions. These dynamic CLA enabling conditions persist to this day.