



# Outcomes of Result-Based Financing in Northern Zambia



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## Key takeaways:

The Results-Based Financing initiative in Zambia was an astronomical success on the key health indicators, highlighting its effectiveness as a viable strategy for strengthening health system performance and improving health outcomes.

To enhance its efficacy further, RBF should be implemented as a part of a broader system strengthening strategy as outlined in the recommendations.

## Reform objectives:

The Results-Based Financing (RBF) initiatives in Northern Zambia were spearheaded by the Zambian government as part of its national health strategy. This implementation was supported by the World Bank and the Global Fund, which provided the necessary support to pilot and scale various RBF models across the country. Results-Based Financing (RBF) is an innovative health financing mechanism that fundamentally reorients the relationship between payers and providers by linking financial transfers to the verified achievement of predefined results. Unlike traditional input-based funding, RBF is an outcome-focused approach designed to increase accountability, efficiency, and the quality of health service provision.

## Context:

Before the full implementation of Results-Based Financing (RBF) in Zambia, the health sector faced significant challenges and was undergoing major structural transformations. Zambia's health system operated in an environment where resources were perpetually constrained, often leading to underperformance. In resource-constrained settings like Northern Zambia, routine health budgets were often insufficient and disbursed unpredictably.

A pivotal moment occurred in 2016 when district health services were formally devolved to local governments to enhance community participation and local accountability. This meant that when RBF was introduced, it was placed into a complex "dual-reform environment" where responsibility for service delivery, resource allocation, and oversight was increasingly localized.

RBF was implemented in various forms in Northern Province starting in 2011, and early preliminary work in the Lunte district showed promise before the program expanded to 53 districts nationally in 2018.

## Achievements:

### RBF Impact on Key Health Indicators in Northern Zambia

Indicator	Baseline (2019)	Outcomes (2024)	% Change
Antenatal care (4+ visits)	64%	78%	+14%
Institutional deliveries	58%	72%	+14%
Full immunization coverage	72%	81%	+9%
Medicine availability index	45%	67%	+22%
Outpatient consultations	1.2/person/year	1.5/person/year	+25%

Beyond these specific metrics, the implementation of Results-Based Financing (RBF) was associated with several other measurable improvements in health system performance

- Facilities showed a 42% increase in partograph use for maternal care and a 38% increase in growth-monitoring completeness for child health services.
- Following the introduction of RBF, there was a 52% increase in household visitation rates and a 41% increase in referral completion rates by community-based volunteers.
- Approximately 66% of health workers reported increased motivation, citing clearer performance expectations and more regular, timely feedback as key drivers of this change.
- Facilities utilised RBF funds for infrastructure upgrades (56%), equipment procurement (48%), and staff training (34%).

However, one key challenge faced from the program was the substitution effect. In the context of Results-Based Financing (RBF) in Northern Zambia, the substitution effect is a critical systemic risk where RBF funds replace rather than supplement regular government health allocations. Instead of the RBF money acting as "additional" funding to drive performance improvements, it is used to fill the gaps left by retracted baseline funding. This has the opposite effect on creating strong domestically financed health systems and threatens progress towards Universal Health Coverage (UHC).

## Policy recommendations

The paper suggests that for Results-Based Financing to be effective and sustainable within a decentralised health system, it must be supported by five critical pillars:

1. Robust sub-national governance. This involves strengthening the financial management, procurement, and monitoring capacities of district health offices and local authorities. The authors emphasize that RBF cannot bypass weak systems; it requires them to function reliably.
2. Intelligent and adaptive design. RBF schemes should feature timely and predictable payments, a balanced mix of financial and non-financial incentives (particularly for community health workers), and indicator sets co-developed with local stakeholders to ensure relevance and minimize service distortion.
3. Proactive equity safeguards. Monitoring frameworks must explicitly track access and outcomes across socioeconomic, gender, and geographic lines. This ensures that RBF does not inadvertently widen existing health inequities and may include adjusted structures to reward reaching the most marginalized populations.
4. Safeguarded financing. National policy protocols must ensure that RBF funds are additional to baseline government health allocations. This pillar is designed to prevent substitution effects and build a sustainable path toward the domestic financing of performance incentives.
5. Continuous learning and course correction. Implementation must be accompanied by robust, real-time monitoring and evaluation that looks beyond targeted indicators to assess system-wide effects, unintended consequences, and the evolving motivations of health workers.

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**Method:** The study employed an embedded multiple-case study design across 12 districts in Northern Province, Zambia, combining qualitative semi-structured interviews with 44 stakeholders, quantitative analysis of health facility records, and document review to examine the impact of Results-Based Financing on key health indicators in a devolved health system.

Evidence: Mayeya, P. M. (2026). Impact of results-based financing on key health indicators in a devolved health system: A case study from Northern Zambia. *Texila International Journal of Management*, 12(1), Art008. <https://doi.org/10.21522/TIJMG.2015.12.01.Art008>.

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