



The Global Partnership on Output-Based Aid

TERMS OF REFERENCE FOR OUTPUT-BASED AID (OBA) INDEPENDENT VERIFICATION AGENT (IVA)¹

HEALTH

I. Background

II. Project Description²

1. OBA scheme/project or component objective [as applicable depending on whether OBA scheme is a component of a larger operation with other input-based components or fully output-based]
2. Funding structure (total project size, percentage covered by service provider, customer and WB/GPOBA)
3. Target area/beneficiaries
4. Community/household eligibility criteria
5. Output definition³
6. OBA subsidy level - unit cost per output and affordability
7. Subsidy disbursement system
8. Implementation arrangements and flow of funds
9. Role of independent verification for triggering subsidy disbursement

III. Objectives of the Assignment

- (1) Verify that pre-agreed outputs [as defined in OM] claimed for [quarter] considered effectively achieved;
- (2) verify that participating service providers perform in accordance with [quality standards defined in OM] on an on-going basis;
- (3) verify that claims processing performed by [management unit] is carried out adequately; and

¹ These draft terms of reference have been developed as a guide on the main issues that should be included in a typical scope of work for an IVA. They are intended to provide guidance on the sorts of issues which should be included. This document is not meant to be an exhaustive list of issues to be included as these will vary depending on the type and scope of the project concerned.

² Disclosure: The information provided in this section is solely intended to offer a cursory summary of this project and its objectives. The Independent Verification Agent selected for this work must review and thoroughly understand all project documents beyond what is provided here. The information provided in the project's Grant Agreement and Operations Manual shall supersede all information provided in these Terms of Reference.

³ Monitorable outputs for health include: patients enrolled, treatments performed, service providers accredited, performance indicators achieved.

(4) make recommendations on disbursement amount of the OBA subsidy to the service provider by [fiduciary agent/implementing agency/WB/GPOBA⁴].

IV. Scope of Work

Task 1: Baseline Verification

Collect/or validate/or update [as applicable] baseline data

- Baseline data definition for OBA projects typically include: (i) current access of target population to health care services [i.e. percentage of population currently served, e.g. existing number of (functioning) health care facilities; care seeking behavior of target population], (ii) level of service [e.g. service quality of existing service providers; affordability of service (including informal payments)]; (iii) poverty proxy. [(iv) may include demographic information such as family size and indicators of development impact such as health outcome, time saved]
- Baseline work will require documentation both review and visiting a sample of [households/communities] (minimum [X%])

Notes: 1) Baseline data collection only applies in the case above specific data has not been collected as part of project preparation (for example different data have been collected).

2) Baseline validation does not apply if an independent consultant had carried out baseline data collection.

3) Baseline data update only applies if project effective over [18 months] after Bank approval.

Task 2: Output Verification

Objective: Verify relevant pre-agreed indicators as evidence of achievement of outputs claimed

In order to validate subsidy claim submitted by service provider, the IVA will verify all pre-agreed indicators as evidence of the achievement of the outputs claimed, through an exhaustive desk review of the service provider records. Specifically, this review is intended to certify that (i) number of service providers currently operational [service providers trained and accredited/facilities built] are met, (ii) results claimed are consistent with output definition [billable treatments performed, claims processed, service indicators met]; and (iii) claimed output reimbursement is consistent with agreed unit reimbursement; [(iv) may include review of claims submitted to detect evidence of fraud].

Typical indicators include:

- Number of service providers selected

⁴ (ii) is a recommendation, **not** clearance of service provider's invoice. It is the TTL's responsibility to clear claims.

- Number of service providers that have received training/are accredited to participate in the program
- Implementation of a claims processing system (including the implementation of fraud detection and prevention measures)
- Beneficiaries are enrolled and pre-determined user contribution or co-payment is received (e.g. insurance premium or voucher sales – this may include verification of documentation of outreach and social marketing activities)
- Services provided and billed (including invoiced amount, invoiced amount deemed eligible for reimbursement)
- Evidence of targeting of beneficiaries (e.g. poverty assessment score sheets or address)
- Unit cost is in pre-agreed range
- Amount of subsidy per output requested is equivalent to pre-agreed subsidy level

In addition, the IVA will check if adequate procedures (e.g. up-to-date customer database) are in place to ensure that no outputs are subsidized that have been delivered prior to the project start date (in the case of retroactive financing the cut-off date) or that have been funded by other sources (e.g. other donors or customers paying unsubsidized fees). The IVA is encouraged to make recommendations as to how to ensure this.

Task 3: Physical Verification

Objective: Verify reality and quality of outputs claimed

The IVA will carry out on-site random physical verification of at least X% of service providers for which a payment is requested. For each service provider, the IVA will physically certify that it is properly functioning according to the applicable regulation/required standards (e.g. in terms of staffing, skills, facilities, equipment, and care protocols), and will verify the associated records kept at the offices of the service provider.

The IVA will also verify that the claim processing agency has appropriate processes and fraud mitigation detection measures in place.

In addition, the IVA will carry out randomized interviews with at least X% of patients treated in the last X months to verify that billed treatments were provided. In addition, the IVA will undertake a short household questionnaire on 1) service quality, and 2) *for GPOBA-funded projects only*, gender aspects, (i.e. number of females in the households/community, and the impact of GPOBA project on the lives of women/girls).

Sequence of the work may be as follows:

Service provider level:

- a) Verification of functionality of installations

- b) Conformity with applicable law or regulation, such as treatment protocols, effective operation of the service through e.g. use of quizzes to determine knowledge of service providers, mystery patients, review of treatment records
- c) Pictures of each facility (e.g. rooms used for treatment, major equipment needed to meet minimum standard requirements)

Household level:

- d) Short questionnaire to beneficiary patients/household:
 - satisfaction with service (e.g. perception of quality, waiting time)
 - how many females (women and girls) live in the household - *required only for GPOBA-funded projects*
 - what change project has brought to women/girls lives - *required only for GPOBA-funded*

[OPTIONAL] Task 4: Project Data Collection

To be completed in close collaboration with implementing agency responsible for overall project oversight/M&E or the project technical and financial auditor.

[Annually] verify some of the following as required in project OM (vary by project):

- a) Baseline summary
- b) Comparison with projections
- c) Average use of service
- d) Average cost of service to households
- e) Average project cost per beneficiary and per output
- f) Average unit cost and evolution over time
- g) Average amount of contributions received for each output: users, World Bank, service provider, others
- h) Average subsidy per beneficiary and per output
- i) Any patients rejected or user complaints received
- j) Gender aspects as required

V. Methodology and Resources

Documentation review will typically include the following:

- a) Technical records – protocols, contracts, completion of works, results of service quality -to verify: (i) number and quality of [service providers] trained and accredited for which subsidy payment is requested, and (ii) unit cost for each service
- b) Financial records/audited statements -to verify (i) enrollment and co-payment received; (ii) billing records; (iii) revenue from user payments; (iv) other funding received; (v) GPOBA contribution claimed
- c) Enrollment/vouchers sold for each beneficiary
- d) Client record/billing database or general procedures for enrolling clients – to verify eligibility criteria of beneficiaries as per OM criteria were respected; allows

sufficient distinction from outputs funded prior to project start and/or from another source than GPOBA

For field verification, the sampling methodology proposed by the IVA will have to be acceptable to the World Bank. Possible sampling of facilities and beneficiaries may be done randomly (e.g. any output in project area), or in two stages: random selection of specific areas followed by the verification of all OBA outputs in the selected areas. In all instances samples must be representative samples and provide a good indication of outputs achieved in the given service area.

VI. Deliverables

Inception Report: This report will describe the pre-investment conditions in each area/community that will directly benefit from grant funds, will demonstrate that eligibility criteria are met, and propose (i) a format for the subsequent Output Verification Reports, and (ii) sampling methodology for physical verifications. This report will be submitted prior to the first disbursement request.

[Quarterly] Output Verification Reports: These reports will contain a summary of baseline conditions along with a detailed description of the post-intervention situation (i.e. the conditions prior to the OBA grant) in each community according to the information listed in Task 1 to 3 above, and as appropriate, with the M&E data listed in Task 4 above on an [annual] basis. Each report will be delivered to the hiring agency with a copy to the World Bank [X] days after the issue of the disbursement request for comments. After the IVA report is finalized based on comments received, the implementing agency/service provider will attach the IVA report together to each disbursement request to process the subsidy payment.

VII. Selection of the Independent Verification Agent and Minimum Qualifications

The Independent Verification Agent for this project will be selected following the World Bank's Guidelines: Selection and Employment of Consultants by World Bank Borrowers (May 2004, Revised October 2006). The Consultant may be a firm or an individual consultant. The recruiting method will be either QCBS, fixed budget, or comparison of consultants.

The Borrower or grant recipient will execute the consultant selection process. In exceptional circumstances, the World Bank will execute the consultant selection process, e.g. if there is explicit conflict of interest between the hiring entity and the task of the IVA.

Typical general qualification requirements include:

- Public health specialist or Medical Doctor demonstrating minimum of [10] years of relevant experience in health financing and regional/country experience
- Economist/financial specialist demonstrating minimum of [10] years of relevant experience in health financing and regional/country experience
- Be fluent in the languages of the project's target population or have the capacity to obtain translation services

- Survey support staff knowledgeable in culturally appropriate practices needed to work with the project's target population

VIII. Duration of the Assignment

The duration of this assignment is expected to be [Project Duration] years. The consultant is expected to start the assignment [date before project effectiveness].

The consultant may be required to perform additional task through a conditional tranche, subject to satisfactory performance and funding availability.

IX. Inputs to the Consultant

- Financing agreement
- Operational Manual
- Standard conditions for Grants made by World Bank
- Disbursement guidelines for WB Loans/Grants
- Memorandum of understanding
- Relevant project related studies, e.g. feasibility studies, poverty assessment, willingness to pay/affordability studies

X. Payment Schedule

The Independent Verification Agent's services shall be remunerated in installments as suggested below, with each deliverable being linked to a specific amount expressed as percentage of the total contract amount according to the following criteria:

Contract Award	10%	One installment
Inception Report	20%	One installment
Output Verification Reports	70%	XX installments depending on the number of OVRs required
Total	100%	XX installments

XI. Reporting and Management of the Assignment

The selected consultant will work under the overall guidance of the [hiring entity]. The consultant will also work closely with [relevant agencies, stakeholders] throughout the assignment. The main contact will be [XXX].