
RBC for ITN campaigns: supplemental design guidance

OCTOBER 2023



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Introduction to RBCs

*“Results-Based Contracts are contracting agreements in which service providers **commit to deliver specific products within an agreed time period and price**, with less focus on the processes or inputs that are to be used to achieve the desired product.” -The Global Fund*

The introduction of the RBC model creates benefits, such as:

-  **Enhances operational efficiency:**
 - **Provides flexibility during implementation** so that service providers can adapt program design and execution to the local context.
 - **Reduces the reporting burden** currently placed on service providers.
-  **Greater focus on results:**
 - Promotes service providers to **enhance their ability to track their implementation** and focus on results to achieve goals.
 - Service providers can **focus on program planning and design** instead of designing and providing evidence for procurement and financial management processes.
-  **Enables piloting models that align with the sustainability strategy of The Global Fund:**
 - It **bridges traditional and social contracting models** as a sustainability strategy by strengthening the operator's ecosystem.
 - **The design of the RBC model is developed in collaboration** with the CT and the PR and involves consultation opportunities for service providers.

Introduction to the RBC Design Supplementary Guide for ITN Campaigns



The RBC Design Supplementary Guide for ITN Campaigns seeks to provide **detailed, intervention-specific guidance on designing effective RBCs for ITN campaigns** within Global Fund grants.

- 1** Provide a best practices-based 'base design' for RBCs for ITN campaigns, covering both single and two-phase campaign structures.
- 2** Provide detailed analysis of all RBC design components, with examples of how to complete the RBC design templates.
- 3** Highlight elements of the RBC design that may require tailoring to meet the needs of specific contexts.

The guide is built around two common models of ITN campaigns: single and two-phase campaigns. The applicability of the materials to each model are sign-posted through the following tags in the upper-right corner of slides:

Single phase

Two phase

Overview of base RBC design for ITN campaigns (two phase)

● Trigger for payment

● Trigger for verification

Results and SR evidence

Registration coverage: % of eligible HHs that are registered for ITN campaign
Completed registration database in digital form, with all relevant details (location, HH details, # of ITNs registered for)

Distribution coverage (A): # of registered HHs receiving ITNs during distribution
Completed registration and distribution database in digital form, with all relevant details (location, HH details, # of ITNs registered received)

Reverse logistics: % of undistributed ITNs returned/ accounted for
Physical stock counts + logistics receipts + distribution database



Verification

All verification activities completed by an **independent verifier** contracted by the RBC Manager

In-process LQAS

End-process LQAS (population survey, not based on SR evidence)

End-process DQA on SR evidence (i.e., database noted)

Physical stock take (compared to remaining after verified distribution)

Payment terms

No more than 40% of the estimated contract value

Contract repricing

30-50% of contract, payable proportional to percentage of target achieved, above min threshold, with over-performance rewarded

40-60% of the contract, payable for each HH distributed to above min threshold, with over-performance rewarded

5-10% of the contract, payable if margin of error is not surpassed; if surpassed, deductions per ITN at 2x market price

Payments

Advance

Disbursement 1

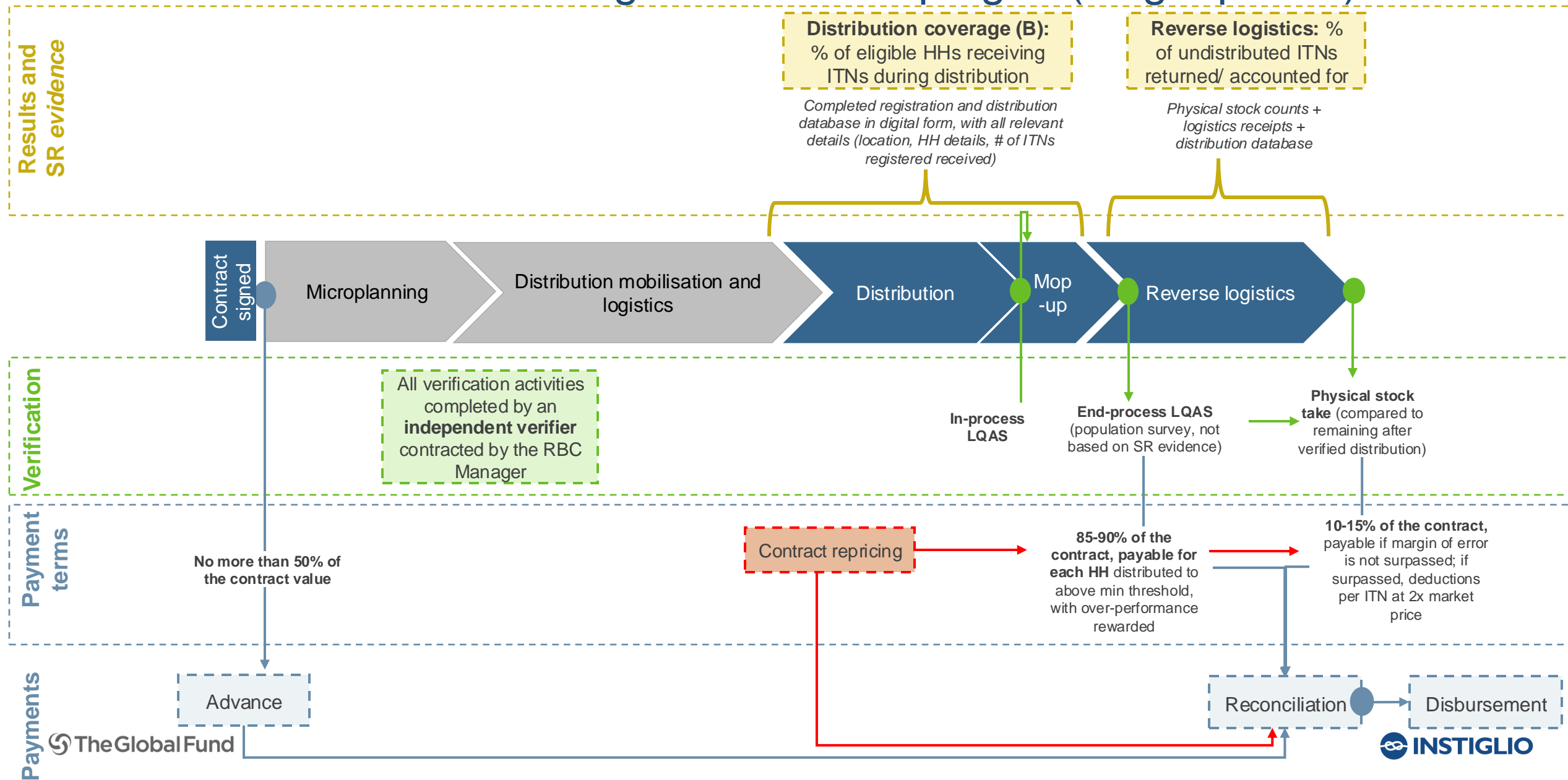
Reconciliation

Disbursement 2

The Global Fund

INSTIGLIO

Overview of base RBC design for ITN campaigns (single phase)



Design details by result: Registration coverage

Result

- **Basic definition:** % of eligible HHs that are registered for the ITN campaign
- Being **registered** is defined as being included in the SR registration database with the minimum required data points (required location details, required basic HH characteristics, registered ITN number). If applicable based on campaign design, also requires being provided with a voucher/ ticket to claim ITNs during distribution.
- To count towards this result, HHs must be registered for the **correct number of ITNs** based on the campaign strategy document and/ or implementation guide (typically based on the HH size).
- **Eligible HHs** are defined per the campaign strategy document and/ or implementation guide.

SR evidence

- Digital database of all HHs registered, with minimum required data for each entry (required location details, required basic HH characteristics, registered ITN number, ITN voucher identifier) and a summary 1-2 page report that outlines the summary results achieved per geographical area and any other critical data points.

Verification

- **By who:** Independent verifier will conduct all verification processes, from the selection of the sample to the final reporting
- **Methodology:** Population-level survey using **LQAS sampling methodology** at specified precision, confidence interval, and other statistical requirements (determined by CT risk preference); assesses whether a HH exists, was reached by registration, and was registered for the correct # of ITNs based on HH characteristics
- **Timing:**
 - In-process verification purely for feedback and potential course correction to occur after 25-40% of the campaign has been conducted; this does not factor into the payment calculation (highly recommended, but not required)
 - End-process verification to start within 5 working days of the SR alerting to the completion of registration; this is what factors into payment calculation
- **Evidence:** Verifier will submit (1) the end-process verification database (i.e., a record of each individual household surveyed and results of the survey), and (2) summary of the overall verification findings, the SR performance on the result based on these findings, and the payment calculation from applying the payment terms to the verified results

Payment terms

- **30-50% of contract value**
- **Basic payment basis:** Payment proportional to the verified percentage results above a minimum threshold and up to the target; proportional is taken as the percentage of the target achieved
- **Minimum threshold:** Set equivalent to the **unacceptable performance scenario** defined in the payment basis process; level under which the SR would be required to re-perform registration to earn any payment
- **Target:** Set equivalent to the **realistic best case performance scenario** defined in the payment basis process; level of performance that will earn full payment on the result
- **Allowance for overperformance:** Overperformance should be earned at the same unit price between the target and 100% (which is an implied payment cap). Overperformance funding can be used to offset under-performance on other results (if there is no under-performance on other results, then the over-performance cannot be paid)
- **Other payment terms:** Allowable portion of approximately 5% incorrect ITN registration before any deduction (i.e., if 4% are incorrect and 100% registration with at least 1 ITN was achieved, payment would be 100%; if 6% are incorrect and 100% registration with 1 ITN, payment would be 99%)

Payment calculation/ timing

- Verification results are the only evidence that factors into the payment calculation; the % of registered HHs out of all HHs found during verification is the result that the payment terms are applied to, which results in the payment value earned
- Payment to be made within 2 weeks of submission of final verification report; inclusive of 10 working days for resolving any issues with the report before approval is implied by the expiration of time

All numbers and timelines are indicative and should be adapted to the local context

Design details by result: Distribution coverage (A)

Result

- **Basic definition: # of registered HHs receiving ITNs during distribution**
- To count towards this result, HHs must have received the **correct number of ITNs** based on the voucher or other form of documentation/ evidence of the number registered for per HH (typically based on the HH size).
- To count towards this result, the ITNs must meet minimum **quality standards** defined in the campaign strategy document and/ or implementation guide.
- **Eligible HHs** are defined per the campaign strategy document and/ or implementation guide.

SR evidence

- Digital database of all HHs distributed to, with minimum required data for each entry (required location details, required basic HH characteristics, registered ITN number, ITN voucher identifier, ITN codes), physical vouchers collected (if applicable based on campaign design), and a summary 1-2 page report that outlines the summary results achieved per geographical area and any other critical data points.

Verification

- **By who:** Independent verifier will conduct all verification processes, from the selection of the sample to the final reporting
- **Methodology: DQA** to be conducted on the SP's digital database to validate # of HHs distributed (as indicated by db) on a sample basis. Verification will include 2 steps: (1) **cross-referencing the db details with physical voucher** to confirm correct voucher identifier and voucher details; (2) **physical backchecks** to the HH to survey that (a) the HH exists and matches the voucher details, (b) the HH did receive the # of ITNs indicated on the voucher/ db, and (c) that the ITNs meet the minimum quality standards
- **Timing:** End-process verification to start within 5 working days of the SR alerting to the completion of distribution
- **Evidence:** Verifier will submit (1) the database (i.e., a record of each individual household surveyed and results of the survey), and (2) summary of the overall verification findings, the SR performance on the result based on these findings, and the payment calculation from applying the payment terms to the verified results

Payment terms

- **40-60% of contract value**
- **Basic payment basis:** Per-unit for each HH reached by distribution in compliance with the definition above; per unit price is based on the contract value divided by the target
- **Minimum threshold:** Set equivalent to the **unacceptable performance scenario** defined in the payment basis process; level under which the SR would be required to mop-up distribution to earn any payment
- **Target:** Set equivalent to the **realistic best case performance scenario** defined in the payment basis process; level of performance that will earn full payment on the result
- **Allowance for overperformance:** Overperformance should be earned between the target and 100% (which is an implied payment cap). Overperformance funding can be used to offset under-performance on other results (if there is no under-performance on other results, then the over-performance cannot be paid)
- **Other payment terms:** Allowable portion of incorrect ITN distribution number per HH before any deduction (see example in the Registration Coverage metric)

Payment calculation/ timing

- Verification results (from a sample) will be extrapolated and applied as an adjustment to the # of HHs per SR evidence; the adjusted # of HHs (after verification is applied) is the result that the payment terms are applied to, which results in the payment value earned
- Payment to be made within 2 weeks of submission of final verification report; inclusive of 10 working days for resolving any issues with the report before approval is implied by the expiration of time

All numbers and timelines are indicative and should be adapted to the local context

Design details by result: Distribution coverage (B)

Result

- **Basic definition:** % of eligible HHs receiving ITNs during distribution.
- To count towards this result, the ITNs must meet minimum **quality standards** defined in the campaign strategy document and/ or implementation guide.
- **Eligible HHs** are defined per the campaign strategy document and/ or implementation guide.

SR evidence

- Digital database of all HHs distributed to, with minimum required data for each entry (required location details, required basic HH characteristics, registered ITN number, ITN voucher identifier, ITN codes), physical vouchers collected (if applicable based on campaign design), and a summary 1-2 page report that outlines the summary results achieved per geographical area and any other critical data points.

Verification

- **By who:** Independent verifier will conduct all verification processes, from the selection of the sample to the final reporting
- **Methodology:** Population-level survey using **LQAS sampling methodology** at specified precision, confidence interval, and other statistical requirements (determined by CT risk preference); assesses whether a HH exists, was reached by distribution, and received the correct # of ITNs based on HH characteristics
- **Timing:**
 - In-process verification purely for feedback and potential course correction to occur after 25-40% of the campaign has been conducted; this does not factor into the payment calculation (highly recommended, but not required)
 - End-process verification to start within 5 working days of the SR alerting to the completion of distribution; this is what factors into payment calculation
- **Evidence:** Verifier will submit (1) the database (i.e., a record of each individual household surveyed and results of the survey), and (2) summary of the overall verification findings, the SR performance on the result based on these findings, and the payment calculation from applying the payment terms to the verified results

Payment terms

- **80-95% of contract value**
- **Basic payment basis:** Payment proportional to the verified percentage results above a minimum threshold and up to the target; proportional is taken as the percentage of the target achieved
- **Minimum threshold:** Set equivalent to the **unacceptable performance scenario** defined in the payment basis process; level under which the SR would be required to re-perform distribution to earn any payment
- **Target:** Set equivalent to the **realistic best case performance scenario** defined in the payment basis process; level of performance that will earn full payment on the result
- **Allowance for overperformance:** Overperformance should be earned between the target and 100% (which is an implied payment cap). Overperformance funding can be used to offset under-performance on other results (if there is no under-performance on other results, then the over-performance cannot be paid)
- **Other payment terms:** A threshold for distribution of the correct number should be set to approximately the good enough scenario level. Performance below this level, in terms of distributing correct numbers of ITNs, should incur a proportional deduction from the overall payment.

Payment calculation/ timing

- Verification results are the only evidence that factors into the payment calculation; the % of HHs reached through distribution out of all HHs found during verification is the result that the payment terms are applied to, which results in the payment value earned
- Payment to be made within 2 weeks of submission of final verification report; inclusive of 10 working days for resolving any issues with the report before approval is implied by the expiration of time

Design details by result: Reverse logistics

Result

- **Basic definition:** % of undistributed ITNs returned and accounted for
- Both damaged and good condition ITNs count towards this result
- Denominator is defined as the [ITNs received – ITNs distributed per the verified distribution totals]
- Numerator is defined by the number physically counted by the verifier (see below)

SR evidence

Received ITNs: Signed documentation for ITNs that entered the warehouse for distribution (e.g., signed delivery notes or stock cards); **Distributed ITNs:** Digital distribution database (i.e., evidence for the distribution coverage result); **Returned ITNs:** stock count of ITNs that are returned to the central warehouse

Verification

- **By who:** Independent verifier will conduct all verification processes
- **Methodology:** Physical stock count taken by the verifier at all return warehouses; count should be signed by all parties to control for disagreements; the count total should be compared against the 'expected' balance per the difference between the received totals and the verified distribution results
- **Timing:** Verification to start within 5 working days of the SR alerting to the completion of distribution
- **Evidence:** Verifier will submit a report that summarizes the overall verified results of stock returned and accounted for versus what should remain and include the supporting documents (signed physical stock counts, triangulation details of all evidence)

Payment terms

- **5-10% of contract value in a single phase, 5-20% in a two-phase**
- **Payment is structured around a margin of error (Y%)** that is accepted due to the logistical complexities of the operation and the importance of not penalizing an SP for factors outside their control
- **If percentage of unaccounted for ITNs is ≤ Y%:** X% payment (full payment for deliverable) is earned
- **If percentage of unaccounted ITNs > Y%:**
 1. **X will be reduced** by the # of ITNs unaccounted for * 2 times multiplier on market price
 2. **If the percentage exceeds Z% (limit),** then zero payment will be earned

Payment calculation/ timing

- Verification results are the only evidence that factors into the payment calculation; the % of remaining ITNs that are accounted for via the physical stock take of the verifier is the result that the payment terms are applied to, which results in the payment value earned
- Payment to be made within 2 weeks of submission of final verification report; inclusive of 10 working days for resolving any issues with the report before approval is implied by the expiration of time

Contractual provisions: overall contract

Contract value and disbursement conditionality: [insert PR name] shall make Results-based Disbursements to [insert SR name] for an amount not to exceed US\$ [insert final maximum contract value], in the event that the Results are achieved per the conditions laid out in this Agreement. 100% of the disbursements to the SR are contingent on the verified Results achieved during the implementation period.

Re-pricing: The contract value outlined in [insert section] will be reset through a re-pricing exercise after the Verification Report for the Registration Coverage Result is approved and prior to any Results-based Disbursements. The re-pricing exercise will be based on the total population estimate per the Verification Report as compared to the total population estimates used for the original contract procurement and/or negotiation. Once the re-pricing is approved by the PR, the new contract value will be approved in writing and replaced in this contract through an Annex.

Results-based Disbursements: The Verification Agent, acting in accordance with the Verification Protocol as described in [insert relevant section on verification], will determine the verified Results achieved by the SR and the corresponding Results-based Disbursements due to the SR in accordance with the provisions of [insert relevant section on payment terms], and report these findings in the Verification Report to the PR. The PR will review the Verification Report for completeness and accuracy and approve the final Verification Report, inclusive of the final disbursement calculation. This process will occur twice, according to the timelines outlined in [insert relevant section] once after the SR has reported the Registration Coverage Result (first Results-based Disbursement) and once after the SR has reported the Distribution Coverage and Reverse Logistics Results (second Results-based Disbursement).

Verification Report submission and PR review: Each Verification Report will be submitted, in written digital format, to the PR's designated agent in accordance with the timelines outlined in the detailed terms for each Result and inclusive of all required evidence as also defined in the detailed terms for each Result. Once submitted, the PR will have [x] working days to review the Report and communicate any valid questions or issues, as defined in [insert relevant section], to the Verification Agent or provide formal written approval of the Report and its contents, including the payment calculation, through email and hard copy letter. If any questions or issues are raised, the Verification Agent and the PR will have an additional [x] working days to resolve the matter(s). If all matters are resolved prior to the [x] day deadline, the PR will offer formal written approval of the final Report in accordance with the terms outlined above. If the [x] working days lapse, [insert clause on escalation]. The PR is not authorized to make direct changes to the Verification Report, its findings, or the payment calculation nor suggest or direct the Verification Agent to make any changes that are not the result of a valid question or issue raised that is determined to require updating.

Disbursement trigger, amount, and evidence: The PR shall initiate the disbursement process for Results-based Disbursements to the SR, upon final approval of the Verification Report by the designated approving party within the PR (the "Disbursement Trigger"). The disbursement is evidenced by the final Verification Report and a copy of the PR approval letter and must be equal to the payment calculation of disbursement earned (adjusted for any financial reconciliation per the terms of [insert section]). The disbursement must be executed for payment from the relevant bank account within [x] working days of the Disbursement Trigger occurrence and paid into the designated SR bank account defined in this contract.

Advance disbursement and conditionality: An advance of [insert advance percentage]% of the contract value, equivalent to US\$ [insert value] will be disbursed to the SR within 15 working days of the official date of contract signing. The request for advance disbursement will be evidenced by the final signed contract and requires no additional PR or other stakeholder approvals. The funds advanced are still contingent on the achievement of subsequent results and their verification. Any advanced funds not earned, based on the final verification of results, must be repaid to the PR.

Financial reconciliation: The PR shall conduct a financial reconciliation after receipt of the second and final Verification Report, inclusive of payment calculation for the Distribution Coverage and Reverse Logistics Results, to reconcile the advance against the total funding earned from all three verified Results, as documented by the payment calculation in the first and second Verification Reports. The reconciliation calculation will be as follows: (equation 1) [total disbursement earned based on payment calculation in first PR-approved Verification Report] plus [total disbursement earned based on payment calculation in second PR-approved Verification Report] = total Results-based Disbursements earned; (equation 2) [total advance] plus [total disbursement made based on payment calculation in first PR-approved Verification Report] = total Results-based Disbursements made; (equation 3) [total Results-based Disbursements earned] less [total Results-based Disbursements made] = amount owed or due for final Results-based Disbursement. If the value of equation 3 is positive, the value represents the US\$ value to be disbursed to the SR for the final Results-based Disbursement. If the value of equation 3 is negative, the value represents the US\$ value that the SR was over-advanced and must repay to the PR's designated bank account within [x] working days of formal written notification of a balance owed.

Overall disbursement limit: The total possible disbursements under this contract is capped at the total contract value. If overall performance across all Results exceeds the targeted units for the overall contract, no additional funding is owed to the SR.

Contractual provisions: Registration coverage

Result

- The Registration Coverage Result is defined as the percentage of eligible households that are registered for the ITN campaign by the SR, with the following formula: [total eligible households registered for the campaign] divided by [total eligible households].
- For purposes of this Result and the formula, “eligible households” are defined as the term is defined in the ITN Campaign Manual for all geographical regions defined in the Manual, and “registered” is defined as a household having been reached by a member of the campaign workforce during registration activities, provided with a complete voucher for ITN distribution for the correct number of ITNs based on their household characteristics, and included in the SR’s household registration database with the correct number of ITNs and the minimum required data points (required location details, required basic HH characteristics, registered ITN number, registered voucher number). The “correct number” of ITNs is defined as the number of ITNs to be distributed per the ITN Campaign Manual based on the household’s stated characteristics.

SR evidence

The SR must submit to the PR, in digital format, the following evidence of its Registration Coverage Results within [x] working days of the formal notification of the final day of registration activities: (1) Household registration database, with minimum required data for each household entry (required location details, required basic HH characteristics, registered ITN number, ITN voucher identifier), and (2) Registration Summary Report that summarises Results achieved per geographical region, in both absolute number of households registered and the percentage of the estimated population reached, and outlines the main activities of the registration.

Verification

- The Verification Agent will determine the verified Results achieved by the SR for the Registration Coverage Result by conducting a population-level survey within the geographical regions identified in the ITN Campaign Manual.
- The survey field work will be started no later than [x] working days after the SR notifies the PR in writing of the completion of all registration activities in the geographical regions, and the survey field work will be completed within a maximum of [x] working days. The Verification Agent may conduct part of the survey during the registration (in-process) for learning and course-correction. This portion of the survey does not factor into the payment calculation.
- The Verification Agent will use the LQAS sampling methodology for selecting villages and households to visit at [insert precision, confidence interval and other statistical requirements] and will follow all verification procedures and guidelines as outlined in the PR-approved Verification Protocol.
- For each household sampled, the Verification Agent will answer three questions to assess the Registration Coverage Results achieved for that household: whether the household exists, was reached by registration, and was registered for the correct number of ITNs based on household characteristics.
- The Verification Agent will submit the following evidence of its verification within [x] days of the estimated close of field work as determined from the date of the formal notification of SR registration completion: (1) the verification database (i.e., a record of each individual household surveyed and results of the survey), and (2) the Verification Report summarising the verification findings, the SR performance on the Result based on these findings, and the payment calculation from applying the payment terms, in accordance with the provisions of [insert relevant section on payment terms], to the verified Results.

Payment terms

- The Registration Coverage Result is allocated [x]% of the total contract value, equivalent to US\$ [x]. The disbursement earned on this Result, relative to the total allotted value, is determined by applying the Payment Terms to the verified Results per the Verification Report. The Payment Terms are:
- The SR will receive the full allocation for this Result if the verified Results per the final, approved Verification Report are equal to the targeted performance of [x]%.
- The SR will receive a proportional amount of the allocation for this Result if the verified Results per the final, approved Verification Report are equal to or greater than the minimum threshold of [x]%, but less than the targeted performance of [x]%. The proportional amount is calculated as the proportion of the targeted performance (X%) achieved per the verified Results, as calculated: [verified percentage of households registered] divided by [targeted percentage of households registered]
- The SR will receive no allocation (zero) for this Result if the verified Results per the final, approved Verification Report are less than the minimum threshold of [x]%. The SR will be notified to re-perform activities to increase Results above the threshold.
- The SR will receive a proportional amount of the allocation for this Result if the verified Results per the final, approved Verification Report are greater than the targeted performance of [x]% up until 100%. The proportional amount is calculated as the proportion of the targeted performance (X%) achieved per the verified Results, as calculated: [verified percentage of households registered] divided by [targeted percentage of households registered]. In this case, the Result disbursement earned will exceed the Result contract allocation. The additional funding above the contract allocation is payable to the SR, subject to the overall disbursement limitation set at total contract value.

Payment calculation/ timing

- The PR-approved Verification Report, and the payment calculation within it, are the only basis for disbursement earned for this Result.
- The payment calculation contained in the Verification Report must follow the following equation: [percentage of registered households out of all households found during verification] applied to [the payment terms for Registration Coverage Result]. The SR evidence of Results achieved, nor any other form of evidence from any party, factor into the payment calculation.
- The disbursement earned for this Result will be disbursed as the sole amount under the contract’s first Results-based Disbursement.

Contractual provisions: Distribution coverage (A)

Result

- The Distribution Coverage Result is defined as the total number of eligible and registered households that receive ITNs from the SR during the distribution activities, with the following formula: sum all [eligible household that receives ITNs after being registered].
- For purposes of this Result and the formula, “eligible households” are defined as the term is defined in the ITN Campaign Manual for all geographical regions defined in the Manual, and “receiving ITNs” is defined as being provide with the correct number of ITNs based on the ITNs voucher, with all ITNs meeting the required ITN quality standards per the Manual, and being included in the SR’s household distribution database with the correct number of ITNs and the minimum required data points (required location details, required basic HH characteristics, registered ITN number, registered voucher number). The “correct number” of ITNs is defined as the number of ITNs to be distributed per the ITN Campaign Manual based on the household’s stated characteristics.

SR evidence

The SR must submit to the PR, in digital format, the following evidence of its Distribution Coverage Results within [x] working days of the formal notification of the final day of distribution activities: (1) Household distribution database, with minimum required data for each household entry (required location details, required basic HH characteristics, distributed ITN number, ITN numbers), and (2) Distribution Summary Report that summarises Results achieved per geographical region, in both absolute number of households reached and the percentage of the estimated population reached, and outlines the main activities of the distribution.

Verification

- The Verification Agent will determine the verified Results achieved by the SR for the Distribution Coverage Result by conducting a data quality assurance exercise (DQA) on the SR-reported Results in the SR evidence. The DQA will consist of sampling the household distribution database and, for sampled households, (i) triangulating the reported Results with the physical voucher, and (ii) performing an in-person household survey.
- The DQA field work will be started no later than [x] working days after the SR notifies the PR in writing of the completion of all distribution activities in the geographical regions, and the field work will be completed within a maximum of [x] working days.
- For each household sampled, the Verification Agent will answer four questions to assess the Distribution Coverage Results achieved for that household: whether the household exists, whether the household received any ITNs through the distribution, whether the household received the same number of ITNs as documented in the database/ voucher, and whether the household received any ITNs that do not conform to quality standards.
- The Verification Agent will submit the following evidence of its verification within [x] days of the estimated close of field work as determined from the date of the formal notification of SR distribution completion: (1) the verification database (i.e., a record of each individual household surveyed and results of the survey), and (2) the Verification Report summarising the verification findings, the SR performance on the Result based on these findings, and the payment calculation from applying the payment terms, in accordance with the provisions of [insert relevant section on payment terms], to the verified Results.

Payment terms

- The Distribution Coverage Result is allocated [x]% of the total contract value, equivalent to US\$ [x]. The disbursement earned on this Result, relative to the total allotted value, is determined by applying the Payment Terms to the verified Results per the Verification Report. The Payment Terms are:
- The SR will earn payment on a per unit basis for each household distributed to, per the verified Results, above a minimum threshold.
- The per unit price is constant for each household reached above the minimum threshold and is equal to: [total allotted contract value for this Result] divided by [targeted number of households to distribute to].
- The targeted number of households is equal to: [the performance target % for the Result] multiplied by [the estimated population based on the SR registration database total population reached and the verified percentage of Registration Coverage Result per the Verification Report]
- The SR will receive no allocation (zero) for this Result if the verified Results per the final, approved Verification Report are less than the minimum threshold of [x]%. The SR will be notified to re-perform activities to increase Results above the threshold.

Payment calculation/ timing

- The PR-approved Verification Report, and the payment calculation within it, are the only basis for disbursement earned for this Result.
- Both the SR evidence and the verification evidence within the Verification Report factor into the payment calculation, as per the following equations that must be followed: (equation 1) [Total Results per SR Summary Report] times [successful verification rate per verification sample] = verified Results, (equation 2) [verified results] applied to [the payment terms for Distribution Coverage Result]. No other form of evidence, from any party, factor into the payment calculation.
- The disbursement earned for this Result will be disbursed together with the disbursement earned for the Reverse Logistics Result under the contract’s second Results-based Disbursement.

Contractual provisions: Distribution coverage (B)

Result

- The Distribution Coverage Result is defined as the percentage of eligible households that receive ITNs during the campaign by the SR, with the following formula: $\frac{\text{total eligible households receiving ITNs}}{\text{total eligible households}}$.
- For purposes of this Result and the formula, “eligible households” are defined as the term is defined in the ITN Campaign Manual for all geographical regions defined in the Manual, and “receiving ITNs” is defined as being provided with the correct number of ITNs based on the ITNs voucher, with all ITNs meeting the required ITN quality standards per the Manual, and being included in the SR’s household distribution database with the correct number of ITNs and the minimum required data points (required location details, required basic HH characteristics, registered ITN number, registered voucher number). The “correct number” of ITNs is defined as the number of ITNs to be distributed per the ITN Campaign Manual based on the household’s stated characteristics.

SR evidence

The SR must submit to the PR, in digital format, the following evidence of its Distribution Coverage Results within [x] working days of the formal notification of the final day of distribution activities: (1) Household distribution database, with minimum required data for each household entry (required location details, required basic HH characteristics, distributed ITN number, ITN numbers), and (2) Distribution Summary Report that summarises Results achieved per geographical region, in both absolute number of households reached and the percentage of the estimated population reached, and outlines the main activities of the distribution.

Verification

- The Verification Agent will determine the verified Results achieved by the SR for the Distribution Coverage Result by conducting a population-level survey within the geographical regions identified in the ITN Campaign Manual.
- The survey field work will be started no later than [x] working days after the SR notifies the PR in writing of the completion of all distribution activities in the geographical regions, and the survey field work will be completed within a maximum of [x] working days. The Verification Agent may conduct part of the survey during the distribution (in-process) for learning and course-correction. This portion of the survey does not factor into the payment calculation.
- The Verification Agent will use the LQAS sampling methodology for selecting villages and households to visit at [insert precision, confidence interval and other statistical requirements] and will follow all verification procedures and guidelines as outlined in the PR-approved Verification Protocol.
- For each household sampled, the Verification Agent will answer four questions to assess the Distribution Coverage Results achieved for that household: whether the household exists, whether the household received any ITNs through the distribution, whether the household received the same number of ITNs as documented in the database/ voucher, and whether the household received any ITNs that do not conform to quality standards.
- The Verification Agent will submit the following evidence of its verification within [x] days of the estimated close of field work as determined from the date of the formal notification of SR registration completion: (1) the verification database (i.e., a record of each individual household surveyed and results of the survey), and (2) the Verification Report summarising the verification findings, the SR performance on the Result based on these findings, and the payment calculation from applying the payment terms, in accordance with the provisions of [insert relevant section on payment terms], to the verified Results.

Payment terms

- The Distribution Coverage Result is allocated [x]% of the total contract value, equivalent to US\$ [x]. The disbursement earned on this Result, relative to the total allotted value, is determined by applying the Payment Terms to the verified Results per the Verification Report. The Payment Terms are:
- The SR will receive the full allocation for this Result if the verified Results per the final, approved Verification Report are equal to the targeted performance of [x]%.
- The SR will receive a proportional amount of the allocation for this Result if the verified Results per the final, approved Verification Report are equal to or greater than the minimum threshold of [x]%, but less than the targeted performance of [x]%. The proportional amount is calculated as the proportion of the targeted performance (X%) achieved per the verified Results, as calculated: $\frac{\text{verified percentage of households receiving ITNs}}{\text{targeted percentage of households receiving ITNs}}$
- The SR will receive no allocation (zero) for this Result if the verified Results per the final, approved Verification Report are less than the minimum threshold of [x]%. The SR will be notified to re-perform activities to increase Results above the threshold.
- The SR will receive a proportional amount of the allocation for this Result if the verified Results per the final, approved Verification Report are greater than the targeted performance of [x]% up until 100%. The proportional amount is calculated as the proportion of the targeted performance (X%) achieved per the verified Results, as calculated: $\frac{\text{verified percentage of households receiving ITNs}}{\text{targeted percentage of households receiving ITNs}}$. In this case, the Result disbursement earned will exceed the Result contract allocation. The additional funding above the contract allocation is payable to the SR, subject to the overall disbursement limitation set at total contract value.

Payment calculation/ timing

- The PR-approved Verification Report, and the payment calculation within it, are the only basis for disbursement earned for this Result.
- The payment calculation contained in the Verification Report must follow the following equation: $\frac{\text{percentage of households distributed to out of all households found during verification}}{\text{percentage of households distributed to out of all households found during verification}}$ applied to [the payment terms for Distribution Coverage Result]. The SR evidence of Results achieved, nor any other form of evidence from any party, factor into the payment calculation.
- The disbursement earned for this Result will be disbursed together with the disbursement earned for the Reverse Logistics Result under the contract’s Results-based Disbursement.

Contractual provisions: Reverse logistics

Result

- The Reverse Logistics Result is defined as the total percentage of undistributed ITNs that are returned and accounted for, with the following formula: [total ITNs returned and accounted for] divided by [total ITNs undistributed].
- For purposes of this Result and the formula, “ITNs” are defined as any ITN initially procured for the campaign that is in any condition, either damaged or in suitable quality for future use, and “returned and accounted for” is defined as being physically returned to the possession of the PR to their designated warehouse. “Undistributed” is defined as the difference between the total ITNs received at the beginning of the campaign by the SR and the total ITNs given to eligible households through the distribution activities.

SR evidence

The SR must submit to the PR, in digital format, the following evidence of its Reverse Logistics Results within [x] working days of the formal notification of the final day of distribution activities: (1) Household distribution database (evidence from the Distribution Coverage Result), (2) Signed documentation for (i) ITNs received at the start of the campaign, and (ii) physical stock counts conducted when remaining ITNs are returned at PR warehouse, and (3) a logistical reconciliation report that summarises the overall ITN movements and explains any unaccounted for ITNs.

Verification

- The Verification Agent will determine the verified Results achieved by the SR for the Reverse Logistics Result by conducting (i) physical stock counts of the full stock of ITNs in the designated warehouse, and (ii) triangulating and reconciling the results of the count against the verified distribution database and the verified receipt of ITNs initially received by the SR prior to distribution.
- The counts will occur no later than [x] working days after the SR notifies the PR in writing of the completion of all distribution activities in the geographical regions.
- The Verification Agent will follow all verification procedures and guidelines as outlined in the PR-approved Verification Protocol.
- For each household sampled, the Verification Agent will answer four questions to assess the Distribution Coverage Results achieved for that household: whether the household exists, whether the household received any ITNs through the distribution, whether the household received the same number of ITNs as documented in the database/ voucher, and whether the household received any ITNs that do not conform to quality standards.
- The Verification Agent will submit the following evidence of its verification within [x] days of the estimated close of field work as determined from the date of the formal notification of SR distribution completion: (1) the stock take document, signed by all relevant parties per the Verification Protocol, (2) the detailed reconciliation of the stock count, distribution database, and the receiving receipt, and (3) the Verification Report summarising the verification findings, the SR performance on the Result based on these findings, and the payment calculation from applying the payment terms, in accordance with the provisions of [insert relevant section on payment terms], to the verified Results.

Payment terms

- The reverse Logistics Result is allocated [x]% of the total contract value, equivalent to US\$ [x]. The disbursement earned on this Result, relative to the total allotted value, is determined by applying the Payment Terms to the verified Results per the Verification Report. The Payment Terms are:
- The SR will receive the full allocation for this Result if the verified Results per the final, approved Verification Report confirm that less than or equal to [x]% margin of error of the ITNs undistributed are not returned and unaccounted for.
- If the verified Results per the final, approved Verification Report confirm that greater than the [x]% margin of error of the ITNs undistributed are not returned and unaccounted for, the allocation for this Result will be reduced for each ITN above the margin of error.
- The reduction will be calculated as: [verified percentage of households registered] divided by [targeted percentage of households registered] times [double the market rate for ITNs].
- The SR will receive no allocation (zero) for this Result if the verified Results per the final, approved Verification Report confirm that greater than the [x]% maximum allowable missing of the ITNs undistributed are not returned and unaccounted for.

Payment calculation/ timing

- The PR-approved Verification Report, and the payment calculation within it, are the only basis for disbursement earned for this Result.
- The payment calculation contained in the Verification Report must follow the following equations: (equation 1) [Total received ITNs per the verified receipt] less [Total distributed ITNs per the verified Results from the Distribution Coverage Result] = verified undistributed ITNs, (equation 2) [Number of ITNs per the verification physical count] divided by [verified undistributed ITNs] applied to [the payment terms for Distribution Coverage Result]. No other form of evidence, from any party, factor into the payment calculation.
- The disbursement earned for this Result will be disbursed together with the disbursement earned for the Distribution Coverage Result under the contract’s second Results-based Disbursement.

Common pitfalls to proactively prevent or mitigate

Pitfall	Description	Prevention/ mitigation in the contract
<p>Other stakeholders able to delay or influence SR payment</p>	<p>Stakeholders involved in the campaign, but not in the roles of Manager, SR, or verifier, try to block or delay payment through various avenues, such as submitting different evidence, noting other documentation than the contract that says their approval is needed, etc.</p>	<ul style="list-style-type: none"> • Explicitly noting that other stakeholders cannot hold back payment based on other forms of evidence or other objections. • Outlining in detail what evidence is required and how it factors into the payment calculation and decision. • Detailing the timelines and processes for payment, including roles and responsibilities, and including escalation clauses that confirm what processes happen if timelines lapse.
<p>Contractual processes not occurring in a timely manner</p>	<p>The processes associated with the RBC, particularly around verification, the payment trigger, and disbursement take excessive time, due to lack of clarity on requirements and/or lack of firm contractual commitment to timelines</p>	<ul style="list-style-type: none"> • Detailing the timelines and processes for verification and the payment trigger, including roles and responsibilities, and including escalation clauses that confirm what processes happen if timelines lapse. • Detailing the timelines and processes for payment, including roles and responsibilities, and including escalation clauses that confirm what processes happen if timelines lapse.
<p>Disbursements made that do not reflect disbursements earned payment terms</p>	<p>The disbursements made do not follow the payment terms and/or verified evidence and/or the payment calculation per the Verified Report either because of PR override of these elements or because of error/ lack of clarity on what to disburse</p>	<ul style="list-style-type: none"> • Explicitly outline the roles that each of these elements play into the payment calculation and payment trigger/ decision, including through detailed equations. • Build requirements for PR review of the Verification Report into the contract, but also clauses that limit their ability to unilaterally change findings or the payment calculation. • Clearly state that the disbursement value must equal the value per the payment calculation in the approved Verification Report.
<p>Double-trouble of results evidence and financial evidence</p>	<p>The PR or other stakeholders require SR records of financial transactions before making disbursements and/or only authorise disbursements up to the total value of documented spending by the SR</p>	<ul style="list-style-type: none"> • Explicitly noting the evidence required and confirming that financial evidence is not required for or factored into disbursement.

Deviating from the base RBC design

The prior slides summarised the recommended base RBC design for ITN campaigns based on the core aspects of ITN campaigns and prior experience in deploying RBCs for these campaigns. **The base case should be the default design to begin any RBC process for an ITN campaign. However:**

- (1) **The design process must still be conducted, and all decisions documented through the RBC templates, for each specific RBC contract/ ITN campaign.** The remainder of this guidance summarises the key design documentation needs with specific guidance and insights to apply when completing for an ITN campaign focused on the base design decisions.
- (2) **Contextual factors uncovered in the design process may necessitate deviations from the base design**—common instances of acceptable deviations are outlined to the right. Within this guidance, some key examples and guidance around common changes to the base design are highlighted.

Potential changes to base design:



Inclusion of **additional results** that respond to specific campaign challenges or circumstances [\(link\)](#)



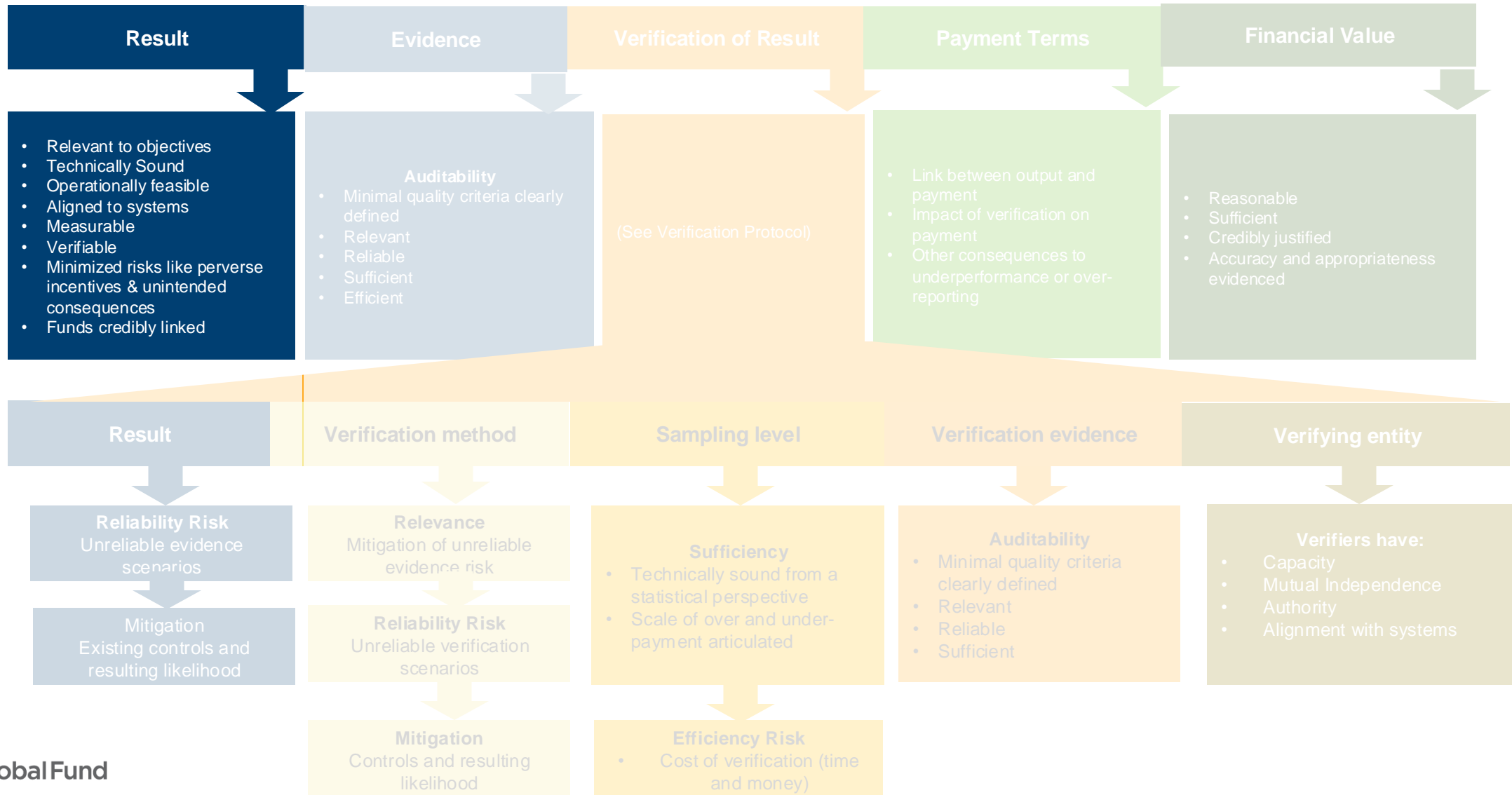
Alterations to the **definition or conditions of required results** to respond to the campaign context or requirements



Changes to the **payment terms included for required results** to respond to the campaign context or requirements

Deviations from the base design should be explicitly highlighted and must be rigorously supported by rationale in the design templates. These changes should also be closely reviewed and questioned during the review and approval process.

Frameworks and process for defining results



Overview of base RBC design for ITN campaigns (two phase)

Results and SR evidence



% of eligible HHs that are registered for ITN campaign

of registered HHs receiving ITNs during distribution

% of undistributed ITNs returned/ accounted for



Verification

Payment terms

Payments

Programmatic objectives: Common objectives for ITN campaigns

Defining objectives is a critical first step in RBC design. **Common objectives** for ITN campaigns are outlined below as guidance and examples, but this is **not meant to replace the exercise of mapping the specific objectives** in the context of a campaign. Follow the How-to-Guide guidance on this step for more details.

High-level objectives

1. Reduced **mortality and morbidity rates** from malaria infections or complications
2. Reduced malaria **incidence** (i.e., reduction in the number of new infections)
3. Increased **coverage of ITNs** amongst the target population (i.e., number of ITNs per household)
4. Improved **knowledge** of malaria prevention and ITN use amongst the target population
5. Increased **use of ITNs** amongst the population (i.e., % of the population who sleep under an ITN every night)

Supporting objectives

1. #/ % of households amongst the target population that are accurately registered for the campaign (i.e., registration coverage)
2. #/ % of households amongst the target population that receive ITNs (i.e., distribution coverage)
3. #/ % of households receiving the correct number of ITNs as per distribution guidelines
4. Coverage rates (both registration and distribution) amongst the most vulnerable and hard to reach populations
5. #/ % of households that are reached with, and are influenced by, quality SBCC
6. Degree of accuracy and comprehensiveness of campaign databases
7. Quality macro- and microplanning (i.e., estimates from planning are reasonably accurate)
8. Campaign implemented on time, particularly timely in relation to peak malaria seasons

Non-programmatic objectives: Common objectives for ITN campaigns

Programmatic objectives must be complemented with a mapping of critical non-programmatic objectives for the campaign. **Common objectives** are outlined below as guidance and examples, but this is **not meant to replace the exercise of mapping the specific objectives** in the context of a campaign. Follow the How-to-Guide guidance on this step for more details.

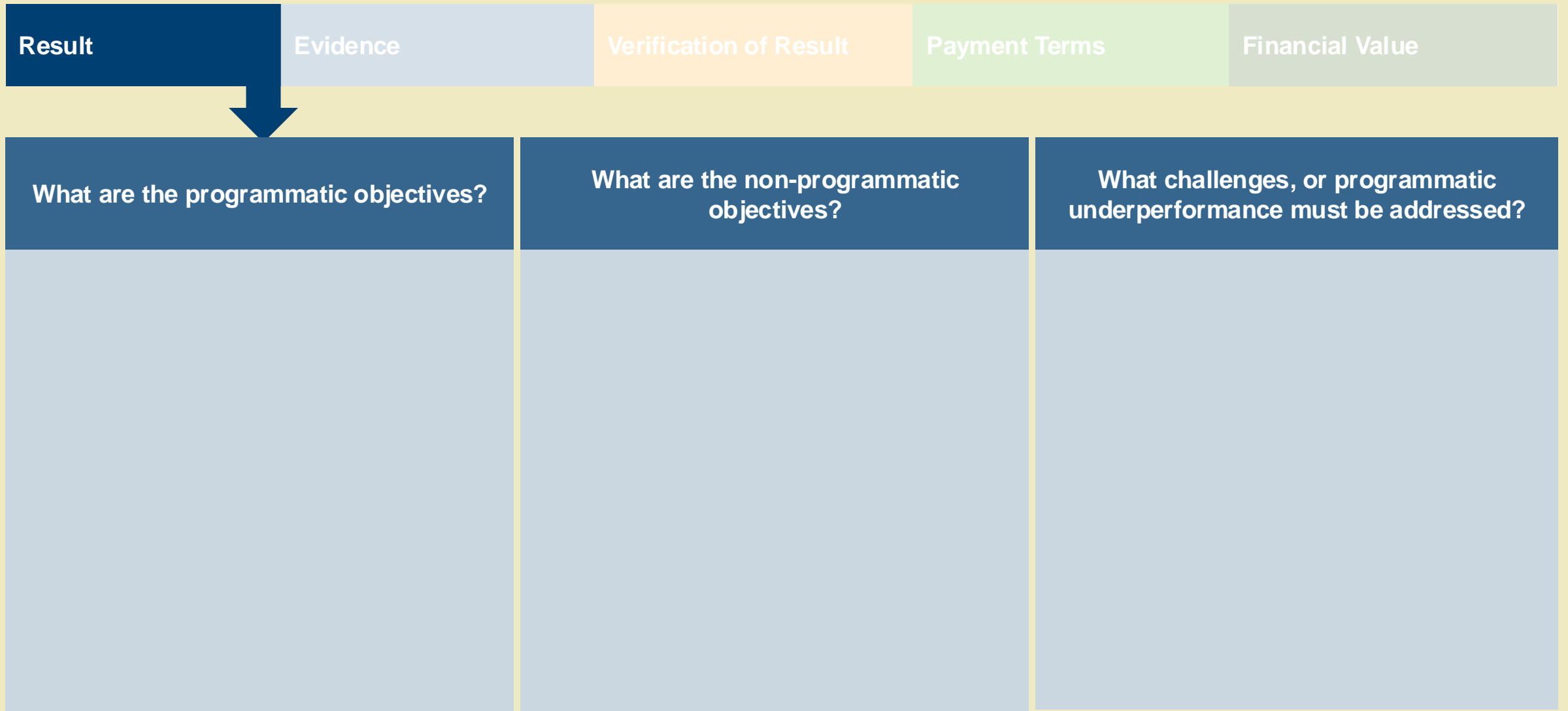
Fiduciary	Ethical	Other
<ul style="list-style-type: none">• Maximize the funding amount directly benefiting beneficiaries• Ensure all unused ITNs and other supplies are accounted for at the end of the campaign• Prevent low value-for-money caused by material over-budgeting, particularly at the microplanning stage• Prevent sub-optimal quality of services caused by material under-budgeting (i.e., cutting corners on input quality)	<ul style="list-style-type: none">• Protect beneficiary privacy and ensure data security and anonymity• Ensure workforce is selected/ deployed to ensure no child labour or other violations of labour laws/ best practices• Maintain safe disposal of destroyed ITNs (to prevent contamination)• Respect the decisions of individuals who refuse to participate in the campaign• Respect and be responsive to cultural and societal norms in the region• Maintain quality standards of the campaign and ITNs provided (e.g., use quality products, safe storage, optimal communications)	<ul style="list-style-type: none">• Ensure relevant government bodies are engaged in line with their responsibilities and expectations• Ensure campaign coordination mechanisms include all relevant stakeholders and provide consistent oversight• Align the campaign with country policies and guidelines• Avoid approaches that lead to further fragmentation in service delivery• Maintain timely contracting of SRs and SRRs/ contractors to prevent delays

Common challenges for ITN campaigns

Once objectives are clearly stated, you must identify where the campaign may face challenges to achieving its objectives. A **categorisation of common challenges** for ITN campaigns is outlined below, with **examples and questions to guide you in probing** on what specific challenges may exist in the context of their campaign.

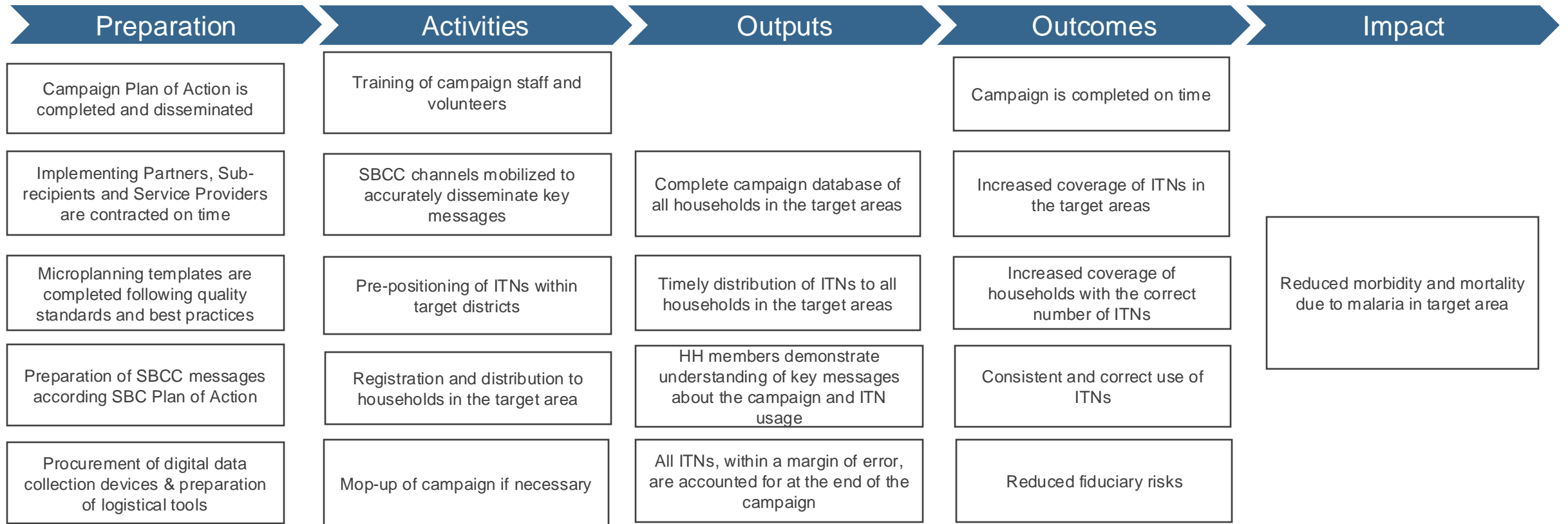
Category	Description and examples	Context-based questions to ask
Protocols	<ul style="list-style-type: none"> • Failure to follow net allocation strategies leading to HHs receiving incorrect number of ITNs • Delays in distribution caused by time consuming procurement and expenditure documentation review processes • Inconsistent recording of household names during household registration resulting in slow or incorrect distribution (during dual phase campaigns) 	<ul style="list-style-type: none"> • How feasible will it be to establish a performance management system to be used by the campaign's coordination/oversight functions to monitor challenges during the campaign? • What are the historic pain points of past campaigns and have recommendations from previous campaigns been implemented?
Data systems	<ul style="list-style-type: none"> • Poor electricity, phone or internet connectivity resulting in unreliable digital data collection during household registration • Inaccurate microplanning data leading to delays in adjusting the data • Inaccurate GPS locations noted for households 	<ul style="list-style-type: none"> • Can the accessibility of electricity and communications be mapped with access points established? • Is there sufficient campaign budget to purchase back-up digital data collection equipment (including batteries) or is there a contingency plan in place if digital data collection fails?
Target population	<ul style="list-style-type: none"> • Migrant or highly mobile populations resulting in inaccurate population estimates and low distribution coverage • Household size miscalculations in multiple-spouse households • Distribution points inaccessible or too far for vulnerable population 	<ul style="list-style-type: none"> • Do targets in the Action Plan suitably reflect the situations on the ground? • Has the definition of a household been sufficiently defined? • How recent and comprehensive are maps and population estimates?
Logistics	<p>Delays related to:</p> <ul style="list-style-type: none"> • Procurement issues for ITNs • Poor roads • Inaccessibility due to weather, political unrest, or conflict 	<ul style="list-style-type: none"> • Has sufficient time before rainy seasons or as buffer been planned?
Capacities	<ul style="list-style-type: none"> • Poor performing contractors procured resulting in reduced programmatic outcomes and reduced efficiency • Insufficient monitoring resulting in ITNs diverted to the black market, reducing grant absorption • Lack of time for sufficient training of campaign staff, who are then deployed with lower capacity 	<ul style="list-style-type: none"> • Has the technical component or tender submissions been sufficiently assessed and weighted? • Is there the recommended ratio of Supervisors to Volunteers? • Is there sufficient time in the operational plan for comprehensive training of all campaign staff?

Programmatic results framework 1/6 – V1.1

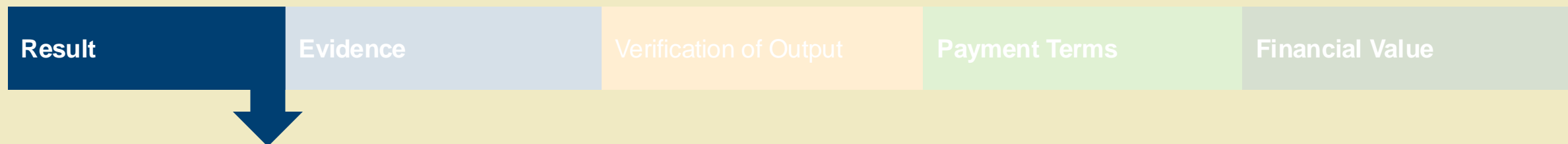


Results chain: ITN campaign

After establishing objectives, you must create a detailed results chain that maps the campaign’s key moments and results from the preparation stage to impact. The results chain should **incorporate the specific objectives identified when defining success**, which are often the chain’s ‘impact’ and ‘outcomes’ levels. You must then **work backwards to identify the key outputs, activities, and preparation** that will build towards achieving these objectives. Below is a basic results chain for an ITN campaign. Leverage this as a base and expand and adapt to fit the specific nature of your campaign.



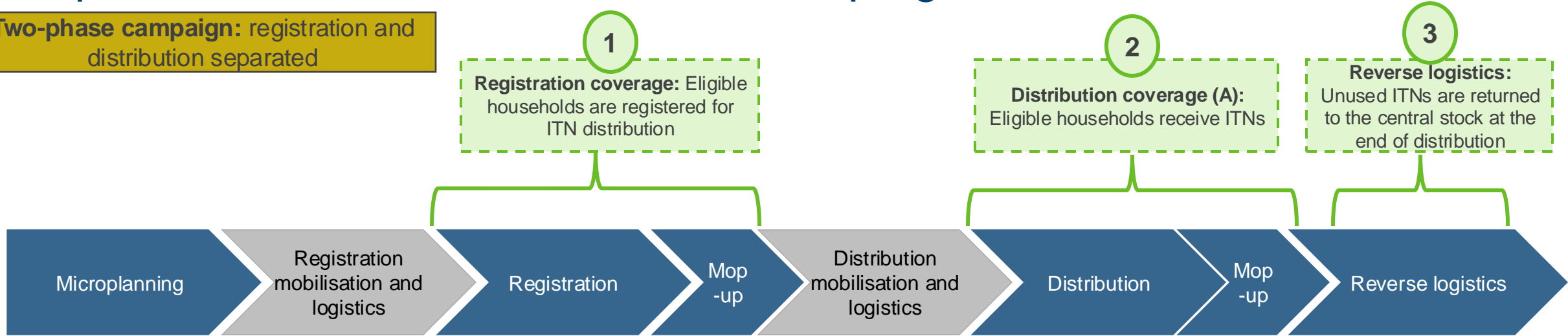
Programmatic results framework 2/6 – V1.2



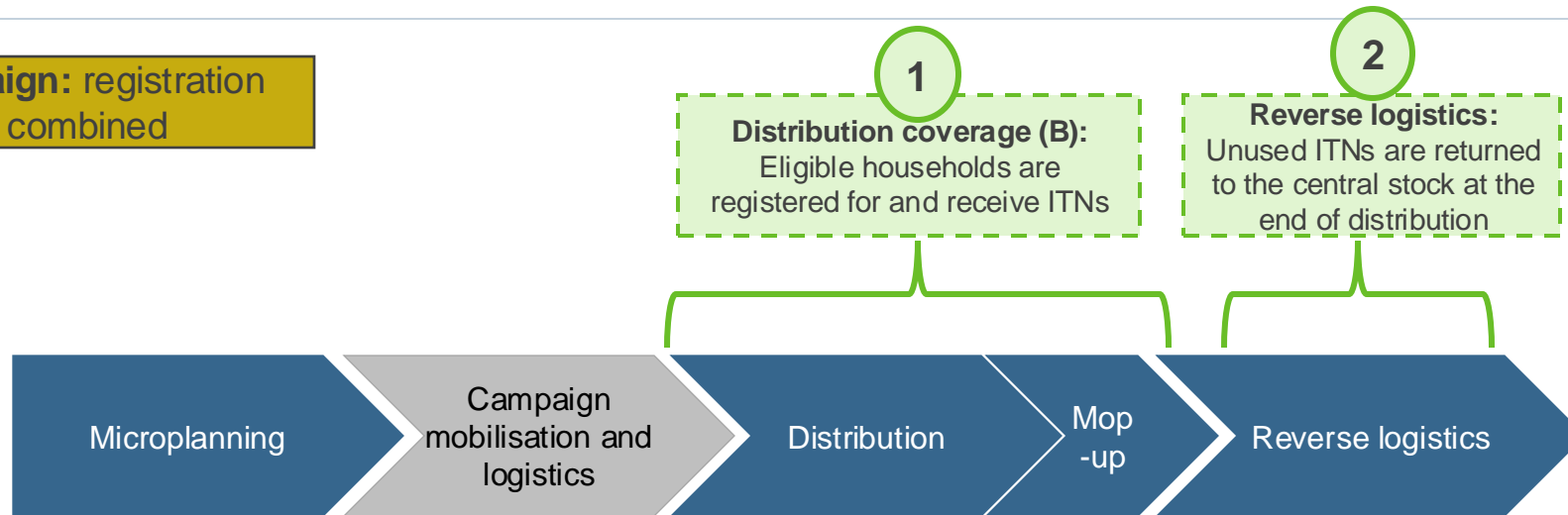
Preparation	Activities	Outputs	Outcomes	Impact
All preparatory work required to plan and design the cascade of activities that comprise delivery of activities or intervention	The concrete milestones that comprise the execution of the intervention	The immediate results of the activities	The logical, presumable result of the outputs assuming they were executed correctly	The change in the health of the population

Required results in an RBC for ITN campaigns

Two-phase campaign: registration and distribution separated



Single phase campaign: registration and distribution combined



Other results to consider assessing in an RBC for ITN campaigns

As a rule of thumb, RBCs should be limited to only the most critical results to incentivize. This ensures that SPs' attention is drawn to what matters most, maintains a simple design that is easy to understand and implement, and enhances implementation flexibility for SPs. For ITN campaigns, this means that, in many **cases, only the required results (previous slide) should be included in the contract as paid deliverables. However, in certain cases, 1-2 additional results may be added to respond to the specific campaign context.** Contextual considerations that may warrant other deliverables include:

- **Challenges that would not be addressed through high performance on the required results**, such as low usage of ITNs after distribution or issues with the timeliness of the campaign
- **Fiduciary considerations**, such as including a result for high-cost preparation and activities
- **Preferences of key stakeholders**, such as the government, who may insist on other results being included
- **Scope of work for the SP or a campaign structure** that is materially different from the typical single or dual-phase campaign structures outlined throughout this guide, which may change the expectations and manageable control for an SP

Users should consider whether any of these instances apply and determine whether a deeper assessment of other results is warranted. Additional results that may be assessed for an ITN campaign are outlined to the right—these are examples and are not meant to be comprehensive.

Potential additional results to consider:



Workforce training: may be necessary for fiduciary reasons (high-cost activity) or to ensure sufficient attention is paid to quality workforce in contexts where this has been a historical challenge



Pre-positioning of ITNs: may be an important pathway to incentivizing the timeliness and quality of pre-campaign logistics, which are important to the overall campaign timeliness



Social behaviour change communication (SBCC): may be essential to ensure sufficient attention and efforts are placed on these activities, which are critical to ensure that ITNs distributed are used effectively to reduce malaria incidence and morbidity



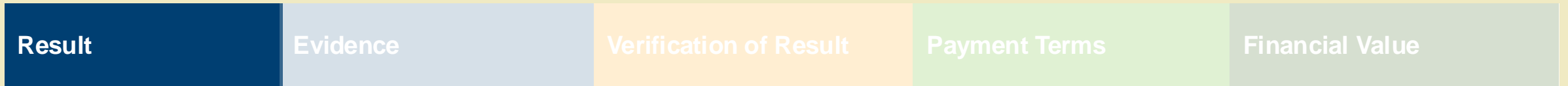
Correct usage of ITNs: may be a vital deliverable to achieve more significant impact in higher capacity contexts that have relatively strong campaign performance in terms of coverage

Design quality: Required results

All results must be assessed against the 5 criteria outlined in the How-to-Guide. Typical analysis for each of the required results is outlined below, with key considerations to apply for specific contexts. You must **contextualize the assessment to your context**, since this is an important source of information for further design decisions such as the result definition and the payment split allocation.

Result	Closely related to definition of success	Within the control of the service provider	Leverages Existing Actors	Measurable	Possible to evidence and verify
Distribution coverage (A and B): Eligible households receive ITNs	Distribution coverage is always one of the most important objectives for a ITN campaign. Reaching as much of the target population as possible with ITNs is the campaign’s most reliable [pathway to reducing incidence, morbidity, and mortality from malaria.	In almost all contexts, SRs are directly responsible for all elements of the distribution, including overseeing the staff and logistics that match ITNs to the targeted population, meaning they have high control over this result. However, there are a number of factors that may limit their practical control, such as political insecurity, extreme weather, pressures causing migration and displacement. These potential factors should be considered in target setting and the risk assessment and mitigation planning. In addition, in fixed point distributions (i.e., where beneficiaries must travel to a specific spot to receive their ITNs), SRs also have naturally lower manageable control—beneficiaries may choose not to attend the distribution due to travel challenges or low motivation, regardless of how well the SR manages its registration and communication efforts. Similar to the above, this can be managed through target setting and proper risk/ mitigation planning.	The extent to which these results leverage existing actors will be very context-specific. Assessment should be high when the campaign ensures alignment with the national/ local government role in malaria prevention activities (E.g., when local health units are involved in overseeing registration and distribution activities) or involves actors engaged in other areas of the malaria grant. Note that, in some contexts, ITN campaigns may not be suited to leveraging existing structures—this should not prevent these results from being incentivized by the RBC.	Distribution coverage can be measured a variety of ways, including, for example, #/ % of households reached, #/ % of ITNs distributed, or #/ % of settlements reached with the campaign. Further, if critical to campaign success, it is also possible to measure elements of both quality (i.e., whether households receive the correct number of nets) and timeliness (i.e., whether the ITNs are distributed on time).	Given the importance of registration and distribution coverage, this commonly has strong existing data and evidence systems (even without an RBC). At the highest end of quality, contexts would be able to evidence coverage through the electronic databases maintained and updated as each household is reached. At the lower end of quality, but still acceptable for an RBC, SRs may capture the same information manually through paper forms. Vouchers and coupons are also a strong form of evidence used in combination with either digital or manual databases. Both results can also be verified a variety of ways to suit the needs of a specific context. For example, verification can sample the household database and confirm the quality/ accuracy of the SR data (i.e., confirm if households were reached). In many cases, verification can also sample directly from the target population to estimate the coverage rates separately and compare to the SR-reported rates.
Registration coverage: Eligible households are registered for ITN distribution (two phase only)	Registration is directly linked to the objectives of a campaign as the registration database forms the basis for distribution (i.e., only households that are registered can be reached during distribution). A poor registration performance directly equates to a poor distribution coverage performance.	Similar to the above, registration is the direct responsibility of the SR in almost all contexts. Practical limitations on control, such as the examples given above, may also apply to registration and this should be managed in the same fashion. In addition, if the SR is not involved in the key microplanning step, they may also have less control over the success of registration since SRs use the microplanning to plan their resources such as the number of volunteers and mapping of settlements to cover during registration.		Registration coverage can be measured in all ways similar to what is outlined above for distribution coverage.	
Reverse logistics: Unused ITNs are returned to the central stock at the end of distribution	Ensuring unused ITNs are returned is a goal that follows distribution and is therefore not the most crucial to ensuring last-mile coverage; unused nets could go missing without impacting coverage rates. However, including it as an incentivized deliverable would reduce the risk that they would be commercialized or poorly disposed/ circulated on the black market. As a result, controlITNg for it does support critical fiduciary and ethical objectives for the campaign.	SRs remain contractually responsible for the assets from the time they are received until the time they are returned. Ensuring the safety of these assets is therefore within their manageable control. A certain amount of loss due to the complexity of the logistics or natural factors is to be expected—this can be addressed through appropriate target setting and risk mitigation measures. In cases where a majority of ITN logistics is handled by the PR, government, or other actor that is not the SR or a contractor of the SR, manageable control may be lower.		Reverse logistics can be measured through #/ % of ITNs that are left after distribution. Elements of timeliness and quality (e.g., are nets damaged) can also be measured.	Reverse logistics can be evidenced very practically through physical counts of ITNs returned or remaining, as well as the logistical documentation of movements of ITNs in and out of warehouses. Verification can be easily performed using these pieces of evidence and/or through a separate stock-take exercise.

Programmatic results framework 3/6 – V1.3



Potential result	Closely related to definition of success	Within the control of the service provider	Leverages Existing Actors	Measurable	Possible to evidence and verify
<i>Result Option 1</i>					
<i>Result Option 2</i>					

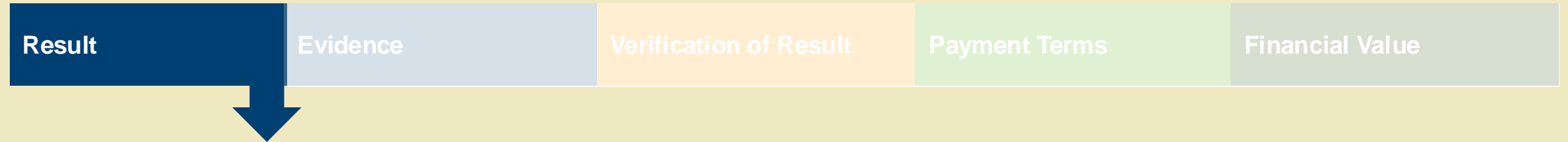
Risk management and measurement: Required results

Once results have been assessed for quality, you must layer on an assessment of risk management. General guidance is in the How-to-Guide, and ITN-specific considerations for each risk component are noted below. Context does matter for risk assessment and mitigation, so **consider what additional risks or more effective mitigation measures may apply** in the context of your campaign and country. Critically, details on **how risks can be mitigated are indications/ requirements of other design features to include or tailor.** Ensure you make note of this and incorporate the measures where appropriate.

Result	Minimizes unintended consequences (UC)	Minimizes perverse incentives (PI)	Measurement
<p>Distribution coverage (A and B): Eligible households receive ITNs</p>	<p>Unintended consequences:</p> <ul style="list-style-type: none"> SRs deprioritize harder to reach areas and households if the reward for covering these areas does not justify the effort it would take to reach them The SR decides not to pay campaign workforce if they do not meet the threshold coverage to unlock full payment SR diverts resources away from social behaviour change messaging (critical element to ensuring ITN usage) in order to earn full payment on coverage → can ultimately reduce the impact of campaigns 	<p>Perverse incentives:</p> <ul style="list-style-type: none"> SRs distribute more per household than necessary, particularly in easier/ less costly areas SRs deliver damaged ITNs to meet targets The SR deflates the population in microplanning to make targets easier Volunteers enter ghost households (i.e., fictitious records) Volunteer managers collude with volunteers to enter ghost households Volunteer managers enter fictitious records while QC'ing data Volunteers distribute less than the allocated # per HH and sell remaining ITNs on the black market SR colludes with the verifier or manager to inflate results 	<p>This result is a coverage indicator, quantifying the extent to which eligible households in the target regions are reached through the distribution activities.</p>
<p>Registration coverage: Eligible households are registered for ITN distribution (two phase only)</p>	<p>How the UC can be minimized:</p> <ul style="list-style-type: none"> Clearly defining targets or design features (e.g., differential prices) to better account for harder to reach areas Including contractual provisions that require workforce salaries are paid and/or certain levels of social behaviour change communication is carried out 	<p>How the PI can be minimized:</p> <ul style="list-style-type: none"> Quality, independent verification processes can deter or identify unreliable reporting Ensuring distribution coverage result/ verification covers the number and quality of ITNs distributed with penalties for poor performance in these areas 	<p>This result is a coverage indicator, quantifying the extent to which eligible households in the target regions are reached through the registration activities.</p>
<p>Reverse logistics: Unused ITNs are returned to the central stock at the end of distribution</p>	<p>Unintended consequences:</p> <ul style="list-style-type: none"> SRs deliver all nets (i.e., providing damaged nets to HH, or distributing more than allocated number) to ensure that there are none left to transport back to the warehouses SRs retain more nets to gain full payment for this metric instead of distributing them (potentially, dependent on the relative unit prices for this vs coverage) <p>How the UC can be minimized:</p> <ul style="list-style-type: none"> Carefully considering fiduciary considerations in the payment weights Ensuring distribution coverage result/ verification covers the number and quality of ITNs distributed with penalties for poor performance in these areas 	<p>Perverse incentives:</p> <ul style="list-style-type: none"> SRs claim to have delivered all ITNs, sell unused ones, to ensure that there are none left to account for SR sells non-distributed ITNs if the market value exceeds the value of the payment SRs distribute damaged ITNs to households to avoid having to return them <p>How the PI can be minimized:</p> <ul style="list-style-type: none"> Carefully considering fiduciary considerations in the payment weights/ prices Avoiding penalties for damaged ITNs in the payment terms Quality, independent verification that is triangulated against distribution records 	<p>This result is a coverage indicator, quantifying the extent to which ITNs that are not distributed are returned through reverse logistics.</p>

Programmatic results framework 4/6 – V1.4 (completion guideline)

From the previous template, the results with very low scores can be eliminated. The other potential result options will be further explored and devaluated in this template. The result options that are assessed to be the best after this template are chosen as final results for payment.



Potential result	Minimizing Risks		Measurement
	Minimizes unintended consequences	Minimizes perverse incentives	Coverage indicator or workplan tracking measure
<i>Result Option 1</i>			
<i>Result Option 2</i>			

Defining results: Required results

The final step related to results defines the specific indicator for each selected result. This includes broadly how the result is measured and key eligibility details (i.e., what qualifies as a result). Guidance on this step is contained in the How-to-Guide, while ITN-specific analysis and considerations for specific campaigns are outlined below. Critically, all of these definition details **must be clearly defined in the contract.**

Two phase

Single phase

Result	Result definition	Considerations
Registration coverage: Eligible households are registered for ITN distribution	Percentage (%) of eligible households that are registered for ITNs through the campaign	<ul style="list-style-type: none"> Eligible households should be clearly defined in line with the campaign guidance Registration can consider either (1) whether households are registered for the correct number per the household characteristics and the campaign guidance, or (2) whether households are just registered (agnostic to number) <ul style="list-style-type: none"> Consider the extent to which correct registration is a realistic goal in light of the context
Distribution coverage (A): Eligible households receive ITNs	Number (#) of eligible households that receive ITNs through the campaign	<ul style="list-style-type: none"> Eligible households should be clearly defined in line with the campaign guidance ITNs can be specified as (1) at least one ITN per household, or (2) at least some other minimum number of ITNs per household, or (3) the correct number of ITNs per the distribution guidance <ul style="list-style-type: none"> Consider the extent to which correct allocation of ITNs is a realistic goal, as well as the potential perverse incentives caused by each specific definition It may be more realistic when planning estimates are more accurate, SRs have higher capacity, coverage rates are historically high, and the population dynamics are relatively stable and transparent (i.e., households will not migrate or change size quickly, households will answer their size consistently)
Reverse logistics: Unused ITNs are returned to the central stock at the end of distribution	Number (#) or Percentage (%) of unused ITNs that are accounted for at the close of the campaign	<ul style="list-style-type: none"> Accounted for should be defined as being physically at the central warehouse Close of the campaign should be defined in line with the campaign guidance ITNs can consider either (1) only non-damaged ITNs, or (2) both usable and unusable ITNs If using the %, the calculation should be: # of ITNs in the warehouse divided by [# of ITNs procured for the campaign - # of ITNs distributed per the verification exercise]
Distribution coverage (B): Eligible households receive ITNs	Percentage (%) of eligible households that receive ITNs through the campaign	<ul style="list-style-type: none"> Eligible households should be clearly defined in line with the campaign guidance ITNs can be specified as (1) at least one ITN per household, or (2) at least some other minimum number of ITNs per household, or (3) the correct number of ITNs per the distribution guidance <ul style="list-style-type: none"> Consider the extent to which correct allocation of ITNs is a realistic goal, as well as the potential perverse incentives caused by each specific definition It may be more realistic when planning estimates are more accurate, SRs have higher capacity, coverage rates are historically high, and the population dynamics are relatively stable and transparent (i.e., households will not migrate or change size quickly, households will answer their size consistently)

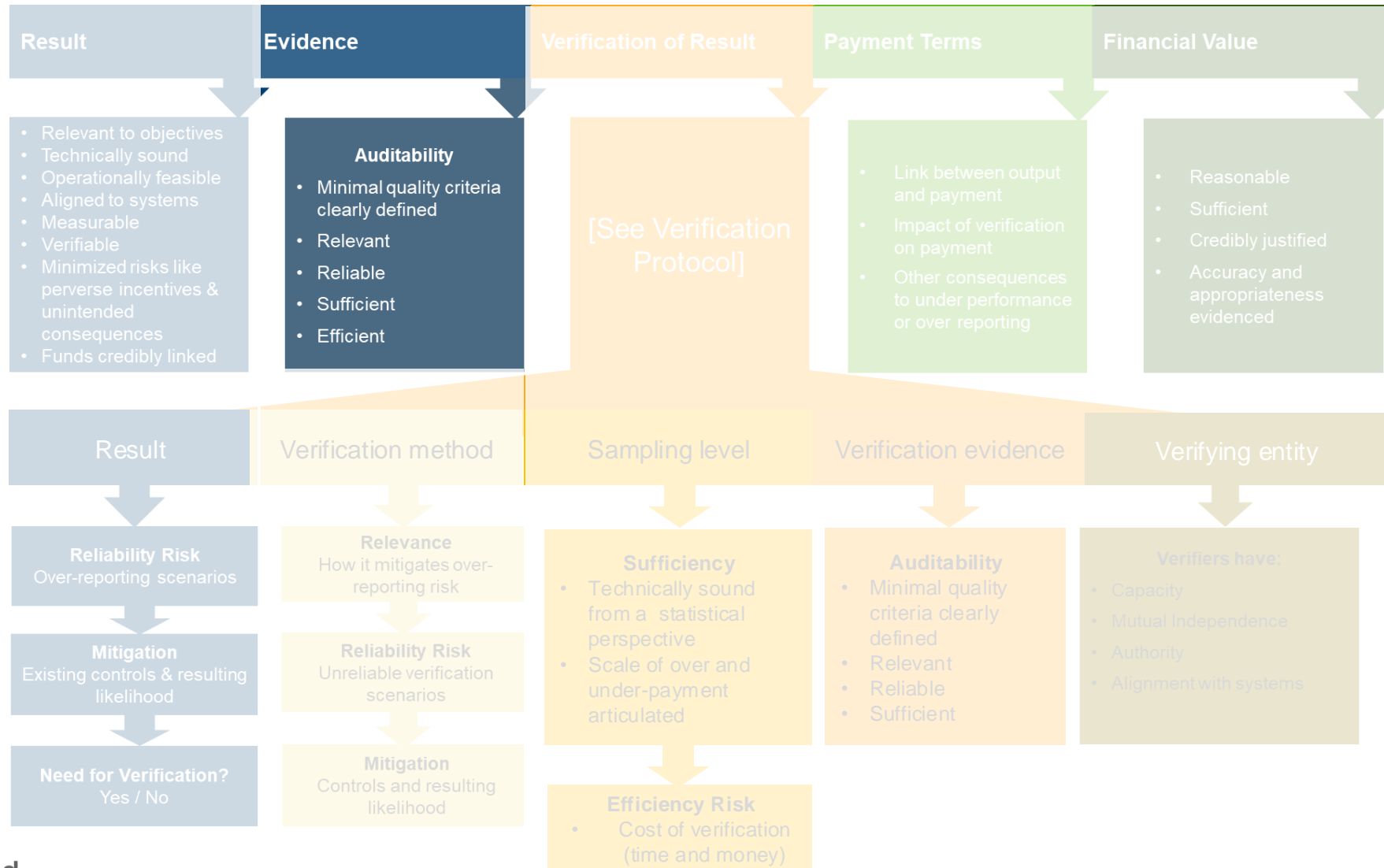
Programmatic results framework (5/5)

From the long list of potential results evaluated in the previous templates, some results are chosen to explore further. This template involves specifying chosen results' definition and measurement metrics further.

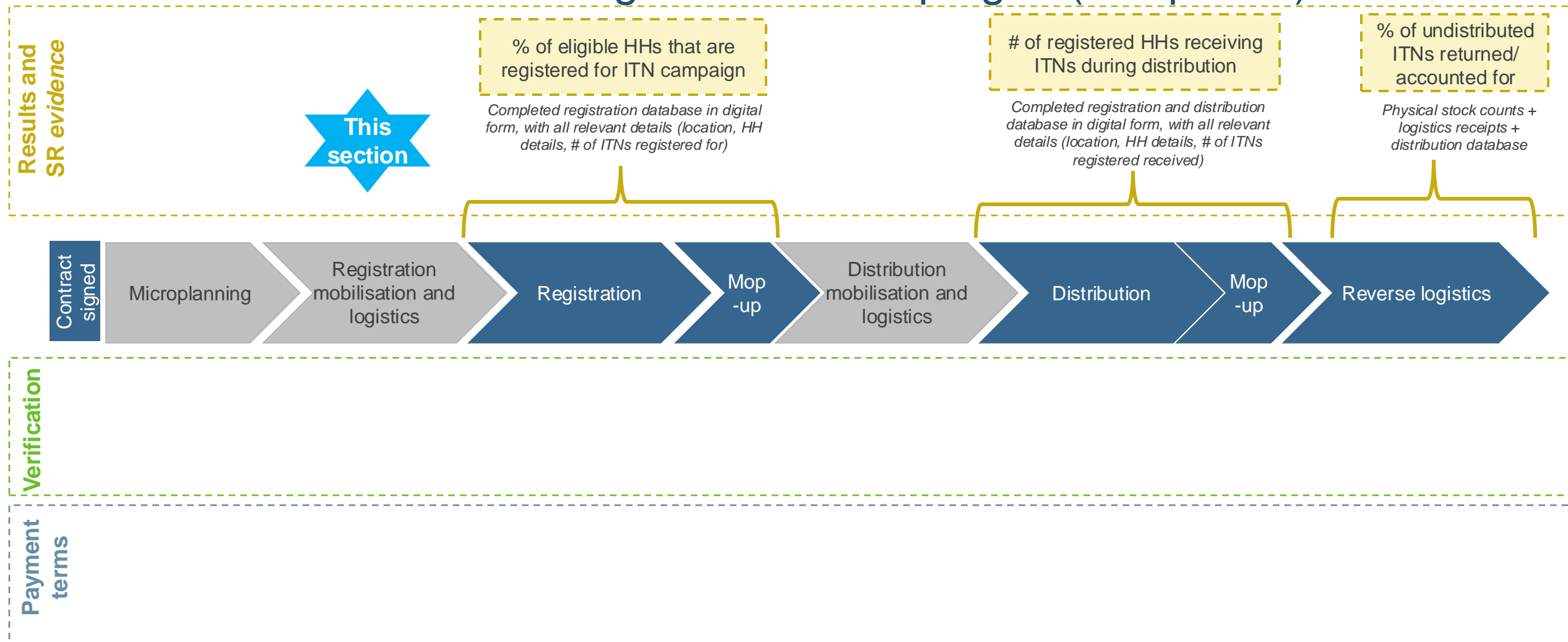


Result	Result definition
<i>Result 1</i>	
<i>Result 2</i>	

Frameworks and process for defining SR evidence of results



Overview of base RBC design for ITN campaigns (two phase)



Selecting evidence: Required results (1/2)

Once the contract results are defined, you must determine what evidence from the SR will be required to document their achievement of the results. Regardless of the verification method, **some form of SR evidence is always required.** In the context of ITN campaigns, **registration and distribution coverage evidence is almost combined into a single source:** the HH-level campaign database that captures all HHs reached with at least one campaign phase. The best format of this database, for purposes of an RBC, is a **digital database captured at the point of contact with a HH** (highlighted with the green box below). However, the **other two database systems assessed are also acceptable** in cases where the best is not possible or cost-effective or if the context otherwise dictates that the other options are equally or more suitable. Further details on the criteria using to assess SR evidence can be found in the How-to-Guide.

Result	Evidence that the service provider generates	Minimum quality criteria	Relevance	Reliability	Sufficiency	Efficiency
Distribution coverage (A and B): Eligible households receive ITNs	HH registration/ distribution digital database created at point-of-delivery using ODK/RedRose-type platform that also captures GPS (volunteers enter HH/ ITN information into tablet at the moment of distribution)	<ul style="list-style-type: none"> Certain key characteristics of each household must be captured in the evidence. This can be defined based on the specific campaign details but are likely to include: household location, number and ages of household members, etc. Other household characteristics can be optional. Certain key aspects of the campaign service delivery must be captured (e.g., number of ITNs registered for or distributed) Back-up system of paper-records can be used in areas that have less digital access or security concerns– this contingency should be clearly outlined 	High: This is relevant because it directly captures all details, on a household level, related to the registration and distribution activities.	Medium-high: This has relatively high reliability because it is a digital platform (reduces errors) and is entered at the exact moment of service (which can enable the collection of more reliable details such as GPS location).	High: This evidence would cover the entire universe of registration and distribution to every household. It also contains sufficient details on each household-level activity.	Medium or high: If this system is already in place for the campaign, the efficiency is high since it both saves time and does not require large set-up costs anymore. If the system is not in place yet, set-up costs and effort will be considerable which reduces the efficiency to medium.
	HH registration/ distribution digital database (entry for each HH) created from paper-based forms (paper-based forms data-entered into digital platform at regional level)	<ul style="list-style-type: none"> Certain key characteristics of each household must be captured in the evidence. This can be defined based on the specific campaign details but are likely to include: household location, number and ages of household members, etc. Other household characteristics can be optional. Certain key aspects of the campaign service delivery must be captured (e.g., number of ITNs registered for or distributed) 	High: This is relevant because it directly captures all details, on a household level, related to the registration and distribution activities.	Medium-low: This is less reliable since it relies first on paper-based records (more prone to error or misrepresentation), but using a final digital output can reduce some reliability issues as long as the entry process is high quality.	High: This evidence would cover the entire universe of registration and distribution to every household. It also contains sufficient details on each household-level activity.	Low: The efficiency is low since manual entry + re-entry into a digital system is a time-consuming process.
Registration coverage: Eligible households are registered for ITN distribution	HH registration/ distribution paper-based logs for each volunteer (with a line for each HH visited, basic HH details, number of ITNs distributed to the HH, etc.)			High: This is relevant because it directly captures all details, on a household level, related to the registration and distribution activities.	Low: Paper-based systems are inherently less reliable since error or misrepresentation is much easier.	High: This evidence would cover the entire universe of registration and distribution to every household. It also contains sufficient details on each household-level activity.

Selecting evidence: Required results (2/2)

For reverse logistics, **multiple sources of evidence are generally required** to cover the multiple facets of this result (i.e., evidence of the amount that should be in the stock and the amount physically accounted for in the stock). The three sources of evidence that should be requested of an SR are noted below, with a general assessment and critical considerations. The third piece of evidence is the same as the evidence for the registration and distribution coverage results and is not ‘new’ or additional. The three pieces of evidence **should be reconciled**, so the SR reports its relevant physical stock versus the stock that is expected based on inventory movements.

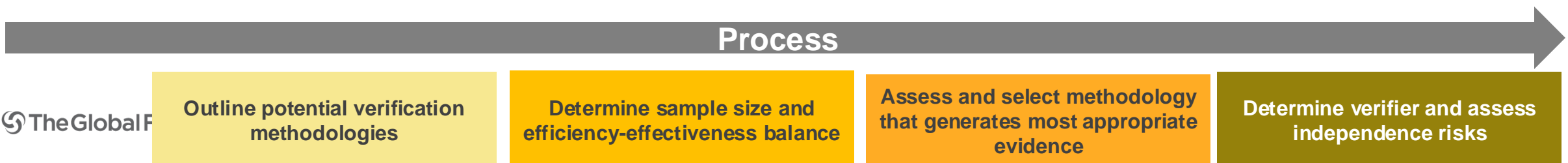
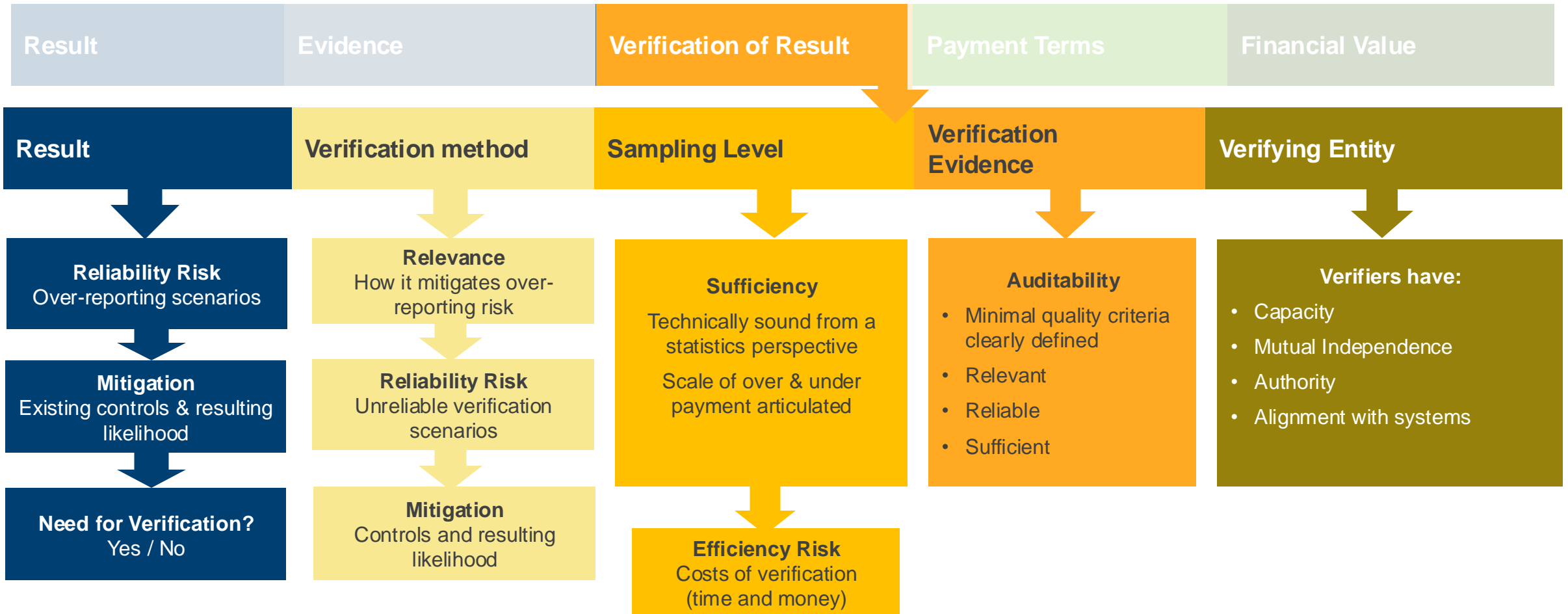
Result	Evidence that the SP generates	Minimum quality criteria	Relevance	Reliability	Sufficiency	Efficiency
Reverse logistics: Unused ITNs are returned to the central stock at the end of distribution	Record of physical stock count taken	<ul style="list-style-type: none"> It should clearly outline who will conduct the count Count should be signed by all parties to control for disagreements Count should be conducted for all warehouses if multiple warehouses are used If necessary based on the result definition, the count should distinguish between damaged and non-damaged ITNs 	High: This is highly relevant because it directly captures all necessary details on ITNs remaining at the end of the campaign (the result of interest).	Medium-high to medium: This has relatively high reliability because it ensures that only the physical ITNs are considered in the total reporting. However, since the count is likely conducted by the SR, it is susceptible to misrepresentation and hence cannot be above medium reliability. If conducted by a third party the reliability may be higher.	High: This evidence would cover the full population of returned unused ITNs.	Medium to Low: This requires the time, effort, and cost of going to each warehouse to take the count. This may be a heavy load if there are multiple warehouses and many remaining ITNs expected. However, if there is only 1 warehouse and limited remaining stock, this can be quite efficient.
	Documentation of the ITNs received (e.g. signed delivery notes)	<ul style="list-style-type: none"> The exact documentation should be defined in light of the specific logistical plans for the campaign Certain minimum details on each piece of documentation should be defined, such as number of ITNs, date of movement, and to-from locations 	Medium-high: This has relatively high relevance since the documentation should be able to triangulate to the remaining ITNs at the end of the campaign.	Medium: This is relatively reliable since inventory receiving documentation generally requires multiple parties’ signature and a reconciliation with purchase orders and invoices. However, in less sophisticated procurement and logistics systems, this may not be accurate.	High to medium: This evidence would have high sufficiency as long as documentation on all receipts of ITNs was provided. However, the risk that certain documentation goes missing would make the sufficiency potentially lower.	High to medium: This evidence should generally be efficient, particularly if good practices related to logistical documentation are already planned as part of the campaign.
	HH registration/distribution digital database	<ul style="list-style-type: none"> See quality standards on the relevant evidence on the prior slide. 	Medium: This is moderately relevant since it captures the details about ITNs that should NOT be remaining (and the assumption is that those not distributed should be returned).	Medium-high: This has relatively high reliability because it is a digital platform (reduces errors) and is entered at the exact moment of service (which can enable the collection of more reliable details such as GPS location).	Medium: This evidence would have medium sufficiency since it may not cover all potential endpoints for ITNs.	High: This evidence would already be created as part of evidencing distribution, so there is no additional effort or cost required.

Programmatic results framework



Result	Evidence that the service provider generates	Minimum quality criteria	Relevance	Reliability	Sufficiency	Efficiency

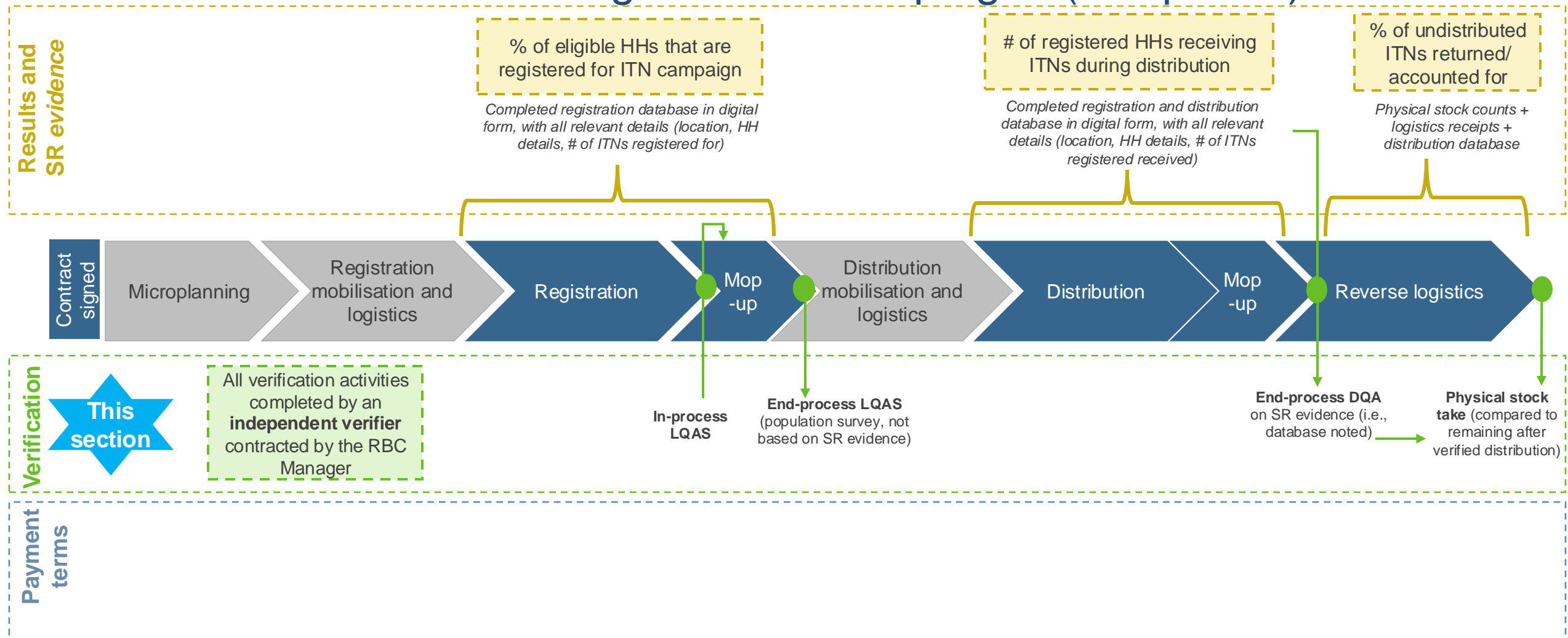
Frameworks and process for designing verification of results



Overview of base RBC design for ITN campaigns (two phase)

● Trigger for payment

● Trigger for verification



Risk of unreliable evidence: general considerations

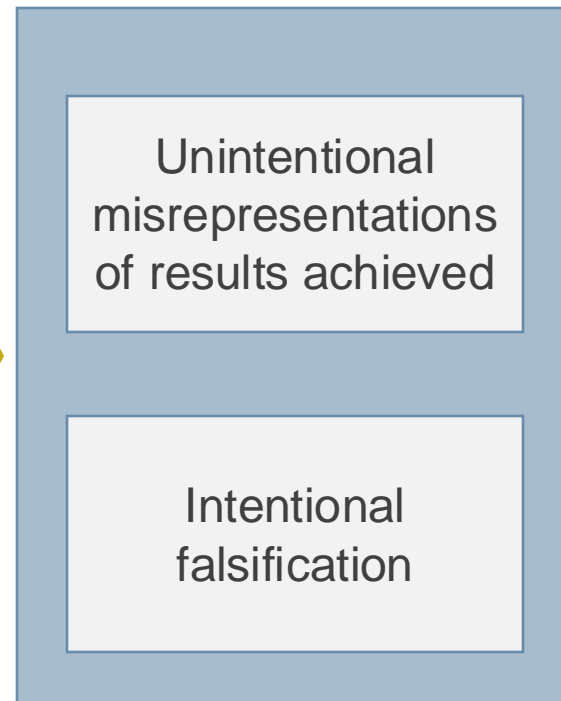
SR evidence of ITN results may not be reliable, particularly since the switch to results-based payments can create perverse incentives to inflate results achieved. You must start by **assessing the risk of unreliable SR evidence for each result across two main categories:** unintentional misrepresentation and intentional falsifications—this provides a detailed basis to determine what mitigation measures are necessary and feasible. **The most common mitigation method (verification), which is also required for all results in an ITN RBC, is then further determined in the rest of this section.**

The following slides outline general guidance and considerations on this assessment for the three required ITN campaign results, while the How-to-Guide has more specifics on the overall assessment framework. The guidance is presented at a summarized level across all acceptable forms of evidence for the three required deliverables. Nuances that only apply to one specific piece of SR evidence or one result area are noted.

Types of evidence:

Result	Evidence that the service provider generates
Distribution coverage (A and B): Eligible households receive ITNs Registration coverage: Eligible households are registered for ITN distribution	HH registration/ distribution digital database created at point-of-delivery using ODK/RedRose-type platform that also captures GPS (volunteers enter HH/ ITN information into tablet at the moment of distribution)
	HH registration/ distribution digital database (entry for each HH) created from paper-based forms (paper-based forms data-entered into digital platform at regional level)
	HH registration/ distribution paper-based logs for each volunteer (with a line for each HH visited, basic HH details, number of ITNs distributed to the HH, etc.)
Reverse logistics: Unused ITNs are returned to the central stock at the end of distribution	Record of physical stock count taken
	Documentation for all movement of ITNs to and from warehouses (e.g. signed delivery notes or stock cards)
	Distribution digital database

Overarching unreliable evidence scenarios:



Common mitigation measures for ITN campaigns:



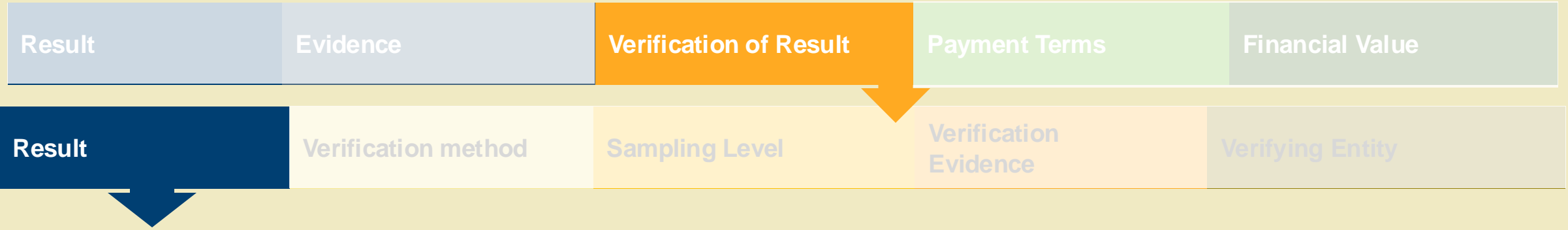
Unreliable evidence scenarios: unintentional misrepresentations

Unreliable evidence scenarios: unintentional misrepresentations of results achieved	Mitigation measures
<p>Poor processes and systems: Manual data entry (particularly applicable for paper-based only), lack of standardization, and inadequate quality check procedures from volunteer supervisors may lead to inaccuracies and errors in data collected by volunteers, which may generate unreliable evidence. For example, without a sufficient quality assurance mechanism from supervisors, errors from volunteers in data entry may not be caught.</p> <p>This is higher when paper-based systems are used or where there is lower capacity (see subsequent point for more details).</p>	<p>Independent verification: Including a validation exercise that reviews the SR-reported evidence for accuracy or collects entirely new evidence to determine the extent of results achieved. This both incentivizes SRs and their staff to avoid unintentional errors (since they know someone will check), and ensures that errors will be caught (since the validations are designed to detect instances where the true result does not match what is recorded in the SR evidence).</p> <ul style="list-style-type: none"> • Validation features on the databases: Reduce the rate of erroneous data entry by incorporating validation tools on databases (e.g., If a field is meant to store numerical values, the validation tool will only accept numeric input and reject any non-numeric characters). • Procedures manual and training: Define and document all the standard processes for both the data collection and quality assurance exercises and ensure these are socialized with the relevant staff and volunteers of the SR. • RBC manager (PR) approval and/or contractual provisions: Include checks for the contract manager to check/ approve systems and processes prior to campaign implementation. Minimum standards could also be include in the contract.
<p>Technology issues: Not applicable to paper-based only. The tablets or phones used for data collection could malfunction, be stolen, or run out of battery while the volunteers are carrying out campaign activities, which means evidence collection is not [possible or more unreliable. In addition, even if the technology does not fail, internet access could be an issue, which prevents technology from being used effectively and could result in the inability to collect at all or lead to less accurate data (e.g., GPS details missing). Lastly, information loss can occur due to various factors, such as a breakdown of online storage servers or corrupted files, which could result in lost data.</p> <p>As noted above, these risks are only applicable when using technology and are higher when the use of technology is new, resources/ budget for technological systems are insufficient, or in more complex and difficult operating environments (e.g., COEs).</p>	<ul style="list-style-type: none"> • Backup processes: SRs should have documented back-up processes in case the technology fails. This includes, for example, having a back-up paper-based system to use. • Technological hardware reserves: SRs should have sufficient reserves of phones/ tablets to activate in case of failure of certain devices. In addition, SRs should invest in back-up batteries that volunteers can use if they are unable to access power for recharging devices. • Data backups: SRs should regularly back up databases to prevent data loss. For example, SRs can use cloud storage solutions like Google Drive or Microsoft OneDrive, often offering free plans with limited space for small-scale backups. Alternatively, they can invest in external hard drives or USB drives for data backup. • Offline data storage: Consider maintaining an offline backup in a secure physical location for critical information. This provides an extra layer of protection against digital failures or cyber threats.
<p>Insufficient capacity: Volunteers, who collect data and evidence, and their supervisions, who often quality control the evidence, are either (1) not trained appropriately to capture and produce high-quality evidence (e.g., not trained in how to deal with certain scenarios during the campaign in terms of data collection), or (2) are not sufficient in number or skill set (e.g., lack skills with using tablets or phones for evidence collection, or lack basic writing skills) to generate high-quality evidence. This could lead to issues that drive misrepresented evidence, such as typing errors (e.g., a volunteer typing something different than what the beneficiary household says) or accounting for scenarios wrongly in the database.</p> <p>This is likely to be high in environments that are generally low capacity (e.g., COEs), where capacity concerns have surfaced in past campaigns, or where the procurement process does not allow for a sufficient assessment of SR capacity (e.g., not a competitive process).</p>	<ul style="list-style-type: none"> • Capacity building training for SRs’ volunteers and staff: SRs should be required to have a sufficient training program for volunteers and other staff. This should build upon and comply with best practices for ITN campaigns, including those documented by AMP, as well as country-level requirements outlined by the government or regulatory agencies. • Contractual requirements on the number and qualifications of staff: RBC managers (PRs) should generally include expectations on the staffing requirements of the campaign in the TOR/ procurement process, so that basic standards are factored in by potential SRs. PRs should extend the documentation of these expectations to the RBC contract by, for example, noting the number of volunteers required per geographical area and/or the number of HHs that a volunteer is estimated to reach in a campaign day. The contract can further outline the basic qualifications that a volunteer is expected to fulfill. • Include a result for quality of training in the RBC design: To draw attention to the importance of training and provide an incentive for SRs to complete it with sufficient quality, PRs can consider including training as a formal result with payment tied to its achievement.
<p>False information provided by beneficiaries: Beneficiary HHs may report false information, either intentionally or intentionally, that the volunteers may not be able to detect. For example, a HH may report a higher HH number because they want to receive more ITNs or because they misunderstand how to apply the question to their specific situation. This is considered unintentional since the volunteers generating evidence do not catch the error and hence believe they are reporting correctly.</p>	<ul style="list-style-type: none"> • High quality questionnaire guidance and training (and PR approval): SRs should be required to develop a guide for volunteers to follow in asking questions of HHs. This guidance should consider contextual factors that better account for how to get accurate answers out of HHs (e.g., by asking for attributes that get to an implied answer rather directly asking a High-quality HH for the answer).

Unreliable evidence scenarios: intentional falsification

Unreliable evidence scenarios: intentional falsification of evidence	Mitigation measures	
<p>Bad apple volunteers or supervisors: There are a variety of situations where a single volunteer or supervisor can create false evidence. This may include:</p> <ul style="list-style-type: none"> • Volunteers entering false HHs (i.e., ghost HHs) or entering inaccurate information about a HH on purpose (e.g., wrong # of HH members) either at the point of distribution or when returning to the mobilization site at the end of the day • Supervisors entering new false HHs when they QC the database or altering records of HHs captured in the database • Volunteers/ supervisors recording a number on the physical stock card that is different from the actual count • Volunteers/ supervisors creating fictitious stock movement document or altering inaccurate information about a specific movement <p>This could be due to pressure or rewards for achieving certain results.</p> <p>This risk is higher in higher-risk countries (i.e., where fraud has an elevated risk inherently), where there are paper-based systems, or where the benefits (either financial or reputational) of high performance are high.</p>	<p>Independent verification: Including a validation exercise that reviews the SR-reported evidence for accuracy or collects entirely new evidence to determine the extent of results achieved. This both incentivizes SRs and their staff to not engage in these fraudulent tactics (since they know someone will check), and ensures that instances of fraud will be caught (since the validations are designed to detect instances where the true result does not match what is recorded in the SR evidence).</p>	<ul style="list-style-type: none"> • Sufficient internal QC processes: SRs should be required to have a detailed process of checks on evidence across different levels and rotating staff as necessary to better deter and catch issues. • High-quality recruitment processes: SRs should be required to have requirements around the recruitment of staff that helps to screen out potential staff that have histories of falsification at other jobs. • Contractual provisions against fraud: Establish clear consequences for individuals found engaging in intentional falsification. These consequences should be laid out both in the arrangements between an SR and their staff, as well as in the contract between the PR and SR. • GPS-enabled data collection: Particularly when digital systems can be used, SRs should leverage GPS services integrated into the platform to capture location at point of entry. This helps deter and detect instances of ghost HHs entered while a volunteer is stationary. • Other system controls: Implement strict access controls and user authentication measures to prevent unauthorized individuals from falsifying the data. This may be necessary if databases are stored in a cloud storage platform or other software. Another control would be time stamping on the moment of entry, which could deter and detect issues similar to how GPS would.
<p>Coordinated and systemic fraud by volunteers, supervisors, or management: In this case, the situations outlined above apply. The difference is that this is a more coordinated, higher scale version of the above instances. This happens when, for example, supervisors dictate that their volunteers should all enter false results to hit their targets or the SR managers coerce their supervisors to enter a certain amount of fake entries.</p> <p>This risk is higher in higher-risk countries (i.e., where fraud has an elevated risk inherently), where there are paper-based systems, or where the benefits (either financial or reputational) of high performance are high.</p> <p>Collusion with RBC manager (PR) to overreport: In this case, the same situations outlined above apply. However, this is either coordinated or allowed at the level of the PR. This could occur by, for example, the PR overriding the results reported by the SR.</p> <p>This risk is higher in higher-risk countries (i.e., where fraud has an elevated risk inherently) or where the PR and SR have low independence from one another.</p>		

Appropriate verification protocol (1/5)



	Scenarios	Mitigation Measures	Residual Risk	Risk Acceptance Decision and Justification
Risk of unreliable evidence				

Verification methods: registration coverage and distribution coverage (B)

As outlined on the prior slide, when the indicator is the % of the population covered, a **population-based survey is required** to reliably estimate the total population (denominator). The other alternative, a DQA can only provide reliable evidence of the numerator.

Description of verification method	How it detects, deters, prevents overreporting scenarios	Relevance	Reliability (and note any risks to reliability)	Efficiency	Remaining risks and any mitigation
<p>Population-based survey: locations (as close to the village level as possible) are sampled according to best practices and surveyed in-person to determine whether they have been accurately registered by the campaign. The number of HHs that are registered is compared to the total number of HHs found during the visit to determine the % of the eligible population that have been registered.</p> <p>In the case of distribution coverage (B), both registration and receipt of the ITNs are validated through the survey.</p>	<p>Overreporting of the number of HH registered (and receiving ITNs in the case of distribution coverage B) is deterred and detected by surveying HHs within the campaign coverage zone to determine if they were registered or not and any registration details (and details of ITNS received in the case of distribution coverage B)</p>	<p>High. Provides a direct assessment of the number of actual HHs registered (and receiving ITNs in the case of distribution coverage B) compared to the number of HHs physically found in a specific area. This is directly related to the household registration result in terms of % of population.</p>	<p>High. Confirming directly with beneficiary HHs is highly reliable (since they are independent from SR evidence). Sample-based approaches will always contain a margin of error, however sample size can be calculated at the required precision and confidence intervals to ensure results are reliable (as long as the methodology for sampling and HH selection are followed).</p>	<p>Medium to medium-low. Requires physical visits to HHs which requires relatively costly transport and more staff to verify. However, sampling methodology (next subsection) can be adjusted to increase efficiency.</p>	<p>As the survey sample will draw from physical HHs and not the SP database, it will not be able to verify ghost HHs. To mitigate this risk and avoid under/under-paying SPs, a DQA should be conducted on the HH distribution database.</p>
<p>Data Quality Assurance (DQA) on SR database- HH visits: Verifier performs a DQA on SR database once the registration is complete to visit a selection of HHs recorded in the database to confirm the accuracy of what was reported in the database. Verification should check: (1) the HH exists, (2) the HH was registered, and (3) the HH was registered for X# of ITNs</p>	<p>Any overreporting is both deterred and detected by directly confirming the extent to which SR evidence on a specific HH is accurate through checking the details directly with the HH.</p>	<p>Medium. Can only provide verification of the number of HHs registered. An assessment of the % registered would require relying on the un-verified figures use in microplanning.</p>			<p>N/A</p>

Verification methods: distribution coverage (A)

For distribution coverage, which is the # of HHs reached, **a DQA is appropriate.** The key question for the verification is **how the quality of the SR database is confirmed.** Two potential methods are outlined below. Visits to HHs is preferred where possible given higher reliability, although phone calls may be leveraged for efficiency in contexts where the mobile phone and data penetration is high and pilots demonstrate high compliance with answering survey questions accurately.

Description of verification method	How it detects, deters, prevents overreporting scenarios	Relevance	Reliability (and note any risks to reliability)	Efficiency	Remaining risks and any mitigation
<p>Data Quality Assurance (DQA) on SR database- HH visits: Verifier performs a DQA on SR database once the registration is complete to visit a selection of HHs recorded in the database to confirm the accuracy of what was reported in the database. Verification should check: (1) the HH exists, (2) the HH was reached through distribution, and (3) the HH received X# of ITNs</p>	<p>Conducting back-checks on the SR database through visiting (or calling/texting) a statistically significant sample of HHs that are reported to have received ITNs will detect ghost HHs and overreporting. If it is well communicated that</p>	<p>High. A DQA confirms the accuracy of SR reporting and is therefore directly related to the goal of controlling overreporting on the number of HHs that have received ITNs. To allow for accounting of ITNs, It is crucial that the verification assesses accuracy of both # of HHs reached and the # of ITNs distributed, independent of HHs reached.</p>	<p>High. Confirming directly with beneficiary HHs is highly reliable (since they are independent from SR evidence). The physical ITNs can also be checked in this process. Sample-based approaches will always contain a margin of error, however sample size can be calculated at the required precision and confidence intervals to ensure results are reliable (as long as the methodology for sampling and HH selection are followed).</p>	<p>Medium to medium-low. Requires physical visits to HHs which requires relatively costly transport and more staff to verify. However, sampling methodology (next sub-section) can be adjusted to increase efficiency.</p>	<p>DQA only verifies SR reporting accuracy. It doesn't compare against total population and therefore cannot be used to verify % coverage at distribution directly—although, the verified population per registration verification could be used as the denominator to create a relatively reasonable estimate.</p>
<p>DQA on SR database- Telephone Audio Computer- Assisted Self Interview (TACASI): Verifier conducts survey through call-backs to a randomized sample of households using the phone number included in the SR database. The survey can either be administered by a person or be computer-generated and automated. Verification should check the same 3 details as noted above.</p>	<p>payment is conditioned on accuracy of reporting, then the method should also serve to deter overreporting.</p>	<p>High. As above, functions as a DQA on the database to confirm that HHs received ITNs.</p>	<p>Medium. Sample may be subject to bias as would favour households with access to a phone and reliable network. Lack of physical verification of ITNs would also rely on self-reporting by households. However, automated responses would minimize data entry errors.</p>	<p>High. Cost-effective and less time consuming than physical visits. However, would require the correct technological infrastructure and reliable connectivity, which could have its own efficiency costs.</p>	<p>Not appropriate for areas with low phone coverage. Many households may not be reachable by phone, causing delays, biased or incomplete samples. Mitigation strategy would be to conduct a physical DQA in harder to reach areas.</p>

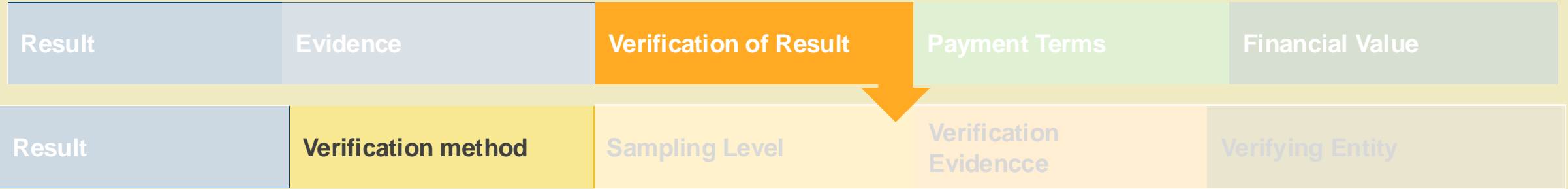
Green box indicates the chosen method

Verification methods: reverse logistics

For reverse logistics, **a stock count is always necessary** to verify that ITNs are physically returned. The results of this count should be compared to documentation, including the verified SR distribution database, to triangulate against the ITNs that should be in place. While an **in-person physical count by the verifier is highly preferred** a digital/ remote verification via video or through pictures from the SR could also be leveraged if the verifier’s access to warehouses is limited or very costly.

Description of verification method	How it detects, deters, prevents overreporting scenarios	Relevance	Reliability (and note any risks to reliability)	Efficiency	Remaining risks and any mitigation
Triangulation of reports against physical stock counts: Verifier takes physical stock of leftover ITNs at warehouses post-distribution and triangulates it against signed procurement orders of ITNs received and the number of ITN’s reported to have been distributed as per the SR database, adjusted for accuracy	The number of unaccounted for ITNs will be determined by cross-referencing the number of ITNs received at the start of the campaign with those reported to have distributed and those verified to be in the warehouse after the verifier conducts physical stock-counts in the presence of the SR.	High. Triangulation of inventory movement through logistical tools and stock counts is directly related to the accounting of ITNs	High. The logistical tools are the most reliable way of determining inventory movement. A risk is that procurement documents or signatures may be forged. Mitigation would be to i) cross-check signatures across documents and ii) scan the black market to locate any ITNs.	Medium. Stock counts in warehouses can be conducted efficiently as long as best practices for inventory management have been followed. Efficiency does decline the more warehouses there are to count and the more difficult they are to reach.	A remaining risk is that the SR distribution database is found, through the distribution verification, to contain significant inaccuracies in terms of the # of HHs reached or # of ITNs distributed. Mitigation is to apply the result of the distribution verification on # of ITNs distributed to estimate the # of ITNs that should be remaining.
Triangulation of reports against digital evidence of stock counts: SR submits photographic or video evidence of unused ITNs in warehouses, which the verifier compares against procurement document and SR database	The number of unaccounted for ITNs will be determined by cross-referencing the number of ITNs received at the start of the campaign with those reported to have distributed and those verified to be in the warehouse after the verifier reviews images from warehouses	High. Triangulation of inventory movement through logistical tools and stock counts is directly related to the accounting of ITNs	Low. Remote verification of inventory stock counts is more open to manipulation or to lack of detail, e.g. not able to determine good from damaged inventory, that could affect counts.	High. Reliance on remote evidence reduced cost and time associated with traveling to conduct physical counts in multiple warehouses.	

Appropriate verification protocol (2/5)



Description of verification method	How it detects, deters, prevents overreporting scenarios	Reliability (unreliable verification scenarios)	Mitigation (Is this mitigating the unreliable scenarios)

Sampling level: registration coverage and distribution coverage (A and B)

Guidance on the common sampling considerations for both registration and distribution coverage are outlined below. The How-to-Guide contains more detailed information on all components of sampling.

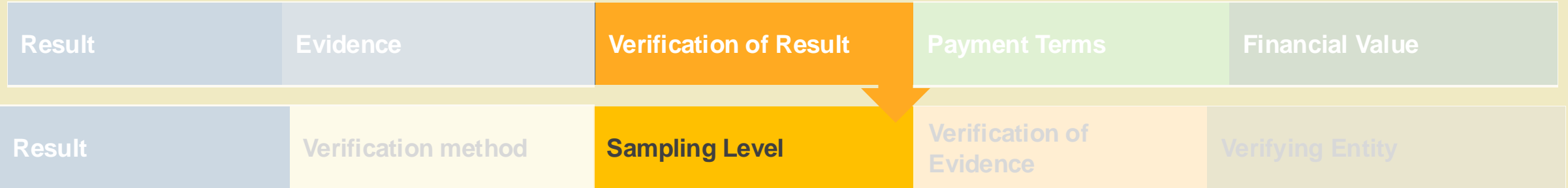
<p>Will the verification use sampling?</p>	<p>Verification for registration and distribution coverage should always use sampling given the large number of results that are typically implied by ITN campaigns, even if just at a state or district level.</p>
<p>Will it use risk based or random sampling? Include your justification</p>	<p>By default, verification for registration and distribution coverage should leverage random sampling. This is because the results of a random sample can be more accurately and objectively extrapolated to the overall population, enabling more accurate population-level evidence of results, as well as a more accurate payment decision.</p> <p>Risk-based sampling could be considered in very low risk environments and where the unreliable evidence scenarios are low/ unlikely. If this approach is used, the RBC contract would need to clearly define how the verification findings impact the payment decision since simple extrapolation is not possible.</p>
<p>What is the sample size?</p>	<p>In addition to the standard considerations for sample size outlined in the HTG, the following needs to be considered for verification of registration and distribution coverage:</p> <ul style="list-style-type: none"> • Sample selection method: Samples, particularly in population-based surveys, can be selected a variety of ways that influence sample size. The current best practice in ITN campaigns is to leverage a LQAS sampling approach for population-based surveys. • Sampling unit: In ITN campaigns, the sampling unit should generally be the HH. For distribution, each individual ITN could be the sampling unit. • Sampling stratification: If different SRs are implementing in different regions, at a minimum, the sample would need to be taken separately based on the population in each SR's respective regions. If the campaign is being carried out over a long period of time in phases, may also want to sample separately for phases so you can determine results and make payments over time (rather than waiting until the end). More stratification will increase sample sizes. • Potential influence of other donor requirements: Most notably for ITN campaigns, AMF requires a 5% sample size for verification of registration when they donate ITNs to the campaign. Instead of an added sample on top of this, the 5% sample should be leveraged.
<p>What is the likelihood of overpayment?</p>	<p>See general HTG guidance.</p>
<p>By how much would we be overpaying?</p>	<p>See general HTG guidance.</p>
<p>What is the cost of verification? (\$ and a % of value assigned)</p>	<p>As outlined in the HTG, the sample size is the largest driver of cost for verification. In addition, for ITN campaigns, HOW the verification will be conducted (e.g., HH visits vs phone calls) will also be a major driver of costs.</p>
<p>Is this trade off acceptable?</p>	<p>See general HTG guidance.</p>

Sampling level: reverse logistics

Guidance on sampling for reverse logistics is outlined below. As the table shows, reverse logistics should not leverage sampling. However, you may consider sampling if you identify a need to verify more precise details about each ITN returned (e.g., potentially risk-based sampling to assess whether ITNs are in damaged).

<p>Will the verification use sampling?</p>	<p>Verification for reverse logistics should NOT use sampling. This is both because (1) there is unlikely to be a large enough number of results to make verification useful and (2) the purpose of ensuring full accountability of ITNs makes 100% coverage of verification critical.</p>
<p>Will it use risk based or random sampling? Include your justification</p>	<p>N/A- not required since sampling should not be used.</p>
<p>What is the sample size?</p>	
<p>What is the likelihood of overpayment?</p>	
<p>By how much would we be overpaying?</p>	
<p>What is the cost of verification? (\$ and a % of value assigned)</p>	
<p>Is this trade off acceptable?</p>	

Appropriate verification protocol 4/5 – V1.4



Verification Sampling Statistical Analysis	
Will the verification use sampling?	
Will it use risk based or random sampling? Include your justification	
What is the sample size?	
What is the likelihood of overpayment?	
By how much would we be overpaying?	
What is the cost of verification? (\$ and a % of value assigned)	
Is this trade off acceptable?	

Verification evidence: registration coverage and distribution coverage (B)

You must also define the evidence produced by the verification methodology performed by the verifier. **This evidence is what factors into payment decisions.** This slide focuses on the selected verification method for registration coverage and distribution coverage (B), which are both based on population-based survey, and provides 2 options of evidence from that method. The **first option is the required evidence, although the second option may be a useful complement** to track the quality of the verifier’s performance (but not useful for payment decisions). The assessment categories contain general insights/ considerations in the context of an ITN campaign, while the How-to-Guide contains more detailed explanation on criteria and how to assess each in your own context.

Verification method	Evidence of Verification	Minimum Quality Criteria	Relevance	Reliability	Sufficiency	Efficiency
Population-based HH survey	<p>Verification report of data population-based survey from the independent verifier, as well as underlying data set: A final report of the verification findings including sampling calculations and methodology used, HH selection methodology and maps, replacement sample list, completed surveys, clean database and all accompanying analysis</p>	<ul style="list-style-type: none"> Report addresses all specified topics Evidence submitted is accompanied by signed data sheets by Supervisors or other verifier authority Databases are clean and complete 	<p>High. A verification report with accompanying technical annexes and analysis is closely aligned with the chosen verification method and provides direct evidence of the verification findings.</p>	<p>Medium-High. Completed submission data sheets with signatures from all responsible authorities will provide accountability over results. Although collusion could mean data and signatures could be forged, the likelihood would be low due to the traceable accountability it would create.</p>	<p>High. The evidence would account for all activities of verification, as well as all data collected. This provides 100% evidence coverage of the verification.</p>	<p>High. Use of sampling would reduce the size of the database and amount of evidence to be reconciled. Most evidence would be what is naturally created during the verification process. Additional summary report is not significant additional work.</p>
	<p>Performance management report on the verification: A summary report that describes how the verification processes unfolded, reports on KPIs, etc.</p>	<ul style="list-style-type: none"> KPIs are relevant to the verifier’s function Reports contain signatures of relevant supervisors or other authorities 	<p>Low. Although it could provide important insight into the performance of the verifier, it is not directly related to the performance of the SR on the results.</p>	<p>Medium. Verifier has an incentive to over-report performance so any self-reported data must be accompanied by signatures from PR/oversight committee from spot checks or other verifiable evidence to confirm that the performance was as reported (e.g. gathering signatures of training attendees)</p>	<p>High. The evidence would provide coverage over the quality and execution of all verification activities.</p>	<p>High. Contingent on the number of KPIs that are selected, however an analysis of a corroborated performance management report and dashboard summaries would not be very resource intensive.</p>

Verification evidence: distribution coverage (A)

This slide presents 2 evidence options for the recommended verification method for distribution coverage (A): a DQA on the SR database. Similar to the previous slide, the **first option is the required evidence**, but the second option may be useful in tracking quality of verification processes. The assessment categories contain general insights/ considerations in the context of an ITN campaign, while the How-to-Guide contains more detailed explanation of criteria and how to assess in your own context.

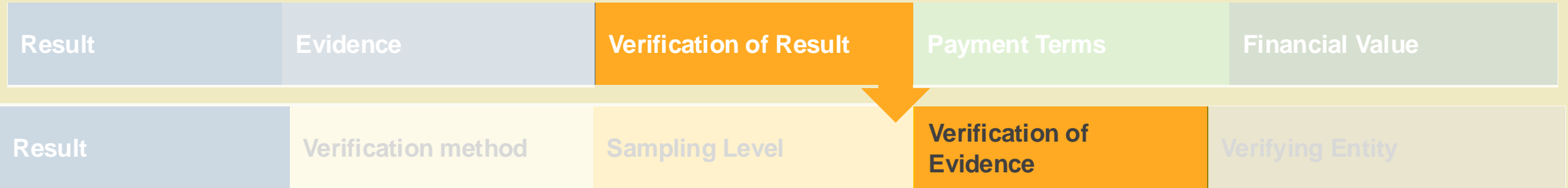
Verification method	Evidence of Verification	Minimum Quality Criteria	Relevance	Reliability	Sufficiency	Efficiency
DQA on SR database	<p>Final DQA verification report submitted by the verifier, as well as underlying data set: A final report of the verification findings including sampling calculations and methodology used, HH list, replacement sample list, completed surveys, clean database and all accompanying analysis</p>	<ul style="list-style-type: none"> Report addresses all specified topics Evidence submitted is accompanied by signed data sheets by Supervisors or other verifier authority Databases are clean and complete 	<p>High. A verification report with accompanying technical annexes and analysis is closely aligned with the chosen verification method and provides direct evidence of the verification findings</p>	<p>Medium-High. Completed submission data sheets with signatures from all responsible authorities will provide accountability over results. Although collusion could mean data and signatures could be forged, the likelihood would be low due to the traceable accountability it would create.</p>	<p>High. The evidence would account for all activities of verification, as well as all data collected. This provides 100% evidence coverage of the verification.</p>	<p>High. Use of sampling would reduce the size of the database and amount of evidence to be reconciled. Most evidence would be what is naturally created during the verification process. Additional summary report is not significant additional work.</p>
	<p>Performance management report on the verification: A summary report that describes how the verification processes unfolded, reports on KPIs, etc.</p>	<ul style="list-style-type: none"> KPIs are relevant to the verifier's function Reports contain signatures of relevant supervisors or other authorities 	<p>Low. Although it could provide important insight into the performance of the verifier, it is not directly related to the performance of the SR on the results.</p>	<p>Medium. Verifier has an incentive to over-report performance so any self-reported data must be accompanied by signatures from PR/oversight committee from spot checks or other verifiable evidence to confirm that the performance was as reported (e.g. gathering signatures of training attendees)</p>	<p>High. The evidence would provide coverage over the quality and execution of all verification activities.</p>	<p>High. Contingent on the number of KPIs that are selected, however an analysis of a corroborated performance management report and dashboard summaries would not be very resource intensive.</p>

Verification evidence: reverse logistics

This slide presents the recommended **required evidence for the verification of reverse logistics**. **No other forms of verification evidence are advised** for this result. However, the specifics of the evidence and its minimum quality criteria may be tailored to specific contexts. The assessment categories contain general insights/considerations in the context of an ITN campaign, while the How-to-Guide contains more detailed explanation of criteria and how to assess in your own context.

Verification method	Evidence of Verification	Minimum Quality Criteria	Relevance	Reliability	Sufficiency	Efficiency
Triangulation of reports against independent physical stock counts	Signed stock counts and reconciliation calculation: A brief summary of the verifier counts against the verified reconciled 'expected' count, including the results of the SR evidence verification.	<ul style="list-style-type: none"> Distribution database has been adjusted for accuracy as per the finding of the coverage verification Physical stock counts are signed by the verifier and counter-signed by SR/warehouse managers Stock counts account for both good and damaged ITNs 	High. This evidence provides direct confirmation of the main verification activities and aims: count of the physical stock and calculation of the expected amount	High. Triangulation from different source of evidence, counter-signed by receivers (SR receiver of ITNs; verifier database & counter-signed stock counts) minimizes chances of collusion. Reliability could be enhanced through random PR spot-checks of the stock counts or PR verification of stock counts.	High. The evidence would account for all activities of verification, as well as all data collected. This provides 100% evidence coverage of the verification.	High. All information required by the evidence amounts to what must be collected and recorded as part of the verification process, creating minimal extra work (i.e., a very short summary narrative).





Appropriate verification protocol 3/5 – V1.3



Verification method	Evidence of Verification	Minimum Quality Criteria	Relevance	Reliability	Sufficiency	Efficiency
Option 1						
Option 2						
Option 3						
Option 4						

Assessing capacities for an ITN campaign RBC

Assessing the capacities of key actors within the implementation arrangements of an ITN campaign RBC is critical to ensuring all actors can fulfil their assigned roles and responsibilities effectively. The table below outlines **general capacity considerations for each role**. If the role will be competitively procured, the criteria in this table can be **incorporated into the requirements in the TOR and the assessment criteria**. If a competitive procurement will not occur, a **separate capacity assessment may be necessary** to check the identified actor is it for the role.

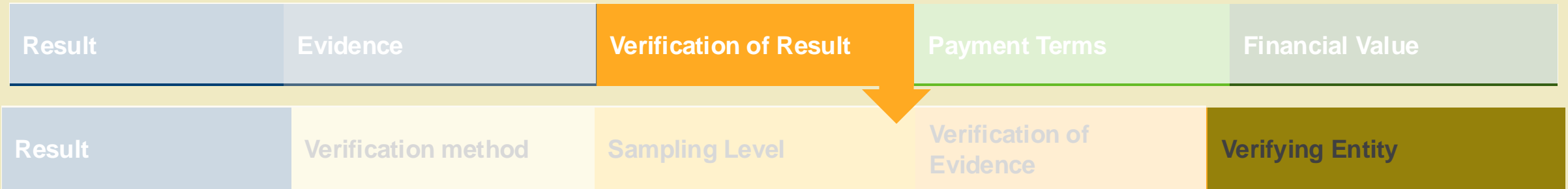
 Manager	 Service provider (SR)	 Verifier	 Assurance provider
<ul style="list-style-type: none"> • Expertise and experience: A manager should have experience in managing ITN campaigns/ implementors. This includes having knowledge about ITN campaigns, relevant policies, and best practices. • Resource management: A manager should know how to handle budgets, personnel, and other resources efficiently. • Context familiarity: Managers should be geographically proximate to the campaign location and closely connected to the context to establish strong relationships with SRs and adapt the RBC design accordingly, ensuring its effectiveness and feasibility. 	<ul style="list-style-type: none"> • Training and qualifications: SRs should possess the qualifications, certifications, and training to deliver an ITN campaign effectively. • Expertise in effectively interacting with beneficiaries: Engaging with the local population and understanding the region allows SRs to build trust, tailor ITN campaigns to the community's needs, and ensure greater success of the campaign. • Administrative and financial capacities: SRs should have the skills to manage and oversee an ITN campaign of the size and complexity required. 	<ul style="list-style-type: none"> • Knowledge and expertise: To carry out verification processes, verifiers should have previous experience evaluating and assessing public health interventions, particularly other ITN campaigns or similar malaria programs. • Data collection and analysis skills: Verifiers should possess data collection and analysis skills such as sampling techniques, data cleaning, data visualization, qualitative assessments, etc. • Impartiality: To ensure a fair verification process, it is necessary for verifiers to maintain high ethical standards and remain impartial in their approach to evidence collection and verification. 	<ul style="list-style-type: none"> • Experience with The Global Fund (Understanding Legal and Ethical Considerations): Assurance providers should possess familiarity with the regulations, protocols, timelines, stakeholders, priorities, and other relevant aspects within The Global Fund's portfolios. • Audit knowledge and experience: Assurance providers should be able to conduct diverse types of audits, including financial, technical, and verification process audits, among others. • Local presence: Assurance providers should be able to interact with local stakeholders for document requests and potential revisions. They must also understand the local context and how stakeholders operate to streamline audits and ensure their recommendations are suitable for the context.

Generally procured competitively, except in cases where a government body must implement or the operating environment is so complex that there are not enough qualified firms to bid

Should consider if existing M&E firms/ actors can be leveraged, but given the scale and technical nature of the coverage verification processes, will likely require at least some external, highly qualified firm procured for verification expertise

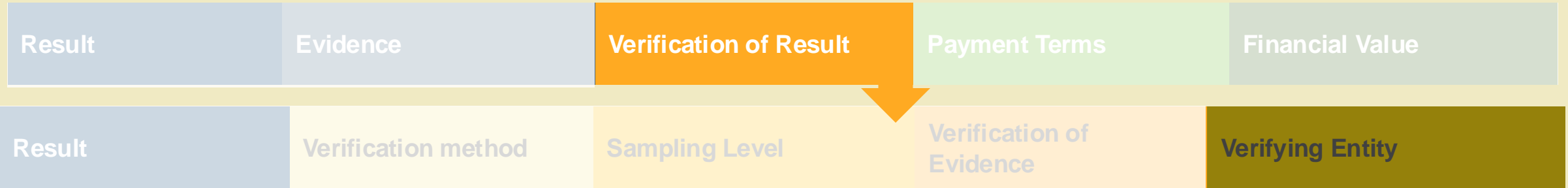
Generally fulfilled by the existing GF LFA for efficiency and alignment with their existing assurance responsibilities

Appropriate verification protocol 5/5 – V1.5



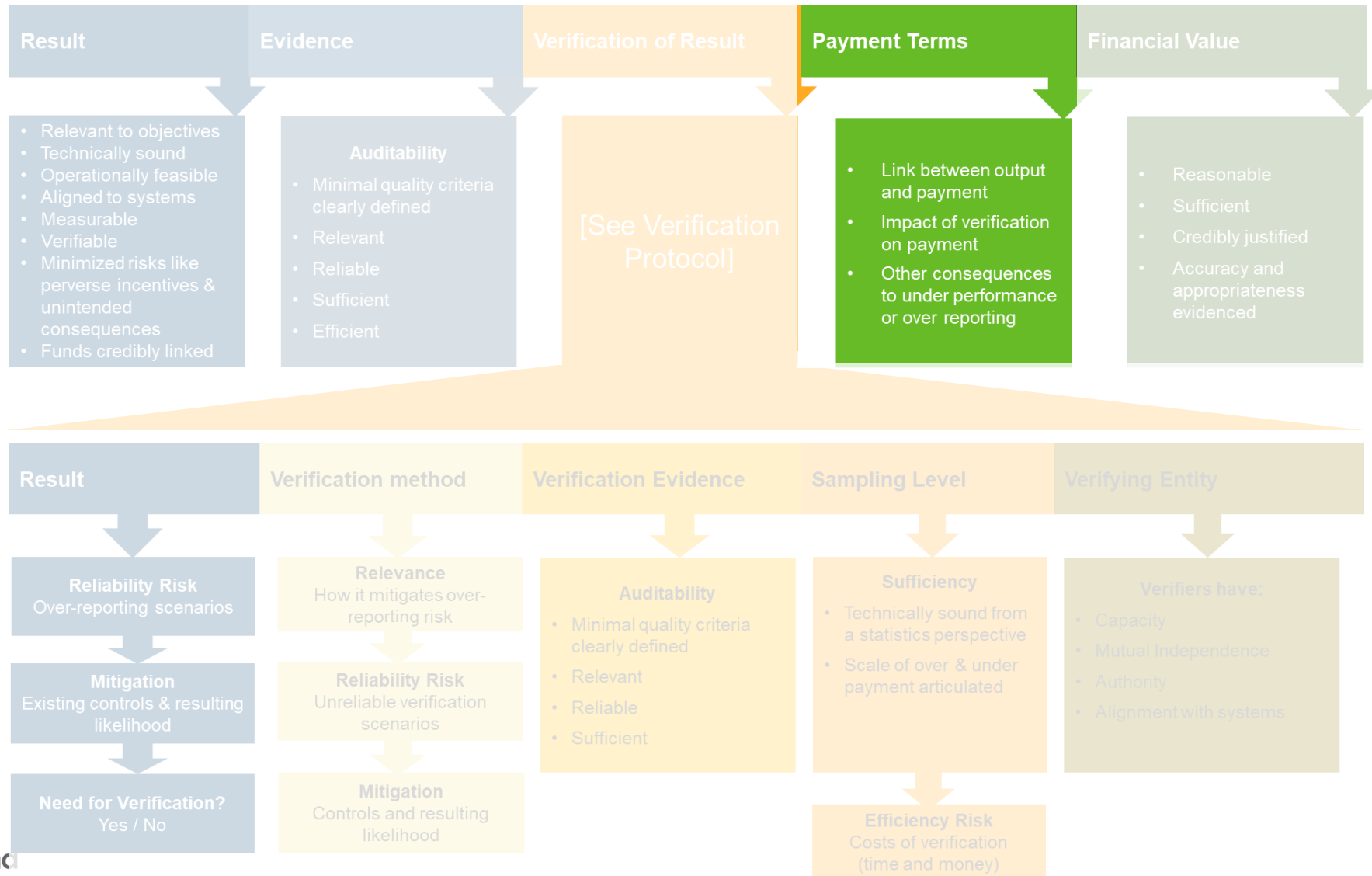
Implementation Arrangement Evaluation	
Does this use an extant system which can continue without GF involvement	
Manager – have they been competitively tendered or passed a capacity assessment?	
Verifier – have they been competitively tendered or passed a capacity assessment?	
Service provider – have they been competitively tendered or passed a capacity assessment?	
Assurance provider – have they been competitively tendered or passed a capacity assessment?	

Appropriate verification protocol 5/5 – V1.6



	Scenarios	Mitigation Measures	Residual Risk	Risk Acceptance Justification
Risk to verifier in dependence				

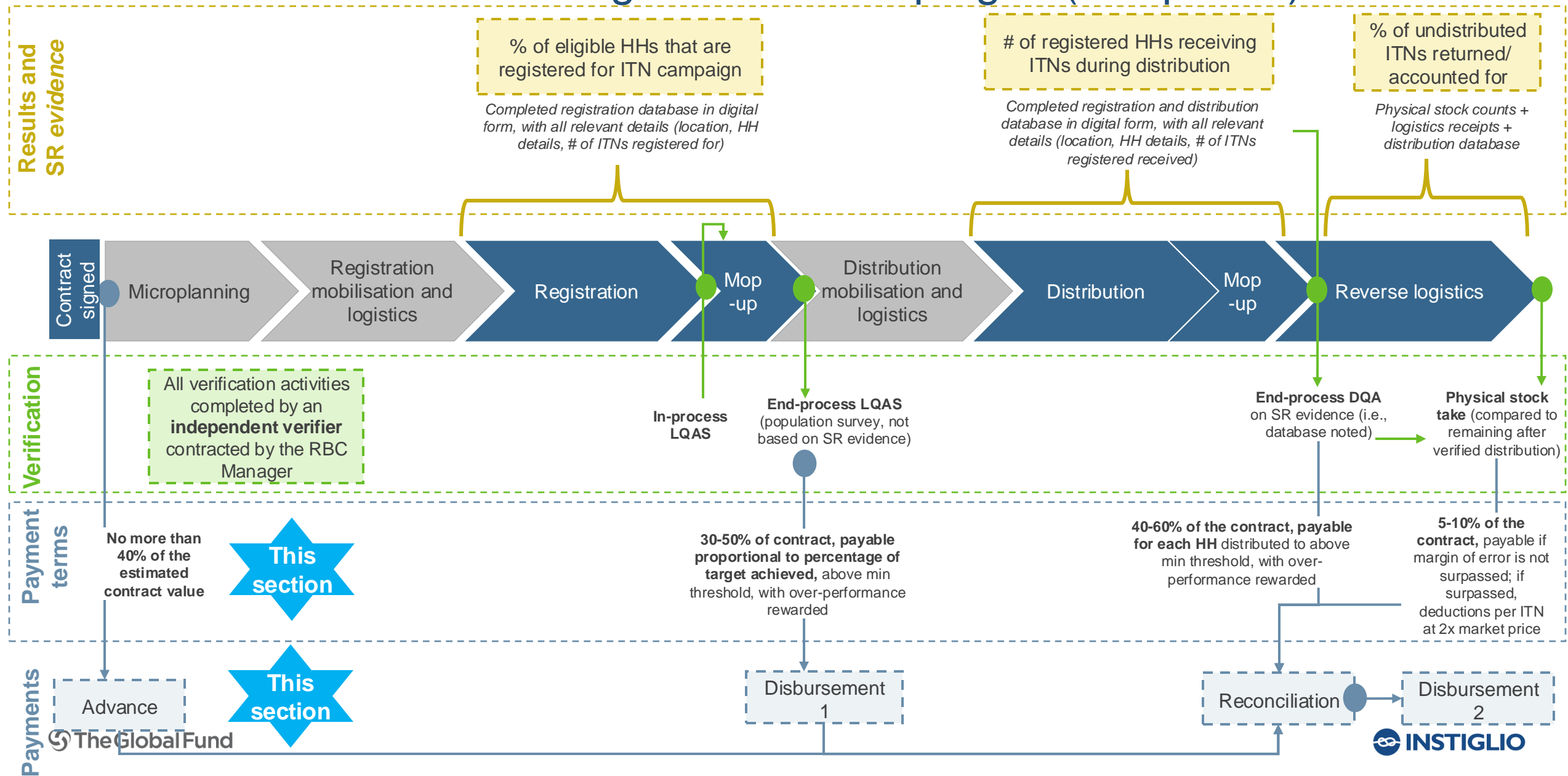
Frameworks and process for defining the payment terms



Overview of base RBC design for ITN campaigns (two phase)

● Trigger for payment

● Trigger for verification



This section

This section

Payment terms: payment splits amongst results

Payment splits are critical for determining the **relative strength of incentives for each result** in an ITN campaign RBC. Below are **recommended ranges for the allocation to each result**, with general details on the rationale for this range. In certain circumstances, the context may dictate that the result's allocation should fall outside the recommended range. However, this should be rare and must have substantial documentation on the specific rationale and how it differs from the norms outlined below.

	Split range	Rationale
Registration coverage	30-50%	<ul style="list-style-type: none"> • Alignment: Registration is critical to achieving high distribution coverage (a household must be registered to be reached by distribution), which is the ultimate objective of every campaign. • Costs to deliver: Registration is a costly part of an ITN campaign, since it requires payment of volunteers and other logistical costs • Incentive weight and relativity: This is path-dependent with distribution, meaning that all-else equal more weight should go to distribution to ensure sufficient focus on the end-result is incentivized. • Cash flow: Given this result's positioning in the middle of the campaign, it is often a critical point to provide cash flow to fund the equally expensive distribution round of the campaign. • Fiduciary risk: Registration is highly within an SR's control and, hence, has low fiduciary risk.
Distribution coverage (A)	40-60%	<ul style="list-style-type: none"> • Alignment: Sufficient coverage of ITNs among the population is the ultimate goal of any ITN campaign, making distribution coverage directly aligned with the key programmatic objective. This makes it essential for the result to be given a sufficiently high proportion of the contract. • Costs to deliver: Distribution is a costly part of an ITN campaign, since it requires payment of volunteers and other logistical costs. • Incentive weight and relativity: See above. • Cash flow: Distribution is at the close of the campaign so cannot support cash flow of other activities. • Fiduciary risk: For a door-to-door distribution, this is highly within an SR's manageable control and fiduciary risk is low. If the distribution is fixed point, the fiduciary risk is higher and could potentially reflect in a lower payment allocation; however, this may be better accounted for via ensuring realistic payment terms in other areas, such as targets and thresholds, particularly given the result's importance in terms of alignment with overall objectives.
Reverse logistics	5-10%	<ul style="list-style-type: none"> • Alignment: This result is not closely related to the overall programmatic objective of high ITN coverage. However, it is important to the fiduciary goals of the contract. • Costs to deliver: This is relatively low cost to complete—requires the return logistics of ITNs via trucks, etc. • Incentive weight and relativity: This is not path-dependent with other results. However, since it does occur at the very end of the campaign, it is important to avoid putting too little weight, which may not sufficiently motivate. • Cash flow: Reverse logistics is at the close of the campaign so cannot support cash flow of other activities. • Fiduciary risk: There is low fiduciary risk since this is within the control of an SR and is a contractual requirement.

Payment terms: payment splits amongst results

Payment splits are critical for determining the relative strength of incentives for each result in an ITN campaign RBC. Below are recommended ranges for the allocation to each result, with general details on the rationale for this range. In certain circumstances, the context may dictate that the result's allocation should fall outside the recommended range. However, this should be rare and must have substantial documentation on the specific rationale and how it differs from the norms outlined below.

	Split range	Rationale
Distribution coverage (B)	80-95%	<ul style="list-style-type: none"> • Alignment: Sufficient coverage of ITNs among the population is the ultimate goal of any ITN campaign, making distribution coverage directly aligned with the key programmatic objective. This makes it essential for the result to be given a sufficiently high proportion of the contract. • Costs to deliver: Distribution is a costly part of an ITN campaign, since it requires payment of volunteers and other logistical costs. • Cash flow: Distribution is at the close of the campaign so cannot support cash flow of other activities. • Fiduciary risk: For a door-to-door distribution, this is highly within an SR's manageable control and fiduciary risk is low. If the distribution is fixed point, the fiduciary risk is higher and could potentially reflect in a lower payment allocation; however, this may be better accounted for via ensuring realistic payment terms in other areas, such as targets and thresholds, particularly given the result's importance in terms of alignment with overall objectives.
Reverse logistics	5-20%	<ul style="list-style-type: none"> • Alignment: This result is not closely related to the overall programmatic objective of high ITN coverage. However, it is important to the fiduciary goals of the contract. • Costs to deliver: This is relatively low cost to complete—requires the return logistics of ITNs via trucks, etc. • Incentive weight and relativity: This is not path-dependent with other results. However, since it does occur at the very end of the campaign, it is important to avoid putting too little weight, which may not sufficiently motivate. • Cash flow: Reverse logistics is at the close of the campaign so cannot support cash flow of other activities. • Fiduciary risk: There is low fiduciary risk since this is within the control of an SR and is a contractual requirement.

Fiduciary Review 1/6 – F1.1

Result	Evidence	Verification of Result	Payment Terms	Financial Value
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	Payment split	Rationale
Deliverable 1:		
Deliverable 2:		
Deliverable 3:		

= 100%

Delivery scenarios: information necessary

When establishing delivery scenarios, **having data on past performance under similar conditions is ideal**. This involves finding sources that reflect RBC's defined outcomes, with matching implementation, regional, and demographic aspects. Yet, **if such data is unavailable, exploring alternative sources becomes necessary**. These alternatives can still provide valuable insights for shaping likely delivery scenarios in the RBC context. Some considerations to gather information based on the availability of information are presented in the following table. Further details are outlined in the How-to-Guide.

Scenario	Potential sources that could be used	Considerations
<p>Information on past achievement of results* is accessible</p>	<p>Progress Update and Disbursement Request (PU/DR): The PU/DR document compiles insights into a grant's progress by presenting performance ratings and results reporting*. The LFA develops this document based on TGF's guidelines and main interests. Therefore, it is probably one of the most valuable resources to use.</p>	<p>In case you have access to previous PU/DRs, it may be helpful:</p> <ul style="list-style-type: none"> • Comparing past performance from different years to identify recurring patterns. • Reviewing past achieved results for different populations and geographies to identify which have posed greater challenges to reach in past ITN campaigns. • Examining past performance across multiple service providers and regions to identify if there are significant performance differences that might inform contextual and technical issues that may affect the implementation.
<p>Information on past achievement of results is not accessible or very limited</p>	<p>Exploring other ITN-related sources within the country, which may include:</p> <ul style="list-style-type: none"> • Government Health Departments and Agencies: Databases and reports on ITN coverage, usage, and related statistics. • World Health Organization: Reports that include country-specific information on malaria and ITN campaign efforts. • NGOs and Non-Profit Organizations: NGOs and non-profit organizations dedicated to malaria and ITN awareness, prevention, and support often publish reports in different countries. <p>Information from service providers:</p> <ul style="list-style-type: none"> • Due diligence on current service providers in the country**: This alternative might be useful if service providers haven't been selected yet. It could inform their general technical capacities, experience, expertise, and regional reach. • Selection process of service providers: If the service providers are selected before finalizing the RBC design, it would be a crucial opportunity to collect information about their past performance. An alternative to including this would be adding an evaluation criteria on "evidence of results". 	<p>When analyzing these other sources, it might be useful to search for:</p> <ul style="list-style-type: none"> • Changes in the figures of relevant and related HIV indicators. This might inform if the current interventions are impacting the country, region, or KP of interest (and, therefore, if they are being effective). • Qualitative information/interviews or reports done by different stakeholders, including service providers and donors, to get a broader perspective on the current malaria and ITN situation in the country. <p>When collecting information from service providers, try to search for:</p> <ul style="list-style-type: none"> • Existing M&E systems and their robustness: <ul style="list-style-type: none"> • Are the service providers keeping track of their implementation results? • What results are they tracking? • Is there any indicator that could inform their performance in relation to the results defined for the RBC? • Is there any other record/proof of the success of their activities?

Delivery scenarios: questions to consider

Now, you should define delivery scenarios based on the past performance gathered for each result. To do this, you should consider the following:



How accurate is the information collected about past performance?

- If there is evidence of past performance for each result, is it likely that the behavior would be similar in the RBC scenario?
- In cases where there is no proof of past performance, but other types of insights are available, are there any assumptions that could be made to project future performance?



Have the implementing conditions changed?

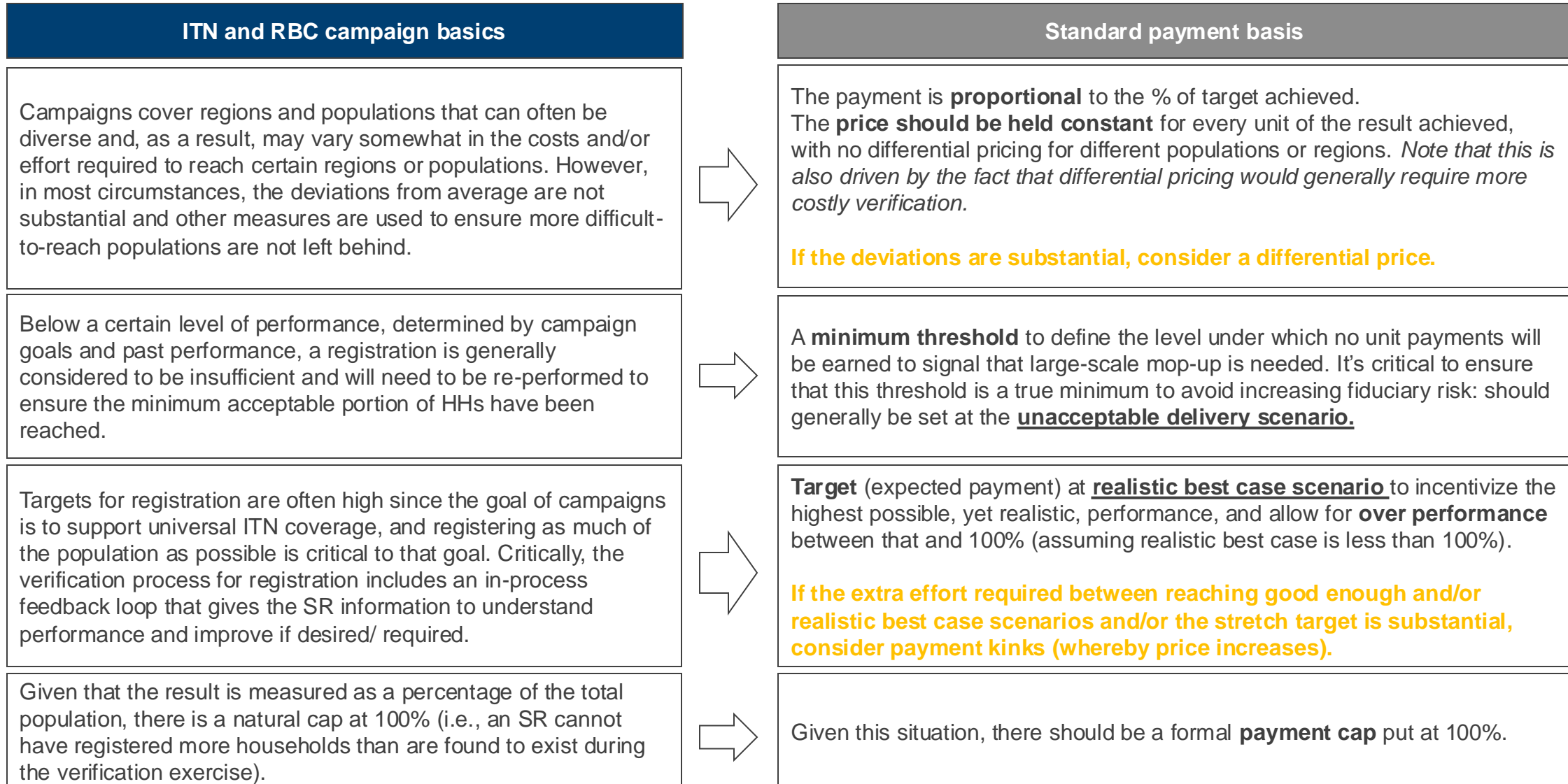
- Is the country experiencing specific circumstances / external factors that could affect delivery? (e.g., weather, available supplies, changes in TGF's implementation requirements, violence, restrictive regulations, etc.)
- If the SRs have already been selected or if they remain the same as in previous years:*
- Are there any documented changes within the service provider? (e.g., increased staff, new software, enhanced capacity building, additional resources to enhance their previous results, etc.)



Consistency and scalability

- Is the past performance consistent from year to year, or does it diverge significantly?
- Has the magnitude of the targets set for results changed? (E.g., Are more tests expected to be conducted than in previous years?) Can SRs sustain their historical performance if this is the case? Or are the results limited by other factors?
- What have been the leading causes limiting the service providers' performance? Are these conditions going to change in the RBC? (E.g., if the limitation was the budget available, will this increase in the RBC?)

Payment basis: Registration coverage and distribution coverage (B)



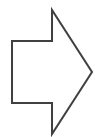
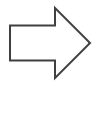
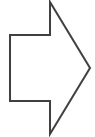
Payment basis: Distribution coverage (A)

ITN and RBC campaign basics

Campaigns cover regions and populations that can often be diverse and, as a result, may vary somewhat in the costs and/or effort required to reach certain regions or populations. However, in most circumstances, the deviations from average are not substantial and other measures are used to ensure more difficult-to-reach populations are not left behind.

Below a certain level of performance, determined by campaign goals and past performance, a distribution is generally considered to be insufficient and will need to be re-performed to ensure the minimum acceptable portion of HHs have been reached.

Assuming a door-to-door distribution, the goal should be to reach every household registered (allowing for a reasonable rate of households that move or cannot be reached for reasons outside the SR control). For a fixed point distribution, it is important to calibrate the goal to the reasonable rate of HHs showing up to the collection point.



Standard payment basis

The payment is **per unit** for each HH reached. 1 HH = unit price. The **price should be held constant** for every unit of the result achieved, with no differential pricing for different populations or regions. *Note that this is also driven by the fact that differential pricing would generally require more costly verification.*

If the deviations are substantial, consider a differential price.

A **minimum threshold** will be included to define the level under which no unit payments will be earned. It's critical to ensure that this threshold is a true minimum to avoid increasing fiduciary risk: it should generally be set at the level of the **unacceptable delivery scenario**.

Target (expected payment) at **realistic best case scenario** to incentivize the highest possible, yet realistic, performance, and allow for **over performance** between that and the equivalent of 100% of the registered population.

Particularly for fixed point distributions, which may have a lower target, consider payment kinks (whereby price increases) to incentivize further progress.

Payment basis: Reverse logistics

ITN and RBC campaign basics

The inclusion of this result is not to incentivize higher performance, but rather to mitigate against a key perverse incentive in campaigns: that SRs and their staff may profit from selling unused ITNs on the black market. Generally, an SR should be able to return ALL ITNs (outside of certain mistakes or natural losses), meaning that the target is easy to achieve unless there are perverse actions occurring.

To counteract the perverse incentive to sell remaining ITNs, the value of the penalty must be strong enough to create a larger negative impact on the SR than the potential positive cash windfall for individuals.

As alluded to above, there are certain instances where ITNs can be lost which is outside the control of SRs (e.g., small amounts missing in deliveries from logistics providers).

The result is set up to act as a deterrent of perverse actions and the target is high as a result (100%- margin of error).



Standard payment basis

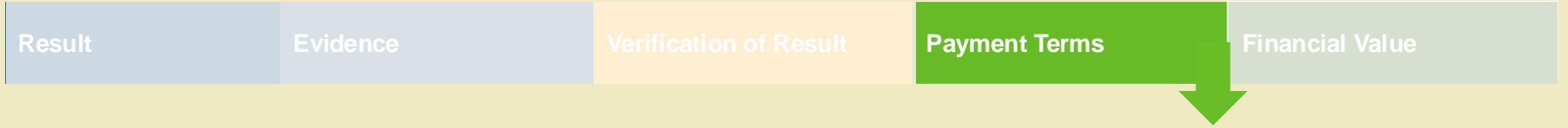
As a result, the basic payment basis should be **deductions from the total potential result payment (Penalties)** for each ITN not returned and accounted for outside of a certain threshold (see third point).

The penalty should be valued at a price of **at least 2X the value of the black market ITN price.**

A **margin of error, no more than 1%**, is factored into the payment basis as a **threshold for penalties** to begin applying. Below the threshold, no penalties apply. Once the threshold is met, all ITNs will earn a penalty.

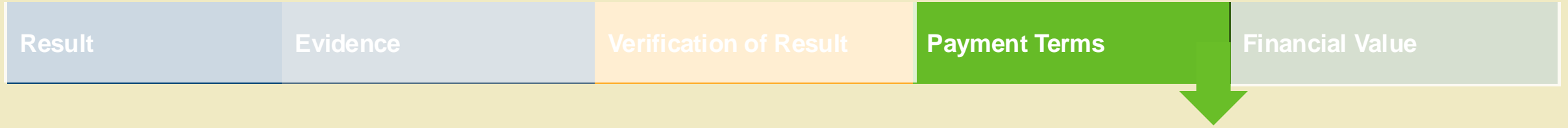
No over-performance should be rewarded. As long as an SR does not exceed the threshold, they will receive full payment.
Under-performance should be penalized. If the number of ITNs unaccounted for is above a certain threshold % (set at **unacceptable delivery scenario**), zero payment should be earned.

Fiduciary Review 2/6 – F1.2



Result	Past performance (if available)	Delivery scenarios	Rationale for delivery scenarios
Result 1		Unacceptable: Good Enough: Realistic Best Case: Over-delivery:	
Result 2		Unacceptable: Good Enough: Realistic Best Case: Over-delivery:	
Result 3		Unacceptable: Good Enough: Realistic Best Case: Over-delivery:	

Fiduciary Review 4/6 – F1.4



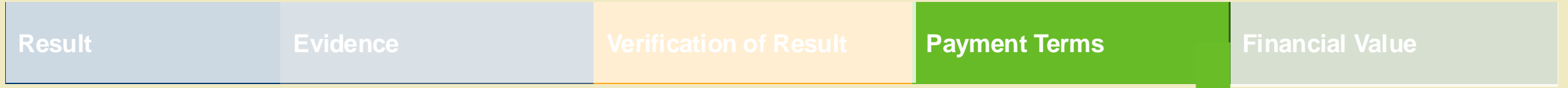
Result	Overperformance provisions		Underdelivery management			
	Overdelivery recognized?	Overdelivery management	Underperformance risks	Underperformance mitigation	Overreporting risks	Overreporting mitigation
Result 1						
Result 2						
Result 3						

Payment computation

In the RBC contract, it is critical to clearly state what the SR and verifier evidence is and how they are used in the payment computation. The payment computation should also be **clearly stated in complete detail in the contract**. Note that **different payment terms and results definitions may result in different computations**, but the table below outlines the high-level computations for each required result in an ITN campaign RBC.

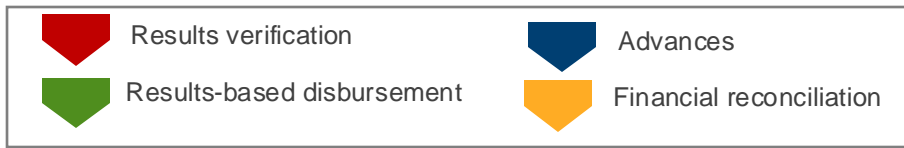
Result	Evidence from service provider used?	Evidence from verifier used?	Payment computation
Registration coverage and distribution coverage (B)	HH registration/ distribution digital database created at point-of-delivery using ODK/RedRose-type platform that also captures GPS (volunteers enter HH/ ITN information into tablet at the moment of distribution)	Verification report of data population-based survey from the independent verifier: A final report of the verification findings including sampling calculations and methodology used, HH selection methodology and maps, replacement sample list, completed surveys, clean database and all accompanying analysis	Payment is based fully on the results of the verification. Payment computation is: [payment basis per the contract] applied to [the results per the verification report]
Distribution coverage (A)	HH registration/ distribution digital database created at point-of-delivery using ODK/RedRose-type platform that also captures GPS (volunteers enter HH/ ITN information into tablet at the moment of distribution)	Final DQA verification report submitted by the verifier: A final report of the verification findings including sampling calculations and methodology used, HH list, replacement sample list, completed surveys, clean database and all accompanying analysis	Payment is based on both the SR results and the findings of the verification. Payment computation is: (1): [total per SR evidence] times [verified rate per the verification sample] = extrapolated verified results (2) [payment basis per the contract] applied to [extrapolated verified results]
Reverse logistics	Record of physical stock count taken and evidence from result 2	Variance final report: A report that includes all of the relevant inventory management tools, databases, database accuracy finding, stock counts and shows the findings of the following calculation.	Payment is based fully on the results of the verification. Payment computation is: [payment basis per the contract] applied to [the results per the verification report]

Fiduciary Review 5/6 – F1.5

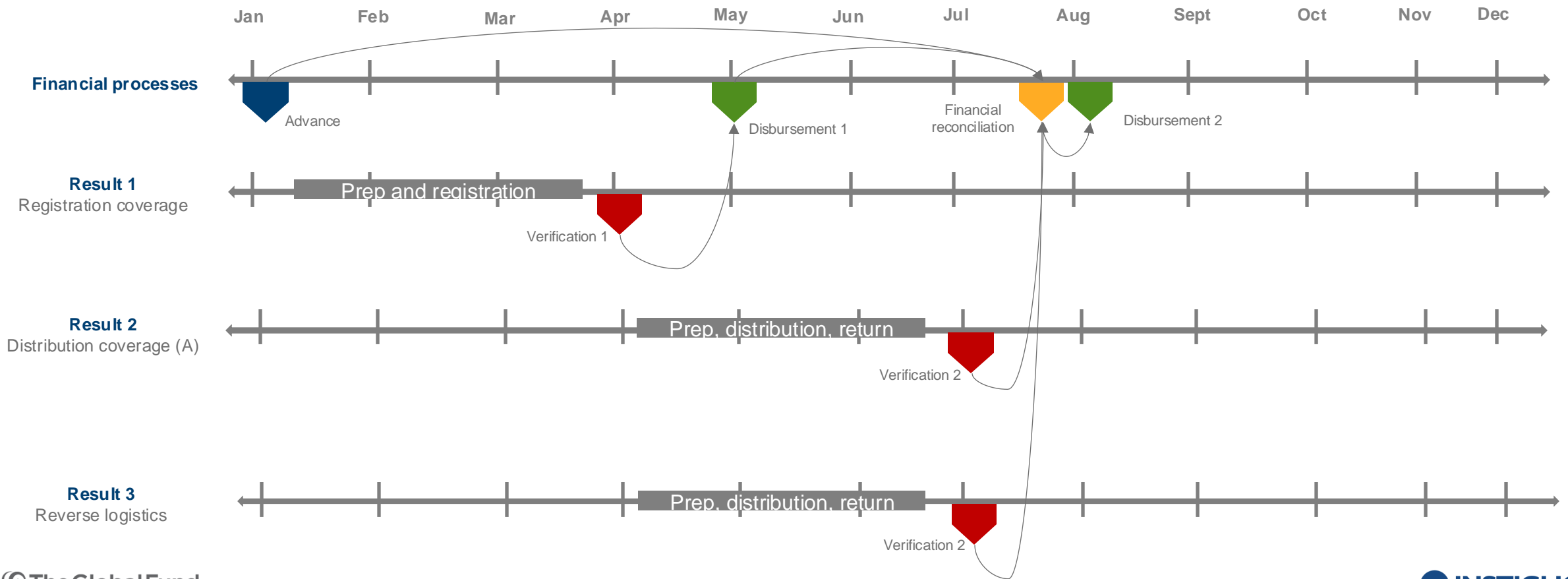


Result	Evidence from service provider used?	Evidence from verifier used?	Payment computation
Result 1			
Result 2			
Result 3			

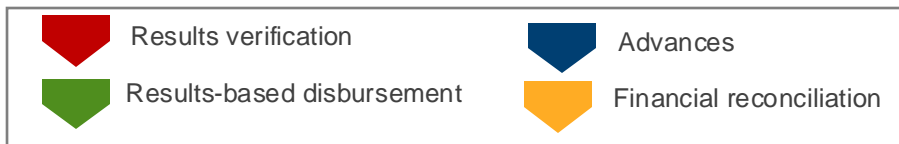
Payment schedule



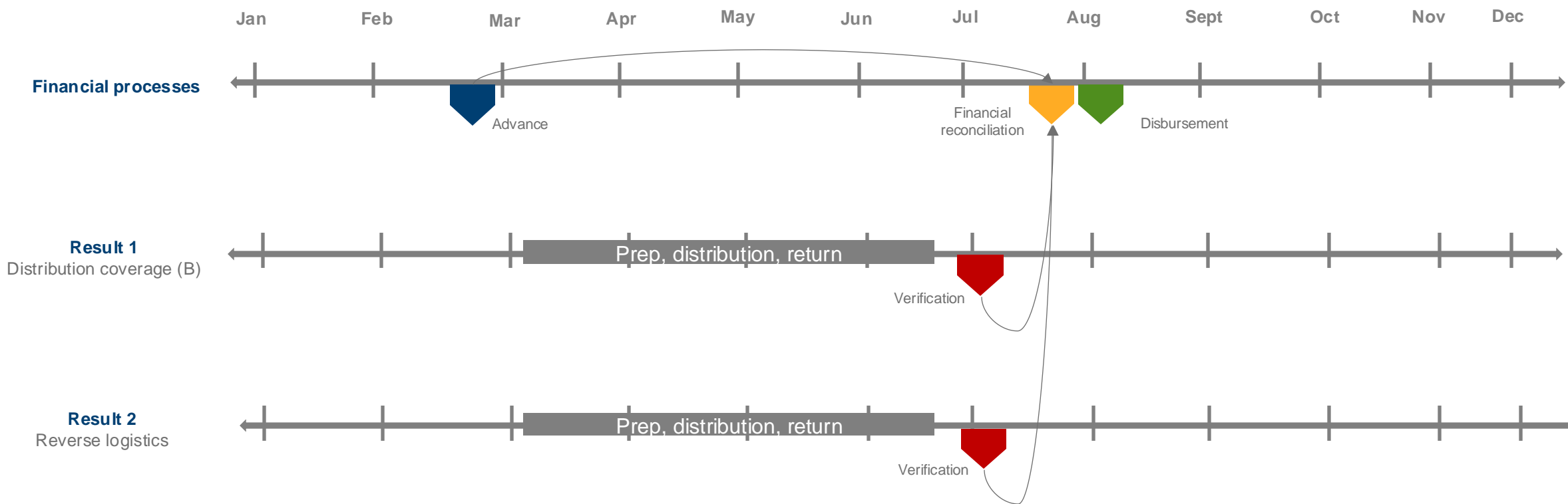
For a two-phase ITN campaign RBC, **3 payments** are needed: (1) an upfront advance to provide initial working capital for payment of volunteers, (2) an initial results-based disbursement after the registration results are verified, and (3) a final results-based disbursement after the distribution and reverse logistics results are verified and a **financial reconciliation** of the contract occurs. The reconciliation should reconcile the advance against the disbursements owed based on results (from all 3 deliverables)—if less results have been achieved than the amount advanced, the SR will actually owe money back on the contract. **Verification exercises should occur immediately after the SR performs** the specific campaign activities, and **disbursements should be contractually defined to occur within X days** of the verification report being finalized (X being as short as reasonably possible). See example schedule below—this should be adapted to the specific ITN timelines in your country.



Payment schedule



For a single-phase ITN campaign RBC, **2 payments** are needed: (1) an upfront advance to provide initial working capital for payment of volunteers, and (2) a final results-based disbursement after the distribution and reverse logistics results are verified and a **financial reconciliation** of the contract occurs. The reconciliation should reconcile the advance against the disbursements owed based on results (from both deliverables)—if less results have been achieved than the amount advanced, the SR will actually owe money back on the contract. **Verification exercises should occur immediately after the SR performs** the specific campaign activities, and **disbursements should be contractually defined to occur within X days** of the verification report being finalized (X being as short as reasonably possible). See example schedule below—this should be adapted to the specific ITN timelines in your country.



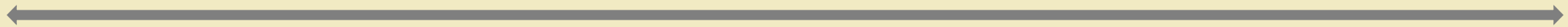
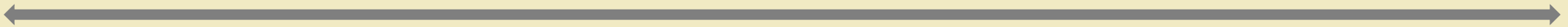
Fiduciary Review 6/6 – F1.6 (completion guideline)





-  Deliverable verification
-  Advances
-  Disbursements for RBC deliverables
-  Financial reconciliation

Year



Jan Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec




Programmatic risks: considerations for ITN campaigns (1/4)

Risk	Definition	Pre-model risk	Common mitigation measures for an ITN RBC	Remaining risk and pitfalls
<p>A. Not reaching performance targets</p> 	<p>The targets set for the results are unlikely to be met by the SR, which will compromise the impact of the intervention.</p>	<ul style="list-style-type: none"> Consider the evidence of historical performance for each result, including any trends: Better evidence of performance equates to lower risk and vice-versa <ul style="list-style-type: none"> Be critical of past data that has not been rigorously verified, which could be misleading (likely over-reported) Consider the SR's record of delivering ITN campaigns in the country or in similar contexts, as well as their general expertise and capacity: Better track-record and/or capacity equates to lower risk and vice-versa Consider both of the above factors in relation to geographies or sub-sets of the population that may be more difficult to reach How program targets are set... Weak incentives for performance 	<ul style="list-style-type: none"> RBC inherently provides a stronger incentive to reach targets than under a traditional contract since payment is tied to their achievement Payment terms are the RBC design element that is suited to mitigating these risks: <ul style="list-style-type: none"> Ensuring targets that balance ambition with realism and that are set using the most rigorous data available Providing incentives for overdelivery to motivate SRs to reach/ surpass target If there are major issues with sub-populations and geographies, differential pricing or other payment terms should account for this to mitigate risks of under-performance for these sub-sets Including an in-process verification for registration coverage to provide SR with feedback and an opportunity to course-correct if needed Non-RBC specific measures: More controls/ checks over planning in cases of low capacity 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged (and the RBC design features noted are well-calibrated), remaining risk should be low enough to accept and justify Situations where the risk may remain moderate or high: (1) targets that are derived from outdated or low-quality resources or otherwise do not reflect the reality on the ground (this can also happen if a PR pushing for an overly ambitious target), (2) when the SR has unknown or low capacity and track-record, since there are more limited mitigation measures that can support this
<p>B. Weak implementation effectiveness</p> 	<p>Programmatic success is compromised by operational, organizational, and/or capacity shortcomings.</p>	<ul style="list-style-type: none"> Consider whether there have been instances of insufficient resources or capacity for recent ITN campaigns (e.g., from looking at past reports/ audits): More instances equates to higher risk and vice-versa (If SR is already selected) Consider the SR's capacity across these areas and the evidence of this capacity being effective in ITN campaigns: Lower capacity equates to higher risk and vice-versa (If SR is not selected yet) Consider the capacity among the potential SR market: Lower capacity equates to higher risk and vice-versa 	<ul style="list-style-type: none"> (If the SR is not selected yet) A TOR that has rigorous minimum requirements for key capacities and a competitive selection process Non-RBC specific measures: More controls/ checks over planning and implementation 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged, remaining risk should be low enough to accept and justify. However, note that this is an area where RBC is less able to mitigate risks, so a higher risk may need to be accepted. Situations where the risk may remain moderate or high: (1) when the SR has unknown or low capacity and track-record, since there are more limited mitigation measures that can support this, (2) when a competitive process is not possible (e.g., because not enough actors bid)



Programmatic risks: considerations for ITN campaigns (2/4)

Risk	Definition	Pre-model risk	Common mitigation measures for an ITN RBC	Remaining risk and pitfalls
<p>C. Poor quality service delivery</p> 	<p>The SR meets the quantitative targets set for the results, but the delivery quality compromises the intervention's impact.</p>	<ul style="list-style-type: none"> Consider if there is a history of quality issues with recent ITN campaigns in the country, such as those noted below: More recent issues equates to higher risk and vice-versa <ul style="list-style-type: none"> Poor supply of ITNs (i.e., not meeting specs, damaged at high rates, etc.) Incorrect number of ITNs distributed Damaged ITNs distributed Insufficient SBCC for HHs to understand why and how to use an ITN, resulting in low usage rates in follow-up surveys Consider if there are robust monitoring systems for tracking quality in the grant: Lack of effective systems equates to higher risk and vice-versa Consider if there are clear national or grant level protocols that outline quality expectations: Lack of effective systems equates to higher risk and vice-versa 	<ul style="list-style-type: none"> Results, their definitions and payment terms are the RBC design elements suited to mitigation: <ul style="list-style-type: none"> Defining distribution result as requiring ITNs to be undamaged to count Defining registration/ distribution results as requiring the correct # of ITNs OR including a payment term features that sets a minimum requirement for correct # If usage is a major concern of the campaign and a high risk for quality issues, include an additional result that measures SBCC activities or outputs Verification of results that validates the achievement in regards the results definitions and payment terms noted above. Non-RBC specific measures: reinforcement of clear campaign protocols; monitoring systems in place to track quality, including potentially feedback mechanisms from households; checks on the quality of ITN supply at receiving 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged (and the RBC design features noted are well-calibrated), remaining risk should be low enough to accept and justify Situations where the risk may remain moderate or high: (1) verification is not independent or has quality concerns, which can result in quality issues going unreported
<p>D. Operational delays</p> 	<p>Logistical bottlenecks arise during implementation and compromise the delivery timeline, verification and/or disbursements within the intervention.</p>	<ul style="list-style-type: none"> Consider whether there are specific stages within the previous implementation cycles where delays have been observed: if yes, higher risk Consider if there are many different actors involved in the campaign, who need to either perform or approve: More actors equates to higher risk Consider if there are contextual factors that could lead to delays, such as lengthy/ uncertain procurement of the ITNs or difficult terrains for transportation, or exacerbate the severity of delays, such as a narrow window for ITN campaigns to be feasible given the seasonal weather patterns: More intensive factors equates to higher risk 	<ul style="list-style-type: none"> RBC inherently can mitigate risks of delays due to the greater flexibility in how SRs spend grant funding which can speed up processes Results definitions and payment terms are the RBC design elements suited to mitigation: <ul style="list-style-type: none"> If there are high risks despite low contextual influences, consider result definitions that have an element of timeliness Including a sufficient advance for SR to finance forward major activities Contractual defining payment decisions/ timelines Non-RBC: Reducing the number of actors that must approve certain programmatic moves (when added layers are unnecessary); more rigorous timelines in relation to contextual factors 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged (and the RBC design features noted are well-calibrated), remaining risk should be low enough to accept and justify Situations where the risk may remain moderate or high: (1) the risk from contractual factors is high



Programmatic risks: considerations for ITN campaigns (3/4)

Risk	Definition	Pre-model risk	Common mitigation measures for an ITN RBC	Remaining risk and pitfalls
<p>E. Unreliable and delayed data</p> 	<p>Data collected during the intervention does not represent the actual results delivery achieved by the SRs.</p>	<ul style="list-style-type: none"> • Consider the historical accuracy/ quality/ timeliness of reporting, particularly in recent campaigns: More issues in any area equates to higher risk • Consider the state of the data systems, such as whether technological systems are used to capture the results when physically at the HH: Better systems equates to lower risk • Consider the specific capacities needed for reliable data and the extent to which the SR has demonstrated these in the past and/or in their proposal: Lower capacity or demonstrated experience equates to higher risk • Consider contextual factors that may limit the reliability of data, such as poor connectivity: More intensive factors equates to higher risk • Consider the inherent perverse incentives to over-report (e.g., if reported performance would dictate future partnership opportunities): Higher perverse incentive equates to higher risk 	<ul style="list-style-type: none"> • RBC may heighten the risk for this since there are financial benefits based on results reported, which can motivate over-reporting. • To mitigate the increased risk from RBC, as well as the pre-RBC risk: verification of results that validates the veracity of SR data and deters/ detects over-reporting • Ensuring the verification process is well-communicated to SRs to deter the motivation for over-reporting (since they know someone will be checking) • Non-RBC: technology for data collection, such as tablets or phones; (if the SR is not yet procured), include robust requirements on data capacities in the TOR; requirements around the training for data collection and reporting in the contract 	<ul style="list-style-type: none"> • Assuming sufficient mitigation measures are leveraged (and the RBC design features noted are well-calibrated), remaining risk should be low enough to accept and justify • Situations where the risk may remain moderate or high: (1) verification is not independent or has quality concerns, which can result in unreliable evidence not being corrected through verification



Programmatic risks: considerations for ITN campaigns (4/4)

Risk	Definition	Pre-model risk	Common mitigation measures for an ITN RBC	Remaining risk and pitfalls
<p>F. Weak separation of duties & accountability</p> 	<p>The SR is not strictly distinct from the entity that operates as the contract manager and/or independent verifier, which puts the intervention at risk of collusion schemes.</p>	<ul style="list-style-type: none"> Consider if there have been conflicts of interest in the ITN campaigns structure in the recent past: if yes, then higher risk Consider if there has been lack or clarity over roles and responsibilities or common override of documented processes in the recent past campaigns: If yes, then higher risk Consider if there are processes for assessing conflicts of interest or guidelines/ processes for dealing with conflict situations: If yes, lower risk Consider if there has been instances of collusion or other adverse events documented in recent ITN campaigns: If yes, then higher risk Consider if there has been a lack of diversity in actors involved in ITN campaigns over the recent campaigns: Less diversity equates to higher risk 	<ul style="list-style-type: none"> Verification of results done by an independent actor, not the PR: the more independent the verifier, the more effective this mitigation is Additional review of the verification report and process by the PR (RBC manager) to mitigate potential collusion with the SR and verifier Assessing for SoD and independence in the RBC roles and tailoring responses to findings Clearly defining, communicating and documenting roles and responsibilities in the RBC contract and other documentation Contract clauses that have consequences for adverse events of collusion Communication restrictions or information-sharing protocols that separate actors (e.g., not letting the SR share information or speak directly to verifier) 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged (and the RBC design features noted are well-calibrated), remaining risk should be low enough to accept and justify Situations where the risk may remain moderate or high: (1) verification is not independent or has quality concerns, (2) manager (PR) does not have strong enough capacity to effectively oversee verification, (3) manager has inherent incentives to override verification
<p>G. Lack of sustainability & redundant systems</p> 	<p>Existing systems are not reliable enough to sustain the implementation schedule, and/or create inefficiencies within the program.</p>	<ul style="list-style-type: none"> Consider the extent to which ITN campaigns are aligned with government priorities and policies: Less alignment equates to greater risk Consider the extent to which the ITN campaign is integrated within the existing systems: Less integration equates to higher risk Consider the extent to which the current systems (e.g., supply chain, data collection) face frequent disruptions or changes: More issues equates to higher risk 	<ul style="list-style-type: none"> Efforts to strengthen local actors' capacity and the systems are included within the RBC Use of government systems/ actors where reasonable instead of parallel Alignment of design elements with government priorities and policies, where feasible and desirable for the overall RBC success 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged (and the RBC design features noted are well-calibrated), remaining risk should be low enough to accept and justify. However, note that this is an area where RBC is less able to mitigate risks, so a higher risk may need to be accepted.



Fiduciary risks: considerations for ITN campaigns (1/3)

Risk	Definition	Pre-model risk	Common mitigation measures for an ITN RBC	Remaining risk and pitfalls
<p>A. Over-pricing</p> 	<p>Collusion and unit cost inflation among providers drive the intervention budget above reasonable implementation costs.</p>	<ul style="list-style-type: none"> Consider if market research and benchmarking have been recently conducted to understand typical unit costs for ITN campaigns and adjust the budget: If yes, lower risk (lower the more recent the analysis was) Consider to what extent there is diversity of providers for certain services in the market and whether that diversity has been used: lower risk the more diversity exists and has been used Consider if audit reports or other internal GF assessments or reports from other donors have found over-pricing issues in the health sector recently: more issues equates to higher risk Consider to what extent high-quality data is available and used on key price drivers of an ITN campaign: greater data environment equates to lower risk 	<ul style="list-style-type: none"> Competitive procurement of the SR, with sufficient weight on financial competitiveness, to promote a more cost-effective price in proposals Additional pricing assurance via creating a rigorous shadow budget with validation of key cost drivers and unit costs (Note that this is required if there cannot be a competitive bid process) 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged, remaining risk should be low enough to accept and justify Situations where the risk may remain moderate or high: (1) pricing assurance is low quality or light-touch given lack of resources or poor information (e.g., only historical data from ITN campaigns)
<p>B. Over-payment</p> 	<p>Service providers receive payments for results they have not achieved.</p>	<ul style="list-style-type: none"> Consider the value-for-money of recent ITN campaigns (i.e., the overall results compared to the disbursed funding): lower value-for-money equates to higher risk Consider whether over-reporting of results has (or has likely) occurred in recent ITN campaigns: if yes, then higher risk If the pre-model is also an RBC, consider whether any issues were found in the verification or assurance measures: if yes, then the risk is higher 	<ul style="list-style-type: none"> SR evidence, verification and payment terms are all suited to mitigating this risk: Requirements for SRs to submit specified evidence that meets quality requirements Verification of results done by an independent actor: the more independent the verifier, the more effective this mitigation is Advances that are not too high to create situations where recovery of funds is needed Financial reconciliations to balance funds disbursed against funds earned at timely points in the ITN campaign Contractual provisions that penalize falsifying records 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged (and the RBC design features noted are well-calibrated), remaining risk should be low enough to accept and justify Situations where the risk may remain moderate or high: (1) verification is not independent or has quality concerns, (2) manager (PR) does not have strong enough capacity to effectively oversee verification, (3) manager has inherent incentives to override verification and over-pay, (4) advances that must be high due to low financial capacity of the SR

Fiduciary risks: considerations for ITN campaigns (2/3)

Risk	Definition	Pre-model risk	Common mitigation measures for an ITN RBC	Remaining risk and pitfalls
<p>C. Operational inefficiency: costly controls</p> 	<p>The cost of assurance and controls in place to mitigate risks of over-payment is superior to the intervention budget share shielded by them.</p>	<ul style="list-style-type: none"> Consider the costs associated with standard monitoring and assurance, both financial and results: higher costs equate to higher risk Consider the inherent risk level of the country and grant: higher risk will likely require more costly mitigation and hence higher risk 	<ul style="list-style-type: none"> Verification methodology is selected in consideration of efficiency, with a specific assessment of the comparison of verification cost to the overpayment risk (verification cost should not exceed the overpayment risk) Assurance measures should leverage the existing assurance measures from the LFA (i.e., change the activities an LFA does, instead of adding new activities) 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged (and the RBC design features noted are well-calibrated), remaining risk should be low enough to accept and justify Situations where the risk may remain moderate or high: (1) where the verification cost is higher due to other factors, such as AMF requiring their 5% sample for verification
<p>D. Low absorption</p> 	<p>Stakeholders do not have the financial capacity to disburse/ use the grant allocated to the intervention.</p>	<ul style="list-style-type: none"> Consider the recent history of absorption/ disbursement issues for ITN campaigns: more issues equates to higher risk Consider the capacity of the SR to execute activities and the capacity of the PR to disburse: higher capacity equates to lower risk 	<ul style="list-style-type: none"> In an RBC, absorption for an SR is fully a function of their ability to implement the activities necessary to achieve the targeted results As a result of the above, measures that ensure a high-capacity SR, such as a competitive bidding process, are critical In addition, RBC payment terms that are calibrated to the context and not overly punitive or ambitious are also critical to minimize the risk under an RBC 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged (and the RBC design features noted are well-calibrated), remaining risk should be low enough to accept and justify Situations where the risk may remain moderate or high: (1) SR capacity is still assessed to be weak

Fiduciary risks: considerations for ITN campaigns (3/3)

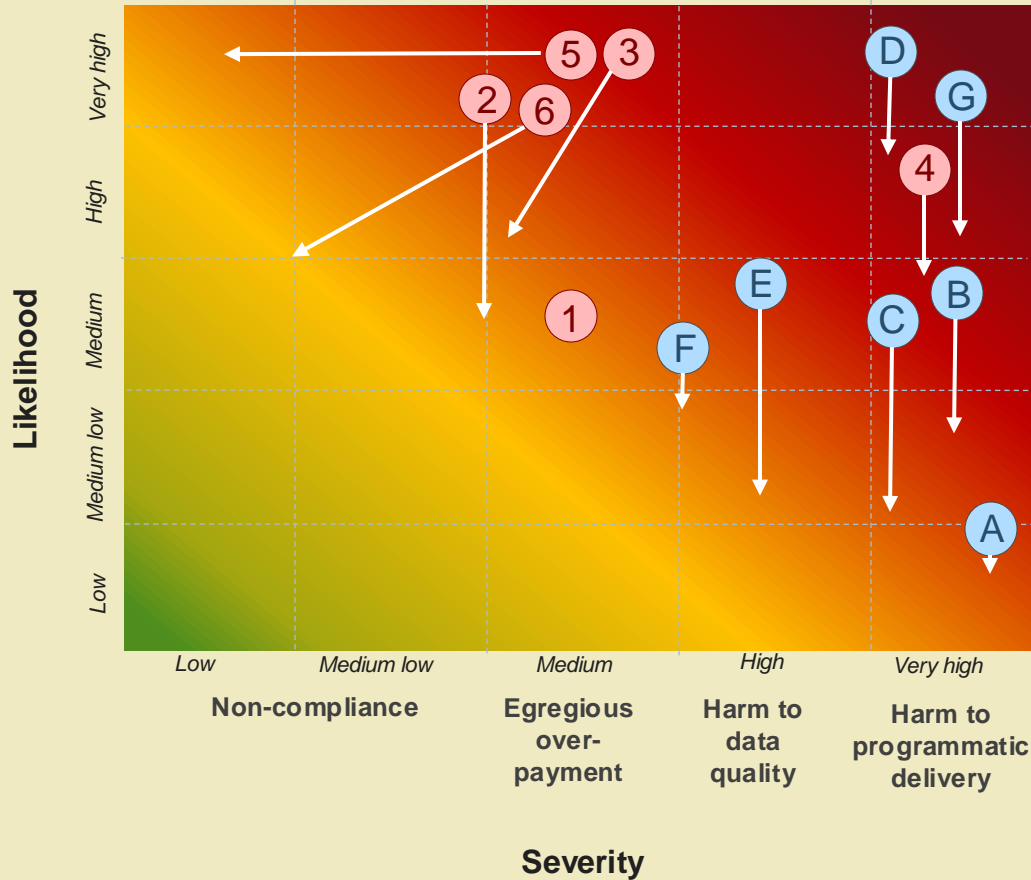
Risk	Definition	Pre-model risk	Common mitigation measures for an ITN RBC	Remaining risk and pitfalls
<p>E. Weak financial controls</p> 	<p>Existing operational systems do not allow for a clear trackability of grant financial flows within the intervention.</p>	<ul style="list-style-type: none"> Consider the quality and completeness of financial reporting in recent ITN campaigns, including any insights from audits or other GF reports: better track-record equates to lower risk Consider the state of the financial systems of the PR and SR: better systems equates to lower risk Consider the capacity of PR and SRs as it relates to finance and accounting teams: higher capacity equates to lower risk Considered the extent of ineligible or other financial issues in past campaigns: More issues equates to higher risk 	<ul style="list-style-type: none"> An RBC simplifies the system of financial reporting, in favor of more rigorous reporting on results. This should inherently reduce this risk. However, it does not mean that financial controls are not critical. 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged, remaining risk should be low enough to accept and justify Situations where the risk may remain moderate or high: (1) SR capacity is low
<p>F. Financial fraud and diversion of assets</p> 	<p>Stakeholders divert inputs and/or grant financial flows to their own profit.</p>	<ul style="list-style-type: none"> Consider the extent to which previous ITN campaigns or other GF grants have reported instances of fraud or diversion of assets: more issues equate to higher risk Consider the history of the SR and whether they have documented instances of fraud of asset diversion: more historical issues equate to higher risk Consider the inherent risk level of the country and grant: higher risk will beget higher risk 	<ul style="list-style-type: none"> Since an RBC places less controls on the use and documentation of funds, there can be higher risk of financial diversion/ fraud Verification of results done by an independent actor: the more independent the verifier, the more effective this mitigation is Strong pricing assurance (see prior mitigations) to reach a reasonable price reduces the opportunity for diversion since there is less 'fat' on the contract that can be diverted without material underperformance Inclusion of the result for reverse logistics, and payment terms of a penalty basis, deter the diversion the campaign's most critical asset (ITNs) Inclusion of a mechanism for individuals to report potential fraud or diversion of assets, as well as contractual consequences built into the SR contract as well as their contracts with campaign staff 	<ul style="list-style-type: none"> Assuming sufficient mitigation measures are leveraged (and the RBC design features noted are well-calibrated), remaining risk should be low enough to accept and justify Situations where the risk may remain moderate or high: (1) the risk of over-pricing is considered high, (2) verification is not very independent or is at risk of low-quality

Clear risk trade-off analysis: the Risk Department will evaluate the risk analysis, trade-offs, and overall risk trajectory

Risks		Pre-model severity of harm	Pre-model likelihood of harm	Mitigation Measures	Post-model severity of harm	Post model likelihood of harm	Trajectory	Risk Acceptance Justification
Programmatic Risks	Not reaching performance targets							
	Weak implementation effectiveness							
	Poor quality service delivery							
	Operational delays							
	Unreliable and delayed data							
	Weak separation of duties & accountability							
	Lack of sustainability & redundant systems							
Fiduciary Risks	Over-pricing							
	Over-payment							
	Operational inefficiency: costly controls							
	Low absorption							
	Weak financial controls							
	Financial fraud & diversion of assets							

Heatmap – completion guideline

Notional Programmatic and Fiduciary Risk Trajectory Standard Model vs RBC Model



	Risk Type	Risk in ITN Context
Programmatic Risks	A. Not reaching performance targets [†]	Household Coverage
	B. Weak implementation effectiveness [†]	Campaign planning, prep, execution and oversight
	C. Poor quality service delivery [†]	Conformity: Right # of Nets/Household
	D. Operational Delays ^{*°}	Delays generated by Health Zones
	E. Unreliable and delayed data [†]	Data on Coverage, Conformity, and ITN accounting independently verified and timely
	F. Weak separation of duties [°]	Price setting, delivery, verification, and payment roles mutually independent
	G. Lack of sustainability & redundant systems [†]	Accountability & ownership of HZ in campaign delivery
Fiduciary Risks	1. Over-pricing [°]	Price of campaign and associated programmatic verifications
	2. Over-payment	Over-reporting of inflated results
	3. Operational Inefficiency [*]	Waste (e.g., non-value-added process and poorly deployed HR resources)
	4. Low absorption & funds not available in time [°]	Funds and assets made available in time to deliver campaign
	5. Weak financial internal controls [*]	Non-compliance in procurement or financial management at HZ level
	6. Financial fraud and diversion of assets [*]	Diversion of funds due too fraudulent expenditure documents and diversion of nets

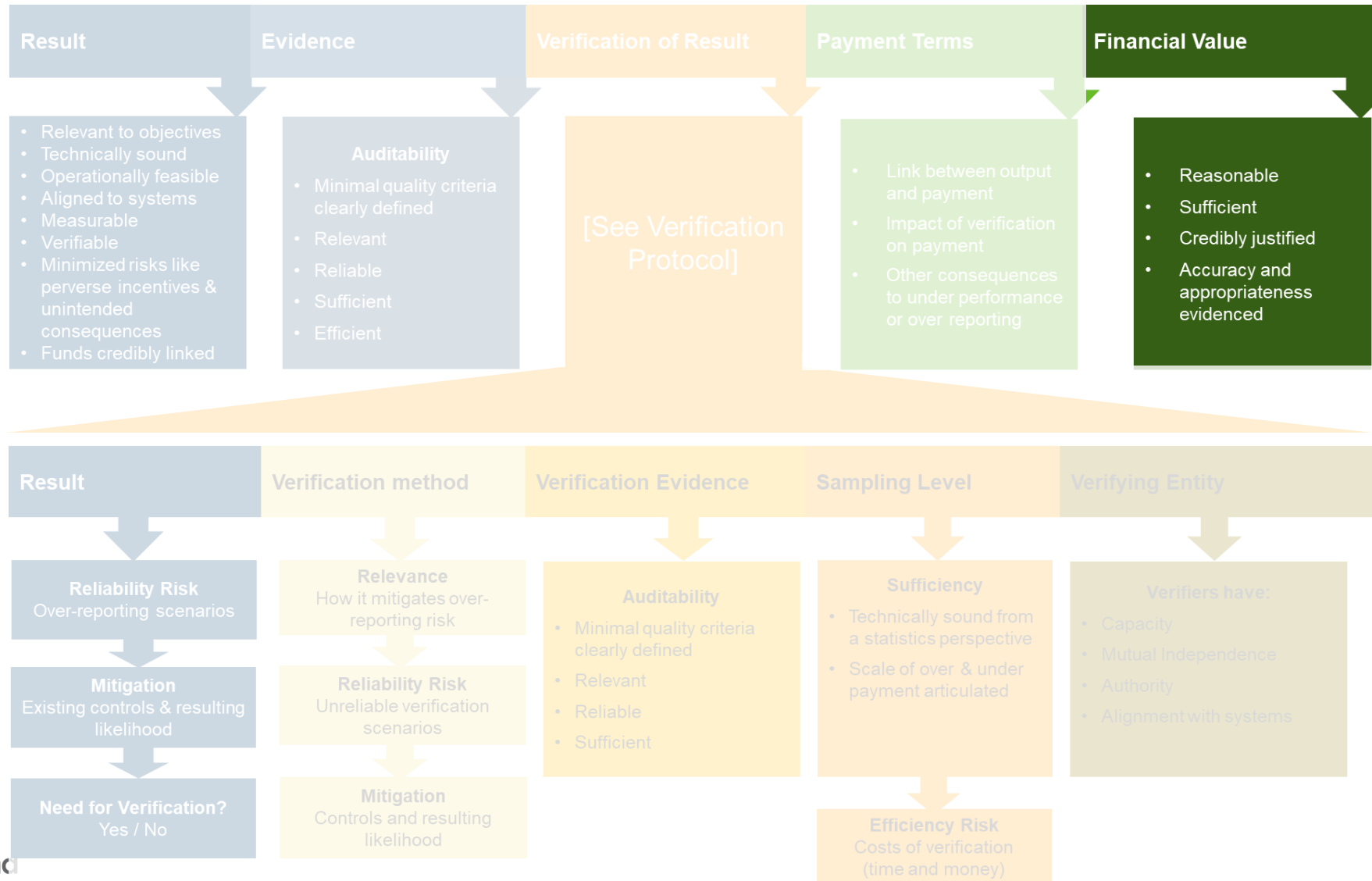
Ensure you justify all ratings with the main supporting details of your assessment

* Risks the pilot originally targeted

† Risks which improved unexpectedly

° Risks future RBC iterations aim to further improve on

Frameworks and process for defining the financial value



Price and Requirement to re-price contract value based on population survey results (need a full slide potentially to really explain how)

