

**Program-for-Results  
Consultation with Civil Society  
Feedback Summary**

**CSO Policy Forum – 2011 Annual Meetings  
Washington, DC – September 21**

Consultations were held with civil society groups in Washington, DC during the WB/IMF Annual Meetings as part of the second phase of consultations on the Program-for-Results. Joachim von Amsberg, Vice President of OPCS, provided introductory remarks on the Program-for-Results. He highlighted the importance of the instrument in an environment where client demand is evolving from support for defined investment projects to support for entire government programs. He also noted the importance of leveraging the Bank's contribution, especially in countries where it is a marginal player.

A presentation on the Program-for-Results by Fadia Saadah, Manager of OPCIL, provided an overview of the key features of the instrument, an explanation of how proposed operations will be assessed, the policy framework and oversight mechanisms that will be in place, a summary of the Phase I consultations, the status of Phase II consultations, and the next steps towards approval of the instrument.

The meeting was then opened for questions and comments. The discussion primarily focused on features of the instrument, the draft Operational Policy, environmental and social aspects, oversight mechanisms, and the consultation and roll-out process. Below is a summary of the questions and comments made during the session.

**Instrument Concept/Features:**

- Have lessons from other development partners and instruments been taken into account? How will you ensure ownership of the Disbursement-linked Indicators (DLIs)?
- How would recipient countries finance their programs before receiving financing through the PforR?
- What are the non-disbursement mechanisms?
- How will due diligence of the assessments be handled? Will they be disclosed?
- Should Use of Country Systems (UCS) certification be required?
- The OP/BP refer to government and non-government programs, why is that?

**Environmental and Social Aspects:**

- Why is the Bank abandoning safeguard standards? Clarity is needed on safeguards categorization; transparency; standards to which the Bank would be held accountable.
- Are category A activities excluded from program-for-Results? What about the "high B's"?
- The consultations on the Investment Lending (IL) safeguards updating and consolidation will generate input for the Program-for-Results and Development Policy Lending (DPL). There should be a mechanism to incorporate these lessons learned.
- How will communities know about sub-program activities? Will all communities impacted by all activities in the program be consulted?

**Operational Policy:**

- The OP doesn't have requirements for transparency. How will people know about program activities? If the Bank only contributes 10% to a program, how will transparency and accountability apply to the

whole program? Does the Access to Information Policy apply to Program-for-Results? Open source problem solving could be an option for improving transparency.

- The OP specifies that borrowers can be non-government. Does this mean that you will lend to private companies?
- The OP should have more specific measures for compliance. What are the standards to be used?

Oversight:

- Is there a role for the Inspection Panel if the IL safeguards policies don't apply?
- The accountability mechanism is not clear—how will compliance be measured?
- How can you ensure Board oversight of all program activities?

Consultation and Roll-Out of the Instrument:

- The 6 week consultation period is too short. Will a revised document be made available before PforR goes to the Board?
- Why not introduce the instrument as a pilot?
- Indigenous Peoples have been left out. Request to involve Indigenous Peoples in the consultations and issues at the national level.

**Bank responses:**

- **Lessons learned.** The proposed instrument **builds on ten years of experience** both inside and outside the Bank. Many of the features have already been piloted through program-based operations under Investment Lending. In addition, many of the Bank's partners have tried or are trying to understand how to support programs. The lessons learned from their experiences have been incorporated into the design of Program-for-Results.
- **Government ownership of results.** The results to be achieved will be those of the government program; they will be agreed between the Bank and the government. *Disbursement.* Disbursements will occur when **results are achieved and** verified. **No results, no disbursement. In cases** where the program conditions change (e.g. external shocks) Program-for-Results includes an option for restructuring, as do the other Bank lending instruments. In addition, provisions for **advances up to 25 percent** of the total Program-for-Results financing are included in the design of the instrument.
- **Exclusions. All "Category A" activities will be excluded** from Program-for-Results financing. While Category B activities are not excluded, it does not mean that all Category B projects will become Program-for-Results operations. Suitability of which financing instrument is to be used (i.e. IL, DPL or the proposed PforR) will be assessed on a case by case basis depending on the nature of the program and the type of development challenge for which the country is requesting assistance.
- **Upfront Assessment of Environmental and Social Effects.** The Bank will do an upfront assessment of environmental and social effects before proceeding with a Program-for-Results operation. We will carefully review exclusion criteria (see above), risk screening and the program systems. We will also require that additional measures are put in place, as needed, in a phased manner to protect the people and the environment. We will require that the government strengthens the arrangements for managing the environmental and social effects of programs as necessary. These measures may be introduced prior to or as part of the implementation of a Program-for-Results operation. The assessment will be subject to public consultation and disclosure during preparation of the operation and presented in Program Appraisal Document (PAD).

- **Use of Country Systems.** While Program-for-Results will contribute to the broad agenda of country systems, it will be **different from the country systems pilots for safeguard polices and procurement** in several ways. First, the focus is on the program's systems. Second, Program-for-Results exclude high risk activities (see above). Third, while maintaining the Bank's overall consistency in terms of policy content and principles, as well as, the commitment to high international standards, Program-for-Results will not seek procedural equivalency to the Bank's policies and procedures designed for IL
- **The Bank is Supporting Appropriate Environmental and Social Standards.** World Bank standards will be maintained although **realized in a manner appropriate for program level operational support. In fact,** the assessments of environmental and social systems that Program-for-Results will use are guided in substance, purpose and goals by the environmental and social safeguard policies of Investment Lending projects. By providing relatively small amounts of funding into larger programs being operated by the client country, the Bank will be able to strengthen the environmental and social standards in **a broader range of client country systems and expenditures.**
- **Stakeholder Consultations.** The Bank will consult with stakeholders on the assessment of environmental and social systems of the program proposed for Program-for-Results financing. We will consult those involved in the government program while preparing the draft systems assessment. Draft and final versions of the systems assessment will be publicly available. . We will also review how the borrower plans to consult on the program and suggest measures to improve, as needed. In addition to consultation practices, grievance procedures will also be assessed, and if needed, measures to strengthen these would be required.
- **Disclosure.** Relevant information regarding environmental and social issues would be disclosed for each operation at various stages of preparation (as is the case in IL).Disclosure will be initially at the concept stage and later prior to appraisal.
- **Transparency.** Program-for-Results will require that the borrower commits to appropriate integrity, transparency and accountability arrangements for the entire program (not just the amount of Bank financing). Disbursement-linked indicators will be publicly disclosed. Borrowers will have to comply with new binding Anti-Corruption Guidelines. The borrower has to inform the Bank of all allegations of possible misconduct under the program and take appropriate remedial actions. The Bank will monitor how the program systems operate in practice, through the review of complaints received (timely sharing of complaints being one of the borrower obligations under such programs) and subsequent actions taken by the borrower, including on referrals to the Bank's Institutional Integrity unit (INT) while the program is under execution.
- **Accountability.** Each program will be assessed against the clear principles used in the policy. The outcome of the assessment will be made public, as will the actions proposed to enhance performance. The program will be monitored during implementation and progress in implementing these actions, as well as the results and DLIs, will be made public.
- **Access to Information.** The Access to Information Policy applies to Program-for-Results. As a result, not only program appraisal documents will be disclosed but also status of implementation of the Program-for-Results implementation as well.
- **Program supported by Nongovernmental entities.** The OP states that programs supported by the instrument can be "carried out by governmental and/or nongovernmental parties". While most borrowers will be government entities, flexibility was included in the OP in order to address situations where service delivery is not done by a government entity (e.g., health services). Program-for-Results will not be used for private sector financing.

- **Oversight.** Program-for-Results would be subject to all corporate oversight arrangements, including the independent Inspection Panel. All Program-for-Results operations will be approved by the Board.
- **Roll out.** Because the Bank has already endeavored to undertake program-based operations under IL, many of the features of Program-for-Results have already been piloted. However, Bank management is planning to proceed with a cautious roll-out. In the first few years **management is likely to propose some limit on the share of Program-for-Results lending within the overall IBRD/IDA financing and put in place enhanced management oversight.** An evaluation by the independent Evaluation is also planned.