

# Program-for-Results Financing

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THE WORLD BANK





## What is Program-for-Results?

In today's world, development is about results. Everyone—government officials, parliamentarians, civil society, poor people, the private sector—is demanding programs that help deliver sustainable results. The World Bank is developing the Program-for-Results (PforR) instrument to better link disbursements to the achievement of tangible results.

With the PforR instrument, the Bank will work with governments to identify priority development programs and their desired results. PforR will allow the Bank to significantly enhance its focus on helping countries achieve verifiable and tangible development results by investing in building capacity and strengthening country institutions.

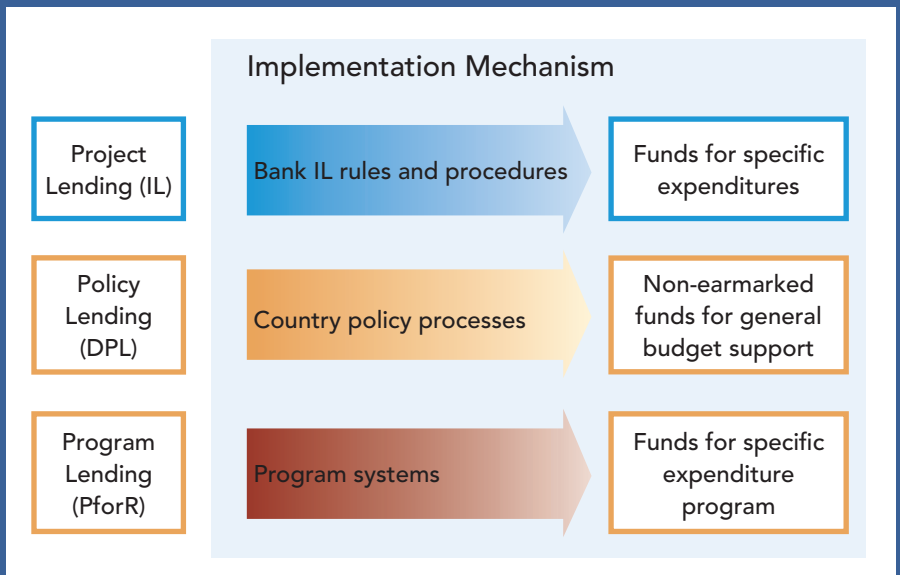
## Key Features of Program-for-Results

- Finances and supports borrowers' programs (e.g., ongoing or new, sectoral or subsectoral, and national or subnational programs)
- Disburses upon achievement of program results
- Focuses on strengthening the institutional capacity needed for programs to achieve their desired results
- Provides assurance that Bank financing is used appropriately and that the environmental and social impacts of the program are adequately addressed



## Complementary Instruments

With its program-level orientation, PforR will be complementary to, but different from, Investment Lending (IL), which supports specific projects and disburses against specific expenditures and transactions, and Development Policy Lending (DPL), which supports policy and institutional reforms and provides general budget support. As with DPL and IL, the decision on the choice of instrument would depend on the client, the development objectives, and the nature of development constraints.



## Who Can Use Program-for-Results Financing?

Any country may use PforR in support of a program or subprogram. The World Bank will assess the program to see if it is a good candidate for PforR financing. A country is most likely to use PforR in any sector in which it is trying to improve the use of its overall public expenditures and link resources more directly to results—for example—social sectors or large national programs with decentralized implementation (e.g., community development programs, local government programs).

PforR will not support programs with:

- Category A activities (activities that pose a risk of potentially significant and irreversible adverse impacts on the environment and/or affected people).
- Investments requiring high-value or complex procurement packages.

## What Does PforR Involve?

- Definition of the program or subprogram and its scope
- Identification of key results and disbursement-linked indicators (DLIs)
- Assessment of the program:
  - Technical soundness, including results framework and expenditures
  - System capacity and performance (fiduciary, environmental and social, risk of fraud and corruption)
  - Key risks that the program will not achieve its development objectives
- Identification of any actions needed to enhance capacity and systems performance

Implementation will involve a focus on audits, monitoring actions and performance of the systems, and monitoring and verifying results.

## Policy Framework for Program-for-Results

**Operational Policy Statement (OP)** sets out the essential components of the new instrument, including the regulatory, governance, institutional, financial management, procurement, environment, and social aspects.

**Bank Procedures (BP)** set out the related procedures that need to be followed during preparation and implementation.

**Anticorruption Guidelines** will be legally binding on all PforR operations.

## Corporate Oversight

Program-for-Results will be subject to the same corporate oversight functions as the Bank's other lending instruments.

- Inspection Panel has authority to receive Requests for Investigation.
- Integrity Vice Presidency (INT) will have the right to investigate allegations of possible fraud and corruption.
- Internal Audit Department provides objective and independent review and assessment of the Bank Group's business activities and controls.
- Independent Evaluation Group is responsible for providing an objective assessment of the results of the Bank Group's work and identifying and disseminating the lessons of experience.





For more information, please visit  
<http://www.worldbank.org/ProgramforResults>