

1. The Bank undertook an extensive global consultation process to inform the development of its proposed new instrument—Program-for-Results—seeking views and inputs through external consultations in over 33 client countries, 6 donor countries, and with representatives from 10 shareholder countries from March 1- June 30, 2011. In addition, consultations were held with nine development partners. Feedback from the consultations clearly highlighted broad support for the Program-for-Results instrument, with countries and citizens welcoming the approach and the instrument’s potential to enhance development effectiveness. The comments, feedback and suggestions from the consultations are reflected in the draft policy and guidance notes.

2. **Whom did we Consult?** Following the discussion of the Program-for-Results concept note by the Bank’s Executive Directors on February 22, 2011, the Bank consulted with representatives of governments, development partners, international organizations, multilateral development organizations, United Nations agencies, parliamentarians, the private sector, civil society, foundations, academia, think tanks, and practitioners.

3. **Internal consultations.** Extensive internal consultations were held in parallel through over 50 specific meetings and numerous informal consultations. Internal consultations were also often included in country visits, in addition to being held using videoconferencing opportunities. Staff also provided feedback via e-mail.

4. **Resources and Translations.** In addition to the Program for Results webpage in English, the concept note and other supporting documents were made publicly available on web pages in Arabic, Chinese, French, Russian, and Spanish. A range of materials, including the Consultation Plan, a Fact Sheet, a set of Frequently asked Questions and Answers, and PowerPoint presentations helped clarify the scope of the proposed new instrument. An electronic feedback form provided an additional feedback channel

5. **Innovative Outreach Channels.** Facebook and Twitter were used to help guide the public to the Program-for-Results page. Statistics show that this approach was fairly successful, with Facebook being the second largest referral to the Program-for-Results page, preceded only by Google (including all its country domains).

6. **Feedback Highlights.** The feedback was thoughtful. Almost all the participants indicated broad support for the instrument. Most welcomed the flexibility of the instrument and the opportunity to use it in areas beyond the education and health sectors. They clearly articulated a focus on ownership—i.e., that the programs to be supported remain government-owned programs that use government systems—and stressed that the program’s results would need to be clear, feasible, and verifiable.

- **Results.** One of the most interesting aspects of the consultations was how the discussion on “results” became the focus of the meetings in most countries. Questions asked

included the definition of results, whose results, how results would be measured and validated, what steps Bank would take if there were no results, how disbursements would occur, and whether advance financing would be an option for resource-scarce countries, and so on.

- **Assessments.** Many participants expressed concerns that the fiduciary, environmental/social, and other assessments might become so demanding as to discourage the use of the instrument; or that lack of capacity might not allow countries to use this instrument. Participants welcomed the focus on partnerships and capacity building but sought more details on how this would be implemented in countries.
- **Procurement and environmental and social issues** were of interest and concern to a number of participants. While there was recognition of the need to move from transactions to systems if the Bank is to support borrowers' programs, there was also concern at the implications for the Bank's position on these issues. The views were varied and diverse. On the one hand, in a few shareholder countries, some representatives of the private sector felt that the introduction of the Program-for-Results could restrict opportunities for business with the Bank. A few civil society organizations felt the Bank was diluting its commitments to social and environmental safeguards and trying to sidestep its commitment to protecting people and the environment by what it perceived as the Bank "promoting" the use of the Program-for-Results at the expense of its other instruments. On the other hand, some participants felt that the "exclusions" proposed in the concept paper would limit the impact of the instrument. They raised a number of questions on why the Bank had restricted the use of this instrument and sought information on the criteria for exclusion. However, the majority felt that the Bank's decision to exclude high-risk activities is the right approach as it would allow teams to focus more on the application of the instrument and less on the question of eligibility.

The attached matrix summarizing the main issues raised and the Bank responses to those issues illustrates the range of queries and comments. Broadly speaking, similar concerns were raised by external and internal audiences—questions about the rationale for the instrument, its relationship with the Bank's other financing instruments, definition of results and DLIs, accountability, monitoring and evaluation, environment and social issues, fraud and corruption, partnerships, procurement, disbursements, and implementation support.

7. **Conclusion.** By engaging a wide range of stakeholders, the consultation process elicited clients' and stakeholders' views that helped define the instrument further and address concerns regarding the Program-for-Results. It also helped raise participants' awareness about the rationale for the Program-for-Results, and provide information and guidance on the potential benefits this new instrument could bring to clients, borrowers, and the Bank's key stakeholders. The consultations provided a platform where stakeholders could provide input and feedback on the design of the instrument. The feedback from the consultations helped shape the current document and the specific guidance to staff. This process of learning and soliciting feedback will continue as we move Program-for-Results forward.

Summary of Feedback from Public Consultations

<i>Feedback</i>	<i>Bank Response</i>
Rationale for Program-for-Results	
<p>Why Program-for-Results? What is the rationale behind the proposal of this new instrument?</p>	<p>The development landscape has changed. Bank clients are increasingly implementing their own programs for development and poverty reduction and are asking development partners for finance and expertise to improve such programs' effectiveness and efficiency in achieving results. Management believes that the Bank should provide lending instruments that respond to three broad demands: policy support; project support; and program support. The first two are addressed by Development Policy Lending and Investment Lending respectively. Program-for-Results would fill the gap that currently exists and offer program support and would place more direct emphasis on results by making them the basis for disbursement. It would focus the Bank's technical and financial support more strongly on institutional development, particularly capacity to monitor results and strengthen the public expenditure systems of a country. It would also enable the Bank to leverage its own financing and collaborate with other development partners through pooling resources and focusing efforts on supporting government programs.</p>
<p>How is Program-for-Results Different from IL and DPL? What is new about Program-for-Results?</p>	<p>With its program level orientation, Program-for-Results would 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 the DPL and IL, the decision on the choice of instrument would depend on the client, the development objectives and nature of development constraints.</p>
<p>How does Program-for-Results relate to current IL options such as SWAPs, APLs, and OBA?</p>	<p>IL has a number of options including SWAPs, APLs and OBA. All these options are governed by the IL policy framework, i.e. are transaction based and disburse against expenditures incurred. Some of them have program support features. For instance, SWAPs allow for pooled funding, OBA links disbursements to the achievement of specific outputs, and APLs allow for a longer term engagement with a government program. However, these options fall short of achieving what Program-for-Results is designed to do—i.e. support government programs that rely on the program's institutions and systems, and link disbursements to achievement of results. While the design of the Program-for-Results has benefitted from the Bank's experience with these IL options, after careful review of the lessons learned, it was clear that the IL policy framework would not enable an adequate response to client demands for support to their programs.</p>
<p>How will Program-for-Results work in different country contexts – Middle Income, low income, fragile states/conflict situations?</p>	<p>Access to Program-for-Results by any country will depend on a careful assessment of program systems in terms of performance, capacity and risks and the potential for improvements. In contexts where the existing systems are strong, the Bank may support very wide ranging and ambitious programs. In countries with weaker systems and capacity, it is likely that the scope of a Program-for-Results operation may be adjusted to strike the right balance between benefits and risks. Accordingly, how Program-for-Results is used will vary from country to country as well as from sector to sector; but the flexibility of the instrument should enable it to be used in a very wide range of country and sectoral situations.</p>

<i>Feedback</i>	<i>Bank Response</i>
Is it possible for countries to opt for a hybrid, e.g. Program-for-Results with an IL technical assistance component?	<p>If there is a need for additional technical assistance, such support can be provided through several ways:</p> <ul style="list-style-type: none"> • a separate IL operation that can be processed in parallel; • through a TA component in the same operation that would follow IL policies; or • through a TA component embedded in the Program-for-Results operation. <p>The decision on the appropriate option would be made jointly by the client and the Bank depending on what works best for the program.</p>
Has the Bank relevant experience from within and outside the institution into account while designing the Program-for-Results instrument?	<p>Yes, the Bank has taken into account the experiences of European Union, Norway, DFID, IDB and organizations such as the Center for Global development, Millennium Challenge Corporation, and others. The Bank has also learned from its own work, from the program-based lending it has done in the past. These experiences—including sector-wide approaches (SWAps), conditional cash transfers, the Global Program on Output-based Aid, the Results-based Financing in Health Initiative, and the Education for All Fast Track Initiative—have highlighted the limitations of trying to achieve a Program-for-Results type of operation under the Bank’s existing lending instruments.</p>
Design of the Instrument	
What types of sectors/programs can Program-for-Results support? Can they include private sector development programs and sub national programs?	<p>The Program-for-Results instrument can be used to support all sectors, new and existing programs, as well as for a specific geographic location, including sub-national, depending on how the program is designed and defined. Support to the private sector may be included in a program in a manner similar to existing practice in IL. Two types of activities are excluded from the Program-for-Results— activities with potentially significant, irreversible adverse impact on the environment and affected people, and activities that involved procurement of goods, works and consultant services under contract whose estimated value exceeds specified monetary amounts.</p>
How will the Bank determine the suitability of a program for Program-for-Results support?	<p>Programs to be considered for Program-for-Results will be typically identified through engagement with client countries as part of the country assistance strategy process and policy dialogue. However, if a country requests Program-for-Results program support, the Bank will appraise several aspects of the program including: (a) technical assessment that focuses on the technical soundness of the program, the expenditure framework, and the results framework; (b) systems assessment that includes fiduciary and environmental and social impacts and risks of the program; (c) and an overall risk assessment. The Bank will also assess capacity to implement and performance and the accompanying systems and discuss with government counterparts how the program could be strengthened. Following these assessments, a program may or may not be considered suitable for Program-for-Results, or actions may be agreed upon to enhance the program’s system and performance, as needed, and identified and included as part of implementation</p>
How will Program-for-Results ensure that the programs remain government owned programs and that the Bank is not dictating to governments?	<p>Program-for-Results will finance government programs following the rules and procedures of the program, not the World Bank. The results to be achieved would be those of the program, and any institutional strengthening and capacity building will focus on program institutions and systems. Moreover, the results framework and choice of indicators will also be based on the program’s results.</p>

<i>Feedback</i>	<i>Bank Response</i>
Can the Bank influence the design of programs if it is only providing a small amount of the financing?	By working at the program and systems-level, Program-for-Results increases the potential reach and impact beyond the actual amount of financing provided by the Bank. In this context, the influence and value added of the Bank will depend on the quality of the Bank's technical work and advice and the strength of its partnerships with governments and other stakeholders.
How will Program-for-Results address the issue of long term sustainability of programs?	The focus on strengthening the borrower's program and capacity increases the likelihood of the program continuing beyond the finite period of the Bank's financial support. The overall focus on systems and their enhancement will increase the chances of the program achieving results and sustainability over time.
The proposed program and systems assessments for Program-for-Results are overly complex.	The assessments of the technical soundness of the program, the capacity and performance of the program's systems and the key risks of the program not achieving its development objectives are fundamental to understanding the quality of the program and its potential for improvement. They provide assurance that the program has the necessary underpinnings in place for an effective Program-for-Results operation. The complexity of the assessments will be determined by the complexity of the programs being considered for Program-for-Results support and will be made easier and less complex if (as will be the case for most programs) there is other analytic work to draw on, whether from the government, other development partners or the Bank itself.
Results	
Who will be responsible for determining the results chain for a program?	The results to be achieved under a Program-for-Results operation are the results of the government program. The government will therefore be responsible for defining the results. The Bank will review the results from the perspective of relevance, achievability, and monitorability and will discuss the potential for and desirability of any changes with government counterparts.
How will the Bank evaluate progress?	As with the Bank's other lending instruments, the Bank will prepare a completion report on the extent to which the operation has achieved its overall objectives and provide reasons for success or lack thereof. These completion reports will draw on the government's own evaluation of progress as well as on any evaluations conducted by others—evaluations which are expected to be more rigorous than before because of the stronger focus on results and on monitoring and evaluation. The Bank's Independent Evaluation Group will also review the performance of Program-for-Results operations as it does for the Bank's other lending operations.
How will the results be defined, measured and verified?	As noted above, the results are those of the program supported by Program-for-Results. A specific set of results will be selected for the program, defined in relation to the specific objectives of the program and the expected timelines for achieving those objectives. Indicators will be established for measuring those results. The necessary data collection systems for those indicators will be strengthened or put in place to facilitate timely and accurate reporting. Results will be verified by the agency responsible for program implementation as well as by other parts of the government or, as appropriate, by other bodies independent of the government. As part of the overall assessment process, the Bank will assess the M&E capacity of participating institutions to identify gaps and capacity building activities. The M&E plan will include various ways in which data will be collected. A verification protocol will also be developed for each disbursement-linked indicator (DLI).

<i>Feedback</i>	<i>Bank Response</i>
How will program monitoring and evaluation be carried out, and by whom?	The M&E system (including what will be done and by whom) will be typically that of the government and will be carried out by the institution(s) implementing the program. In some cases, it will be possible to rely on existing system, while in others it will be necessary to enhance the system (including capacity building, system improvements, adding new options like using third party verification etc.) or establish entirely new systems. The Bank will agree with the government on the specifics of the M&E system in the context of finalizing the agreement on a Program-for-Results operation.
Is it possible to have qualitative and quantitative results?	Yes, both qualitative and quantitative results are possible. However, if a result is to be included as a DLI, it needs to have a verification protocol that is credible and clearly defined and agreed at the time of appraisal.
How can the focus on results be used to help improve governance?	The focus on results can help enhance the focus on governance in a number of ways. Linking Bank financing to verifiable results is itself an indicator that funds are used appropriately. In addition, the Bank supports the borrower in managing the risk of fraud and corruption as one element of the borrower's overall responsibility for program implementation. The focus is on how the borrower manages all program resources, not only those provided by the Bank. In addition the verification protocols for DLIs will assign clear accountability; the disclosure of program results will increase transparency, and the strengthening of institutions and capacity are likely to improve overall governance of the program. Lastly, Program-for-Results will improve public management and performance and hence increase efficiency and effectiveness of the program under support.
Is there a risk that Program-for-Results financing will focus on sectors where achieving results may be considered easier than others?	<p>The challenges in results measurements are several – nature of the sector, stage of development of the program and the related nature of the results that are desired for the program. For instance, capacity building efforts are generally harder to measure than some outputs related to service delivery coverage etc. While this may be a risk, decisions on Program-for-Results depend on the demands and needs of the client; the desire to enhance the performance of the overall program of the government, and on the outcome of the appraisal process.</p> <p>The sectors to be supported by Program-for-Results will be determined in the context of the Bank's CAS/CPS for that country, take account government priorities as well as the potential value added of the Bank. The results to be supported will be the sectoral program's results - expected to be challenging but realistic - and will be reviewed by the Bank in the context of its technical assessment of the program.</p>
To whom will the results be attributed?	The results will be the country's and program's results, defined by the government in consultation with the Bank. The results will be attributed to the agencies responsible for implementing the program.
Will there be impact evaluation to enhance learning in the process?	The evaluations of the program will be carried out by the implementing agency, the Bank and other partners and will be very much about impact because they will focus on the overall development results to be expected from the program. Additionally, in-depth impact evaluations will help further enhance cross country global learning and the understanding of the performance of the Program-for-Results instrument. The extent and frequency of impact evaluations will depend on the individual programs.

<i>Feedback</i>	<i>Bank Response</i>
Fiduciary and Fraud and Corruption	
How will the Bank ensure that money, people and the environment are protected?	The Bank is committed to addressing fiduciary as well as social and environmental concerns and will make an upfront assessment of these issues prior to determining whether to proceed with a Program-for-Results operation or with the scope of the program to support. As necessary, the Bank will also agree with the government on measures to strengthen fiduciary arrangements and/or the arrangements for managing the environmental and social effects of particular programs—measures that may be introduced prior to or as part of the implementation of a Program-for-Results operation. The Bank will make a judgment about the suitability of a Program-for-Results operation taking into account the risks and capacity of programs including fiduciary, social and environmental aspects.
How will Program-for-Results address weaknesses in country fiduciary and safeguard systems?	The Bank will agree with the government on measures to address weaknesses and gaps and Bank staff will monitor the implementation of those measures as well as the overall performance of the systems assessed during project implementation. If performance is lagging, the Bank will ask the client to take timely and appropriate action; and if performance continues lagging, the Bank will have the right to apply the relevant remedies.
What fiduciary principles-related to investment lending - will apply to Program-for-Results?	Program-for-Results will have its own operational policy that will cover, inter alia fiduciary management. The policy will draw on similar fiduciary principles as those for investment lending operations focus on assessing the quality of government systems and how they can be improved. Hence, a main difference is in terms of the “how” such policies are applied at the system level instead of at the level of specific transactions
With the shift to systems, will the Bank be able to take action if something goes wrong? What about system performance beyond preparation, how will that be monitored?	The same legal remedies that are available to IL will also be available to Program-for-Results. If there is non-compliance with contractual commitments between the Bank and the borrower, these remedies can be utilized. Moreover, the Bank will be monitoring system performance (fiduciary, M & E, social and environment) throughout program implementation and can address any weakness or new issues that may emerge as needed.
What is the difference between the approach to be followed by Program-for-Results and the Bank’s country systems approach/pilots?	Program-for-Results calls for the use of the program’s institutions, assessing those against a set of principles and, as needed, agreeing on enhancements and improvements in performance. The country systems pilot for procurement and safeguards adopted a different approach – one that looked at the whole country and that sought to seek policy and procedural equivalence to the Bank’s IL policies. The Program-for-Results approach differs in many dimensions - from the scope of the assessment to the methodology.
What is the link between the Program-for-Results and the GAC agenda?	Program-for-Results has important governance dimensions. It looks at the overall performance of the program’s institutions and helps link those more directly to results. It also asks for clear results and for a credible verification process before disbursements are processed. These are at the heart of the GAC agenda.

<i>Feedback</i>	<i>Bank Response</i>
How will fraud and corruption be addressed in Program-for-Results supported operations?	The Bank is committed to the highest standards of integrity and transparency and to addressing fraud and corruption. The operational policy for Program-for-Results will set out how issues of fraud and corruption will be addressed. New anti-corruption guidelines for Program-for-Results are being developed. There will be a strong focus in Program-for-Results operations on good governance including provisions for how to handle cases of fraud and corruption. In some Program-for-Results operations, it is expected that progress in fighting corruption and improving procurement will be among the results needed to release Bank disbursements (i.e. they would be part of the Program-for-Results disbursement-linked indicators). The Bank will reserve the right to launch an investigation as needed; however, the preferred approach will be for government systems to carry out initial investigations.
Will INT's right to investigate be preserved?	The Bank (INT) will reserve the right to conduct its own investigations and would exercise this right as the circumstances require (e.g. the nature of the case, lack of action or the capacity of the government). The Bank would also be able to impose sanctions against firms and individuals in accordance with its sanctions policies and procedure
Environmental and Social Dimensions	
How will Program-for-Results ensure that the environment and social aspects are protected?	The Bank is committed to addressing social and environmental concerns and will make an upfront assessment of these issues prior to determining whether to proceed with a Program-for-Results operation to adapt the scope of the program to be supported. As necessary, the Bank will also agree with the government on measures to strengthen the arrangements for managing the environmental and social effects of particular programs – measures that may be introduced prior to or as part of the implementation of a Program-for-Results operation. In addition, activities with potentially significant, irreversible adverse impacts on the environment and affected people would be excluded from Program-for-Results. The paper describes how such exclusions will be managed.
Has the Bank thought about having one set of safeguards policies for all instruments?	The existing suite of environmental and social safeguard policies were devised primarily to avoid, minimize, and otherwise mitigate adverse impacts and risks associated with Bank supported projects in mainly large scale infrastructure. While current safeguard policies have been effectively applied to such projects, a different and more customized approach to addressing environmental and social concerns is needed for the types of program activities to be supported under the proposed Program-for-Results lending instrument. These activities are often wide ranging, implemented in a less time-bound or tightly sequenced manner, and often occur in large numbers of dispersed locations.
How does the Program-for-Results policy on social and environmental issues relate to the existing safeguards policies for IL?	The principles incorporated in the Program-for-Results instrument are similar in substance and purpose to those guiding environmental and social aspects of IL projects. While their application differs from those in IL, they are intended to achieve similar outcomes. Program-for-Results emphasizes upfront assessments and strengthening of the program system to promote acceptable and sustainable environmental and social management.
How does Program-for-Results relate to the review of safeguards policies that is currently underway?	The current safeguards policies apply to investment lending while Program-for-Results will have its own policy framework. The two processes can inform each other.

<i>Feedback</i>	<i>Bank Response</i>
Will there be any consultations on the social and environmental aspects in a Program-for-Results operation?	Relevant stakeholders will be consulted regarding social and environmental aspects of the Program-for-Results operation. When the draft system assessment is prepared, the Bank will solicit views and preferences from stakeholders involved in, or affected by, the government program. The Bank will make draft and final versions of the system assessment available to the public. The system assessment process includes a review of existing borrower consultation arrangements associated with the program (or proposed for a new program), and if relevant, suggest measures to improve effectiveness.
Disbursements and Financing	
Who will design the disbursement linked indicators (DLIs) and on what basis?	Program-for-Results operations will include a set of “disbursement-linked indicators” (DLIs)—the indicators that would be the basis for disbursements. They will be designed by the Government in collaboration with the Bank and are a key aspect of the appraisal process of a Program-for-Results operation. The indicators will be tangible, transparent, verifiable, and will have been generated by expenditures supported by the program. Discussion will need to take place between the Bank team and the Government (including Ministry of Finance) to work out the best choice of indicators, timeline and amounts to be linked to DLIs. While DLIs could vary in nature, they will be driven by desired outputs or outcomes (e.g. the number of service connections of a particular specification or number of children vaccinated or confirmed as going to school). Moreover, while it is also desirable for DLIs to be primarily outcomes or outputs, they can also be complemented by intermediate outputs or process indicators (e.g. confirmation of substantive participation in decision-making by specified communities); financing indicators (e.g. share of strategic projects in total expenditures). DLIs can also be key actions aiming to address specific risks or constraints to achieving the results (e.g. implementation of an information system). The indicators chosen will be these judged to be critical to achieving the outputs and outcomes efficiently and effectively.
Are DLIs a form of conditionality.	No, DLIs are not a form of conditionality, as the term is understood in the context of the once used Bank’s Structural Adjustment Loans. The selected DLIs are part of the program’s results which are key milestones in achieving the program objectives. They are defined by the government. By linking the DLIs to disbursement provides an incentive for the program implementing agency to achieve its own results
What happens if agreed DLIs are not achieved?	Disbursements will occur when results are achieved and verified. Program-for-Results also includes the concept of scalability—that is, partial disbursements if some DLIs are partially met – as well as the possibility for disbursements against prior results, if countries request it. If DLIs are not achieved, there will be no disbursements unless there are unexpected developments that justify a restructuring of the operation and, in that context, some adjustment of the DLIs.
How will Program-for-Results facilitate predictability of funding?	As part of the CAS/CPS agreed with the Bank, countries will choose the mix of Bank instruments that best meets their needs. By linking disbursements to intermediate results and other actions, it will be possible to phase the expected timing and level of disbursements over the implementation period of the operation. Scalability (partial disbursements against partially achieved DLIs), is also an option to facilitate predictability of fund flow. Additional details will be provided as part of the new policy that will govern the Program-for-Results instrument.

<i>Feedback</i>	<i>Bank Response</i>
What are the possibilities for advance funding and scalability of funding?	For a government that needs advance funds to achieve the initial DLIs, provisions will be made for advances up to 25 percent of the total Program-for-Results financing before the achievement of initial set of DLIs as well as subsequent DLIs during the implementation period. The amount of the advance will be deducted (recovered) from the amount to be disbursed subsequently. Further advances can be made once an advance has been recovered, so long as the overall limit is not exceeded. Scalability is also a possibility, as indicated above.
How will Program-for-Results deal with uncertainties and the long time horizon required to accomplish many results?	Because many results will take a long time to achieve, disbursements can be based on intermediate indicators and results. The Bank has also clarified that there will be options with respect to scalability, the use of advances and the disbursements against prior results – all of which should help reduce uncertainties.
How will Bank funds be pooled with the government and other partners? And will there be a need for counterpart funding from the government?	Program-for-Results would enhance the Bank’s ability to partner with other development organizations in supporting government programs by permitting Bank financing to be disbursed into a government account and pooled with resources from the government and other development partners. Government counterpart financing, as it is defined in the context of Investment Lending operation to be a “counterpart” to Bank financing, will not be required, as programs supported will be primarily government financed.
Will additional resources be available for Program-for-Results, and what will be the terms and conditions of Program-for-Results financing?	No additional resources will be made available for Program-for-Results. Through the country dialogue and CAS process, countries will choose the instrument that best suits their needs. Countries will face the same terms and conditions for Program-for-Results lending as for other types of Bank lending.
Institution/Capacity Building	
Does Program-for-Results assume that adequate capacity is already in place?	A key feature of Program-for-Results is institutional and capacity building. Program-for-Results does not assume that adequate capacity is already in place. As part of the process of preparing a Program-for-Results operation, the Bank will undertake a rigorous and detailed assessment of client capacity. If adequate arrangements are not yet in place or capacity is weak, the Bank will discuss with the government what measures could be taken prior to and/or as part of implementation to address such weaknesses and enhance capacity. Only if it is not possible to reach an understanding or the risks to implementation remain too high, would the Bank decide that the program is not be ready for Program-for-Results. Indeed because capacity building is an integral feature of Program-for-Results, it is expected that it will be used in many cases to help countries strengthen existing institutions and capacity.
How will Program-for-Results help strengthen institutions and build capacity?	Institutional strengthening and capacity building to ensure that programs achieve their expected results is a core feature of Program-for-Results, especially in situations of weak capacity. A priority area for both preparation and implementation support will be to strengthen the institutional capacity of the program’s own systems, such as monitoring and evaluation, fiduciary, and environmental and social impacts and risk management. Capacity building can be financed as part of the PROGRAM-FOR-RESULTS operation; as a separate IL operation; or as a parallel operation co-financed by development partner(s) who may be in a better position to support the necessary capacity building, including through grant finance in certain countries

<i>Feedback</i>	<i>Bank Response</i>
Will Program-for-Results link capacity building to results?	Capacity building will take a number of forms. First, through the assessments and identification of actions to improve system assessments; second through implementation support; third, through additional technical assistance, where needed; and fourth, through linking resources to results and alignment of internal incentives to results. Hence, the whole focus on results and institutions will in some sense link the two efforts together. Explicit linkages of some capacity building to DLIs is possible and is a choice made on a case by case basis depending on how critical some of the actions needed are to achieving the program objectives.
Will there be parallel institutional arrangements for the government program and for Program-for-Results?	No, there will be no parallel institutional arrangements for the government programs and Program-for-Results as Program-for-Results will follow the program's arrangements. Clear action plans with adequate incentive structures will be important to attract, retain and motivate staff in circumstances where there is a lack of adequate capacity among existing government staff.
Will there be any training for local agencies?	Program-for-Results will be using country systems to deliver results and will be helping to build the capacity of those systems and enhance their efficiency. Capacity building programs could include training of various kinds, including training for local agencies.
Partnerships	
How will Program-for-Results promote partnerships with other donors and make the Bank a better partner?	Program-for-Results operations will provide a major opportunity to improve development partner coordination around government-owned programs, contributing to both the effectiveness and sustainability of development assistance. With Program-for-Results, the Bank can be a more effective development partner since it will be able to pool its resources with governments and other development partners. Program-for-Results will also address some of the rigidities in current IL that have been at times been perceived as a constraint to good partnerships.
How will the Bank draw on the analysis and assessments of other partners?	The Bank will build on existing knowledge, assessments and work of others, including other development partners and credible country institutions. Assessments can also be done jointly with other partners.
How might civil society and the private sector be directly involved in Program-for-Results supported operations?	As with all development programs, participation of key stakeholders will be important in Program-for-Results supported operations. The degree and nature of such participation will be decided at the specific program level. CSOs, in particular, could be involved in the implementation of the program as well as in its monitoring and evaluation.
New Policy Framework	
Why is it necessary to have a new operational policy for Program-for-Results?	Since Program-for-Results will be a new instrument and distinct from both IL and DPL, it will need its own Operational Policy (OP) and Bank Procedure (BP) statement, accompanied by additional technical guidance notes or guidelines to staff. The OP will set out the essential components of the new instrument, describing the general purposes of a Program-for-Results operation and covering the regulatory, governance, institutional, financial management, procurement, environment, and social areas. The OP will make clear that these policies apply to the entire program to be supported by a Program-for-Results operation. The BP will spell out the related procedures that will need to be carried out during preparation, appraisal, and implementation.

<i>Feedback</i>	<i>Bank Response</i>
Will the Public have a chance to comment on the OP/BP before they are approved?	Yes, following the first phase of consultations, a draft OP/BP and policy paper will be discussed with the Bank's Board of Executive Directors., followed by the second phase of consultations (for a six week period) on the draft Policy (including OP/BP)..
The exclusions imposed on Program-for-Results will come at a cost and are likely to reduce its effectiveness as an instrument. They should be based on risks and client capacity and not decided a priori.	The overall scope of a program will be determined primarily on the basis of an assessment of the program's procedures, capacity and performance and the risks associated with using the program's systems with and without improvements. But there are some high risk activities that are better addressed within the policy framework of investment lending. These include activities that have significant and irreversible impact on the environment and affected people and, high value procurement contracts. While there exclusions might result in missed opportunities, on balance, they have been identified as activities that are best suited for Investment Lending..
Risks	
What are the risks facing the Bank in introducing this new instrument and how will these risks is addressed?	The Bank faces a range of risks with respect to the nature of the instrument. These include - whether it will be possible to adequately specify and monitor results, to effectively address fiduciary and environmental and social concerns, and to successfully build institutions and capacity. There is also the risk of widely differing expectations of the new instrument. To address these risks the Bank will put in place a new OP/BP, associated guidance notes, support to clients and staff, and extensive communications.
Role of the World Bank	
What will be the Bank's role in the preparation, appraisal and implementation of Program-for-Results supported operations?	The Bank will be responsible for assessing the quality of the government program to be supported by a Program-for-Results operation and its associated systems. It will also agree with the government, in the context of appraisal, on any necessary improvement measures and on the Bank's role in supporting the implementation of those measures. There will be a strengthened focus on implementation support. The Bank s will be responsible for providing close and frequent implementation support to government teams implementing Program-for-Results. Work with other development partners will also be critical for implementation support as noted above.
Does the Program-for-Results imply any resource implications for the Bank?	Based on the experience with programmatic operations supported as part of IL, it is not clear that Program-for-Results operations will cost on average more than the average for other types of Bank lending. However, it is difficult to predict the resource requirements due to a number of uncertainties. Cost will be influenced by many factors—previous engagement in the sector and with the institutions that will implement the program; capacity of the clients; involvement of other donors, some of whom may “share” the costs of us all getting what we need; and the cautious roll-out and enhanced oversight. However, there is large potential for saving staff time on review of specific transactions (for example small procurement contracts) and shifting these staff resources to direct support for the strengthening of government systems and capacity and achievement of results. Management is not asking for additional resources as a result of the introduction of Program-for-Results but will monitor the cost of preparation and implementation during the initial years of the roll-out

<i>Feedback</i>	<i>Bank Response</i>
Will Bank staff have the necessary training, support and incentive to work on such operations?	A training program on the new instrument will be put in place for staff to ensure that staffs are trained on the new policy and its implementation. In addition, guidance notes will be provided to staff. In the initial phase, a corporate support team will be put in place to help/guide task teams of new Program-for-Results operations through the process. As for incentives, many staff see the Program-for-Results as an opportunity to respond to client demands and needs and do more in terms of institutional capacity building and be better partners. Support and guidance to staff and clarity about their roles will be addressed in the various Program-for-Results supporting documents.
What will be the role of the Bank's oversight units?	Program-for-Results will be subject to the same oversight functions as other lending instruments. The independent corporate oversight units—Inspection Panel (IPN), Institutional Integrity (INT), the Internal Audit Department (IAD), and the Independent Evaluation Group (IEG)—will oversee Program-for-Results operations. The new OP for Program-for-Results will discuss the specific role of each of the units, as appropriate.
What will the Bank's supervision process be?	Bank teams will be responsible for supervising the implementation of Program-for-Results operations, in collaboration with development partners. During implementation support, task teams would focus on reviewing the monitoring and validation of results and DLIs, capacity building efforts, resolving implementation issues, implementation of the agreed action plans, as needed, monitoring overall performance of the systems, and so forth.
Rollout of the Instrument	
How will Program-for-Results be rolled out? And will there be a piloting stage?	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, so no new pilot is necessary. However, the Bank will be rolling out Program-for-Results cautiously and progressively with enhanced corporate oversight in the initial phase to ensure the appropriate and consistent application of the new lending instrument.
What are the expectations for the share of Program-for-Results relative to IL and DPL? Will there be a cap on Program-for-Results lending?	While there is no cap on Program-for-Results lending, it is expected to be no more than 10% of the Bank's overall lending in the first year of the new instrument.
What's the expected timeline on next steps?	The global consultation process began on March 1 (including via the website www.worldbank.org/p4r) and concluded on June 30th. A draft policy paper will be discussed by a committee of the Bank's Board along with the summary of the March – June 30th consultations, draft operational policy (OP/BP) and other relevant documents. Internal and external audiences will have another (6 weeks) opportunity to provide feedback on the revised paper and draft policy framework. The Program-for-Results package will be updated, taking into account the feedback throughout the process, and presented to the Bank's Board of Executive Directors for approval this (2011) Fall.

<i>Feedback</i>	<i>Bank Response</i>
<p>Will there be any consultations on the social and environmental aspects in a Program-for-Results operation?</p>	<p>Relevant stakeholders will be consulted regarding social and environmental aspects of the Program-for-Results operation. When the draft system assessment is prepared, the Bank will solicit views and preferences from stakeholders involved in, or affected by, the government program. The Bank will make draft and final versions of the system assessment available to the public. The system assessment process includes a review of existing borrower consultation arrangements associated with the program (or proposed for a new program).</p>

List of Countries Included in the Consultations

From March 30, 2011 to June 30, 2011, the Bank held consultations with 33 client countries and 6 donor countries. Multi-stakeholder meetings were also held with 9 donor countries. In addition, representatives from 9 development partners took part in discussions.

Client Countries (33 Total)	Donor Countries (16 Total)
AFR (8 Total)	Donor Country Consultations (6 Total)
Cameroon (VC with HQ) Ethiopia Ghana (VC to Senegal) Malawi (VC with HQ) Mozambique (VC with HQ) Nigeria Senegal South Africa	Belgium France Germany Japan Switzerland UK
EAP (4 Total)	Multi-Stakeholder Meetings with Donor Countries (9 Total)
Indonesia Laos Philippines Vietnam	Nordic-Baltic Representatives (Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden) USA
LCR (11 Total)	Development Partners (9 Total)
Argentina Brazil Colombia Dominican Republic Jamaica Nicaragua (+ Guatemala, Honduras, El Salvador, Costa Rica) Uruguay	ADB AFD AfDB (VC with Tunis) AusAID DFID EC JICA IDB UN/New York
ECA (4 Total)	Other Consultation Events (4 Total)
Romania Russia (VC to Beirut) Serbia (VC to Romania) Turkey	Center for Global Development IFI Liaison Officers Spring Meetings (US Civil Societies) US Business Representatives
MNA (3 Total)	
Egypt (VC to Beirut) Lebanon West Bank and Gaza	
SAR (3 Total)	
Bangladesh (VC to HQ) India Pakistan (VC to India)	

