Program-for-Results

A New Approach to World Bank Financing
In today’s world, development is about results and institutional strengthening. Everyone—government officials, parliamentarians, civil society, and the private sector—is demanding programs that help deliver sustainable results and build institutions.

To address this growing client demand, the World Bank has developed the Program-for-Results (PforR) financing instrument. Its unique features include linking disbursement of funds to the achievement of specific program results and supporting clients in enhancing the effectiveness and efficiency of their development programs to achieve tangible and sustainable results.
A PforR operation has four main features:

1. **Finances and supports borrowers’ programs.** PforR can support entire programs or sub-programs; new or existing ones; as well as programs that are national or subnational, sectoral or multi-sectoral in nature.

2. **Disburses upon achievement of program results.** PforR disburses when agreed results are achieved and verified. Results are identified and agreed upon during the preparation stage of PforR.

3. **Focuses on strengthening the institutional capacity and the processes and procedures needed for programs to achieve their desired results.** Capacity building and institutional strengthening are integrated into the government program. When you enhance capacity, the associated results are more likely to have a significant sustainable impact.

4. **Provides assurance that Bank financing is used appropriately and that the program’s environmental and social aspects are addressed.** PforR involves appropriate due diligence procedures, assessments, and monitoring arrangements that give confidence to the Bank, clients, and stakeholders.
The preparation of a PforR operation involves:

• Defining the scope of support for the government program.

• Identifying the key results to be achieved and the indicators by which to measure them.

• Assessing the technical soundness of the program; the capacity and performance of the program’s fiduciary, environmental and social, and other institutional arrangements; and risks that may affect the achievement of the development objectives.

• Identifying any actions needed to enhance capacity or strengthen performance of institutional arrangements.

PforR implementation involves monitoring the performance of the institutional arrangements, and monitoring and verifying results.
Why use PforR?

Countries use PforR in programs where they are trying to improve the use of overall public expenditures, or to enhance performance using their own processes and institutions. The other feature that has been welcomed by countries is the strong focus of the instrument on results. PforR, by design, uses a country’s own institutional procedures and focuses on capacity building. By supporting the overall government program, PforR helps leverage development assistance by fostering partnerships and alignment of development partners’ goals, deliverables, and results that can lead to greater development effectiveness.

PforR is available to all member countries. PforR excludes two types of activities – those that have potentially significant and irreversible impact on the environment and affected people, and those supported by high-value procurement contracts.

PforR is one of three financing instruments available at the World Bank – complementing financing for investment projects and development policy operations. The choice of instrument depends on the client’s needs and the development challenge to be addressed.
The Bank’s newest instrument

Since its approval in 2012, a number of PforR operations have started and a strong pipeline of operations is evolving. Since its approval in 2012, more than 50 PforR operations have started and strong pipeline of operations is evolving. More than 30 countries are implementing or preparing PforR operations. Several countries which started PforR operations are expanding its use into other sectors.
Examples of PforR operations

**Morocco National Initiative for Human Development 2**
($300M Bank financing supporting a $1.1B Government program)
The Morocco program—is focused on improving access to participatory local governance mechanisms, basic infrastructure, social services, and economic opportunities in a defined area.

**Ethiopia Health Millennium Development Goals PforR**
($100M Bank financing supporting a $676M Government program)
The program supports the implementation of the Health Sector Development Plan, with a priority of helping Ethiopia reach the health-related MDGs. This operation demonstrates PforR’s ability to promote working with other development partners such as DFID and UNICEF.

**Vietnam Results-Based Rural Water and Sanitation Program**
($200M Bank financing supporting a $260M Government program)
The program supports eight provinces in the Red River Delta region to provide sustainable water supply, sanitation, and hygiene services using a results-based approach in alignment with the National Target Program.
For more information: www.worldbank.org/pforr