

## PforR: Consulting on the Results of the Two-Year Review

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### FEEDBACK SUMMARY

- As part of the consultative process for the two year review for the PforR instrument, the World Bank carried out a consultation with stakeholder in Ethiopia, Kenya, Tanzania and Uganda. The World Bank Group held a consultations meeting on August 20, 2014 and was conducted via videoconferencing.
- The objective of the consultations meeting was to share the main findings of the Program-for-Results (PforR) two-year review and find out if those match the experience and observations of stakeholders and seek any additional observations or inputs the participants had.
- The meeting brought together 72 participants from government, civil society, private sector, development partners, and others. (Annex one includes a list of participating organizations).
- Fadia Saadah, Manager from the World Bank's Operations Policy & Country Services presented the main findings of the two-year review, which was followed by a facilitated discussion.
- This summary highlights the main ideas from a rich discussion and reflects many of the examples shared on the PforR instrument.

#### Main Issues Raised

The summary is organized around three main topics. First, the feedback around the main findings of the review and the results reflected the experience of the participants. The second topic is on areas of improvement.

***Do the overall findings of the review match your experience with PforR? If not, what has been your experience/impression?***

#### Ethiopia

- The participants confirmed that the presentation of the main findings was a good reflection of their experience and has focused on the key issues that they faced in the application of PforR in the Ethiopian context.

- The participants expressed that from their perspective, the objective of PforR is very clear: more focus on results and achievement of sustainable development. They did not face a lot of challenges in terms of program definition or assessments after the initial introduction phase of the instrument.
- In the context of Ethiopia, the instrument objectives are particularly helpful as they focus on whole or part of the sector program, focuses on results and capacity building – all are key objectives for the development program in the country. To strengthen its capacity, Ethiopia is making several reforms as part of the decentralization was highlighted as very helpful.
- Government representatives stressed that PforR should be more widely used in Ethiopia, and expanded to many sectors but currently some of the restrictions on the instrument are limiting the ability to do that.
- Some specific reflections based on the Ethiopian experience include:
  - Disbursement Linked Indicators (DLI) definition: this is not an easy task and requires a new way of thinking. This took some time to define and agree upon.
  - Another challenge was in the application of the Anti-Corruption Guidelines (ACGs) as the way they are currently framed they are not consistent with the organizational and legal framework in the country. In the case of Ethiopia, the issues were addressed by working on specific agreements for the cases at hand to solve the issue.
  - PforR also requires a different way of working between the government and the Bank and this also is a shift in how the work is done and the dialogue. As responsibilities move to government, there is a need of close communication between the Bank and the government to solve problems.
  - It is also very important for the Bank and government to work more than before as a team (government and Bank staff), in terms of quality assurance and assessments.
  - The exclusions are a challenge. In Ethiopia health program, a special account had to be established to address the procurement exclusion which is not in line with the spirit of the instrument. Another challenge was related to the use of the audit and reconciliation of the accounts at the end of the operation.

## Kenya

- The government representatives indicated the appreciation for the opportunity to provide the feedback and confirmed that the findings are in line with their experience. They also noted that Kenya is developing one of the first PforR operations to enhance the statistical capacity in the country. To this end, PforR has placed emphasis on the measurement issues.
- As for their overall experience, they also confirmed that it is positive development and would like to have more PforR projects.

- As for the advantages include: using country systems, bringing different partners together and having them focus on the same results, and ability to build capacity. This is also important in the context of decentralization which is currently under implementation in Kenya.
- In terms of challenges and opportunities for the future, the following areas were noted. First, the definition of DLIs is not easy. In one case in Kenya where the program is cross-sectoral in nature and involves many ministries, the question of reporting on DLIs was noted as one that may be more challenging. Second, questions were asked as to how to deal with restructuring, if needed.
- The team also stressed the need to invest more in reaching out and training various groups in the country and at all levels in the new instrument. There is also a need to reach out to all the ministries involved early on so that they understand how the flow of funds works during implementation.

## **Tanzania**

- The participants indicated that main findings of the PforR review were quite accurate in their opinion and a good reflection of their experience and they see the potential for more PforR operations moving forward.
- As for specific suggestions, Tanzania has two operations. For the Urban sector, the program scope was affected by the constraints on the instrument especially the exclusions. As a result, some activities had to be financed by other sources and the approach was less holistic than it could have been. On the other hand, the team has been using some of the performance assessments and those have a lot of potential but also some challenges as how best to handle situations if there are delays in the assessment or if the results are not as good as expected.
- For the Education sector, this involved many partners and the process has worked very well. However, one of the development partners pointed to fact that when different partners have different approaches to DLIs that is also a challenge and since DLIs are linked to disbursements, they are very accurately defined in the legal agreement and as such may be more rigid for other partners. Harmonizing the approach among partners and also understanding what flexibility is available for DLIs is important.
- Other challenges raised: the country system has been decentralized so they need to continue strengthening local government capacity. They need to open up the entire budget process, allow more citizens to monitor all the government expenses and maybe provide progress markers.

## Uganda

- PforR is a good instrument as it focuses on results and strengthening institutions. It has created a push to work harder to achieve results.
- Several features that stand out in the urban operation for Uganda include: the participation of the community in making decisions, the value for money, and because the assessments are made by a private firm, all the staff has created a synergy to work harder and work as team.
- As the operation moves to the implementation level, there are some important lessons. These include. A solid understanding of the f the DLIs is critical for good implementation. Some may also feel that the DLIs may not fully reflect all aspects of performance. So, communications is also important. Third, it is important to align the flexibility of the instrument with the government processes. For instance, the instrument may allow for extra financing if DLIS are exceeded but that may not happen if MOF or treasury. It is important for all to understand the DLIs and how disbursements should work at all levels of government.
- When using hybrids, there is a very big risk that performance can be constrained by many restrictions. This group was not in favor of the hybrid option.
- Important lessons for implementation also point to the need to provide capacity building to local level and full understand of how disbursements will work. Communications is also key.
- It is a good thing to follow the government policies and systems but that means the assessments are critical and also that one needs to be realistic about the results needed and any challenge that face implementation. .
- In terms of capacity building, it is important to know the weak points and the strong points of the municipalities in order to be able to support them.

### ***Suggestions to enhance the PforR Instrument***

- Several representatives expressed the importance of PforR and its potential for use in larger programs and other sectors but that is limited especially due to the exclusions on the procurement of large contracts.
- More support was requested for various aspects of capacity buildings at various levels including technical support and assistance from the WB experts.
- It is important to focus on capacity building of the institutions to bridge the gaps that exist in these institutions and also to facilitate publicizing the results and sharing the findings with the beneficiaries of the program
- Having materials ready for clients as well as courses like the ones that the World Bank Institute (WBI) used to provide in the past for countries is important part of the future

roll out of the instrument. Also, more work is needed on raising awareness and communications.

- More flexibility is needed on exclusions, especially of procurement contracts, to help the use of the instrument, complemented by the other two, where it can achieve most impact.
- More work is needed to ensure that ACGs are consistent with the legal framework of the country.
- As the program focuses on specific indicators, this should be supported by capacity buildings and in some cases impact evaluations.

Please contact [pforinfo@worldbank.org](mailto:pforinfo@worldbank.org) with any questions or comments.

## Annex 1 - Participating Organizations

### Ethiopia

- Ministry of Finance and Economic Development (MoFED)
- Ministry of Health
- Department for Implementation Support
- Urban Governance Capacity Building Bureau
- Urban Local Government Development Project
- AECID
- DFID
- UNICEF
- USAID
- World Bank Group

### Tanzania

- Regional Administration & Local Government (PMO-RALG)
- Citizens Parliament Watch
- HakiElimu
- Restless Development
- Tanzania Women's Chamber of Commerce
- Embassy of Ireland
- Embassy of Sweden
- DFID
- USAID
- World Bank Group

### Kenya

- Ministry of Labour, Social Security and Services
- National Treasury
- National Development Management Authority (NDMA)
- UNICEF
- World Bank

### Uganda

- Office of the Prime Minister
- Office of the Auditor General
- Ministry of Finance, Planning and Economic Development
- The Public Procurement Disposal of Public Assets Authority (PPDA)
- Local Government Finance Commission Uganda (LGFC)
- Uganda Support to Municipal Infrastructure Development (USMID)
- Mbale Municipal Council
- Jinja Municipal Council
- Arua Municipal Development Forum (MDF)

- Jinja MDF
- Private Sector Foundation Uganda (PSFU)
- Splinth Technical Works
- East African Development Bank (EADB)
- UNICEF
- USAID