

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

### **East and South Asia Regions**

---

#### **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 stakeholders in Vietnam, Bangladesh, India and Nepal. The World Bank Group held this consultation meeting on August 27, 2014 and was conducted face-to-face in Vietnam, with other countries connected 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 about 90 participants from government, civil society, private sector, development partners, and others. (Annex one includes a list of participating organizations).
- Ian Porter, Facilitator 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 the feedback on the main findings of the review and the results reflected the experience of the participants, and on areas of improvement.

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

##### **Vietnam**

- The participants confirmed that the presentation of the main findings was a good reflection of their experience and focused on the key issues that they faced in the application of PforR in their context.
- Some specific reflections based on the Vietnamese experience include:
  - PforR presents a strong incentive for the local governments to focus on the preparation of the investments; this is a good starting point. However, it could be challenging for larger investments that span over several years, which forces local governments to

balance between short and long term investment needs, and in so doing improves their own capacity.

- Comparing the two lending instruments of the Bank, PforR is seen as a good instrument to support the national target programs or other on-going programs. This instrument also fosters closer collaboration between Bank and government staff to drive the program forward. Participants saw a higher sense of responsibility among government staff and noted that they would like to follow this direction for some other projects implemented by the government.
- Program Action Plan (PAP): PAPs are well aligned with the government's desire to become more transparent in management. The PAPs actions force the Program to implement government policies that may not be otherwise enforced.
- Verification: PforR operation uses SAV which is a government agency with the mandates to carry out audit. Also requires sector inspectorates to be involved. The challenge here is to have clearly defined results.
- Lessons learned from designing the two PforRs:
  - Designing the DLIs are difficult, especially while trying to bring in both the services and the institutional strengthening. The simplicity/complexity of the DLIs become clear only when it is verified.
  - There is a steep learning curve for PforR teams and therefore it's important that the World Bank team is country-based to support the government whenever needed, solving the problems together.
  - Influencing government program – as an outcome of the PforR, the government is looking into simplifying technical specifications for the overall program.
  - Capacity building - in the first PforR operation capacity building is funded by AusAID outside of the main operation – lesson learned for the second operation was to mainstream capacity building into the operation, as a DLI to incentivize institutional strengthening/deliver capacity building.

## India

- Participants indicated that while they are very positive on the instrument and agree with the findings, it's premature to assess whether it meets their expectations or not.
- In terms of challenges and opportunities for the future, the following areas were noted:
  - The success of the PforR will depend on the DLIs. If the DLIs are designed very well and understood by all stakeholders then there will be a higher chance of success. However, the DLIs are revolving and should become more sector specific while staying flexible. How do we review and revise the DLI one/two years down the road based on reality on the ground, the participants asked.
  - The instrument is very helpful to support a high level discussion with the client, although introducing capacity building elements can be challenging.

- Importance of sensitizing the partners/agencies on the benefits of the instrument was noted.
- With respect to DLIs, the need to have the support/training for implementers was highlighted.
- It was indicated that there is a need to consider the capacity of both government and private sector with regards to M&E. It is also important to identify capacity needs and help train and build capacity of such institutions (including government and private sector) on M&E.
- It is important to all consider the implementation aspects of the environmental and social actions and any associated capacity and costs considerations

### **Nepal**

- The participants agreed with the findings of the review and indicated that PforR puts the government in the driver seat to lead the process.
- As for specific suggestions, they said that DLIs need to be set carefully and most should be scalable.

### **Bangladesh**

- Several features were commented on:
  - Fraud and corruption: F&C Commission has been asked to report on the ongoing operation, it will indicate how the ACG contradicts/harmonizes with the government policies.
  - Procurement Threshold: on IT procurement – \$20M threshold is a big challenge. What is the reasoning behind setting these thresholds?
  - Third-party monitoring: Operations should simplify/consolidate this function into one institution only, although it is observed that hiring a third party verification agency is not strictly following the country system.

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

- Some areas that can benefit from further clarifications include: Program Action Plan; How to restructure the operation; Verification process; and Institutional development component, especially for operations that does not have this component and the government has to assume this responsibility.
- How best can programs address issues of targeting and consideration of pro-poor programs and ethnic minorities and if that can be factored into DLI formulation in future programs.
- It is important to increase the advance level to 50% to help with cash flow issues of poor IDA countries who may need the resources to achieve the results.

- PforR should allocate an amount to develop capacity for all government agencies that are related to the scope of the operation. This technical assistance is much better programmed as a Non-lending TA to support the government, as some countries have an issue with hiring international consultant using government budget.

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

## **Annex 1 - Participating Organizations**

### **Vietnam**

- Ministry of Agriculture and Rural Development
- Ministry of Construction
- Ministry of Health
- Thai Nguyen City People's Committee
- Finance and Planning Division, CPC
- PCERWASS Ha Nam
- PMC Ha Nam
- Irrigation Agency, Phu Tho Province
- Institute for Water Resources Economics and Management
- East Meets West Hanoi
- Water Resource University
- PSI Vietnam
- World Bank Group

### **India**

- Government of Maharashtra
- World Bank Group

### **Nepal**

- Ministry of Physical Infrastructure and Transport (MoPIT)
- Ministry of Finance
- Department of Roads
- National Planning Commission
- National Vigilance Centre
- Roads Board Nepal
- DoLIDAR
- Asian Development Bank
- Swiss Agency for Development and Cooperation (SDC)
- DFID
- Dryice Solutions
- FOCUSONE Nepal Pvt. Ltd
- Nepal Engineering Council
- Hightech Valley Inet

- World Bank Group

## **Bangladesh**

- Anti-Corruption Commission
- National Board of Revenue (NBR)
- Economic Relations Division (ERD)
- International Monetary Fund
- World Bank Group