

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

ECA Region

FEEDBACK SUMMARY

- The World Bank team held a consultations meeting related to a review of the World Bank's newest instrument "Program-for-Results" (PforR) on September 4, 2014 from 1.00 to 3.00 p.m. in the World Bank premises, Radnicka cesta 80/IX, Zagreb. It included participation of several stakeholders from Moldova, who were connected via video link (from the Bank's office in Chisinau), and who have also been involved in preparation of a PforR operation in that country.
- The meeting was chaired by the team from the World Bank's Operations Policies and Country Services Unit, Ms. Linda Van Gelder, Director, and Mr. David Webber, Consultant.
- 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.
- The meeting brought together representatives from the Public Health Institute; European Bank for Reconstruction and Development; EC Representation Office in Croatia, and NGO Odraz (Croatia) and Ministry of Health, National Health Insurance Company, Ministry of Health (Moldova).
- This summary highlights the main ideas from a rich discussion and reflects many of the examples shared on the PforR instrument.

Main Issues Raised

Croatia

- The PforR instrument fills a gap that existed in the range of available instruments that include investments on one side, and policy lending on the other.
- PforR presents a very challenging instrument – as it entails making a commitment to achieve specific and clearly defined results. At the same time, it is a great motivational tool; commitment to results gives an impression of a more serious engagement, i.e. being accountable about the change.
- Focus on specific results may be seen as rather risky and almost as a “sticking your neck out” because in reality – the commitment and involvement of stakeholders can fail. It would be important to understand that governments can change and how political cycles may affect the implementation of such program over the long term.

- Investments instruments seem almost easy compared to PforR – it seems easy to carry out procurement as opposed to managing a PforR. PforR is a more sophisticated instrument.
- The program should consider carefully if the sustainability in the systems has been ensured through the program and indicators agreed upon.
- It is important to communicate to stakeholders how the program works since it is a novelty. The World Bank should provide courses/trainings on the PforR instrument.
- The aspect of PforR that involves a broader range of participants is seen as favorable - it is a good thing to share responsibility among stakeholders.
- The Technical Assistance (TA) component is important for the success of PforR, because there is a need to build more capacity before implementing this instrument. In the program that relates to local self-government (in charge of the hospital sector), it is important to know the weak points and the strong points of the municipalities in order to be able to support them effectively.
- With all the limitations of the knowledge about how PforR functions, this instrument seems not to be “business as usual”, and there seems to be uncertainties about the instrument, as well as the leverages. EBRD is more oriented to the private sector development and it does not have instruments similar to PforR.
- Another observation relates to the program relation vis-à-vis the targeted groups. PforR seems to be oriented towards higher level than the usual beneficiaries. It relies on government program and expenditures and is putting government in charge, as opposed to beneficiaries. Classical (investments) instruments relate closer to the final beneficiaries.
- There was not enough information available about the instrument, and the NGO sector was not aware of this instrument or of the Croatia health PforR operation, despite their engagement with the World Bank and the public sector. More visibility for future programs is recommended. Also, since the government is typically not sufficiently open, it would be recommendable that international institutions assist governments to operate in a more open way and with more transparency. This consultations process for the health program could have been more inclusive and public.
- Program documents prepared for the Bank’s financing look good; however, perhaps there is a need to define a context better, and explain rationale for a particular set of indicators.
- Defining activities needed for the indicators to be achieved would be valuable. Otherwise the links may seem artificial. There should be some background information explaining how the national strategy was translated into a program. It is important to identify the linkages between the instrument (Croatia Health PforR) and the National Strategy on which the program relies.
- During implementation, it is important to follow the trends that are ongoing in the system, and understand the background of the changes to be introduced through achievement of results or caused by the implementation of this instrument. They may be different than the results/indicators – and should be considered, not only the results. For instance, if the

mentality and behavior of targeted beneficiaries change, it would be worth monitoring it and knowing it. It would be interesting to know if a PforR is an instrument that can allow this approach.

Moldova

- In Moldova the PforR Health Transformation Project is at the early stage of its implementation. Despite many challenges the team faced during the process of preparation and negotiation that were mainly related to earmarking the project proceeds to the health sector, the team is optimistic to start implementation of the proposed PforR program, and looks forward to the opportunities offered by the new instrument.
- In particular, the team expressed hope for a more substantial impact, as the new approach would keep them focused on results when targeting the DLIs.
- In addition, it was stated that there is a growing need to enhance partnerships between the development partners to jointly implement strategies for capacity development, and that it is imperative that there is a synergy between the PforR instrument and Government procedures and processes.
- Careful and realistic selection of DLIs is always a challenge. Moldova's team was complimented for tackling NCDs (most notably smoking prevalence) which is a very complex task. It was also suggested that some DLIs (public health issues and NCDs) would require cooperation not only from MoF, but from other line ministries such as Ministry of Education etc and this pulls out better inter-governmental cooperation and coordination and strengthening of country systems.
- Participants also highlighted the need to forecast financing cash flow and asked about the procedures for DLIs under- or non-achievement.
- Furthermore, they reiterated that the size of the World Bank support (i.e. credit amount) shall be correlated with the results to be achieved in a realistic and proportionate manner. Given that often for achievement of the results linked to disbursement the Government needs to spend more (in terms of funding and effort) than the cost of a particular DLI, and bearing in mind that the PforR proceeds represent a loan that increases budget deficit (this is criticized by IMF), the World Bank shall pay special attention to DLI selection process.
- For Moldova, political developments would represent another important aspect that can affect attainment of project results and therefore political economy is also to be accounted for during preparation of PforR.

Follow up/next steps

It has been agreed that the Bank will share with the participants a synthesized report with review findings, expected to be ready in November 2014.