

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

LAC Summary

FEEDBACK SUMMARY

- As part of the consultative process for the two year review for the PforR instrument, the World Bank carried out consultations with stakeholders in Brazil, Mexico, and Uruguay.
- The consultation meetings were conducted in Brazil in Fortaleza, Ceará on August 28, 2014, and the ones in Uruguay (on August 19, 2014) and Mexico (on September 9, 2014) were both conducted via videoconferencing.
- The objective of the consultations meetings 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 while also seeking any additional observations or inputs the participants had.
- The meetings brought together about 50 participants, including representatives from the Ministry of Economy and Finance, Ministry of Transportation and Public Works, Corporación Vial de Uruguay (CVU), Inter-American Development Bank (in Uruguay), participants from the Government with representation of both local and federal agencies (in Mexico), and senior State officials who participated in the preparation and/or implementation of the ongoing “Strengthening Service Delivery for Growth, Poverty Reduction and Environmental Sustainability in the State of Ceara” PforR (Brazil).
- This summary highlights the main ideas from a rich discussion and reflects many of the examples shared on the PforR instrument.

Main Issues Raised

Brazil

- The PforR instrument was credited by a large number of state government officials for fostering an improved results-based planning and implementation processes, and for boosting multi-sector coordination among participating government agencies.
- The context for the PforR operation was also explained. The Ceara Swap II (BR-Ceara Inclusive Growth) financed a diagnostic on the State’s main needs and its main programs. This diagnostic was essential for the decision on the instrument. The state was preparing a proposal for a 3rd Swap that was converted to the PforR operation. The use of the PforR was decided by the

Governor based on the ongoing partnership with the Bank. The Governor thought that the instrument would promote a better articulation among state secretariats and would facilitate the management of the state development and investment plans.

- The PforR instrument, which was built upon the multi-sectoral approach of the 1st and 2nd SWAs, is credited by a large number of state government officials for fostering an improved results-based planning and implementation processes, and for boosting multi-sector coordination among participating government agencies.
- It was noted that the World Bank is perceived as the promoter of integrated management of programs in the state. Interaction with the Bank is a plus that brings the culture of transparency and control.
- However, participants expressed their disappointment with the application in the Program of the Anti-Corruption Guidelines of the instrument as this requirement seems inconsistent with the country systems approach under the PforR operations, and with the Excluded Activities (section II of the Schedule 2 to the Loan Agreement), due to difficulty in foreseeing that any activity under the Program might constitute as an Excluded Activity. The participants also noted that the program should not include performance indicators for Technical Assistance activities because they are very difficult to measure and report on.
- They noted that the preparation process was very complex and required more attention than the identification and elaboration of the Disbursement Linked Indicators (DLIs). They also expressed concerns about the high turnover of Bank staff in the preparation of this specific operation that made it harder for them.
- The parallel use of National and Bank procurement systems for the investment and TA components of the project has been noted as an issue. The Procurement support provided by the World Bank could be improved, especially concerning response times.
- Participants highlighted the importance of ensuring that a new administration sustains the commitments under the PforR instrument after the forthcoming national and state elections.
- It was requested that the WB supervision teams should be more present through more and closer field missions, while using the resources of videoconference for specific and sectoral issues.

Suggestions to enhance the PforR Instrument

- Building up awareness and knowledge of the PforR instrument is important.
- The participants also pointed out to the need to resolve issues related to conflict between the national procurement system and the anti-corruption guidelines and clarify and/or correct the issue regarding accounting for resources at the end of the project implementation.
- Suggestions and/or recommendations to help address implementation issues: A project Launch Workshop would be very useful. An Implementation Workshop, also, could be held every beginning of calendar year to present results, discuss implementation issues, best practices, challenges and lessons learned from the previous year.

- De-linking TA from project indicators.

Uruguay

- There was a broad consensus among participants that the preliminary results from the PforR review were very much in line with the experience in preparing and implementing the Uruguay Transport PforR. Participants highlighted the potential for more PforR operations moving forward, and expand the use into other areas and sectors.
- The Government also highlighted that the interaction with the Bank improved under the PforR instrument. Even the preparation time, which ended up being longer than expected by most, was perceived as a valuable exercise given the in depth discussions about results framework and Disbursement Linked Indicators (DLIs). Also the disbursement process was perceived as a lot easier and responsive in practice than expected.
- The capacity building aspect of PforR was highlighted as a welcome support in the Ministry, especially since it was directly linked to an existing program. It was said to have kick started a number of capacity building measures and was described as a good incentive to move these forward.
- Participants expressed appreciation for the continued interaction and support from the World Bank team during the implementation phase.
- The definition of DLIs was an important issue. Different parts of government may have different views and there are some areas that are easier than others. So, how to define those and how to choose the appropriate DLIs is not easy.
- The very limited share of Bank financing in relation to the overall government program (approximately 13%) was perceived as a potential problem given that the major part of the program was relying on the government's budget or other sources of financing. So far, this has not become an issue and budget cuts that may affect the implementation of the program are not expected. In addition, cooperation with other PforR financing partners has been eased by the use of the instrument.
- The team also found a challenge regarding the articulation of the ACGs due to conflict with national laws, but have worked closely with the Government to address those issues.

Suggestions to enhance the PforR Instrument

- Several representatives expressed the added value of PforR as a complementary instrument offered by the World Bank and its potential for use in larger programs and other sectors. However, the exclusions on the procurement of large contracts limits the instrument and its use and should be more flexible to avoid the creation of artificial Programs and to allow for the support of larger government programs.
- More work is needed to ensure that ACGs are consistent with the national legal framework, especially when the latter is perceived as a well-functioning and reliable system.

Mexico

- The participants confirmed that the presentation of the main findings was a good reflection of their experience and agreed that the innovative nature of the instrument is extremely relevant for Mexico. It was noted that in the future the PforR instrument should be the way to work not only with the World Bank, but also with other partners, as the instrument helps governments establish clear and measurable results.
- Participants suggested that the World Bank team provided more guidance in terms of how best to define DLIs and how to set targets and goals that are realistic and achievable in practice.
- Participants noted that involvement of multi-lateral organizations was very helpful. It made the whole preparation process smoother.
- Fiduciary assessments were complicated, in their view. It was difficult to have the right framework as each subnational government and agency has its own forms, timelines, and formulations. They said more flexibility in terms of fiduciary issues should be in place. On the other hand, some of the participants had been involved in the Environmental and Social assessments and they had found the process there to be useful and stated that the CSOs involvement in the process was important.
- Participants from federal agencies indicated that the PforR instrument may not be used for federal operations under the existing regulation.
- It was noted that more training is needed, especially in areas where capacity may be limited like with the verification of results.

Suggestions to enhance the PforR Instrument

- Regarding specific suggestions that could make it easier for them to work with the PforR instruments, participants noted that the documents that govern PforR operations should be simplified.
- All actors involved in the process should agree that the preparation stage should take a specific and reasonable timeline. Otherwise government administrations may change and the subsequent one may not use the same Program. It is particularly important to match the duration of preparation with the election cycles at both State and Municipal levels to ensure that the Program is still relevant in cases of changes of administration.
- Having a presentation of the features and specifics of the PforR instrument (with examples) upfront, and provided to all involved agencies, could be helpful to facilitate discussion upfront and ease an agreement and acceptance from all stakeholders.

Please contact pforinfo@worldbank.org with any questions or comments.