Bank Directive

Program-for-Results Financing

Bank Access to Information Policy Designation
Public

Catalogue Number
OPS5.04-DIR.105

Issued
March 2, 2018

Effective
March 1, 2018

Retired
October 10, 2019

Content
Establishes directions for the Program-for-Results Financing

Applicable to
IBRD, IDA

Issuer
Vice President, OPSVP

Sponsor
Director, OPSPQ
Section I – Purpose and Application

1. This Directive establishes directions for PforR Financing.
2. This Directive applies to the Bank.

Section II – Definitions and Acronyms

As used in this Directive the capitalized terms and acronyms have the meaning set out: (a) in Section II of the Bank Policy, “Program-for-Results Financing”; or (b) below.

1. **ACGs**: Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing.
3. **DLIs**: Disbursement Linked Indicators.
4. **High-value Contracts**: means contracts with estimated values exceeding the monetary amounts, as may be amended from time to time, that require mandatory review by the Bank’s OPRC.¹
5. **ICR**: Implementation Completion and Results Report.
6. **MOP**: Memorandum of the President.
9. **PCN**: Program Concept Note.
10. **PforR Policy**: Bank Policy, “Program-for-Results Financing”.

Section III – Scope

1. The Bank assesses a program proposed by the Borrower for PforR Financing and, upon the PforR Financing approval, provides monitoring and implementation support to the Borrower in accordance with the requirements set forth in the PforR Policy and this Directive.

¹ See Annex I of the Bank Procedure, “Procurement in IPF and Other Operational Procurement Matters”.
A. Preparation of the PforR Financing

2. Preparation includes identification, assessment, and appraisal of the PforR Program, and various interim processing and decision steps such as concept review, decision meeting, negotiations and approval.

Identification to Concept Review

3. At the identification stage, the Bank consults with the Borrower on the Borrower’s development program and goals, and seeks to identify the PforR Program’s overall parameters, objectives, financing requirements, possible level of the PforR Financing, and other general information. After the Bank and Borrower have reached preliminary understanding on the PforR Program concept and parameters, Bank budget is made available for further PforR Program preparation, and a task team is formed, led by a team leader and comprising relevant specialists.

4. The task team preliminarily, and in consultation with the Borrower:

(a) defines the PforR Program and assesses its development objectives, strategic relevance, rationale, and relation to the relevant Country Partnership Framework;

(b) identifies the results to be achieved under the PforR Program;

(c) identifies the overall PforR Program expenditures, nature of activities and implementation arrangements;

(d) estimates the possible scope of the PforR Financing;

(e) considers whether the PforR Program Systems in the fiduciary and environmental and social areas are broadly adequate;

(f) when the proposed PforR Program is a part of an ongoing program, considers that program’s performance to date and, if applicable, lessons learned from similar programs in the country; and

(g) considers the risks to achieving the PforR Program’s objectives and results.

5. Additionally, if the PforR Program is part of an MPA Program, the Bank preliminarily, and in consultation with the Borrower:

(a) defines the MPA Program and assesses its development objectives, strategic relevance, rationale, and relation to the relevant Country Partnership Framework, or similar instrument;

(b) estimates the number of operations\(^2\) in the MPA Program, their financing requirements and the Bank instrument(s) supporting them;

---

\(^2\) In this paragraph 5, “operation” means a PforR Program or a Project under Investment Project Financing.
(c) identifies known environmental and social risks to achieving the MPA Program’s
development objective; and

(d) for all operations other than the first in the MPA Program, specifies the lessons learned
from previous operations.

6. In accordance with paragraph 10 of Section III of the PforR Policy, the task team
preliminarily assesses whether the proposed Program may involve activities that: (a) are
judged to be likely to have significant adverse impacts that are sensitive, diverse, or
unprecedented on the environment and/or affected people (not eligible for PforR Financing
and excluded from the PforR Program); or (b) involve procurement of goods, works, and
services under High-value Contracts (normally not eligible for PforR Financing and
excluded from the PforR Program). With respect to High-value Contracts, for the purposes
of paragraph 10 of Section III of the PforR Policy, unless determined otherwise by
Management, an individual contract is deemed to be modest in relation to the overall PforR
Program if its estimated monetary value is equal to or less than 25 percent of the estimated
total PforR Program expenditures.

7. The Bank coordinates its preparatory work with development partners and other parties
that may cofinance the PforR Program or be otherwise involved in PforR Program-related
activities.

8. After the PforR Program concept is developed, but before further preparation takes place,
the task team prepares a PCN that describes the proposed PforR Program, including the
information under paragraphs 4, 5 and 6 above. The task team also prepares an initial
PID that summarizes the main elements of the PforR Program and the proposed PforR
Financing. The PCN and the PID are submitted for the concept review. The concept
review meeting decides, among other things: (a) whether the Bank should proceed with
the preparation of the PforR Financing; (b) the overall parameters of the assessments to
be carried out; (c) the level of subsequent Bank review(s); and (d) the timetable and
resources for PforR Program preparation.

9. Upon receiving authorization to continue with the preparation of the operation, the task
team submits the PID for public disclosure.

Assessment and Appraisal

10. The Bank continues to carry out the PforR Program technical, fiduciary systems,
environmental and social systems, and integrated risk assessments (described in Part B
of this Section III), taking into account the country-, sector-, and PforR Program-specific
circumstances, the scope for improvements before and during implementation, the risks
to achieving PforR Program objectives and results, and associated risk mitigation
measures. The integrated risk assessment is an ongoing process that requires periodic
consultations between the task team and Management, and between the Bank and the
Borrower.

11. After the assessments have been carried out and most design and assessment issues
have been resolved, the task team submits for decision review the draft PforR Program
documentation. The decision review meeting decides on, among other things, the
following matters:
(a) the ability to achieve PforR Program results and the adequacy of the DLIs, and their verification protocols;

(b) the adequacy of the recommendations from the assessments, as well as the PforR Program action plan (if required) for enhancing the PforR Program Systems and mitigating risks;

(c) the overall PforR Program risk assessment;

(d) proposed exclusions from the PforR Program, pursuant to paragraph 6 of this Section III;

(e) PforR Financing conditions, including conditions of appraisal, negotiations, and Board presentation, and legal conditions;

(f) the proposed implementation support arrangements; and

(g) whether the task team should be authorized to proceed with PforR Program appraisal or whether the PforR Program can be considered already appraised.

12. The task team appraises the PforR Program to confirm any relevant PforR Program- and PforR Financing-related information and resolve any outstanding legal, design, and implementation issues, and then finalizes the draft PAD and draft legal documents. The updated PID is disclosed before the PforR Program appraisal is completed.

13. Generally, the following information is finalized following the appraisal:

(a) the PforR Program's definition, development objective, rationale, and scope, taking into account the provisions of paragraph 10 of Section III of the PforR Policy and paragraph 6 of this Section III, planned expenditures, financing requirements, and implementation and funds flow arrangements;

(b) the technical, fiduciary, environmental and social systems, and integrated risk assessments carried out and the conclusions of those assessments, and, as necessary, the relevant risk management and other actions undertaken or to be undertaken during the preparation of the PforR Program operation, and/or during PforR Program implementation, to enhance PforR Program Systems and performance;

(c) the main legal terms and conditions, DLI verification protocols, and/or the PforR Program action plan, as applicable;

(d) the results framework and the monitoring and evaluation arrangements, and, as appropriate, baseline references to be used in monitoring implementation and PforR Program Systems performance and assessing the development effectiveness of the PforR Program at completion;

(e) the DLIs and their credible verification protocols, and other disbursement-related provisions;
(f) cofinancing or other collaboration arrangements with other development partners and stakeholders;

(g) the information set out in paragraph 5 of Section III of this Directive regarding the MPA Program;

(h) any proposed exceptions to or waivers from Bank policies or procedures; and

(i) implementation support arrangements.

14. **DLIs and Disbursement.** The DLIs are specific, measurable, and verifiable indicators related to and/or derived from the PforR Program development objectives and the results framework. DLIs may be expressed as outcomes, outputs, intermediate outcomes or outputs, process indicators, or financing indicators. DLIs may also be defined as actions or process results deemed critical for strengthening performance under the PforR Program (this could include actions for improving fiduciary, social and environmental issues and/or monitoring and evaluation), or as indicators of key institutional changes.

15. Subject to the other requirements of the PforR Policy and this Directive, the Bank may agree to disburse up to 25 percent of the PforR Financing proceeds (unless a higher percentage is approved by Management) on account of the DLIs met by the Borrower between the date of the concept review and the date of the legal agreement for the PforR Financing (“prior results”).

16. To provide a Borrower with resources to allow the PforR Program to start or to facilitate the achievement of DLIs, the Bank may agree to make an advance payment (following the effectiveness of the legal agreement for the PforR Financing) of up to 25 percent of the PforR Financing (unless a higher percentage is approved by Management) for one or more DLIs that have not yet been met (“advance”). When the DLI(s) for which an advance has been disbursed are achieved, the amount of the advance is deducted (recovered) from the amount due to be disbursed under such DLI(s). The advance amount recovered by the Bank is then available for additional advances (“revolving advance”). The Bank requires that the Borrower refund any advances (or portion of advances) if the DLIs have not been met (or have been only partially met) by the PforR Program Closing Date.

17. The combined amount of financing referred to in paragraphs 15 and 16 above may not exceed 30 percent of the PforR Financing (unless a higher percentage is approved by Management).

**Negotiations and Approval**

18. Following the appraisal, the task team submits for Management approval a request, supported by the relevant documents, to negotiate the PforR Financing and, when applicable, the MPA Financing. After negotiations have been authorized, the Bank and

---

3 In cases of additional financing that supports scaled up results specified under the original PforR Financing DLIs, such results are not considered to be prior results and are not subject to the limits set out in this paragraph.
Borrower and any other PforR Program-related parties conduct the negotiations and seek to finalize agreement on the relevant issues and documents. If new substantive issues or significant changes in the design of the PforR Program or PforR Financing are raised during the negotiations, the task team consults with Management. For PforR Financing and, when applicable, MPA Financing requiring approval by the Board (including in the case of an MPA Program, when a PforR Program introduces a new disbursement linked indicator), if the negotiations are successfully completed, and there are no Board conditions, the task team finalizes the relevant draft PforR documents for submission to the Board.

19. If any information in the PforR documents raises issues of confidentiality or sensitivity for the Borrower, or may adversely affect relations between the Bank and the Borrower, and this information is deemed to be relevant to the Board in their decision-making process, such information is not included in the PforR documents and is described in the memorandum of the President instead. When there are: (a) payments under any IBRD loan or IDA credit to the Borrower or to or guaranteed by the member country, that are overdue by 30 days, PforR documents are not submitted to the Board unless an exception is granted by Management. After all requirements for Board presentation of PforR Financing and, when applicable, MPA Financing requiring Board approval have been met, the Board decides on whether to approve such financing.

B. Program Assessments

Technical Assessment

20. The technical assessment is carried out in accordance with the provisions set out in paragraph 7 of Section III of the PforR Policy and paragraph 10 of this Section III, and addresses the following matters:

21. Strategic relevance, technical soundness, and institutional arrangements. The task team assesses whether:

(a) there is a clear rationale for the PforR Program, with the PforR Program addressing an important development goal, and whether there is potential to significantly improve PforR Program performance;

(b) the PforR Program is consistent with the Bank’s overall assistance strategy for the member country in question (as expressed in the Country Partnership Framework);

(c) the technical approach proposed by the Borrower under the PforR Program, and the PforR Program’s structure and implementation arrangements, are adequate;

(d) the Borrower’s institutional capacity is adequate; and

(e) the general legal, regulatory, and institutional environment within which the PforR Program will operate is adequate for PforR Program implementation.

22. Expenditure Framework. The task team assesses the level, efficiency, transparency, and effectiveness of the expenditures included in the PforR Program. This includes
consideration of whether the planned expenditures are adequate to achieve the PforR Program results, whether the medium-term budget is sustainable, and whether there are major discrepancies between budget allocations, releases, and actual expenditures.

23. **Results Framework and DLIs.** The task team assesses the PforR Program’s: (a) results framework, which may include outcomes, outputs, intermediate outcomes or outputs, including the degree to which the PforR Program aims to achieve these results; (b) monitoring and evaluation framework; and (c) DLIs and the related verification protocols.

24. **Economic Evaluation.** The task team undertakes an economic evaluation providing the rationale for the public provision of the PforR Program, where appropriate, as well as its expected impact, describing, among other things, the expected added value of Bank support. Evaluation methods range from narrative comparisons of scenarios to quantitative methods.

### Fiduciary Systems and Environmental and Social Systems Assessments

25. The task team carries out the fiduciary and the environmental and social systems assessments in accordance with paragraphs 8 and 9 of Section III of the PforR Policy. The assessments consider whether the PforR Program institutions have the capacity to carry out adequate planning, decision making, execution, reporting, monitoring and evaluation, auditing and information disclosure under the PforR Program. The assessments include: (a) a review of the existing systems; (b) identification of areas in which the implementing entities should improve procedures and performance (which may be expressed through the PforR Program’s action plan, as necessary); and (c) inputs to the integrated risk assessment.

26. **Fiduciary Systems Assessment.** The assessment is carried out in accordance with paragraph 8 of Section III of the PforR Policy. The fiduciary systems assessments consider the degree to which:

   (a) from a procurement perspective there is/are reasonable: (i) arrangements for planning and budgeting; (ii) procurement rules and such rules are easily accessible to the public; (iii) capacity for contract management and administration; (iv) complaint mechanisms, including clarity on how they are utilized; (v) systems for the PforR Program oversight and control; and

   (b) from a financial management perspective: (i) the budgeted expenditures are realistic, prepared with due regard to relevant policies, and executed in an orderly and predictable manner; (ii) reasonable records are maintained and financial reports produced and disseminated for decision-making, management, and reporting; (iii) adequate funds are available to finance the PforR Program; (iv) there are reasonable controls over the PforR Program funds; and (v) independent audit arrangements are in place.

27. As part of the assessments, and taking into account the requirements of the ACGs, the Bank assesses the degree to which the PforR Program Systems handle the risk of fraud and corruption. The Bank and the Borrower may agree on a PforR Program-specific protocol describing the operational arrangements to handle allegations, information, and investigations related to fraud and corruption. Such a protocol may be formulated in
various forms, for example as a covenant in the legal agreement between the Bank and Borrower, letter or memorandum of understanding, or as part of the minutes of negotiations.

28. The fiduciary systems assessment provides a reference for fiduciary systems performance during the PforR Program implementation and identifies actions, as needed, to enhance the fiduciary systems during PforR Program preparation and implementation (the latter are included in the PforR Program’s action plan). The fiduciary risks and proposed mitigation measures are inputs to the integrated risk assessment.

29. Environmental and Social Systems Assessment. The task team assesses the PforR Program Systems for managing environmental and social effects, taking into account, among other things, the capacity to plan, implement, monitor, and report on the environmental and social mitigation measures, the scope for improvements, and the risks and related mitigation measures.

30. The assessment, carried out in accordance with paragraph 9 of Section III of the PforR Policy, considers, as may be applicable or relevant under particular country, sector, or PforR Program circumstances, to what degree the PforR Program Systems:

(a) operate within an adequate legal and regulatory framework to guide environmental and social impact assessments at the PforR Program level;

(b) incorporate recognized elements of environmental and social assessment good practice, including: (i) early screening of potential impacts; (ii) consideration of strategic, technical, and site alternatives (including the “no action” alternative); (iii) explicit assessment of potential induced, cumulative, and transboundary impacts; (iv) identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized; (v) clear articulation of institutional responsibilities and resources to support implementation of plans; and (vi) responsiveness and accountability through stakeholder consultation, timely dissemination of the PforR Program information, and responsive grievance redress measures;

(c) include appropriate measures for the early identification and screening of potentially important biodiversity and cultural resource areas;

(d) support and promote the protection, conservation, maintenance, and rehabilitation of natural habitats; avoid the significant conversion or degradation of critical natural habitats; and if avoiding the significant conversion of natural habitats is not technically feasible, include measures to mitigate or offset the adverse impacts of the PforR Program activities;

(e) take into account potential adverse effects on physical cultural property and provide adequate measures to avoid, minimize, or mitigate such effects;

(f) promote adequate community, individual, and worker safety through the safe design, construction, operation, and maintenance of physical infrastructure; or, in carrying out activities that may be dependent on such infrastructure, incorporate safety measures, inspections, or remedial works as appropriate;
(g) promote the use of recognized good practice in the production, management, storage, transport, and disposal of hazardous materials generated under the PforR Program; promote the use of integrated pest management practices to manage or reduce pests or disease vectors; and provide training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in accordance with the relevant international guidelines and conventions;

(h) include adequate measures to avoid, minimize, or mitigate community, individual, and worker risks when the PforR Program activities are located in areas prone to natural hazards such as floods, hurricanes, earthquakes, or other severe weather or climate events;

(i) avoid or minimize land acquisition and related adverse impacts; identify and address economic and social impacts caused by land acquisition or loss of access to natural resources, including those affecting people lacking full legal rights to resources they use or occupy; provide compensation sufficient to purchase replacement assets of equivalent value and to meet any necessary transitional expenses, paid before taking land or restricting access; provide supplemental livelihood improvement or restoration measures if taking of land causes loss of income-generating opportunity (e.g., loss of crop production or employment); and restore or replace public infrastructure and community services that may be adversely affected by the PforR Program;

(j) undertake free, prior, and informed consultations if the Indigenous Peoples are potentially affected (positively or negatively), to determine whether there is broad community support for the PforR Program activities;

(k) ensure that the Indigenous Peoples can participate in devising opportunities to benefit from exploitation of customary resources or indigenous knowledge, the latter (indigenous knowledge) to include the consent of the Indigenous Peoples;

(l) give attention to groups vulnerable to hardship or disadvantage, including as relevant the poor, the disabled, women and children, the elderly, or marginalized ethnic groups; and, if necessary, take special measures to promote equitable access to the PforR Program benefits; and

(m) consider conflict risks, including distributional equity and cultural sensitivities.

31. The environmental and social systems assessment provides a reference that is used to monitor environmental and social systems performance during the PforR Program implementation, and identifies actions, as needed, to enhance the systems during the PforR Program preparation and implementation (the latter are included in the PforR Program’s action plan). The environmental and social risks, and proposed mitigation measures, as appropriate, are inputs to the integrated risk assessment. The assessment includes a review of the arrangements by which the PforR Program activities that affect communities will be disclosed, consulted upon, and subject to a grievance redress process. Measures to address consultation, disclosure and grievance should be appropriate to the activities to be supported under the PforR Program.

32. Before the PforR appraisal, and as part of the environmental and social system assessment, the task team makes the draft assessment publicly available. The task team
subsequently consults with the PforR Program stakeholders on the draft assessment. The Bank makes the final assessment publicly available. In addition, the PID, which is made publicly available at the concept and appraisal stages, includes information about the environmental and social issues related to the PforR Program.

**Integrated Risk Assessment**

33. At different points during the preparation of the PforR Financing and subsequently during the PforR Program implementation, the Bank prepares, with the Borrower’s inputs, an integrated risk assessment to identify the major risks that the PforR Program will not achieve its results. The Bank determines appropriate mitigation measures, and monitors the evolution of risks, the implementation of mitigation measures, and their impact, making adjustments as appropriate.

**C. Implementation Support**

34. **Signing.** After approval of the PforR Financing, the Bank arranges for signing of the legal agreements as soon as the signing requirements are met. If the legal agreements are not signed within 18 months following approval (or in the case of MPA Financing for which Board approval is not required, within 18 months following completion of negotiations), the Bank normally withdraws the offer of such financing. Exceptionally, Management may decide to provide the Borrower with additional time to sign.

35. **Effectiveness.** The legal agreements terminate if the conditions for their effectiveness, if any, are not met by the date specified in the agreements. When warranted, Management may decide to extend the effectiveness deadline; normally the deadline is not extended beyond 18 months after the PforR Financing approval. When the effectiveness deadline is extended, dated covenants whose dates fall before the new effectiveness deadline become additional conditions of effectiveness. Any decision by Management to declare the legal agreements effective or to extend the effectiveness deadline is taken before the expiration of the effectiveness deadline. Exceptionally, if the legal agreements have terminated for failure to become effective by the effectiveness deadline, Management may decide to reinstate such agreements with the Borrower’s agreement.

36. **Informing the Board.** For PforR Financing approved by the Board, Management informs the Board as part of regular operational reporting of the following: (a) withdrawal of the PforR Financing offer; (b) legal agreements that terminate for failure to become effective; and (c) terminated legal agreements that have been reinstated.

37. **Extensions Following Changes in Conditions Prior to Signing or Effectiveness.** If an extension of the deadline for signing or effectiveness involves a substantial departure from the conditions under which the PforR Financing was originally approved, the legal agreements are not signed or declared effective until Bank approval of the new conditions is obtained, through a restructuring.

38. **Borrower’s Role.** The Borrower is responsible for implementing the PforR Program, monitoring its progress, evaluating results on completion, and meeting the relevant contractual obligations (including the PforR Program action plan) set out or referred to in the legal agreements with the Bank. These responsibilities include the requirement to
maintain agreed fiduciary, environmental and social, and risk management systems, and to deal in a timely and effective manner with failures (individual or systemic) in these areas.

39. **Bank’s Role.** In providing implementation support to the Borrower in accordance with paragraph 14 of Section III of the PforR Policy, the task team pays attention to reviewing the monitoring and verification of the PforR Program’s results and DLIs, and the Borrower’s compliance with its contractual undertakings in the fiduciary, environmental and social, and risk management areas, including those related to the PforR Program’s action plan. The task team regularly assesses the PforR Program, taking into account the integrated risk assessment developed during the preparation stage, uses the risk assessment to respond to and assist the Borrower to respond to pre-identified and new risks, and recommends adjustments to the risk assessment, as may be appropriate. The task team undertakes field visits, liaises as necessary with relevant partners, provides appropriate support to the Borrower, and reviews the PforR Program audit reports and progress reports prepared by the Borrower. The task team regularly reports to Management on the PforR Program implementation by sharing the aide-mémoires that reflect review of documents, discussions with the Borrower and relevant partners, and visits to the PforR Program sites and facilities.

40. **PforR Program Financial Statements Audits.** Unless otherwise agreed by the Bank, the Borrower is required to submit annual audited PforR Program financial statements after the close of the Borrower’s financial year. Audits need to be carried out by auditors with independence, experience, and capacity acceptable to the Bank, and under terms of reference acceptable to the Bank. The Bank and Borrower agree on, and confirm in the legal agreement, the period for receipt of the annual audit reports.

41. **Cancellation.** The Borrower or the Bank may decide to cancel an amount of the PforR Financing in accordance with the provisions of the legal agreements. When the Borrower decides to cancel an amount of the PforR Financing, and gives notice to the Bank, the cancellation is effective as of the date of Bank receipt of the request. The Bank does not accept requests for retroactive cancellations.

42. If the Bank cancels an amount of the PforR Financing, the cancellation is effective as of the date of the Bank’s cancellation notice to the Borrower, except in the case of cancellation of the remaining unwithdrawn balance of the PforR Financing after the Closing Date, in which case the cancellation is effective on the latest of: (a) the Closing Date; (b) the final date for receipt of withdrawal applications by the Bank; or (c) the final date the PforR Financing account was charged for a disbursement or credited for a refund.

43. **Restructuring.** If, as part of PforR Program implementation support, the task team identifies, normally with the Borrower’s input, a need to restructure the PforR Program, the restructuring takes place in accordance with paragraph 19 of Section III of the PforR Policy.

44. **Additional Financing.** Additional financing may be provided by the Bank in accordance with paragraphs 21 and 22 of Section III of the PforR Policy. Approved additional financing is formalized through a separate legal agreement or, if appropriate, through amendments to the original legal agreement(s).

---

4 In the case of an MPA Program, canceled amounts of PforR Financing committed under the MPA Financing are available for recommitment by Management for new operations under the MPA Program.
45. **Fraud and Corruption.** The PforR Financing is subject to the ACGs. In providing the PforR Financing, the Bank has the right to investigate allegations of fraud and corruption in the PforR Program and to sanction parties engaged in sanctionable practices under the PforR Program.

46. **Remedies.** The Bank's legal remedies are specified in the legal agreements. If the task team identifies breaches in the Borrower's compliance with its contractual obligations, including undertakings in the fiduciary, environmental and social, and risk management areas, including those related to the PforR Program's action plan, the task team informs Management and makes appropriate recommendations. Management determines whether to exercise legal remedies in accordance with paragraph 15 of Section III of the PforR Policy. Normally, before exercising its remedies, the Bank provides the Borrower with an opportunity to take timely and appropriate corrective measures acceptable to the Bank.

47. **Change in Closing Date.** Upon a request from the Borrower, the Bank may decide to change the Closing Date. A Closing Date may be extended if: (a) the PforR Program development objectives remain achievable; (b) the performance of the Borrower remains satisfactory, and (c) the Bank and the Borrower agree on actions that will be undertaken by the Borrower to complete the PforR Program.

48. **Withdrawals after the Closing Date.** The Bank may decide, without formally extending the Closing Date, to disburse or approve the use of proceeds of the PforR Financing for withdrawal applications received within six months after the Closing Date for DLIs achieved by the Borrower prior to the Closing Date. Exceptionally, upon the Borrower's request, the Bank may decide to extend the period for receipt of such withdrawal applications.

49. **Closing the PforR Financing Account.** The Bank closes the PforR Financing account within two months after the deadline set by the Bank for receipt of withdrawal applications or, if no such additional period is granted, within two months after the Closing Date. Any undisbursed balance of the PforR Financing is cancelled.

50. **PforR Financings under Suspension of Disbursements.** If a suspension of disbursements is in effect on the Closing Date, any undrawn PforR Financing balance is normally canceled and the PforR Financing account is closed. Exceptionally, Management may decide to authorize a delay in canceling the balance and closing the PforR Financing account if suspension is likely to be lifted imminently and the PforR Program and/or country circumstances warrant such a delay. Once the Bank decides to lift the suspension, Management may decide to approve an extension of the Closing Date.

51. **PforR Program Completion Report.** The task team prepares an ICR (a) following completion of the PforR Program, or (b) in the case of an MPA Program following completion of the last operation in the MPA Program or after ten years from the date of signing of the first operation in the MPA Program, whichever occurs first. The ICR covers, among other things, the degree to which the PforR Program objectives and results have

---

5 The ACGs reflect Board-approved policies.
6 In this paragraph, "operation" means a PforR Program or a Project under Investment Project Financing.
been achieved and the overall PforR Program performance, including the achievement of the DLIs. The ICR incorporates the Borrower’s evaluation of the PforR Program and PforR Financing, as well as of its own performance and the performance of the Bank. The PforR Program implementation support and monitoring carried out by the Bank during the implementation period end at completion of the PforR Program.

Section IV – Waiver

A provision of this Directive may be waived in accordance with Bank Policy, “Operational Policy Waivers”.

Section V – Effective Date

This Directive is effective as of the date on its cover page.

Section VI – Temporary Provision

The limit on the combined amount of PforR Financing for prior results and advances as set out in paragraph 17 of Section III applies to all operations for which the decision review is held after March 1, 2018.

Section VII – Issuer

The Issuer of this Directive is the Vice President, OPCS.

Section VIII – Sponsor

The Sponsor of this Directive is the Director, Operations Policy and Quality Department.

Section IX – Related Documents

1. Bank Policy, “Program-for-Results”.
2. Bank Procedure, “Program-for-Results Financing”.
3. Bank Procedure, “Additional Financing for Program-for-Results Financing”.
4. Instructions for Suspension, Cancellation and Placement of Bank Loans in Nonperforming Status.
7. Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing.


Section X – Other Applicable Rules


Section XI – Revision History

1. The original BP 9.00, Program-for-Results Financing, was adopted February 2012.

2. BP 9.00 was revised in April 2013, to reflect the recommendations described in “Investment Lending Reform: Modernizing and Consolidating Operational Policies and Procedures” (R2012-0204 [IDA/R2012-0248]), which were approved by the Board on October 25, 2012. The revisions incorporated requirements previously captured in OP/BPs on signing of legal agreements, closing dates, suspension of disbursements, and cancellations.

3. This Directive replaced BP 9.00, to reflect the recommendations described in “Program-for-Results: Two-Year Review” (R2015-0060 [IDA/R2015-0052]) which were approved by the Board on April 9, 2015.

4. This Directive was updated to reflect the recommendations in (a) “Multiphase Programmatic Approach” (R2017-0159/4; IDA/R2017-0241/4) and (b) “Streamlining Restructuring Procedures for Investment Project Financing and Program-for-Results Financing” (R2017-0160/4; IDA/R2017-0242/4), which were approved by the Board on July 21, 2017.

5. This Directive was updated in March 2018 to reflect the addition of a limit on the combined amount of PforR Financing for prior results and advances; this is set out in the new paragraph.
17 of Section III. A footnote was added to paragraph 15 of Section III to clarify the application of the prior results limit in the case of additional financing.

Questions regarding this Directive should be addressed to Operations HelpDesk.