

**MULTIPHASE PROGRAMMATIC APPROACH**

**Operations Policy and Country Services**

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## ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AF	Additional Financing
AOB	Absence of Objection Basis
APL	Adaptable Programmatic Loan
BP	Bank Procedures
CCLIP	Conditional Credit Line for Investment Projects (IDB)
CD	Country Director
CODE	Committee for Development Effectiveness
COGAM	Committee on Governance and Executive Directors' Administrative Matters
CPF	Country Partnership Framework
DO	Development Objective
ED	Executive Director
E/L	Equity-to-Loan
ESF	Environment and Social Framework
FCS	Fragile, Conflict States
FCV	Fragile, Conflict and Violence situations
FY	Fiscal Year (IBRD/IDA)
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion and Results Report
ICT	Information, Communications, and Technology
IDA	International Development Association
IDB	Inter-American Development Bank
IEG	Independent Evaluation Group
IL	Investment Lending
INT	Institutional Integrity
IP	Inspection Panel
IPF	Investment Project Financing instrument
ISR	Implementation Status Report
MDB	Multilateral Development Bank
MFF	Asian Development Bank's Multitranches Financing Facility
MPA	Multiphase Programmatic Approach
MPL	Multiphase Lending (IDB)
MOP	Memorandum of the President
OP	Operational Policy
OC	Operations Council
OPCS	Operations Policy and Country Services Vice Presidency
PAD	Project/Program Appraisal Document
PCR	Project Completion Report (ADB)
PDO	Project Development Objective
PrDO	Program Development Objective
PforR	Program for Results (financing instrument)
PPF	Project Preparation Facility
ROC	Regional Operations Committee
RVP	Regional Vice-President
SCD	Systematic Country Diagnosis
SoP	Series of Projects (IPF)

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# MULTIPHASE PROGRAMMATIC APPROACH

## I. INTRODUCTION

1. ***This paper proposes a new Multiphase Programmatic Approach (MPA), which would allow Bank clients to structure a long, large, or complex engagement as a set of smaller linked operations (or phases), under one Program.*** It recommends that under the MPA, Executive Directors would approve the overall Program framework and financing envelope for the Program, and would then authorize Management to commit the financing for the MPA Program phases. In addition, this paper recommends policy modifications to Investment Project Financing (IPF), including IPF Guarantees, and Program-for-Results Financing (PforR) instruments<sup>1</sup> needed to implement the MPA.
2. ***The paper also explains the rationale for the policy modifications*** based on the growing importance of adaptable design and learning from implementation, as well as other benefits of ‘phased borrowing’ to both the Bank and clients. This proposal responds to Management’s commitment under the *Forward Look*<sup>2</sup> to become more agile allowing the Bank to tailor approaches to program complexity, size, and risk (see Annex A for a summary of the Bank’s agile initiatives). The MPA builds on the experiences of the Bank and other Multilateral Development Banks in this type of phased lending approach.
3. ***The paper is organized in five sections.*** Section II presents the development context for the MPA; Section III discusses MPA structure, as well as lessons learned from the design of previous instruments used by the World Bank and other Multilateral Development Banks (MDBs); Section IV presents proposed policy modifications; and Section V sets out Management’s recommendations for approval by the Executive Directors and next steps.

## II. DEVELOPMENT CONTEXT

4. ***As noted in a 2015 Independent Evaluation Group (IEG) report, the Bank needs to be adaptive to meet the need of its clients.*** Lessons learned in the process of managing projects can spur course corrections in the life of a single project, or over the course of a series of projects. The report also notes that piloting problem-driven solutions during the implementation phase can help to better fit the project to the local context.<sup>3</sup> Analytical work in this area, including by the Governance and Trade and Competitiveness Global Practices, highlights the difficulty of designing solutions ex-ante, as not all factors can be anticipated or held constant. Adaptive processes allow for adjusting solutions to local context through: (i) piloting approaches to test

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<sup>1</sup> The MPA does not include Development Policy Financing.

<sup>2</sup> *Forward Look – A vision for the World Bank Group in 2030 (DC2016-0008)*, September 20, 2016.

<sup>3</sup> “*Learning and Results in World Bank Operations: Toward a New Learning Strategy*,” Evaluation 2. IEG, World Bank, 2015.

assumptions and fit; (ii) heavy investment in monitoring, feedback, and learning; and (iii) course corrections during the reform process as needed.<sup>4</sup> They are analogous to “design thinking,” prevalent in private sector industry, which, though much shorter term, similarly emphasizes starting with a prototype, and then using frequent incorporation of user feedback to improve the original design.<sup>5</sup> This process of piloting and learning is more likely to be effective when complex or long-run undertakings are broken up into shorter components, with periodic formal openings for evaluation and adjustment.

**5. *Adaptive models allow for more effective learning and knowledge-sharing across projects.***

During implementation, teams may find that there are previously unsuspected, but necessary, steps which would require changes in approach. For this reason, adaptive models<sup>6</sup> emphasize not only the setting of framework goals, but also the need to extend sufficient autonomy to those responsible for meeting them. Ensuring this knowledge is captured effectively and used not only for a specific project but for similar projects is essential. Adaptation and learning also depend on the stability of Bank and counterpart teams, and mechanisms for transferring practical knowledge from outgoing to incoming staff, especially if lessons are to be transferred across projects and institutionalized. For these reasons, opportunities for learning are likely to be improved when projects are part of a framework that provides greater assurance of continuity than a series of standalone operations.

**6. *The Bank has a record of using programmatic approaches to address long-term development challenges through Adaptable Programmatic Loans (APLs).***

As described later in this paper, APLs were in general effective in integrating interventions around a common objective and incorporating lessons learned into subsequent rounds of design, but their use declined for reasons unrelated to development effectiveness (see paragraphs 15-16). The MPA preserves the adaptive advantages of APLs while addressing the challenges that undermined their appeal.

**7. *The MPA would allow for more efficient use of financial resources for both the Bank and clients.*** As a result of breaking down a single loan into phases, Bank clients can match borrowing more closely with financing needs, thereby using IBRD and IDA allocations more efficiently. To the extent that the lending space related to the uncommitted portion of the overall financing envelope of an MPA is reallocated for other projects, there would be an increase in the average rate of disbursement on committed loans.

**8. *The “adaptive approach” also strengthens the potential for crowding in other sources of capital to support development objectives (the “Cascade”).*** The Bank already acts to improve the conditions for private investment in a range of sectors through support for macro-fiscal

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<sup>4</sup> See *inter alia* Andrews, Matthew, Lant Pritchett and Michael Woolcock. “Escaping Capability Traps through Problem-Driven Iterative Adaptation.” Harvard Kennedy School Faculty Research Working Paper No. RWP12-036, 2012; Blum, Jurgen, et al., “Public Sector Management Reform: Toward a Problem-Solving Approach,” December 2012. See also Bain, Katherine, “Doing Development Differently at the World Bank”, Overseas Development Institute, 2016; and Jordan, Luke and Katerina Koinis, “Policy Studies (70): Flexible Implementation: A Key to Asia’s Transformation,” World Bank and East-West Center, 2014.

<sup>5</sup> Brown, T. and J. Wyatt, “Design Thinking for Social Innovation”, in Stanford Social Innovation Review, Winter, p.30-37, 2010.

<sup>6</sup> Sabel, Charles and Jonathan Zeitlin, “Experimentalist Governance”, David Levi-Faur (ed.), in the Oxford Handbook of Governance, 2011.

management, local capital market development and broad-based investment climate reform; it also helps improve rules for private service provision at the sector level. The MPA could provide a framework for engagement by other lenders even beyond the duration of Bank financing. It would be possible, for instance, for the Bank to prepare an MPA Program and mobilize commercial financing for the first phase of an infrastructure program, or for other MDBs, commercial lenders, private investors, or private companies to finance and implement subsequent phases – benefiting from the Bank’s capacity to assess program benefits and risks up front and to induce private participation, including through guarantees.

### III. THE MULTIPHASE PROGRAMMATIC APPROACH

#### A. Structure of the Multiphase Programmatic Approach

9. *Based on the lessons from development experience, Agile Pilot consultations, and client demand, the MPA was developed to provide an adaptive and programmatic approach* which would allow clients to structure a long, large, or complex engagement as a set of smaller linked operations (or phases) with intermediate shorter-term targets.<sup>7</sup> The MPA approach would be appropriate only for programs with scalable, modular phases, each of which would have self-standing results. For example, a road corridor of 600 kilometers could be split into three smaller projects of 200 kilometers each, whereas a large bridge project cannot be split up into self-standing modules. The structure of the MPA conforms to successful cases of adaptiveness – with an initial setting of framework objectives and metrics for gauging their achievement, followed by a period of implementation that allows for technical innovation by project teams subject to their meeting these objectives, and subsequent break-points for evaluation and adjustment. Furthermore, by assuring greater continuity of engagement than under a series of standalone projects, the MPA may also alleviate what IEG identified as a key constraint on learning: the tendency to lose staff on counterpart teams, especially when there is uncertain funding, and absence of provision for communicating lessons learned from outgoing to incoming staff.<sup>8</sup>

10. *Under the proposed approach, Management would request Board approval of the financing envelope to support the development objectives and causal chain for the entire Program.* At the same time, the first phase would be prepared and presented using the same documentation as currently required under Bank policies. Bank Management would be authorized to commit the financing for all phases, as long as each phase is consistent with the Program Financing approved by the Board. Such authorization, combined with streamlined processing steps and simplified documentation, are expected to decrease project processing time for subsequent phases (see Annex

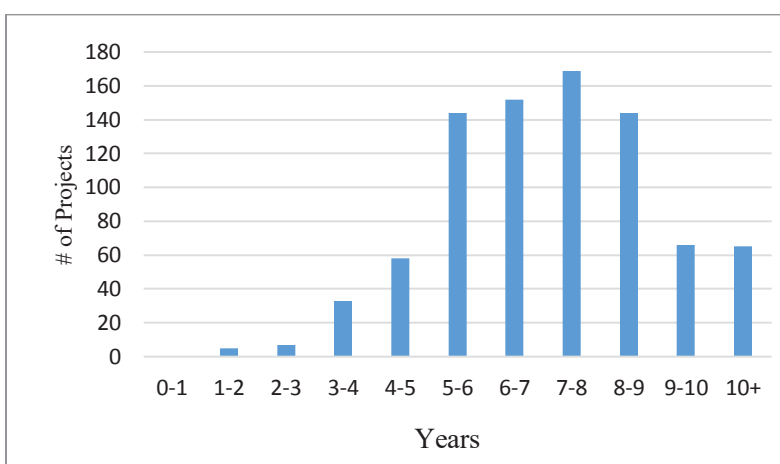
<sup>7</sup> In this document, “phases” under an MPA Program are standalone IPF/PforR operations for which the financing is committed by the management by signing a legal agreement. Relevant IPF/PforR policies, procedures and directives apply.

<sup>8</sup> “*Learning and Results in World Bank Operations: Toward a New Learning Strategy*,” Evaluation 2. IEG, World Bank, 2015.

B for a comparison of the differences in the appraisal documentation between the first and subsequent phases of an MPA Program).

11. *Currently, IPF projects take an average of seven years<sup>9</sup> for implementation, but almost one-third take more than eight years from Board approval to project completion (see Figure 1).* MPAs would be primarily focused on dividing longer duration projects into smaller operations. Since the later phases in an MPA would be prepared during the implementation of the preceding phase, and they may overlap, it is expected that an MPA Program would run approximately the same length as the current “complex” projects (see Figure 2). An MPA Program would be expected to last about eight to ten years (less than the current Series of Projects (SoP)).<sup>10</sup>

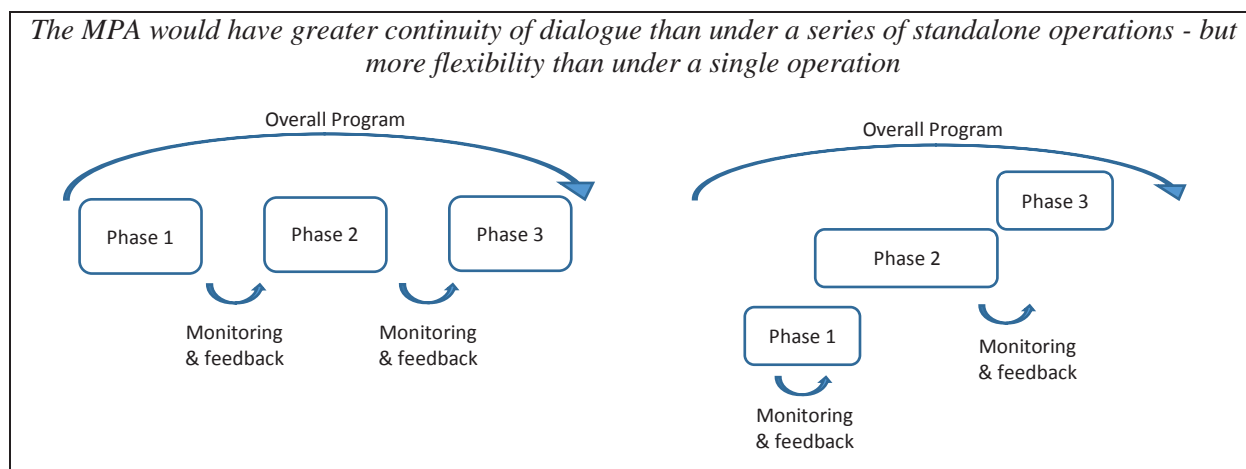
**Figure 1: Duration of IPF Projects Exiting in FY12-16 (Board Approval to Completion)**



12. *Under the MPA, the program framework, the overall financing envelope, program development objectives, and anticipated scope would be presented to the Board.* Consider, for instance, the case of a \$1 billion financing envelope that is intended to finance four phases of a program with each phase estimated to provide \$250 million. The documentation submitted to the Board would describe the anticipated scope of the entire program of \$1 billion over the four phases. The first phase would be presented in detail in line with current requirements. Approval would be sought for the full financial envelope and scope of the entire MPA Program. However, unlike current practice, the Bank would only sign a legal agreement for the first phase (\$250 million) as only the first phase would have been appraised and negotiated with the borrower.

<sup>9</sup> For projects exiting FY12-16, the average IPF project length from Board approval to project closing was 7.1 years; 32.6 percent of projects took more than 8 years. These figures do not include data for PforR projects; as PforR is a relatively new instrument, no PforR operations had closed by FY16.

<sup>10</sup> *Investment Project Financing, Series of Projects Guidance Note, (OPCS, 2014).* SoPs are expected to last eight to fifteen years, with a targeted length of ten to twelve years. The expectation is that since the MPA would be substituting for one large complex project, the MPA length would be similar. To the extent that the MPA substitutes for Series of Projects, the expectation is that since the MPA will have more overlapping or simultaneous phases, the overall program would be shorter.

**Figure 2: Embedding Feedback and Learning in the MPA**

13. *The program documents would clearly specify that financing for all future phases is indicative* and would be made available only if implementation progress is satisfactory and only if the Bank (IDA or IBRD) has the financial capacity to provide the financing. The authority to commit financing for each phase would rest with Management as long as these phases continue to be consistent with the overall objectives and scope as approved by the Board, and adequate IBRD or IDA allocations are available.<sup>11</sup> Separate legal agreements would be signed for each phase. The current reporting requirement to the Executive Board would not change, and the Executive Directors would be notified each time an invitation to negotiate is sent to the borrower and after each legal agreement is signed.

## B. Lessons from Experience

14. In developing the MPA, Operations Policy and Country Services (OPCS) reviewed experiences from previous Bank instruments, as well as similar instruments from other development banks.

15. *The Bank had previously used a programmatic financing instrument, Adaptable Programmatic Loans (APLs), from FY97-FY13.* An OPCS review in 2017 found that APLs worked well in terms of client engagement around a long-term perspective on sectoral reform. They tended to work best when supporting an acknowledged government program – the largest single use was for Sector-wide Approaches (SWAs). In general, APLs fostered strong partnership, and as noted in Box 1, they could be conducive to learning. The lessons from IEG

<sup>11</sup> Management would ensure that approval of additional phases is consistent with the borrowing status of the country. For example, if lending to a country is suspended, no further phases would be approved until suspension is lifted. Management would seek guidance from the Board if borrowing status is not clear.



evaluations point to the importance of Government ownership and the important of systematically incorporating lessons learned into the design of subsequent phases. When APL series were not successful, several recurring factors were identified. APLs required ex-ante identification of triggers at the design stage that were often too rigid or not appropriate with the passage of time. In some cases, an overly complex program design, combined with a lack of readiness on the part of clients to take difficult decisions necessary for program success, stopped the series after the first project. Another factor was changing priorities; new governments would sometimes opt for Bank support to address other concerns. Moreover, APLs did not lead to significant reductions in processing time or preparation costs compared to standalone projects. Subsequent phases followed the same preparation and approval requirements as the first, except for the option of approvals by the Board on an Absence of Objection Basis (AOB).

### **Box 1: Adaptiveness in Bank Operations – A Mixed Record**

A well-designed APL could successfully incorporate learning and adaptiveness. One example was the Nutritional Enhancement Program in Senegal, which aimed to improve the nutritional status of vulnerable populations, notably children, through community-based and multisector support. The first phase began in 2002 and was designed to develop strategies and demonstrate results, including through independent impact evaluation. The second phase ran from 2007 to 2012 and expanded the scope of support. In its *Project Performance Assessment Report: A Decade of World Bank Support to Senegal's Nutrition Program (2016)*, IEG rated the program outcome as highly satisfactory. Among the features it singled out were the simultaneous piloting of a variety of interventions to determine the most cost-effective approach and the use of monitoring and evaluation data to inform decisions in the field – both hallmarks of an adaptive approach. The ICR for the first phase also noted the contribution of the APL to consolidating what had previously been a series of small-scale and time-bound interventions to address malnutrition.

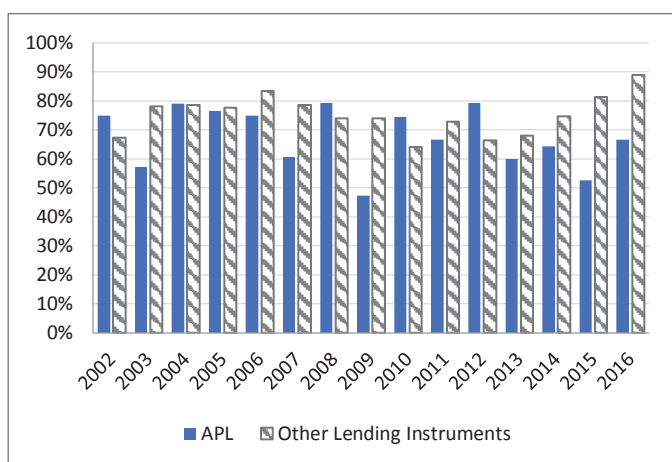
In contrast, experience shows that standalone engagements outside a comprehensive framework may lead to disappointing results. For example, a 2015 IEG evaluation (see footnote 3) found cases where projects in the same sector did not incorporate lessons into the supervision record or subsequent rounds of project design, and systematic learning did not occur. In Morocco, where the Bank has a 20-year history of involvement in the water sector, different approaches have been tried – infrastructure provision, participatory governance and output-based aid - but the whole remains less than the sum of the parts. What was lacking was a framework for integrating disparate interventions around a common goal. ‘Without looking at land acquisition, sanitation practices, water costs, distribution networks, and agricultural practices... we cannot hope to make the right policy choices,’ observed a government official.

**16. *The use of triggers for later stages of the APLs limited the flexibility of the instrument, and overall performance of APLs lagged standalone projects (Figure 3).***<sup>12</sup> Over time, as the use of AOB for standalone projects became more common, the use of APLs declined. Additional Financing, with its streamlined processes, also became more commonly employed. Projects that were the first phase of new APLs represented nine percent of total investment lending financing

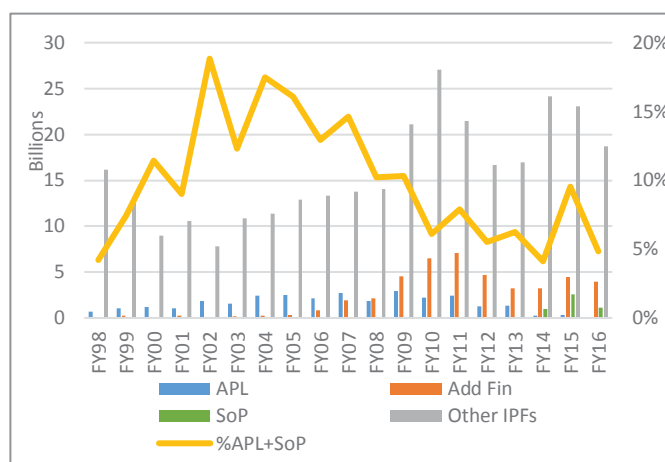
<sup>12</sup> At the time of the FY13 investment lending reform, extensive internal and external consultations were carried out, and triggers were repeatedly raised as an impediment for APLs. As cited in the Board paper, “*Investment Lending Reform: Modernizing and Consolidating Operational Policies and Procedures*,” World Bank, 2012, “In a rapidly changing world, the use of triggers for later operations has proved unwieldy and is dropped in favor of policy and procedure similar to the well-functioning practice for additional financing.”

in FY00-02, but only two percent of total investment lending in FY10-13 (Figure 4). As part of the FY13 investment lending reform, all separate forms of investment support, including APLs, were consolidated under IPF. In addition, under the Investment Lending (IL) reform, the Bank introduced the options of a Series of Projects (SoP), which shares some characteristics with the MPA. SoPs are still relatively new, and none have yet closed. One key difference with the proposed MPA is that the MPA would enable clients to use a mix of financing instruments, while SoPs are only for IPFs. Another difference is the proposed MPAs would have a more streamlined processing procedure.

**Figure 3: APL vs Other Instruments: % of Projects with Satisfactory IEG Outcome Ratings**



**Figure 4: APL/SOP Approvals Relative to Other Investment Lending (IBRD, IDA)**



17. *The Inter-American Development Bank (IDB) has two types of programmatic products.* The first product, the Multiphase Loan (MPL), is similar to APL, and provides an overall goal and conceptual framework, which is executed through several related projects. The IDB Board approves the overall program and the first phase, with performance-based triggers defined for subsequent phases. These subsequent phases require somewhat simpler documentation and follow a five-day AOB approval process, or ten days in the case of a project requiring an environmental impact statement.<sup>13</sup> Between 2000 and 2016, 124 multi-phase loans were approved (82 first phases), with an average size of \$98.7 million and a total of \$12.2 billion, mainly in the social development sectors. After an initial strong start, with MPLs representing 13.5 percent of total IDB sovereign lending from 2000-2009, demand tapered off. There have been only two new MPLs since 2013.

18. *IDB introduced a second product, the Conditional Credit Line for Investment Projects (CCLIPs) in 2003.* CCLIPs support well-performing institutions by providing a long-term credit line, with a clear ceiling amount for the program, which borrowers draw on for projects, subject to agreement by IDB. Subsequent loans require fewer missions and less preparation time, as a Project Profile (analogous to the Bank’s Project Concept Note) is not required. Clients see an advantage

<sup>13</sup> “Flexible Lending Instruments”, Inter-American Development Bank, March 2000 (valid 2017).

in that parliamentary borrowing approval normally covers the entire program, as opposed to individual projects. The IDB has financed 136 projects under CCLIPS, totaling \$22.7 billion. Since 2010, CCLIPs have accounted for 15.9 percent of overall IDB sovereign lending, versus 3.7 percent for Multiphase lending. A review of published Project Completion Reports (PCRs) indicates that MPL performance is similar to that of other IL, and that CCLIPs perform slightly better.<sup>14</sup>

**19. *The reasons for the decline in the use of MPLs appear to be similar to the APL.*** The use of pre-defined triggers did not allow for flexibility and adaptability in either case. In addition, the availability of a more streamlined product (CCLIPS in the case of the IDB, and additional financing in the case of the Bank), meant that there were few processing advantages to using the MPL and APLs, respectively.

**20. *The Asian Development Bank (ADB) offers a Multitranche Financing Facility (MFF).*** For each facility, an overall amount is approved by the ADB Board; the first phase is fully appraised, and negotiated, and is presented to the Board for approval at the same time as the overall facility. Later tranches, often prepared with funds included in earlier tranches, are approved by ADB Management.<sup>15</sup> Between 2005 and 2015, about a quarter (\$42 billion) of ADB sovereign financing was in the form of MFF tranches, mainly for infrastructure investments (water, energy, transport and Information, Communications, and Technology (ICT) accounted for 82 percent of MFF tranche lending from 2005-15; see Figure 5).<sup>16</sup> The average size of an MFF has varied from approximately \$350 million to \$800 million, while individual tranches average \$125 million. The average duration of a facility is about eight years. The ADB reports that it provides greater flexibility, predictability and continuity to clients.<sup>17</sup> Given the long-term nature of these products, there is limited data on completed projects, but preliminary evaluation data on MFF phases indicate that the MFF phases are performing better than non-MFF projects (83 percent satisfactory for MFF phases, versus 72 percent for non-MFF projects in FY 2013-15).<sup>18</sup> Lessons from an evaluation of the MFF include the usefulness of the client having a sector roadmap as well as efforts to assess client capacity to manage longer term engagements<sup>19</sup>.

**21. *ADB's and IDB's multi-phase approaches both encourage private sector engagement.*** ADB sets private sector engagement as a clear priority in its MFF instrument. The enhanced policy dialogue and agreed policy framework inherent in MFFs have been especially useful in attracting private sector participation, notably by improving legal and institutional frameworks in the transport and electricity sectors. For example, the India Infrastructure Financing Facility directly

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<sup>14</sup> OPCS conducted a review of published Project Completion Reports (PCRs) for 206 IDB projects closed in FY12-16. On a scale of 1-4 (with 1 being the top rating); CCLIPs averaged a rating of 1.83, MPLs averaged 1.94, and all other sovereign ILs averaged 1.93.

<sup>15</sup> Operations Manual—Bank Policies, OM Section D14/BP, Asian Development Bank, February 17, 2015.

<sup>16</sup> *Multitranche Financing Facility, Annual Report 2015*, Asian Development Bank.

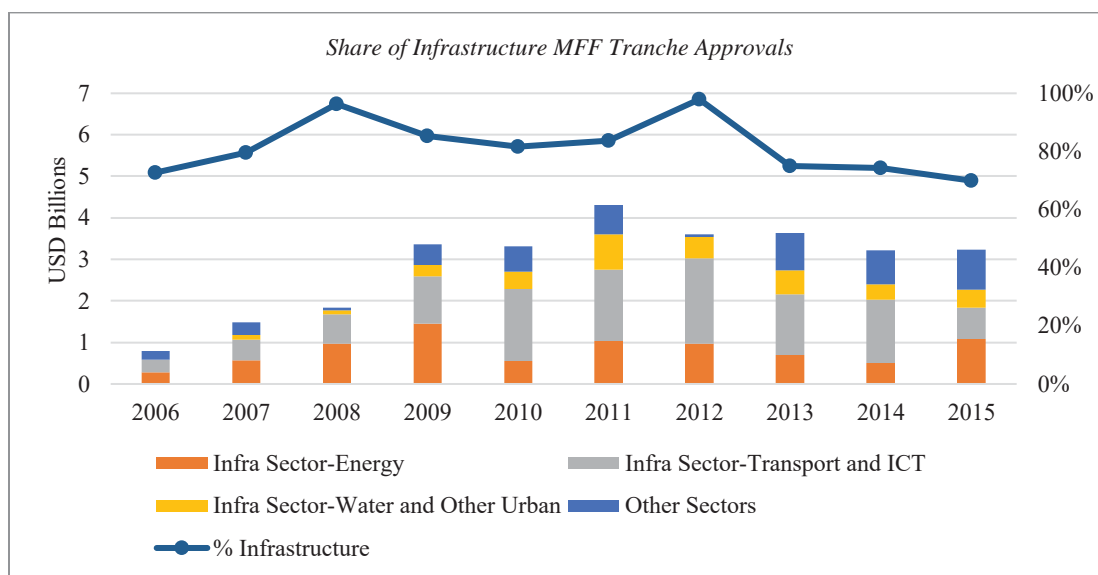
<sup>17</sup> *Ibid.*

<sup>18</sup> Staff estimates of MFF success rates from published ADB Independent Evaluation Department Project Validation Reports.

<sup>19</sup> “*Real-Time Evaluation Study of the Multitranche Financing Facility*”, Independent Evaluation, ADB (PVR-348), 2012

supported the government’s infrastructure development agenda, which was anchored in increasing private sector participation in infrastructure via PPPs. It was rated highly effective in achieving that goal; the MFF facility totaled \$500 million across two projects, and leveraged \$5.5 billion in investment through 30 projects in roads and airports.<sup>20</sup> Other projects cited in the ADB’s Real Time Evaluation of MFF, included the Energy MFF in Pakistan, which promoted private sector engagement in renewables, and the Energy MFF in Afghanistan, which also mobilized private sector investment.

**Figure 5: ADB’s MFF Lending by Sector**



22. *The IDB’s most recent institutional strategy update<sup>21</sup> stresses the importance of the IDB’s catalytic role in leveraging its resources, notably drawing in private sector investment.* While emphasizing this role across all its instruments, several CCLIPs have the explicit aim of mobilizing private sector financing. Examples include: (i) the Brazil CCLIP for Financing Productive and Sustainable Investments, which promotes higher participation of private investments in infrastructure financing, investments in sustainable energy projects, and SME investments; (ii) the Mexico CCLIP supporting mortgage market development and increased private sector participation in housing finance; (iii) the Colombia CCLIP supporting a program for financing public service providers, with complementary cofinancing from the private sector; and (iv) the Peru National Highway System Five-Year Infrastructure Program CCLIP, which set out to increase private sector participation in the operation and maintenance of road networks.

23. *In designing the MPA, the Bank has sought to use the lessons from these experiences by introducing features that would make it more useful to clients and staff.* In reviewing the instruments, improved flexibility, streamlining of documentation, and increased delegation of

<sup>20</sup> *Ibid.*

<sup>21</sup> *Update to the Institutional Strategy*, Inter-American Development Bank, 2015, page 12.

authority appear to have helped make the ADB’s MFF and IDB CCLIP remain relevant and in demand, whereas demand for MPLs and APLs diminished over time. The proposed MPA differs from the earlier APLs in: (i) removal of the use of triggers, which had increased rigidity instead of supporting adaptability; (ii) streamlined processing and decision-making; and (iii) simplified documentation for subsequent phases (Annex B). In addition, like the MFF, the MPA would allow client preparatory work for subsequent phases to be done as part of preceding phases. Finally, to support complementary initiatives, the MPA would allow for the blending of IPF, PforR and project-based guarantees within a single Program, while the earlier approaches were restricted to IPF.

**24. *The MPA would complement Additional Financing, restructuring, and Series of Projects.***

As shown above in Figure 4, AF remains a useful tool, and it will continue to be available for standalone IPF, PforR and for MPA.<sup>22</sup> AF has averaged 13.5 percent of approved commitments over the last five fiscal years, as AF is used to bridge a financing gap arising from cost overruns, accommodate the cost of any additional activities after restructuring, and scale up successful interventions.<sup>23</sup> Restructuring is important in providing the flexibility to adapt an ongoing operation and would be retained under MPA to improve the performance of individual phases. Restructuring does not, however, facilitate the transition from one phase to another, nor does it strengthen the coherence of activities directed towards a common programmatic goal. SoPs have many similarities with MPAs, but the proposed MPA processing would be more streamlined and would allow for a wider mix of instruments.

### C. Types of MPA Engagements

**25. *One type of MPA - the “sequential” MPA - would be useful in supporting interventions that are scalable in nature, or that follow a causal chain, but require more than one project or program cycle to achieve overall results.*** Typically, the ‘sequential MPA’ would apply to a single borrower in a specific sector. A large roads development program, for example, might usefully be divided into two or more phases, each covering a different geographic area. Rather than preparing either a single operation or a succession of standalone operations, the client would instead prepare the first phase for one region, and conduct a needs analysis and feasibility studies for subsequent phases. The advantage of the MPA would lie in: (i) the ability to start the first phase when it is ready, while continuing preparation of later phases with more assurance of continuity than under a series of standalone projects; (ii) a better matching of financial commitments to the timing of expected expenditures and institutional capacity, thus reducing undisbursed balances; and (iii) the opportunity to incorporate practical lessons learned into later phases – for example, new cost-

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<sup>22</sup> Board approval for AF for MPA programs would be required if the proposed amount exceeded the original financing approved by the Board.

<sup>23</sup> OPCS analysis for this paper suggests that out of all IBRD and IDA IPF and PforR operations approved between FY07 and FY16, 334 (13.5 percent) had received AF through the end of FY16. Of those, 284 (85 percent) used AF for scaling up. A total of 44 projects received two or more AFs during the period, and 22 IPFs used AF to support an APL phase.

effective road designs, or acquired knowledge of the local market for construction services – contributing to better development outcomes.

**26. *Phases should be adapted to circumstances, as long as the activities are consistent with the original program’s development objective (PrDO).*** A key benefit of the MPA would be to allow for adaptive learning, and for the phases to adjust based on lessons from earlier and ongoing phases. For example, for a program on basic health services that is expected to be rolled out in several regions, Phase 1 might offer delivery of services through in-hospital care, local clinics, or mobile health workers. Lessons from Phase 1 might show that using mobile health workers has the most impact; subsequent phases could then be structured to strengthen the focus on training, equipping, and mobilizing more mobile health workers, while reducing spending on hospitals and clinics. There would need to be a clear ‘line of sight’ between the overall PrDO and individual phase PDOs as is currently the case for Series of Projects.

**27. *Another type of MPA - the “parallel” MPA - could be used to support a multi-sectoral objective based on a common analytical diagnosis.*** For example, a program could be designed to reduce malnutrition in children and adolescents. Phase 1 could be a project to increase access to clean water and sanitation, Phase 2 could introduce hygiene and nutrition into school curricula, and Phase 3 could provide nutrition supplements and other basic health care. The program would provide an overall development framework for integrating disparate interventions around a common goal, which would address one of the weaknesses found by IEG in its *2015 Review of Learning and Results in Bank Operations*.

**28. *The “parallel” MPA phases can also be designed to have one over-arching development objective for connected projects in multiple countries.*** For example, a road corridor connecting more than one country, or a pandemic response program, could use an MPA. The MPA would provide a platform for high-level policy and regulatory harmonization, cooperation, and coordination between countries. Parallel MPAs could also be used as a platform for projects of a similar nature across countries. For example, the Board might approve an MPA supporting an off-grid solar energy project in one country, with the understanding that Management would be authorized to commitment financing for “repeater” phases in other countries. The Board would also approve the list of countries with ceilings on commitment amounts at the time of the MPA approval. Addition of a new country would require approval of the Executive Directors.<sup>24</sup> (See Figure 6 for examples of different types of MPAs).

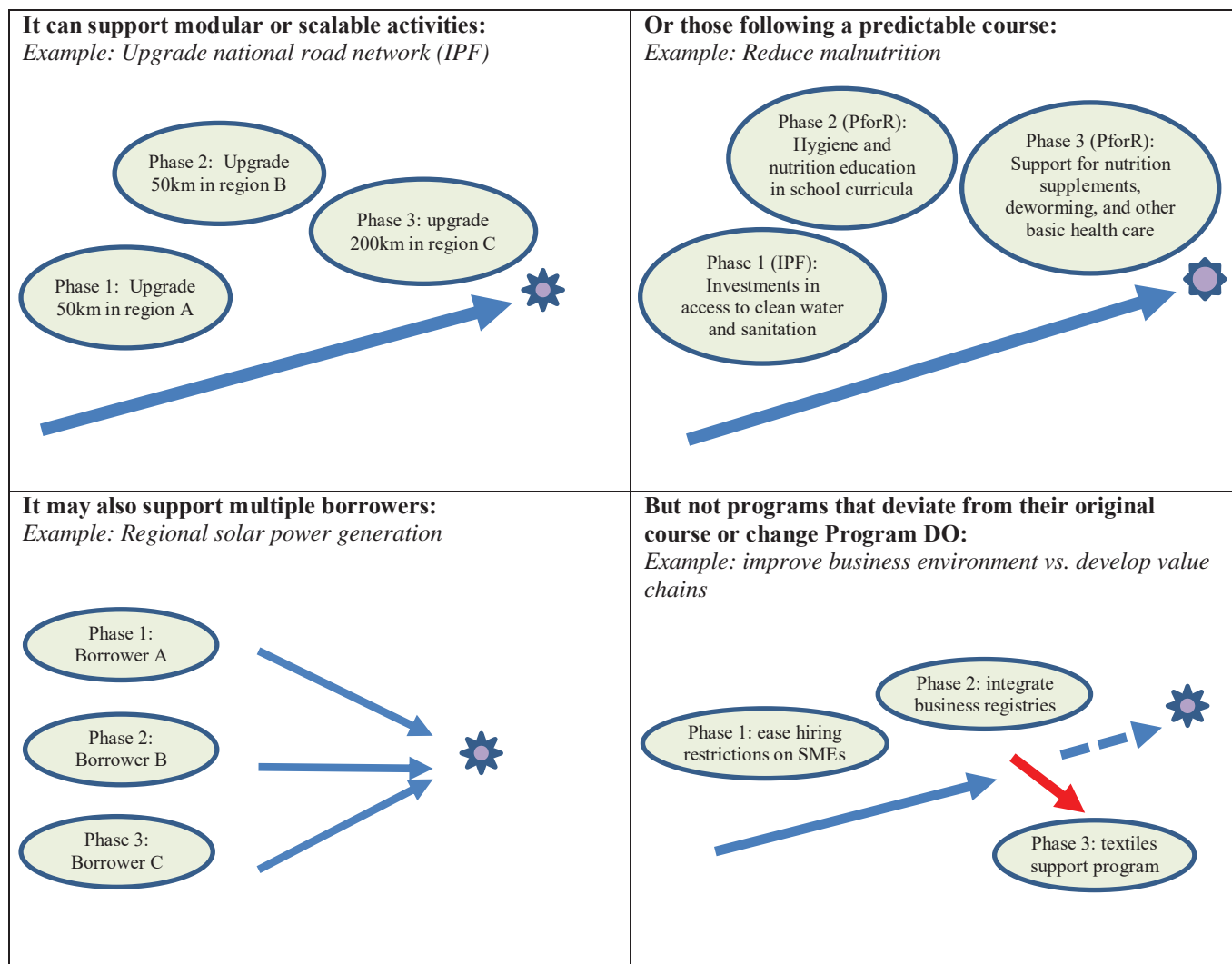
**29. *The MPA would also allow for the blending of financing instruments across phases.*** The Bank’s financing instruments provide complementary attributes in addressing development challenges. IPFs finance investment expenditures, PforRs disburse when agreed results are achieved, and project-based guarantees can crowd in the private sector. The MPA would support combinations of IPFs (including project-based guarantees) and PforRs, when incorporating them

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<sup>24</sup> Guidelines would advise teams to structure programs as two to four phases, with an expected duration of eight to ten years (see footnote 8 for discussion of length of SoPs). There would be cases, however, where the number of phases may exceed four, especially for multi-country parallel MPAs (see Figure 6).

within a standalone IPF or PforR operations would not be feasible. For example, a power sector program to expand and improve power generation and distribution could use IPFs, project-based guarantees, and PforRs, under a single MPA to support sequential, or simultaneous phases over a long term: Phase 1 could be an IPF for generation; Phase 2 could use an IPF guarantee to crowd in private sector financing for generation; Phase 3 could use an IPF for transmission expansion; and Phase 4 could use a PforR to help fund the government’s program to expand access to power.

**Figure 6: Illustrative Examples of MPAs – When Would an MPA be Used?**



30. *The MPA phases require a clear line of sight between activities, intermediate targets, and the ultimate Program Development Objective (PrDO).* For example, an MPA designed to improve secondary education outcomes cannot change to early childhood development. In such cases, the existing MPA Program would be discontinued, and a new MPA program, or a traditional IPF/PforR operation, would be developed and brought to the Board for approval. However, as

long as the PrDO remains unchanged, the proposed MPA would permit management to alter the individual phase, or project development objectives.

## Box 2: Using the MPA to Support Guarantee Operations

For guarantee operations involving private sector projects, the government requests the guarantee, but project development is driven by the private sector developer. There have been a number of operations where the government decides to offer a World Bank guarantee for a pipeline of likely sub-projects, but the identity of the first mover sub-project, and the order in which projects will be appraised will only become clear later. This has been the case with power generation projects in the gas sector (Nigeria P114277, P126190, and P12027), fuel oil and geothermal (Kenya P122671), renewable power (Uganda P133318), and most recently, solar power (Zambia P157943, Ethiopia *under preparation*). In these cases, the Project Concept Note has encompassed a broad ranging discussion about the various projects that may be supported by the guarantees being offered – and the guarantee term-sheet has been prepared in a manner that could be offered for the various sub-projects.

Currently, the lack of a streamlined process to approve subsequent sub-projects, after the first-movers, has been problematic. Processing has taken a number of forms. In Nigeria, the first operation was prepared as a series of operations, where approvals for the first sub-projects followed normal procedures, and the subsequent sub-projects followed the same due diligence and safeguards requirements with Board approval using AOB. The second operation followed the Additional Financing process. The most recent approach, employed in Zambia, is for the first Board PAD to include the initial sub-project, and it is envisaged for subsequent sub-projects to follow normal Additional Financing procedures. For cases such as these, a multi-phase approach would offer a clearly understood procedure for approving subsequent phases as they are prepared and appraised. In addition, since the Guarantees for the sub-projects may be “repeater” projects, documentation and approval would be streamlined under the MPA, allowing a much more efficient and agile response to private sector investors.

## D. Benefits

### 31. *The MPA can help improve coherence across interventions and strengthen strategic focus.*

By integrating elements of dialogue that would otherwise be confined to individual operations, the MPA, whether sequential, simultaneous or both, could strengthen the coherence of associated interventions. In addition, by providing an explicit long-term focus, it may contribute to building consensus around programs that cut across multiple sectors, multiple borrowers, country political cycles and require the support of more than one party or administration.<sup>25</sup>

32. *By separating engagements into phases, the MPA can potentially facilitate greater learning and adaptation.* Designing subsequent phases based on the lessons from preceding phases will be important for overall Program outcomes. These natural “points of reflection” are critical to the success of the adaptive model, as they require teams to review progress to date and to use the lessons learned to help improve the program, including possibly scaling-up current approaches, or introducing new approaches. The documentation for moving to subsequent phases would need to explicitly lay out lessons learned, and implications. This process could also lead to an informed decision to cancel an underperforming program.

<sup>25</sup> For example, a government could request a MPA that benefitted several states, even though the first phase might be targeted toward only one state with a planned rollout to other states in subsequent phases.



33. ***The MPA can improve the flexibility of the Bank’s lending program and improve alignment with the Systematic Country Diagnosis (SCD), Country Partnership Framework (CPF), and client priorities.*** Currently, approval of a large single project can “lock-in” funding for its entire duration. The project design may lose relevance if country circumstances change. Under the MPA, the relevance of each phase would be reviewed in the context of the then-prevailing SCD and CPF, and “course corrections” could be made to the MPA Program, including, if needed, a decision for the Bank not to finance the later phases.

34. ***The MPA would streamline Bank processing of subsequent phases without compromising existing policies.*** The Series of Projects under IPF (SoP) removed the need for formal triggers between one project in the series and the next. By further reducing processing requirements on the Bank side, it is estimated that the MPA could lower preparation time for subsequent phases by as much as 40 percent.<sup>26</sup> This approach would be consistent with the Bank’s *Forward Look* commitments, as it seeks to make project preparation more efficient, and the ability to adjust phases to earlier learning would allow for more agile responses.

35. ***The MPA would allow for more efficient use of financial resources for both the Bank and clients.*** As a result of breaking down a single loan into phases, the Bank would be using its lending resources more efficiently. To the extent that the lending space related to the uncommitted portion of the overall financing envelope of an MPA is reallocated for other projects, there would be an increase in the average rate of disbursement on committed loans. The financial effects of MPA would comprise offsetting effects from (a) lower commitment fees arising from the lower average undisbursed balances versus (b) higher interest charges as a result of speedier conversion of MPA commitments into disbursed loan balances, and (c) impact of higher disbursed balances on compliance with capital adequacy limits. Management will monitor the financial impact of MPAs carefully to ensure that its revenue and capital impact is fully reflected in the Bank’s financial management. For Bank clients, the MPA provides a mechanism to match borrowing more closely with financing needs, thereby using IBRD and IDA allocations efficiently.<sup>27</sup>

36. ***As the ADB and IBD examples illustrate, the MPA could serve as a vehicle for crowding in funding from other sources, spurring a “Cascade” effect.*** For example, the MPA could bring in private sector financing through guarantees. It is also possible that the MPA framework, which allows for testing and improving operations, could start with Bank financing in the first phases, and then as the “prototype” is successfully implemented and improved, later phases could attract financing from other development banks or private sector lenders, which would leverage Bank funding.

## E. Risks

<sup>26</sup> The shorter preparation time of subsequent phases is based on the ability to begin subsequent phase preparation during implementation of the previous phase, an optional concept note, and approval by management, not Board.

<sup>27</sup> The implication for Bank revenues can be illustrated as follows. If in the first year, total commitments under the first phase of the approved MPAs are \$1 billion, and the sum of the first phase commitments is \$250 million, the net revenue impact will average around \$2 million (depending on disbursement assumptions).

37. ***The Bank’s financing availability and conditions may change during an MPA supported Program period.*** The risk to the client is that financing for future phases would be conditional on then-available IBRD/IDA terms and availability of funds. For IDA, risks include: (i) some countries that are currently eligible for grants may not be eligible in the future; (ii) some pure IDA countries may become blend countries; (iii) graduation from IDA would mean IBRD terms for later phases; and (iv) access to special windows may change with country eligibility and availability of funds for those windows. Similarly, for IBRD countries, subsequent phases would be subject to IBRD’s own capital constraints and consequent lending envelopes. Some countries may therefore prefer to lock in current terms and current allocation with a stand-alone project, rather than break a program into phases. These risks will be discussed fully with the client during early stages of preparation, and the documentation for each MPA phase would make these risks clear.

38. ***Efficiencies in preparation and implementation may vary depending on client processes.*** For example, for some countries where parliamentary approval is required for legal agreements, there may be efficiency gains if the Parliament can approve the entire program framework up-front. Both the ADB and IDB cited the possibility of obtaining a single approval for the umbrella program in some countries as a strongly attractive factor. However, if a country requires that each phase must be submitted for approval by Parliament, the process may obviate efficiency gains from faster Bank approval. On average, clients take about seven months after Bank approval to meet effectiveness conditions, including domestic legislative approval. Similar delays may arise from other processes, such as client procurement or safeguards procedures.

39. ***Shifting Government priorities may affect the implementation of later phases.*** Prior experience with APLs indicates that client support for long-term programs often turned out to be more subject to election cycles than initially presumed. At the same time, the consequences of shifting priorities would be less under the MPA than under a single project, as funds allocated for subsequent phases can be more quickly switched to new areas of support.

## **F. Preparation, Approval, Implementation, and Monitoring**

40. ***To ensure strategic relevance, consistency with the Country Partnership Framework (CPF) and a client sector strategy will be important in the use of an MPA.*** The CPF identifies areas of Bank engagement. During the process of choosing the appropriate mix of financial instruments, Country Directors and clients may choose to use the MPA. For later phases of an MPA, consistency with the then-prevailing CPF would be validated and discussed in the phase documentation. This would ensure consistency with the strategic goals, objectives and projected medium term financing envelope for the country program.

41. ***The MPA Program’s vision and causal chain would need to be clear.*** A concept review would be required for the MPA Program which would include an overall ‘vision’ for the MPA Program and its components, and the scope and description of its first phase. In addition to standard

documentation required for an IPF/PforR operation, the appraisal document would define the MPA’s PrDO, lay out the Program’s causal chain from problem diagnosis to the PrDO, and assess the strategic relevance, rationale, and relation to the relevant CPF, or similar instrument. The MPA Program framework would identify the estimated number of phases, whether sequential or simultaneous, the phases’ proposed Development Objectives, and for each future proposed phase, choice of financing instruments with rationale, scope, estimated overall risk, and expected financing requirement. The MPA Program and its first phase appraisal document would also discuss whether fiduciary, environmental and social areas of the first phase are adequate; and specify the lessons learned from other similar programs and operations that informed the design.

**42. *The overarching PrDO would only reflect outcomes that are achievable over the life of the MPA Program and for which the phases can reasonably be held accountable.*** The PDOs of each phase would be aligned with the PrDO<sup>28</sup>. In some cases, while the phase PDO statements may be very similar, the target beneficiaries may differ among phases, with the PrDO encompassing all relevant beneficiaries.

**43. *The MPA Program and details of its first phase would be part of the same documentation package.*** The PAD contents would describe the overall program and the details of the first phase. Phase documentation would follow the guidance and policies for the appropriate instrument. Each subsequent phase would have a PAD, but may, as appropriate, refer to the documentation of preceding phases, rather than repeating the information. The PAD should update information as needed, such as the results framework, economic analysis, description of components, implementation arrangements, and risks. Annex B provides some details on the differences between the documentation for the first versus the subsequent phases.

**44. *All phases under the MPA would follow the applicable environment and social policies of the Bank.*** The environmental and social due diligence and related documentation for the first phase would also identify known risks that may apply to future phases. The project team may, if appropriate, use the documentation (including assessments) of the preceding phase, update them, or produce new documentation as needed, and follow the procedure for its approval and disclosure. Task teams would conduct required consultations on the relevant environmental and social documents for each phase as required by the relevant environmental and social operational policy/policies.

**45. *Performance monitoring during implementation would follow standard procedures.*** All MPA Program phases would follow the IPF and PforR procedures/directives to report implementation progress through Implementation Status and Results Reports (ISRs). Under the

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<sup>28</sup> For example, in the Tanzania: Dar es Salaam Metropolitan Development Project (P123134), Series of Projects the PrDO was “To improve the institutional and management capacity for metropolitan governance and service delivery; and create an enabling environment for economic development and job creation.” The first phase PDO was to “Improve urban services and institutional capacity in the Dar es Salaam Metropolitan area, and to facilitate potential emergency response,” and the planned second phase PDO is to “Extend [the] coverage and quality of urban services and enhance institutional capacity and the enabling environment for economic development and job creation.”

MPA, each disclosed ISR would also provide an update on the overall status and performance of the MPA Program.

**46. *Preparation of subsequent phases could start while the preceding phase is being implemented.*** Funds from earlier phases can be used by the client to prepare later phases.<sup>29</sup> In particular, this funding could support technical assistance to build capacity and institutions needed for future phases, including work on Environment and Social Frameworks (ESF), financial management, monitoring and evaluation, and data collection and management.

**47. *All subsequent phases would be initiated by the task team leader through a memorandum to Management, confirming the justification for the phase as part of the MPA,*** and validating the Program causal chain (this memorandum can be brief and refer to the analytical work carried out in preceding phases) and confirming the phase's consistency with the PrDO. The task team would confirm whether the PrDO is still realistically achievable or needs to be modified (requiring Board approval); whether the commitment from the borrower and relevant program stakeholders with the program's objectives and key results remains strong; and whether the overall rationale for continuing the program approach continues to hold. As each subsequent phase would need to be accommodated within the existing CPF envelope, Management would also need to assess the impact of the phase on the Bank's ability to support other priorities during the given period.

**48. *Subsequent phases would build on experience and lessons learned from earlier phases.*** When assessing the performance of earlier phases under the MPA Program, task teams would broadly describe overall implementation performance, the progress in reaching each phase's PDO, contributions of preceding phases to progress in achieving the PrDO, and identify adjustments needed to achieve the PrDO. One of the conditions for Management decision for the financing for the next phase would be the substance and quality of lessons reported from the preceding phases (and from other partners and institutions when relevant). Phase documents would provide evidence-based analysis of what worked and what did not, and how this learning has shaped the proposed design of the next phase.

**49. *Management's decision on the commitment of financing for subsequent phases would be contingent on the overall satisfactory performance of preceding phase(s).*** Although each phase in the MPA Program would be a standalone operation financed by IPF or PforR, the following criteria would apply for the financing for the next phase: (i) during the previous 12 months, the Implementation Performance (IP) and progress toward Development Objectives (DO) of active phase(s) should be rated satisfactory; and (ii) the Borrower having met all its legal obligations in the preceding phases. This is consistent with the shift from 'ex-ante triggers' in APLs to 'performance indicators' in SOPs carried out as part of the 2013 Investment Lending reform. Waivers may be sought in accordance with the *Bank Policy on Operational Policy Waivers*.

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<sup>29</sup> Project Preparation Advances (PPAs) can be used for the preparation of MPA. The expectation would be that while PPAs can be used by MPA programs, they would only be used for the first phase, and subsequent phases would be financed by the earlier phases.

50. *A key part of the MPA process would be the ability to include learning from preceding phases into the design of later phases.* While an ICR would only be done at the time of MPA Program closure (or after ten years, whichever comes first),<sup>30</sup> the documentation for later phases would include lessons learned from preceding phases, and the implications for project design. IEG and OPCS will work together to develop guidance to help teams think through and document lessons that are most relevant for the next phase.

### *Other considerations*

51. *Project Information Document (PID), Integrated Safeguards Data Sheet (ISDS), Inspection Panel (IP), and Institutional Integrity (INT).* An updated PID would be issued for all phases, as well as ISDS for IPF phases (or components in otherwise PforR phases). IP and INT oversight would apply for the Multiphase Programmatic Approach. Consistent with the IP mandate this would cover projects (phases) under ‘consideration’ (currently interpreted as those in the design, preparation, pre-appraisal, or appraisal stage) and implementation. Projects (phases) that have closed or have 95 percent disbursement would not be covered. The prevailing guidelines relating to fraud and corruption for IPFs and PforR will be applicable to the appropriate MPA phase.

52. *Restructuring.* All restructurings would follow the prevailing restructuring policy for IPF and PforR.

53. *Cancellations.* Cancellation of an MPA program would be treated the same as cancellation of a standalone IPF or PforR operation. The current IPF and PforR policies allow Management to cancel a portion or an entire operation under specified circumstances. MPA phases would be subject to the same policies.<sup>31</sup> In addition, the borrower may decide not to request financing for a future phase, as priorities may change, or alternative financing may become available. In such a case, the Bank and the borrower may agree to cancel a phase from the MPA program.

54. *Additional Financing and Additional Phases.* During an MPA Program implementation, the borrower may request additional financing for an on-going phase to address the gaps due to cost-overruns or to scale-up certain phase activities. In such a case, Management could approve such financing if it remained within the financing envelope originally approved by the Board. The Board would approve additional financing in case the borrower requests financing in excess of the approved amount for the MPA Program in order to meet the PrDO. During MPA implementation, there may be cases where a planned next phase may need to be split into two or more phases; Management may approve such requests, as long as they remain within the PrDO and financing envelope originally approved by the Board.

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<sup>30</sup> Similar to Additional Financing, an ICR would be written at the close of the Program, or after ten years, whichever comes first. For MPAs longer than ten years, another ICR will be written at the end of the MPA, and the ratings from the first ICR are updated to reflect final ratings.

<sup>31</sup> If IDA funds are cancelled, the reallocation of such funds would be considered in the context of prevailing IDA guidelines.

## ***Oversight***

***55. The PAD review process would follow the same review and decision process as a standalone IPF/PforR operation.*** In addition, OPCS would review all MPA Programs in the first three years to ensure quality of Program design, and compliance with the modifications introduced to the IPF/PforR policies, directives and procedures to support the MPA. Before the management commitment of financing for a phase for an IBRD borrower, the Bank's Credit Risk Department (CROCR) would ensure that the phase financing is within the country's exposure limit.

***56. OPCS and/or IEG will carry out an early-stage review of MPAs at the end of first three years of its roll-out.*** Given that most MPAs may not have transitioned to a second phase in the first three years, the review would primarily focus on the quality of Program design, results frameworks, documentation, compliance with safeguards and fiduciary policies and directives, as well as review of performance to date and feedback from the Bank clients that used MPA. The review would also include experience with the preparation and implementation experiences of subsequent ongoing phases, if any. It will inform a decision by the Board on next steps with the MPA. OPCS and IEG will coordinate to determine the modalities of this assessment.

***57. The MPA proposal does not constitute a formal delegation of approval authority from the Executive Directors to Management.*** The Executive Directors have the authority to decide whether to approve Bank financing. In the case of any lending operation, Management develops proposals for Bank financing, and, if approved by the Executive Directors, legally commits the financing by entering into agreements with recipients. Under the MPA proposal, Executive Directors would also be requested by Management to approve overall Bank financing for a MPA Program, as well as the first phase of the Program. While the respective functions of the Executive Directors and management under the MPA would be consistent with current practice, the MPA proposal contemplates a different business process. Under the current business process, after the Board approves financing for a project, Management almost immediately commits the amount of financing through the signing of legal agreements for that amount of financing. Under the MPA framework, following Board approval of the overall amount of program financing, the Management would commit approved financing in phases, after preparing phase-specific operations and entering into individual financing agreements for such phases.

***58. Board oversight will be largely ex-post, but supported with enhanced reporting by Management.*** Management would take the following specific steps to ensure that the Board is fully informed of all MPA Programs and their phases. These steps include:

- (i) The Board would receive for all phases, the notice of the invitation to negotiate, notice of status of negotiations (upon Management commitment of phase financing), and the Program/Phase Appraisal Documents;
- (ii) The Board would receive as part of the quarterly Operations Updates, updates on MPAs, including trends, patterns, emerging lessons, and processing milestones will be provided for MPA phases under preparation, starting with the concept stage;

- (iii) Implementation Status Reports (ISRs) would be available on a regular basis in the EDs' Portal;
- (iv) Management would seek Board guidance on certain MPA Program phases where it determines there is any significant adverse risk to the Bank or the borrower; and
- (v) Management will provide a technical briefing to the Executive Board when the first MPAs are under preparation<sup>32</sup>.

#### IV. PROPOSED POLICY MODIFICATIONS

59. Management proposes the following modifications to the policies for IPF and PforR respectively in the context of the MPA. The draft OP10.00 and the draft Bank Policy for PforR are presented in Annexes C and D, respectively.

- Management would seek the approval of the Executive Directors on the following:
  - (i) overall IBRD/IDA financing envelope for the MPA Program and the Program Development Objective;
  - (ii) substantive or significant changes in the Program Development Objectives (PrDO);
  - (iii) use of the MPA financing in the case of an IPF phase that is classified as Category A, or a phase that is rated 'High' or 'Substantial' under the new Environmental and Social Framework;
  - (iv) use of the MPA financing for any PforR phase which introduces new disbursement-linked indicators;
  - (v) additional financing for the overall MPA Program;
  - (vi) in a parallel MPA, involving multiple borrowers, addition of a new borrower that was not pre-identified in the MPA Program framework originally approved by the Board; and
  - (vii) operational policy waivers, if required, before Management commitment for the financing of a phase.
- Management would, among other things:
  - (i) commit the Board approved MPA Program financing in smaller phases prepared as IPF or PforR operations;
  - (ii) approve the addition of a new phase, or cancellation of a planned phase, consistent with the MPA PrDO, if within the overall MPA Program financing envelope; and

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<sup>32</sup> In the event that Executive Directors have questions related to forthcoming phases of an MPA, Executive Directors may request a Board engagement (technical briefing, informal or formal Board meeting).

- (iii) approve additional financing for a phase, if remaining within the original Program financing approved by the Board.

## V. REQUEST FOR APPROVAL

60. *Management seeks the Executive Directors' approval of the proposed operational policy modifications set forth in Section IV of this paper.* Upon approval by the Executive Directors of the policy modifications, Management will update IPF and PforR operational rules as follows: (i) BP 10.00, instructions/Procedures for *Investment Project Financing*, will be revised to incorporate the policy clarifications discussed in this paper; and (ii) similar revisions in the Directive and Procedures for PforR. To enable adequate time to prepare for implementation in terms of procedures, instructions, guidance, systems, and training of staff and the borrowers, it is expected that the policy modifications will take effect starting on September 1, 2017.



## Annex A: An Update on the Bank’s ‘Agile’ Initiatives

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### I. Forward Look: Moving Toward an Agile Bank Group

The Bank’s Forward Look paper emphasized the need to “*become faster and less bureaucratic, which will require shifting mindsets and behaviors, building a culture of continuous improvement and problem-solving; allowing staff to tailor approaches to project complexity, size and risk; and encouraging ideas and innovation. This will be the focus of the Agile Bank initiative.*”<sup>33</sup> A description of efforts to improve the Bank’s ‘agility’ can be found below – these are a combination of initiatives stemming from the Agile Bank Program as well as efforts to improve the Bank’s operational efficiency that were already underway.

### II. Select initiatives to improve the Bank’s agility

Current efforts to improve the Bank’s ‘agility’ build upon the lessons from on-going efforts to simplify the Bank’s operating processes and systems. Since the early days of the Agile Program in the fall of 2016, extensive bottom-up staff consultation was carried out to identify further ‘pain points’ and ideas for operational changes. This bottom-up sourcing of ideas and solutions, has created buy-in from staff and seeks to create a continuous improvement culture.<sup>34</sup> Some of these ideas require ‘pilot testing’ which led to the selection of a series of pilot initiatives in a set of Global Practices and regions.<sup>35</sup> Other ideas feed into on-going reform initiatives and help in the scaling up of these ideas (e.g. ICR reform). Most of the ideas selected for scaling up require management decisions, or role-modelling behavior, while a few require discussion with the Executive Board where they involve changes in Bank policy. One critical common thread underlying these areas of work below is the need for behavior change and management signaling embedded in some of these items. The selected initiatives highlighted below are/will contribute to the Bank’s ‘agility’ both through the contribution of the Agile Bank program and on-going simplification efforts:

- ***Simplified Documentation.***
  - Agile pilots tested the introduction of a new Implementation Completion Report (ICR) in partnership with OPCS and IEG, with a stronger focus on learning and a simplified template. Incorporating lessons learned from these pilots, a revised, more streamlined ICR will be launched early in FY18.
  - Simplified Project Appraisal Document (PAD) template was piloted and will be mainstreamed for all Bank projects in FY18.
  - Agile pilots are testing streamlined approaches to Concept Notes, Quality Enhancement Review meetings, and peer review more generally.

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<sup>33</sup> “*Forward Look—A Vision for the World Bank Group in 2030*” (DC20016-0008), September 20, 2016, page 6.

<sup>34</sup> This has been complemented by other initiatives, such as the Simplification agenda, which focuses on continuous operational process improvements.

<sup>35</sup> The three original pilots were the Transport and ICT in the Africa region; Health, Nutrition & Population in the South Asia Region; and Macroeconomics and Fiscal Management in the Europe and Central Asia region, experimented with interventions that they themselves identified.

- ***Greater client focus via greater delegation of authority and streamlined internal processes.***
  - Risk-based flight paths: Agile pilots are testing risk-based approaches to project reviews, which would allow for shorter lead time and lighter reviews for low-risk projects and increased focus towards riskier and transformational projects. Lessons are being applied from the risk-based review of analytical and advisory work introduced in early FY17.
  - Multi-Phased Programmatic Approach (MPA): Proposal for Board approval of financing for programs; authorization for Management to commit funding within the approved financing envelope, with certain exceptions.
  - Streamlined Project Restructuring: Proposed delegation of most Level 1 Restructurings from Board to Management – identified during agile pilot consultations.
  - Adaptable Development Policy Financing: Proposal to enhance operational agility of DPFs in FCS and crisis countries (paper under preparation)
  - Internal delegation: More operational approvals delegated from CEO to VP level (e.g. operational waivers) and further down to the Director level (e.g. most project-level decisions) in FY18.
  - Reduction of roles (required concurrence, advice, and signoff) in certain operational processes – e.g. agile pilots related to PforR disbursements.
  - Improved supervision effectiveness, including more frequent and problem driven logging and communication during implementation support (Agile ISR pilot).
  - Streamlined Systematic Country Diagnostic (SCD) and Country Partnership Framework (CPF) pilots underway (to be evaluated in FY18)
  - Meeting efficiency training; more virtual meetings.
  
- ***Enhanced automation, information flow and knowledge sharing***
  - Linking the Operations Portal with the Loan Administration System (iLap) to ensure consistency of information between the two systems, eliminating separate paperwork and potential errors (on-going work between WFA, OPCS and ITS).
  - Consolidation of IPF, PforR and DPO Operations Portals (part of on-going work between ITS and OPCS to strengthen the Operations Portal).
  - Relevant analytical work and projects that might be useful in ASA or project design, will be automatically sent to the TTL as part of Operations Portal's 'knowledge package'.
  - Improved electronic Operations Manual to allow faster searches of policies and procedures.

The three broad areas identified above are clearly inter-linked and are areas of on-going work. In FY18 there are likely to be other ideas that emerge which will require scaling-up. In order for the success of the Agile Bank Program and other initiatives to make the Bank more agile, incentives and leadership role modeling are crucial to trigger sustained 'culture change' across the organization. The Agile Pilot initiative led by the CEO's office is being closely coordinated with OPCS, ITS, BPS, LEG and HR to ensure sustainability and success.

## Annex B: Contents of Program and Phase Appraisal Documents

PAD Content	Program + First Phase	Second and all Future Phases
<b>I. Project description</b>		
	Describe Program and Phase Financing Amounts	Describe Phase financing, consistency with PrDO and results chain, overall risk, performance of phases to date.
<b>II. Strategic Context</b>		
Country Context	Describe	Update context if changed since the approval of the preceding phase(s)
Sector and Institutional Context		
Higher-Level Objectives	Define Program's Development Objective and PrDO level outcome indicators that would be supported by the MPA.	Define Phase Objectives
<b>III. Development Objectives</b>		
Development Objectives	Define Phase-1's DO Propose DOs for all subsequent Phases with estimated baselines and targets	Update if changed since Program approval and provide rationale for the change
Beneficiaries	Define Program's overall beneficiaries Identify beneficiaries of all phases (if differ from the program's)	Identify if Program beneficiaries have changed and provide rationale
PDO-Level Results Indicators	Define Phase-1's results indicators (result framework)	Define for the phase
<b>IV. Description</b>		
Description	Describe overall Program Framework and anticipated economic benefits of using MPA. Define Program's Causal Chain, substantiated with analytical work	Update if changed since Program approval. Define/update for the phase
Scope	Define the scope of the MPA Program Estimate financing for all phases Describe scope of first phase	Describe scope of new phase
DLIs and verification protocols	Provide for Phase-1 if supported by PforR or IPF with DLIs	Provide for Phase if supported by PforR or IPF with DLIs
Capacity building and inst. strengthening	Define key MPA contributions and expected outcomes	Update as needed
Components	Provide for Phase-1 if supported by IPF	Provide for Phase if supported by IPF
Lessons Learned	Discuss lessons learned from past Bank engagement and the way they have been incorporated in MPA design	Discuss lessons learned from preceding MPA Phases and the way they have been incorporated in the Phase design
<b>V. Implementation</b>		
Inst. and implementation arrangements	Describe for the overall Program Specify for Phase-1	Define for the phase
Results Monitoring and Evaluation		
Sustainability		
Role of Partners		
Disbursement arrangements	Provide if Phase-1 is supported by PforR	Provide if Phase-1 is supported by PforR
<b>VI. Key Risks (risk assessment)</b>		
Overall risk rating/explanation	Discuss risks due to MPA and to its future phases Provide SORT for Phase-1	Identify the risks that materialized from preceding phase(s), identify residual risks, discuss any risks to the Program and provide SORT for the phase
<b>Appraisal/Assessment Summary</b>		
Economic and Financial Analysis	Provide for Phase-1 if supported by IPF	Provide for the Phase if supported by IPF
Technical	Provide for Phase-1	Provide for the Phase as appropriate; Update of Safeguard, Financial Management, and Procurement assessments
Financial Management		
Procurement		
Social		
Environment		
Other Safeguard Policies		
World Bank Grievance Redress		
Program Action Plan	Provide for Phase-1 if supported by PforR	Provide for Phase if supported by PforR
<b>VII. Results Framework and Monitoring</b>		
	PrDO level indicators, their baseline and estimated targets. Provide for Phase-1	Provide for the Phase
<b>ANNEXs</b>		
	As required by the financing instrument	As required by the financing instrument

## Annex C: Proposed Edits in IPF OP10.00

### *Draft Considerations*

This OP and BP 10.00, *Investment Project Financing*, were updated on July 1, 2016 to reflect the new Bank Policy/Directive, *Procurement in Investment Project Financing and Other Operational Procurement Matters*, which came into effect on July 1, 2016. This OP and BP 10.00, *Investment Project Financing*, were updated on July 1, 2014, to reflect the recommendations in “*Enhancing the World Bank’s Operational Policy Framework on Guarantees*” (R2013-0206[IDA/R2013-0298]), which were approved by the Executive Directors on December 3, 2013. As a result of these recommendations, OP and BP 14.25, *Guarantees*, have been retired and their content reflected in this OP and BP10.00, as well as in the Bank Policy and Directive, *Financial Terms and Conditions*, Bank Policy, *Lending Operations: Choice of Borrower and Contractual Agreement*, and OP and BP8.60, *Development Policy Financing*.

Projects supported by Investment Project Financing are governed by this OP, the related BP, and the following OPs/Policies and BPs/Directives, as appropriate (including any relevant Operational Memoranda and internal [Instructions](#) /Procedures available only to staff): [Bank Policy](#), Operational Policy Waivers; [OP 1.00](#), *Poverty Reduction*; [BP 2.11](#), *Country Assistance Strategies*; [OP/BP 2.30](#), *Development Cooperation and Conflict*; [OP/BP 3.10](#), *Financial Terms and Conditions of IBRD Loans, IBRD Hedging Products, and IDA Credits*; [OP/BP 4.00](#), *Piloting the Use of Borrower Systems to Address Environmental & Social Safeguard Issues in Bank-Supported Projects*; [OP/BP 4.01](#), *Environmental Assessment*; [OP/BP 4.02](#), *Environmental Action Plans*; [OP 4.03](#), *Performance Standards for Private Sector Activities*; [OP/BP 4.04](#), *Natural Habitats*; [OP 4.07](#), *Water Resource Management*; [OP 4.09](#), *Pest Management*; [OP/BP 4.10](#), *Indigenous Peoples*; [OP/BP 4.11](#), *Physical Cultural Resources*; [OP/BP 4.12](#), *Involuntary Resettlement*; [OP/BP 4.20](#), *Gender and Development*; [OP/BP 4.36](#), *Forests*; [OP/BP 4.37](#), *Safety of Dams*; [OP 4.76](#), *Tobacco*; [OP 7.00](#), *Lending Operations: Choice of Borrower and Contractual Arrangements*; [OP 7.20](#), *Security Arrangements*; [OP/BP 7.30](#), *Dealing with De Facto Governments*; [OP/BP 7.40](#), *Disputes Over Defaults on External Debt, Expropriation, and Breach of Contract*; [OP/BP 7.50](#), *Projects on International Waterways*; [OP BP 7.60](#), *Projects in Disputed Areas*; [OP 8.00](#), *Rapid Response to Crises and Emergencies*; [OP/BP 8.40](#), *Technical Assistance* [OP/BP 8.45](#), *Grants*; [OP/BP 10.20](#), *Global Environmental Facility Operations*; [BP 10.21](#), *Montreal Protocol*; Bank [Policy/Directive](#), *Procurement in Investment Project Financing and Other Operational Procurement Matters*; [OP 13.60](#), *Monitoring and Evaluation*; [OP/BP 14.10](#), *External Debt Reporting and Financial Statements*; [OP/BP 14.20](#), *Cofinancing*; [OP/BP 14.40](#), *Trust Funds*.

Questions may be addressed to [OPCS Help Desk](#).

### Investment Project Financing

1. Investment project financing (“Investment Project Financing”) by the Bank<sup>1</sup> aims to promote poverty reduction and sustainable development of member countries by providing financial and related operational support to specific projects (“Projects”)<sup>2</sup> that promote broad-based economic growth, contribute to social and environmental sustainability, enhance the effectiveness of the public or private sectors, or otherwise contribute to the overall development of member states. Investment Project Financing is comprised of Bank Loans<sup>3</sup> and Bank Guarantees.<sup>4</sup> Investment Project Financing supports

<sup>1</sup> In this OP, unless the context requires otherwise, the term “Bank” means IBRD and/or IDA (whether acting for its own account or in the capacity as administrator of trust funds funded by donors).

<sup>2</sup> Unless the context requires otherwise, when the Project is a part of a Multiphase Programmatic Approach program (“MPA Program”), references in this OP to the “Project” include references to MPA Program.

<sup>3</sup> In this OP, unless the context requires otherwise, the term: (a) “Bank Loan” means any loan, credit or grant made by the Bank from its own resources or from trust funds funded by other donors and administered by the Bank, or a combination of these; (b) “Borrower” means a borrower or recipient of a Bank Loan for a Project, and any other entity involved in the implementation of the Project financed by the Bank Loan; (c) “Member Country Guarantee” means any guarantee provided by the member country to the Bank in connection with a Bank Loan.

<sup>4</sup> In this OP, unless the context requires otherwise, the term: (a) “Bank Guarantee” means a guarantee provided by the Bank (i) of financing extended by private entities; or (ii) of non-loan related government payment obligations in favor of private entities or of foreign public entities, and arising from contracts, law or regulation; (b) “Member Country Indemnity” means the counter-guarantee and indemnity provided by a member country to the Bank in

Projects with defined development objectives, activities, and results. The Bank disburses the proceeds of Bank Loans against specific eligible expenditures.

2. Subject to the other applicable requirements of this operational policy statement (OP), Investment Project Financing may be extended for any type of activities and expenditures, provided they are productive and necessary to meet the development objectives of the Project, the impact of the Project on the member country's fiscal sustainability is acceptable, and acceptable oversight arrangements, including fiduciary arrangements, are in place to ensure that the proceeds of the Bank Loan, the proceeds of the Bank-guaranteed debt, or the Bank-guaranteed payments are used only for the purposes for which the financing is granted or the payments are made, with due attention to considerations of economy and efficiency. Under appropriate circumstances, such as to provide the Borrower with resources to allow the Project to start or to facilitate implementation of the Project, the Bank may, at the Borrower's request, disburse a portion of the proceeds of a Bank Loan as an advance.

3. A Bank Guarantee covers, in relation to a Project: (i) loan-related debt service defaults caused by government<sup>5</sup> failure to meet specific payment and/or performance obligations arising from contract, law or regulation; and/or (ii) payment default on non-loan related government payment obligations. The Bank provides guarantees to the extent necessary to mobilize private financing for the Project and/or to mitigate payment risks of the Project, taking into account country, Project and market circumstances. The member country requesting the Bank Guarantee provides a Member Country Indemnity to the Bank.<sup>6</sup> The financial costs and benefits, access to private and public financing, and leverage of Bank resources, among other considerations stated in this OP, are considered in deciding on the form of IPF financing, as appropriate.

### General Considerations

4. The Bank's assessment of the proposed Project (**and, when applicable, the MPA Program**) is based on various country and Project-specific considerations, including consistency with the Bank's strategy in support of the country, Project (**and, when applicable, the MPA Program**) development objectives, taking into account technical, economic, fiduciary, environmental, and social considerations, and related risks.

5. *Technical Analysis.* The Bank assesses technical aspects of the Project, including design issues, appropriateness of design to the needs and capacity of the Borrower and any Project implementation entity, institutional arrangements, and organizational issues for the implementation of the Project in the context of the long term development objectives of the Borrower or, as appropriate, the member country.

6. *Economic Analysis.* The Bank undertakes an economic analysis of the Project. Taking into account the Project's expected development objectives, the Bank assesses the Project's economic rationale, using approaches and methodologies appropriate for the Project, sector, and country conditions, and assesses the appropriateness of public sector financing and the value added of Bank support. For Projects supported by a Bank Guarantee, a financial viability analysis is also required.

7. *Financial Management.*<sup>7</sup> The Borrower or Implementing Entity/ies maintains or causes to be maintained financial management arrangements that are acceptable to the Bank and that, as part of the

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connection with a Bank Guarantee; (c) "Implementing Entity" means any entity responsible for the implementation of a Project supported by a Bank Guarantee; and (d) "Project Participants" means public or private entities, including the member country and Implementing Entities, participating in the development or implementation of a Project supported by a Bank Guarantee.

<sup>5</sup> For the purposes of Bank Guarantees, "government" includes a member country's political and administrative subdivisions and all other public sector entities.

<sup>6</sup> If the Bank Guarantee is backed by a trust fund, and the constituent documents of the trust fund permit, the Bank may forego the requirement of a Member Country Indemnity.

<sup>7</sup> The provisions of this paragraph do not apply to private sector parties involved in a Project supported by a Bank Guarantee.

overall arrangements in place for implementing the Project, provide reasonable assurance that the proceeds of the Bank Loan, the proceeds of the Bank-guaranteed debt or the Bank-guaranteed payments are used for the purposes for which they are granted, or the payments are made. Financial management arrangements are the planning, budgeting, accounting, internal control, funds flow, financial reporting, and auditing arrangements of the Borrower and entity or entities responsible for Project implementation. The financial management arrangements for the Project rely on the Borrower's or Implementing Entity's/ies' existing institutions and systems, with due consideration of the capacity of those institutions.

8. *Procurement.* Procurement rules applicable to Bank Loans are set out in the Bank Policy/Directive, Procurement in Investment Project Financing and Other Operational Procurement Matters ("Procurement Policy/Directive"), except for procurement referred to in paragraph 12 (c)(ii) below, in which case the Bank's Administrative Manual Statement requirements apply.

9. *Environmental and Social.* Environmental and social policies applicable to Investment Project Financing are set out in the following OPs: 4.00, 4.01, 4.02, 4.03, 4.04, 4.07, 4.09, 4.10, 4.11, 4.12, 4.36, and 4.37, as appropriate.

10. *Risks.* The Bank assesses the risks to the achievement of the Project's development objectives with due consideration for the risks of inaction, taking into account the assessments noted above and other relevant information.

### Special Considerations

11. The following types of Projects may have specific policy requirements and special considerations.

12. *Projects in Situations of Urgent Need of Assistance or Capacity Constraints.*<sup>8</sup> In cases where the Borrower/beneficiary or, as appropriate, the member country is deemed by the Bank to: (i) be in urgent need of assistance because of a natural or man-made disaster or conflict; or (ii) experience capacity constraints because of fragility or specific vulnerabilities (including for small states); the Bank may provide support through Investment Project Financing under normal Investment Project Financing policy requirements with the following exceptions:

- (a) The fiduciary and environmental and social requirements set out in OP/BP 4.01, OP/BP 4.10, OP/BP 4.11, OP/BP 4.12, BP10.00, and the Procurement Policy/Directive, that are applicable during the Project preparation phase may be deferred to the Project implementation phase. The environmental and social requirements exception for Category A Projects under OP 4.01 is only applicable to cases referred to in sub-paragraph 12(i) above of this OP.
- (b) Such Projects are subject to special limits on the use of (i) Preparation Advances ("PAs") (see paragraphs 17-18 of this OP) and, (ii) in the case of Projects supported by a Bank Loan, retroactive financing.
- (c) When the beneficiary's capacity to implement the needed activities is insufficient, the Bank may, at the request of the beneficiary, agree to the following alternative legal and operational Project implementation arrangements: (i) the Bank may enter into arrangements with relevant international agencies, including the United Nations, and national agencies, private entities, or other third parties; and (ii) where no viable implementation alternatives exist, the Bank may execute start-up activities financed under a grant from the Project Preparation Facility

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<sup>8</sup> With respect to Bank Guarantees, the provisions of this paragraph only apply to public sector projects.

(see paragraphs 17-18 of this OP) or a trust fund, following applicable internal Bank procurement rules.

- (d) Alternative implementation arrangements referred to under subparagraph (c) above are limited to the time necessary to establish or restore the Borrower's or the Implementing Entity's capacity and, in all cases, are adopted in Projects that include capacity-building measures to enable a timely transfer of implementation responsibilities to the Borrower or the Implementing Entity. Proposals for Bank-executed start-up activities are limited to activities which involve the procurement of small contracts for goods and works, and the provision of technical assistance necessary to enable the Borrower or the Implementing Entity to undertake the execution of subsequent Project activities.

13. Disaster prevention and preparedness and capacity-building activities may be supported by a stand-alone Project with a contingent financing feature, or may be embedded in a regular Project through a contingent emergency response component that, once triggered, is subject to the exceptional policy requirements set out in paragraph 12 above.

14. For existing Projects supported by a Bank Loan, which are restructured to add contingent emergency response components that meet the requirements of the Immediate Response Mechanism (IRM), the Executive Directors have delegated to Management the authority to approve Level One restructurings (see paragraph 24 of this OP) that require changes in the Project's development objectives.

15. *Series of Projects.* Investment Project Financing may support a series of Projects through several Bank Loans: (a) to a single Borrower, when the Projects' objectives require support designed as part of a program consisting of a series of two or more Projects; and (b) to multiple Borrowers facing a set of common development issues; when two or more Borrowers share common development goals, individual Projects prepared for each Borrower may be designed as part of a series of Projects with similar well-defined eligibility criteria and/or common design features. Investment Project Financing supporting a series of Projects through several Bank Guarantees is designed in an equivalent manner, and may involve: (a) a single Implementing Entity and one or more member countries; or (b) multiple Implementing Entities and one or more member countries.

**[New paragraph] *Multiphase Programmatic Approach.*** Investment Project Financing may support a MPA Program that contributes to development objectives of member states and consists of two or more operations<sup>9</sup> that have a common program development objective(s).

16. *Projects Involving Financial Intermediaries.* Investment Project Financing may be used (a) to provide Bank Loans to eligible financial intermediaries to be used by them for loans and/or as equity in, final borrowers/beneficiaries for specific sub-projects; or (b) to provide Bank Guarantees to, ~~or through mobilize debt financing for~~ eligible financial intermediaries to be used by them ~~in support of~~ ~~for~~ loans and/or guarantees to, and/or as equity in, final borrowers/beneficiaries, for specific sub-projects. Procurement rules applicable to Projects involving financial intermediaries are set out in the Procurement Policy/Directive, and environmental and social policies applicable to such Projects are set out in the following OPs: 4.00, 4.01, 4.02, 4.03, 4.04, 4.07, 4.09, 4.10, 4.11, 4.12, 4.36, and 4.37, as appropriate.

### Preparation Advances

17. The Bank may make a preparation advance ("Preparation Advance" or "PA") from the Project Preparation Facility ("PPF") to a Borrower listed in paragraph 18 to finance: (a) preparatory and limited

<sup>9</sup> In this paragraph, the term "operations" means a Project under Investment Project Financing, and a Program under Program-for-Results Financing.

initial implementation activities for the Project; ~~or~~ (b) preparatory activities for operations to be financed by Development Policy Financing or Program-for-Results Financing; or (c) preparatory activities for the MPA Program. PAs are approved by Management under special authority granted by the Executive Directors, who determine, from time to time, the ceiling on the commitment authority of the PPF and the maximum amount of individual PAs.

18. The following may be Borrowers of PAs: (a) in the case of a PA made by IDA, a member country or a regional organization; and (b) in the case of a PA made by IBRD, any IBRD-eligible Borrower. If the IBRD Borrower is not a member country, the member country's or countries' guarantee(s) of the repayment of the PA is required. A PA is made only when there is a strong probability that the operation for which the PA is granted will be made, but granting a PA does not obligate the Bank to support the operation for which it is granted. Once approved, a PA is treated as a Bank Loan under Investment Project Financing. The PA may be refinanced from the proceeds of any Bank Loan. If such Bank Loan does not materialize, the PA is repaid by the Borrower, unless at the time of PA approval by the Bank, the Borrower was eligible only to receive IDA grants, in which case the PA becomes a grant and is not repaid, but (unless the PA is made to a regional organization) the amount is deducted from the IDA allocation to the country in question.

### Roles and Responsibilities

19. The Borrower prepares the Project (and, when applicable, the MPA Program) for which a Bank Loan is sought. The Project's scope, objectives, and the contractual rights and obligations of the Bank and the Borrower are set out in the legal agreements with the Bank. The obligations include the requirement to carry out the Project with due diligence, maintain appropriate implementation monitoring and evaluation arrangements, comply with procurement, financial management, disbursement, social and environmental obligations, measure and report against the achievement of the Project's (and, when applicable, the MPA Program's) development objectives and results and provide agreed financial and audit reports. The Borrower is expected to deal in a timely and effective manner with actual or alleged problems or violations (individual or systemic) in these areas.

20. The Project Participants prepare the Project (and, when applicable, the MPA Program) for which a Bank Guarantee is sought. The Project's scope, objectives, and the contractual rights and obligations of the Bank and the Project Participants are set out in the legal agreements with the Bank, and in the legal agreements among the Project Participants. The obligations of the Project Participants include, as appropriate, the requirement to comply with applicable environmental and social obligations, prepare and provide suitable financial statements and provide specific reports and other Project-related notices and information to the Bank. The member country is responsible for evaluating the Project's (and, when applicable, the MPA Program's) development objectives and results.

21. The Bank appraises the proposed Project (and, when applicable, the MPA Program) in accordance with this OP and other applicable policies; and if a Bank Guarantee is proposed, it develops the structure of the Bank Guarantee in consultation with the Project Participants. During Project implementation, the Bank monitors the Borrower's or the Project Participants' compliance, with its (or their) obligations as set out in the legal agreements with the Bank. The Bank also provides implementation support to the Borrower or the member country by reviewing information on implementation progress, progress towards achievement of the Project's (and, when applicable, the MPA Program's) development objectives and related results, and updates the risks and related management measures. Project implementation support and monitoring carried out by the Bank ends at the completion of the Project. However, monitoring carried out by the Bank of a Bank Guarantee continues until the Bank Guarantee Expiration Date (see paragraph 26 below).



## Managing Investment Project Financing

22. *Approval.* The Executive Directors decide whether to approve the IBRD and IDA Investment Project Financing proposals for the Project<sup>10</sup>, and in the case of the MPA Program, the Executive Directors decide whether to approve the IBRD and IDA financing proposal for the MPA Program. Except for IDA grants and trust fund-financed grants explicitly requiring approval by the Executive Directors, all other grants are approved by Management. The Executive Directors consider and approve IDA guarantees as meeting the special cases provision of IDA’s Articles of Agreement.<sup>11</sup>

23. *Signing.* Signing of legal agreements for Investment Project Financing takes place: (a) after all required authorizations have been issued; and (b) provided there are: (i) no payments on IBRD loans or IDA credits to the Borrower, or to or guaranteed by the member country that are overdue by 30 days or more; and (ii) no payments under a Member Country Indemnity that are overdue by 30 days or more; unless, in exceptional circumstances, Management approves the signing.

24. *Restructuring.* During implementation the Bank, the Borrower, and the member country, as appropriate, may agree to restructure the Project (and, when applicable, the MPA Program) to strengthen its development effectiveness, modify its development objectives, improve Project performance, modify indicators, address risks and problems that have arisen during implementation, make appropriate use of undisbursed proceeds of a Bank Loan, cancel unwithdrawn amounts of a Bank Loan prior to the Loan Closing Date, extend the Closing Date<sup>12</sup>, or otherwise respond to changed circumstances. A restructuring involving a modification of the original Project’s development objectives, an extension of the Bank Guarantee Expiration Date, reliance on alternative procurement arrangements referred to under Section III.F of the Procurement Policy, or a change in safeguard category — from a lesser category to a Category A (as defined in OP 4.01 or OP4.03 as applicable) or the trigger of a safeguard policy not triggered originally by the Project —, is referred to as a level one (“Level One”) restructuring and is submitted for consideration by the Executive Directors (or by Management, in cases where the original Investment Project Financing was approved by Management). A restructuring involving a modification of: (a) the original MPA Program’s development objectives; (b) adding new Borrower(s) not originally discussed in the MPA Program document; (c) a change in safeguard category — from a lesser category to a Category A (as defined in OP 4.01 or OP4.03 as applicable) , is referred to as a Level One restructuring and is submitted for consideration by the Executive Directors (or by Management, in cases where the original Investment Project Financing for the MPA Program was approved by Management). A restructuring involving any other modification of the Project or the MPA Program is referred to as a level two (“Level Two”) restructuring. Management has the delegated authority to approve Level Two restructurings. Management periodically informs the Executive Directors of the Level Two restructurings.

25. *Loan Closing Date.* The closing date of a Bank Loan (“Loan Closing Date”) is the date after which the Bank may stop accepting withdrawal applications under a Bank Loan and cancel any undisbursed balance. The Loan Closing Date is not extended: (a) for Bank Loans subject to suspension of disbursements, except for items exempted from suspension; or (b) for any Bank Loan to a Borrower with any outstanding audit reports or with audit reports which are not satisfactory to the Bank, unless the Borrower and the Bank have agreed on actions to address the deficiencies. In exceptional circumstances, retroactive extensions of a Loan Closing Date may be approved by Management.

<sup>10</sup> For more details, staff may refer to internal guidance from the Corporate Secretariat.

<sup>11</sup> IDA’s Articles of Agreement provide that “in special cases” IDA guarantees loans from other sources for purposes not inconsistent with the provisions of the Articles.

<sup>12</sup> “Closing Date” refers, collectively or as the context requires, singularly, to a Loan Closing Date and/or a Bank Guarantee Closing Date, as defined in paragraphs 25 and 26 respectively.

26. *Bank Guarantee Closing Date; Bank Guarantee Expiration Date*; The closing date for a Bank Guarantee (“Bank Guarantee Closing Date”) is the expected completion date of the Project. The expiration date of a Bank Guarantee (“Bank Guarantee Expiration Date”) is the date after which the Bank stops accepting calls on the Bank Guarantee.

27. *Investment Project Financing Completion Report*. The Bank evaluates and reports on the performance of the Project, **except that in the case of the MPA Program, the evaluation and report is on the performance of the MPA Program and not on the Project(s) under the MPA Program**. The report seeks to include the Borrower and member country’s evaluation of the Project **(or, if applicable, the MPA Program)**. For Investment Project Financing approved by the Executive Directors and whose legal agreements do not become effective or for which the Investment Project Financing is canceled before significant implementation is initiated, Management provides the Executive Directors with a summary note explaining the circumstances. For Projects for which the legal agreements are not signed, Management informs the Executive Directors of that as part of periodic reporting.

### **Recourse and Remedies**

28. If the Borrower or a Project Participant does not comply with its contractual obligations to the Bank, or other events occur which give rise to a legal remedy under the legal agreements for the Investment Project Financing, the Bank consults with the Borrower or the Project Participant and requires timely and appropriate corrective measures to be taken. The Bank’s legal remedies are specified in the relevant legal agreements. In the case of Bank Loans, these include suspension of disbursements of, and cancellation of, unwithdrawn amounts of the Bank Loan. In the case of Bank Guarantees, these may, depending on the transaction, include the right to suspend or terminate the Bank Guarantee. The Bank exercises such remedies when warranted and as it deems appropriate, taking into account, among other things, country-, sector-, and investment-specific circumstances, the extent of possible harm caused by circumstances giving rise to the remedy, and the Borrower’s or Project Participant’s commitment and actions to address the identified problems. However, the Bank takes a graduated approach to suspension of Bank Loans for non-payment, and when a payment to the Bank under an IBRD loan, an IDA credit, or a Member Country Indemnity is overdue by 60 days, the Bank suspends all Bank Loans to, or guaranteed by, the member country concerned.

### **Additional Investment Project Financing**

29. The Bank may provide additional Investment Project Financing to an ongoing, well-performing Project for completion of Project activities when there is a financing gap or cost overrun, for scaling up the development effectiveness of the Project, and/or in cases of Project restructuring, when the original Bank Loan or Bank Guarantee is insufficient for the modified or additional activities. The Bank considers the proposed additional Investment Project Financing on the basis of, as necessary, updated or additional assessments of areas specified in paragraphs 4-10 of this OP. Additional Investment Project Financing is submitted for approval by the Executive Directors unless authority for approval of the specific Investment Project Financing rests with Management. **The Bank may provide additional financing to an ongoing, well-performing MPA Program. A proposal for additional financing is submitted for approval by the Executive Directors, unless authority for approval of the specific financing for the MPA Program rests with Management. Additional Investment Project Financing for an individual operation within the MPA Program is approved by Management if the overall Bank financing for the MPA Program does not exceed the MPA Program financing approved by the Executive Directors.**

### **Disclosure of Information**

30. During Investment Project Financing preparation and implementation support and in evaluating, the Bank discloses Investment Project Financing-related information in accordance with the Bank's *Policy on Access to Information*.

**Annex D: Proposed Edits in PforR Policy**

*Draft Considerations*

# Bank Policy

## Program-for-Results Financing

**Bank Access to Information Policy Designation**  
Public

**Catalogue Number**  
[to be completed by the LEG P&P F Administrator]

**Issued and effective**  
\_\_\_\_\_, 2015

**Content**  
Establishes the policy framework for the Program-for-Results Financing

**Applicable to**  
IBRD and IDA

**Issuer**  
Vice President and Head of Network, OPCS

**Sponsor**  
Director, Operations Policy and Quality Department, OPCS



## Section I – Purpose and Application

1. This Policy sets forth the policy framework for Program-for-Results Financing.
2. This Policy applies to the Bank.

## Section II – Definitions and Acronyms

As used in this Policy, the following capitalized terms and acronyms have the meanings set out below:

1. **Bank:** IBRD and IDA (whether acting in its own capacity or as administrator of trust funds funded by other donors).
2. **Board:** the Executive Directors of IBRD or IDA, or both, as applicable.
3. **Borrower:** the borrower of record and any other entities involved in Program implementation.
4. **Closing Date:** the date after which the Bank may stop accepting withdrawal applications under the Program-for-Results Financing, and cancel any undisbursed balance in the Financing account.
5. **IBRD:** International Bank for Reconstruction and Development.
6. **IDA:** International Development Association.
7. **Management:** the President or a Manager, or some or all of these persons, as applicable.
8. **Multiphase Programmatic Approach Program (MPA Program):** program that contributes to development objectives of member states and consists of two or more operations that have a common program development objective(s).
9. **MPA Financing:** the provision of loans, credits, or grants financed by the Bank from its resources or from trust funds financed by other donors and administered by the Bank, or a combination of these.
10. **OPCS:** Operations Policy and Country Services.
11. **Policy:** a Policy, as defined in Bank Policy, "[Policy and Procedure Framework](#)", January 8, 2014, Catalogue No. EXC4.01-POIL.01.
12. **Program:** a program supported by Program-for-Results Financing.
13. **Program-for-Results Financing or Financing:** the provision of loans, credits, or grants financed by the Bank from its resources or from trust funds financed by other donors and administered by the Bank, or a combination of these.
14. **Program Systems:** the relevant systems and rules of the institutions responsible for the Program implementation.

## Section III – Scope

1. Program-for-Results Financing aims to promote sustainable development and improve the efficiency and effectiveness of expenditures by:
  - (a) financing the expenditures of specific development Programs;
  - (b) disbursing on the basis of the achievement of key results (including prior results) under such Programs;
  - (c) using and, as appropriate, strengthening the Program Systems to provide assurance that Program funds are used appropriately and that environmental and social impacts are adequately addressed by such Programs; and
  - (d) strengthening, where appropriate, the institutional capacity necessary for such Programs to achieve their intended results.
2. The Programs have expenditures, activities, and defined results, and promote sustainable development. The Programs may be: (a) new or already under implementation; (b) national, subnational, multisectoral, sectoral, or sub-sectoral in scope; (c) part of broader, longer-term, or geographically larger programs; and/or (d) carried out by governmental and/or nongovernmental parties.
3. Subject to the other applicable requirements of this Policy, the Financing may be extended to any type of expenditures, provided the Program is productive and Program oversight arrangements, including the fiduciary arrangements, provide reasonable assurance that the Financing proceeds will be used for the purposes for which the Financing is granted, with due consideration of economy and efficiency. The amount of Financing is equal to or less than the total Program expenditures. If by the end of the Program, the Financing amount disbursed exceeds the total amount of Program expenditures, the Borrower refunds the difference to the Bank.
4. Subject to the other applicable provisions of this Policy, the Financing proceeds are disbursed upon the achievement of verified results specified as disbursement-linked indicators. Such disbursements are not dependent upon or attributable to individual transactions or expenditures. Under appropriate circumstances, such as to provide the Borrower with resources to allow the Program to start or to facilitate the achievement of disbursement-linked indicators, the Bank may agree to disburse a portion of the Financing proceeds as an advance for disbursement-linked indicators that have not yet been achieved.

**[New Paragraph].** Financing may support an MPA Program operation.

### Considerations for ~~Program-for-Results~~ Financing and MPA Financing

5. The Bank's assessment of a proposed Program is based on various country and Program-specific strategic, technical, and risk considerations. These include the Program's strategic relevance, technical soundness, expenditure analysis, economic rationale, results framework, fiduciary and environmental and social systems and risks. The assessments evaluate the relevant risks and the scope for improvements and managing such risks, including proposed

institution strengthening activities to be undertaken before, if deemed appropriate, and during the Program implementation.

6. The *technical assessment* considers, among other things, the Program's rationale and its development objectives, taking into account consistency with the Bank's overall assistance strategy for the member country in question; the Borrower's commitment; relevant institutional and implementation arrangements; the Program's activities and expenditures framework; the degree to which the Program aims to achieve specific, measurable, and verifiable results; the monitoring and evaluation arrangements; and the general policy, legal, regulatory, and institutional frameworks relevant to the Program.
7. The *fiduciary systems assessment* considers whether the Program Systems provide reasonable assurance that the Financing proceeds will be used for intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability. The Program procurement systems are assessed as to the degree to which the planning, bidding, evaluation, contract award, and contract administration arrangements and practices provide reasonable assurance that the Program will achieve intended results through its procurement processes and procedures. The Program financial management systems are assessed as to the degree to which the relevant planning, budgeting, accounting, internal controls, funds flow, financial reporting, and auditing arrangements provide reasonable assurance on the appropriate use of Program funds and safeguarding of its assets. The fiduciary assessment also considers how Program Systems handle the risks of fraud and corruption, including by providing complaint mechanisms, and how such risks are managed and/or mitigated.
8. The *environmental and social systems assessment* considers, as may be applicable or relevant in a particular country, sector, or Program circumstances, to what degree the Program Systems:
  - (a) promote environmental and social sustainability in the Program design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making relating to the Program's environmental and social impacts;
  - (b) avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program;
  - (c) protect public and worker safety against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards;
  - (d) manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards;
  - (e) give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups; and

- (f) avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.
9. Activities that are judged to be likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people are not eligible for the Financing, and are excluded from the Program. Activities that involve procurement of works, goods, and services under contracts whose estimated value exceeds specified monetary amounts (high-value contracts)<sup>48</sup> are normally not eligible for the Financing, and are excluded from the Program. However, such contracts may be included in the Program if they are deemed to be important to the integrity of the Program and their monetary value in relation to the overall Program is modest.<sup>49</sup>
10. The Program *integrated risk assessment* considers key risks to achieving the Program's results and development objectives. The integrated risk assessment is informed by the results of the technical, fiduciary, and environmental and social systems assessments and provides a key input into the Bank's decision to provide the Financing. This decision takes into account country/sector/multisector-specific circumstances, potential benefits of the Program, the needs and capacity of the Borrower, and the degree to which the Financing and implementation support will contribute to the overall Program objectives and results.

#### **Borrower and Bank Roles and Responsibilities in Program Preparation and Implementation**

11. The Borrower is responsible for preparing and implementing the Program. The Program's scope and objectives and the Borrower's contractual obligations to the Bank are set out in the legal agreements with the Bank. These obligations include the requirement to carry out the Program with due diligence, and to maintain appropriate monitoring and evaluation arrangements (including credible disbursement-linked indicator verification protocols), fiduciary and environmental and social Program Systems, and governance arrangements. The Borrower is expected to deal in a timely and effective manner with actual or alleged problems or violations (individual or systemic) in these areas.
12. The Bank assesses and appraises the Program in accordance with this Policy, and other applicable policy, technical, operational, and procedural requirements. In relation to the environmental and social systems assessment, the Bank consults with the Program stakeholders and discloses the results and recommendations of its assessment. As appropriate, the Bank agrees with the Borrower on specific actions to be taken and arrangements to be maintained during the period of the Program, including measures to address identified weaknesses and risks and to strengthen institutional capacity.
13. The Bank provides implementation support to the Borrower by reviewing implementation progress, achievement of the Program results and disbursement-linked indicators, and associated Program risks. The Bank monitors the Borrower's compliance with its contractual obligations, including actions to strengthen institutional capacity.

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<sup>48</sup> See Section II, paragraph 7, Bank Directive, "Program-for-Results Financing", \_\_\_\_\_ 20\_\_, Catalogue Number \_\_\_\_\_.

<sup>49</sup> See Section III, paragraph 5, Bank Directive, "Program-for-Results Financing", \_\_\_\_\_, 20\_\_, Catalogue Number \_\_\_\_\_.



### Recourse, Remedies, and Sanctions

14. If the Borrower does not comply with its contractual obligations, the Bank consults with the Borrower, and requires the Borrower to take timely and appropriate corrective measures. The Bank's legal remedies are specified in the relevant legal agreements and include the right to suspend disbursement and to cancel the Financing. The Bank exercises such remedies when warranted and as it deems appropriate, taking into account, among other things, country-, sector-, and Program-specific circumstances, the extent of and possible harm caused by circumstances giving rise to the remedy, and the Borrower's commitment and actions to address the identified problems. However, the Bank takes a graduated approach to suspension for non-payment, and when an IBRD loan or IDA credit payment from the Borrower to the Bank is overdue by 60 days, the Bank suspends all financings to or guaranteed by the country concerned.
15. The Borrower is responsible, among other things, for taking appropriate measures to prevent, detect, and respond to fraud and corruption or allegations of fraud and corruption in the Program. The Bank has the right to investigate allegations of fraud and corruption in the Program and to sanction parties that engage in sanctionable practices.

### Managing Program-for-Results Financing

16. *Approval.* The Board decides whether to approve the IBRD and IDA Financing proposals, **except that in the case of the MPA Program, the Board decides whether to approve the IBRD and IDA MPA Financing proposal.** Except for IDA grants and trust-fund-financed grants explicitly requiring approval by the Board, all other grants are approved by Management.
17. *Signing.* Signing of legal agreements for the Financing takes place after all required authorizations have been issued; and provided there are no payments on IBRD loans or IDA credits to the Borrower, or to or guaranteed by the member country, that are overdue by 30 days or more, unless, in exceptional circumstances, Management approves the signing and reports such information to the Board.
18. *Restructuring.* During the implementation of the Program, and as part of Bank implementation support, the Program may, with the agreement of the Bank and the Borrower, be restructured to strengthen its development impact, modify its development objectives or disbursement-linked indicators, improve Program performance, address risks and problems that have arisen during implementation, make appropriate use of undisbursed financing, cancel unwithdrawn amounts prior to the Closing Date, extend the Closing Date, or otherwise respond to changed circumstances. **An MPA Program may also be restructured.** A restructuring involving a modification of the original Program objectives, **modification of the original MPA Program's development objectives, or the addition of new Borrower(s) not originally discussed in the MPA Program document,** is referred to as a Level One restructuring and is submitted for approval by the Board. A restructuring involving any other modification of the Program **or the MPA Program** is referred to as a Level Two restructuring. The authority to approve Level Two restructuring is delegated by the Board to Management. Management periodically informs the Board of Level Two restructurings.
19. *Closing Date.* The Closing Date is not extended: (a) for the Financing subject to suspension of disbursements; or (b) for the Financing with any outstanding audit reports or with audit

reports which are not satisfactory to the Bank, unless the Borrower and the Bank have agreed on actions to address the deficiencies. Exceptionally, retroactive extensions of a Closing Date may be approved by Management.

### **Additional Program-for-Results Financing**

20. The Bank may agree to provide additional Financing to an ongoing Program to meet: (a) unanticipated significant changes to expenditures parameters required to achieve the original Program results or disbursement-linked indicators; or (b) new or modified results, to be reflected in new or modified disbursement-linked indicators, that aim to scale up the impact or development effectiveness of the original Program. The Bank provides the additional Financing if it is satisfied with the overall implementation of the original (or restructured) Program. The Bank considers the proposed additional Financing on the basis of, as necessary, updated or additional technical, fiduciary, environmental and social impacts, and integrated risk assessments. The additional Financing is separate and distinct from the original Financing and is submitted for approval by the Board or Management (as in paragraph 16 of this Policy).
21. The Bank may provide additional Financing to an ongoing MPA Program if it is satisfied with the overall implementation of the original (or restructured) MPA Program. Additional Financing is submitted for approval by the Board unless authority for approval of the specific Financing for the MPA Program rests with Management.

### **Section IV – Waiver**

A provision of this Policy may be waived in accordance with Bank Policy, “[Operational Policies Waivers](#)”, April 7, 2014, Catalogue No. OPCS5.06-POL.01.

### **Section V – Effective Date**

This Policy is effective \_\_\_\_\_, 2015.

### **Section VI – Issuer**

The Issuer of this Policy is the Vice President and Head of Network, OPCS.

### **Section VII – Sponsor**

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

### **Section VIII – Related Documents**

1. Bank Directive, “Program-for-Results Financing”, \_\_\_\_\_, 2015, Catalogue No. OPCS\_\_.

2. Bank Procedure, “Program-for-Results Financing”, \_\_\_\_\_, 2015, Catalogue No. OPCS \_\_\_\_\_.
3. Instructions for Suspension, Cancellation and Placement of Bank Loans in Nonperforming Status, March 6, 2015.
4. Program-for-Results: Two-Year Review, R2015-0060, IDA/R2015-0052, March 18, 2015.
5. [A New Instrument to Advance Development Effectiveness, Program-for-Results Financing](#), R2011-0282, IDA/R2011-0350, December 29, 2011.
6. [Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing](#) (February 1, 2012 and Revised \_\_\_\_\_, 2015).

### Section IX – Other Applicable Rules

Program-for-Results operations are also governed by the following OPs/Policies and BPs/Directive (including any relevant Operational Memoranda and Instructions/Procedures [internal use only]), as applicable: [OP 1.00, Poverty Reduction](#); [World Bank Group Directive Country Engagement](#); [OP/BP 2.30, Development Cooperation and Conflict](#); [OP/BP 3.10, Financial Terms and Conditions of IBRD Loans, IBRD Hedging Products, and IDA Credits](#); [OP 4.07, Water Resource Management](#); [OP/BP 4.20, Gender and Development](#); [OP 4.76, Tobacco](#); [OP 7.00, Lending Operations: Choice of Borrower and Contractual Agreements](#); [OP7.20, Security Arrangements](#); [OP /BP 7.30, Dealings with De Facto Governments](#); [OP/BP 7.40, Disputes Over Defaults on External Debt, Expropriation, and Breach of Contract](#); [OP/BP 7.50, Projects on International Waterways](#); [OP/BP 7.60, Projects in Disputed Areas](#); [OP/BP 8.45, Grants](#); [OP/BP 10.20, Global Environmental Facility Operations](#); [OP/BP](#); [OP/BP 14.10, External Debt Reporting and Financial Statements](#); [OP/BP 14.20, Cofinancing](#); [OP/BP 14.40, Trust Funds](#); [World Bank Group Procedure, Communications with Executive Directors](#), Catalogue No. SECMM9.01-PROC.01; and [Bank Procedure, Inspection Panel](#), Catalogue No. OPCS6.04- PROC.01.

### Section X – Revision History

1. The original policy, OP 9.00, *Program-for-Results Financing*, was issued in February 2012.
2. OP 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 policies and procedures previously captured in OP/BPs on signing of legal agreements, closing dates, suspension of disbursements, and cancellations.
3. This Policy replaces OP 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.

Questions regarding this Policy should be addressed to [Operations Help Desk](#).