Changing the behavior of end beneficiaries is often crucial to achieving project development objectives, yet this intermediate outcome is not always explicitly addressed and can lead to unexpected and often unwelcome project outcomes. This was the main topic of discussion during a panel session moderated and co-hosted by GPOBA, in collaboration with the Urban anchor and the Water and Sanitation Program during this year’s Sustainable Development Network Forum. The session showcased the use of results-based financing (RBF) approaches to influence household behaviors in relation to both rural and urban sanitation, the latter of which falls in line with the World Bank’s Urban Strategy objective of promoting sustainable solutions to urban challenges.

GPOBA’s Leslie Villegas (Infrastructure Specialist/ Knowledge and Learning Team Lead) moderated the lively session, involving the following expert panelists:

- Minh Chau Nguyen (Vice President, East Meets West Foundation)
- Jian Xie (Sr. Environmental Specialist, ECSEN)
- Susanna Smets (Sr. Water & Sanitation Specialist, TWIEA)
- Gustavo Perochena (Sr. Economist, TWILC),
- Marcus Lee (Urban Economist, UDRUR)
- André Bald (Sr. Urban Specialist, AFTU1).

The panelists’ engaging presentations elicited wide audience participation, as evidenced by a lively Q&A discussion confirming the growing interest in RBF. Minh Chau Nguyen presented a community hygiene project in Vietnam, highlighting how the project’s unique incentive-based scheme incorporating output-based aid (OBA) and conditional cash transfers (CCTs) focused the activities of all the involved stakeholders to target the poor. Additionally, the consumer rebates and CCTs served as incentives for lower-income households to change hygienic behaviors such as hand washing, waste disposal and safe water use. Jian Xie reviewed how an OBA incentive helped to encourage waste separation behavior in Ningbo in order to minimize the quantity of waste disposed in landfills and incinerators.

The other panelists shared their expertise on RBF initiatives in both rural and urban sanitation, on integrating sanitation into a national CCT scheme (Juntos) in Peru and on using the World Bank’s Program-for-Results (PforR) as a programmatic RBF instrument for urban development in Tanzania. Leslie Villegas facilitated this rich exchange of ideas through thought-provoking questions for the panelists, including how to select the most appropriate RBF modality (including OBA and PforR) and how to design the level of incentive to encourage sustained behavior change.

GPOBA is optimistic that as it continues to participate in international forums such as these to generate further innovation across various sectors of the World Bank, it will discover new paths to mainstream RBF approaches -- including OBA -- within World Bank operations.