IDA21 Replenishment: Challenges & Opportunities

27TH STATUTORY MEETING OF
THE AFRICA GROUP I CONSTITUENCY, WORLD BANK GROUP
WASHINGTON DC, USA

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VICE PRESIDENT, DEVELOPMENT FINANCE
THURSDAY, APRIL 18, 2024
1. Context
2. Key issues for IDA21
3. IDA21 Strategic Direction
4. What we have heard
5. Your Feedback
African countries benefit from >70% of IDA commitments

Almost US$40 billion of IDA20 already committed to AFR

* IDA20 Commitments are as of February 29, 2024.
The Sustainable Development Goals are off track, and time is of the essence

**Challenging global economic context**
Poly-crisis upended decades of development progress and increased rates of poverty and inequality

**Spiking insecurity**
Geopolitical tensions are rising, with heightened fragility, conflict, and violence

**Declining access to essentials**
People face widespread hunger, water and energy insecurity

**But opportune moment for investments in long-term development**
Demographic shifts in Africa and elsewhere can be leveraged to improve prospects for people and planet

**Growing threat of climate change**
The climate crisis is an existential threat to people and the planet

**Advent of new technologies**
And opportunity to bridge the digital gap
Key outcomes of WB evolution, institutional direction

**VISION**
Create a world free of poverty on a livable planet.

**MISSION**
End extreme poverty and boost shared prosperity on a livable planet.

**A NEW WORLD BANK PLAYBOOK**
Doubling Down on Impact  Modernizing the Approach  Global Challenge Programs  Deliver with greater efficiency

**INCREASING WORLD BANK FINANCING CAPACITY**
Key policy-related issues to focus on in IDA21 discussions
Select issues driving IDA21 discussions

Evolution priorities translated for IDA

• **FCV.** Recalibrating IDA engagement for an increasingly fragile world, increasing flexibility and agility

• Addressing worsening impact of **Climate Change**

• **Crisis preparedness.** Ways to reflect the enhanced crisis toolkit

• **Vulnerability, Allocation of Concessionality.** IDA’s policy framework already factors in vulnerability in the allocation of resources

• **Volumes and concessionality.** Aiming for a strong and robust IDA21

• **Global Challenges (GCs) and Global Challenge Programs (GCPs).** Reflecting GCs and GCPs in the IDA framework

• **Driving impact at scale.** Enhancing focus on outcomes – streamlining RMS/PCs, alignment with Corporate Scorecard

• **SimplifIDA.** Simplifying IDA policy framework, reconfiguring allocations, Windows architecture; enhancing incentives (via volumes) for identified priorities, e.g. Global Challenge Programs
IDA21 Replenishment: Timeline and Strategic Direction
IDA21 Replenishment Negotiation: Timeline

Mar. 18-19, 2024
1\textsuperscript{st} Replenishment Meeting (Virtual)
- Endorse the IDA21 strategic directions and overarching theme
- Update Participants on IDA’s financial outlook and options to enhance IDA’s medium- to long-term financing capacity

Apr. 21, 2024
2\textsuperscript{nd} Replenishment Meeting (Wash. DC)
- Discuss key elements of IDA’s policy framework (SDFP, GAF, SimplifIDA)

Apr. 29, 2024
3\textsuperscript{rd} Replenishment Meeting (Nepal)
- Discuss IDA21 Policy Package and Financing Framework, Innovations, and Proposed architecture and scenarios

Jun. 18-21, 2024

Oct. 28-29, 2024
4\textsuperscript{th} Replenishment Meeting (Wash. DC)
- Finalize Policy Package in a draft Deputies’ Report and endorse final Operational and Financing Framework

Dec. 10-11, 2024
Final Meeting and Pledging Session (TBD)
- Finalize Deputies’ Report and Pledge Contributions

IDA Africa HoS Summit (Kenya)
IDA21 proposed overarching theme, focus areas and lenses offer continuity while aligning with Evolution Outcomes

Ending Poverty on a Livable Planet:
Delivering Impact with Urgency and Ambition
IDA21 Focus Areas

PEOPLE
- No learning poverty
- Healthier lives
- Protection of the poorest
- Youth inclusion

PROSPERITY
- Effective macroeconomic and fiscal management

PLANE
- Green and blue planet and resilient populations
- Inclusive and equitable water and sanitation services
- Sustainable food systems

INFRASTRUCTURE
- Connected communities
- Affordable, reliable, and sustainable energy for all

DIGITALIZATION
- Digital connectivity
- Digital services
IDA’s Support in Focus Areas will be Informed through Priority Lenses to Bolster Impact

Central to IDA’s engagement, these issues will continue to feature prominently as lenses through which to view and inform all of IDA21’s work.

- More Private Investments
- More and Better Jobs
- Gender Equality
- Better Lives for People in Conflict, Fragility and Violence
- Gender
- Fragility
The IDA21 Policy Framework is well aligned with the SDGs

**FOCUS AREAS**

**PEOPLE**
- Protection for the poorest
- No learning poverty
- Healthier Lives

**PROSPERITY**
- Effective macroeconomic and fiscal management

**PLANET**
- Greener planet and resilient populations
- Inclusive & equitable water and sanitation services
- Sustainable food systems

**INFRASTRUCTURE**
- Connected communities
- Affordable, reliable and sustainable energy for all

**DIGITAL**
- Digital connectivity
- Digital services

**LENSSES**
- Gender equality
- Better Lives for People in Fragility, Conflict, and Violence
- More and Better Jobs
- More Private Investment
What we have heard from partners so far

A call to refine, refocus, streamline and evolve IDA
### WHAT WE HAVE HEARD FROM PARTNERS SO FAR...

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<td><strong>1</strong></td>
<td>Broad consensus on critical and challenging times faced by many IDA countries</td>
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<td>Important to reflect client needs and priorities</td>
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<td><strong>2</strong></td>
<td>Need to strike a balance between continuity and evolution reforms</td>
<td><strong>6</strong></td>
<td>General support for enhancing IDA’s outcome orientation and efforts to achieve impact, speed and scale</td>
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<td>Proposed focus areas and lenses resonate; requests for small changes in scope</td>
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<td>Need for judicious approach in streamlining PCs to avoid predetermining programming but supporting Deputies’ ability to garner support in capitals</td>
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<td>Need for an ambitious IDA21 both in impact and financing</td>
<td><strong>8</strong></td>
<td>Support for simplification of policies and procedures to enhance client experience with IDA</td>
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SUSTAINED ADVOCACY IS CRUCIAL IN IDA21

Make it known - IDA works and IDA21 needs a robust replenishment. Please do raise IDA, especially in high level engagements, throughout the year.

Be clear - Concessionality is needed in IDA21 more than ever before.

Momentum - Keep IDA21 at the top of the agenda of your constituency leadership...create momentum going to Nairobi and sustain it.
Feedback

How do IDA21’s theme, focus areas and lenses align with your priorities, and what observations or questions do you have?

Are there particular issues/areas of emphasis you’d hope to see in the policy papers?