

**4<sup>th</sup> IDA 18 Replenishment Meeting: Joint Statement by IDA Borrower Representatives for  
Africa, East Asia Pacific, Europe and Central Asia, Latin America and Caribbean  
Middle East and North Africa, and South Asia**

December 14-15, 2016; Yogyakarta, Indonesia

**Preamble**

1. We are grateful to the Government of Indonesia for hosting this Meeting and the excellent facilities and warm hospitality. We welcome and strongly support the Draft IDA18 Deputies' Report (the Report) and commend IDA18 management and participants for their efforts and hard work throughout the current replenishment negotiations. The Report provides a comprehensive and transformative policy and financial package well suited for the needs of our countries as they implement the 2030 development agenda and seek to achieve the SDGs.

2. As we prepare for the IDA18 pledging session, we would like to acknowledge and thank donor partners for their continued support to IDA. We also welcome Iran as returning partner and Pakistan and Algeria as incoming donors and thank them for their solidarity and support to multilateralism. We believe that the strong results achieved by IDA's value proposition for the poor over the past decades is a clear demonstration of its value for money for both partners and clients.

**IDA18 Replenishment Process**

3. The IDA18 replenishment process is greatly enhanced by the introduction of the co-chair and the strengthening of borrower representation and consultations. The independent co-chairing arrangement played a seminal and balancing role in the effort to enhance stakeholder consultations and reflect the diverse and important views in the outcome of the negotiations. Moreover, the increased representation of borrowers and the creation of the Borrower Plenary provided a better space to effectively engage with representatives of IDA Governors to share their views and strengthen their ownership and voice in the process. We are very pleased with these achievements and are convinced that useful lessons can be learned so as to sustain and strengthen IDA replenishment process in the next replenishment cycles.

**IDA18 Deputies' Report**

4. We welcome the policy and financing package embedded in the Report. The strong focus on jobs, food security, energy, economic transformation, women empowerment, and governance and institution building with the view to spur economic growth and jobs, including for women, through enhanced support to capacity building, and infrastructure and private sector development is appropriate. We also welcome IDA18's strong emphasis on addressing climate change, natural disasters, and fragility, conflict and violence (FCV) through support to global public goods to reduce vulnerability and reinforce resilience in IDA countries and particularly those in FCV situation. We believe that the IDA18 package provides growth-enabling instruments that can effectively assist all IDA clients deliver sustainable and higher earning jobs (Scale-Up Facility,

Private Sector Window, and Regional Window) as well as adequate tools to reduce vulnerability and reinforce resilience to climate, disaster and conflict-related fragilities (Refugee Window, Turn-Around Regime, Risk Mitigation Regime, and CAT-DDO).

5. The Report also has an innovative and transformative financing package to leverage IDA's balance sheet by blending market resources and donor grant contribution in response to heightened demand in all IDA countries. We are very pleased by the introduction, for the first time, of debt financing through market resources, which will allow IDA18 to expand non-concessional lending to creditworthy IDA clients to develop infrastructure and private sector, support co-benefit-generating global public goods, and provide support to smoothen the transition path for Bolivia, Sri Lanka and Vietnam graduating from IDA. In this way, IDA18 is making the best use of its limited core grant and concessional resources to support efforts to eradicate extreme poverty in the poorest countries. The triple-A ratings by S&P and Moody's and also the recent Bank for International Settlements' (BIS) Zero Risk weighting for IDA are very good news and solid signals about positive market perceptions of IDA's client base and new funding model.

6. Given the above, we strongly support the proposed policy commitments and see robust incentives for a successful replenishment at the preferred financing package level of at least USD 75 billion. We strongly believe that the IDA18 replenishment package has the potential to significantly improve IDA's efficiency and development impact over the next three years. We are also satisfied that the proposed financing package demonstrates World Bank Group (WBG) solidarity by preserving income transfers from IFC and IBRD to IDA while safeguarding their financial sustainability and triple-A ratings. WBG solidarity together with partners' support are critical at this juncture for IDA as a new debt issuer and in the future to reinforce and preserve its triple-A rating.

### **IDA18 Implementation**

7. We welcome the measures included in the IDA18 package to ensure effective implementation, impact and results. We strongly concur with the Report on the need to strengthen support to Bank operations and client countries, particularly FCS for the operational scale up expected under IDA18. In particular, we welcome the provision for an enhanced project preparation facility and the implementation support to the Private Sector Window, as well as the new IFC Creating Markets Advisory Window (CMAW) fund in IDA/FCS countries.

8. We would like to reassure our partners that our countries are fully committed to implementing the identified policy reforms so as to ensure a successful implementation of IDA18. In so doing, they will actively work with the WBG to take full advantage of the various financing tools and facilities available under IDA18.

9. In closing, we encourage donor partners (traditional and new) to exploit the opportunities presented by the global goals and new financing model with potential to leverage their contributions three-fold as opposed to two-fold in IDA17 to match the level of ambitions and deliver a robust IDA18 replenishment.