

IDA20: BUILDING BACK BETTER FROM THE CRISIS TOWARD A GREEN, RESILIENT AND INCLUSIVE FUTURE

A global coalition of development partners have agreed on a **\$93 billion financing package** for the historic early 20th replenishment of the <u>International Development Association</u> (IDA20). The package will finance projects designed to deepen support and drive resilient recovery for the poorest countries, between July 1, 2022, and June 30, 2025.

The Policy Package

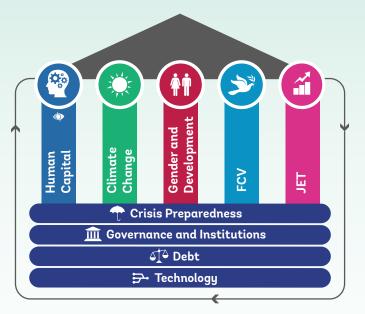
The IDA20 policy package comprises an innovative approach and ambitious set of targets that will help countries recover from the impacts of the COVID-19 crisis and build back better and greener. Furthermore, as the war in Ukraine spurs far-reaching economic and social impacts across the world—including food insecurity and energy price hikes—IDA20 is providing sustainable solutions, with a special focus on the most vulnerable groups and populations, including in **fragile and conflictaffected contexts**.

IDA is also deepening support to countries and their systems to better **prepare for and respond to future crises**, including pandemics, financial shocks, natural hazards, and crisis-driven food insecurity.

IDA20 prioritizes **tackling climate change**, including through aligning operations with the Paris Agreement. By increasing climate co-benefits, and with high targets for green financing and ecosystem services, IDA20 focuses on helping countries to adapt to rising climate impacts and preserve biodiversity.

In addition, IDA is addressing other major challenges such as **gender inequality and job creation**, with a continued emphasis on **governance and institutions**, **debt sustainability**, and **digital infrastructure** to foster economic and social inclusion.

Furthermore, IDA20 assists countries in prioritizing **investments in human capital**, covering education, health and nutrition, vaccinations, safety nets, and support for people with disabilities.







The Financing Package

IDA20 brings together **contributions totaling \$23.5 billion from high- and middle-income countries,** including new and returning donors with additional financing raised in the capital markets, repayments, and from the World Bank's own contributions.

This means that for every \$1 that donors contribute, the World Bank leverages this into almost \$4 of financial support for the poorest countries. Specifically, the financing package saw an:









8% increase in support to refugees and host communities



About two thirds of IDA20 resources are allocated automatically to all <u>74 IDA countries</u> based on performance and needs through the Performance-Based Allocation system. Another third of the envelope is offered to countries through thematic windows targeting key strategic priorities, such as regional integration, crisis response, private sector development, and support to refugees and host communities.

Resources from IDA20 are expected to bring positive change to the 1.3 billion people who live in IDA countries. Since 1960, IDA has provided **\$458 billion of financial support to 114 countries.** Annual commitments have averaged about \$29 billion over the last three years (FY19-FY21), with about 70 percent going to Africa.

