IDA18 Retrospective - Chapter 2
Investing in Growth, Resilience, and Opportunity
CHAPTER 2. INVESTING IN GROWTH, RESILIENCE, AND OPPORTUNITY

Following a protracted growth period, poverty reduced and sustainability and inclusion improved; but the cascading crises brought on by COVID-19 are reversing hard-won gains for the first time in a generation. IDA18 pivoted to respond to the COVID-19 pandemic, which reversed long-term positive development trends in IDA countries. IDA18 was well positioned to address these crises at their outset due to its greater attention to preparedness. IDA’s focus on resilience and fragility was particularly relevant during IDA18, as was its ability to reallocate resources to respond nimbly and quickly to the crises as they unfolded in the final months of IDA18. Despite these challenges, IDA18 supported impressive results in several areas, as measured by the Results Measurement System (RMS).

2.1. Strong Progress with Indications of COVID-related Setbacks

Overall, IDA countries experienced real economic growth and poverty reduction during the IDA18 period leading up to COVID-19. Between 2000 and 2019, IDA countries had been on a strong growth path (figure 2.1). Data also suggest that during the IDA18 period, the overall percentage of the IDA population living on less than US$1.90 per day declined from 29.4 percent to 26.6 percent, while gross domestic product (GDP) per capita increased from 1 percent to 1.39 percent. The GDP growth rate of the bottom 40 percent also increased 1.3 percent—although this represents a smaller increase than earlier years—while GDP per employed person increased from US$10,008 to US$10,543 in constant prices.

IDA countries saw some significant improvements in sustainability and inclusion. During the IDA18 period, average annual deforestation change reduced from 0.49 percent to 0.25 percent. On inclusiveness, significant gains have been made in areas such as the

Figure 2.1. Real GDP Growth

Source: Global Economic Prospects, January 2021. World Bank

A market place in Kenya, April 2020. Photo: Sambrian Mbaabu/World Bank
2.2. IDA18’s Allocation Process Provided Flexible Support to IDA Countries

Increased IDA18 financing scaled-up performance-based country allocations and support to IDA FCS and Small States. IDA financing comprises both country allocations, which provide unearmarked support to IDA-eligible countries, and dedicated financing for targeted issues through financing Windows. IDA18 intended to channel about two-thirds of total resources (about 70 percent for IDA18 compared to 75 percent in IDA17) through country allocations. The country allocations reflected increased support to FCS through changes to the performance-based allocation (PBA) system (see paragraph below) and to countries facing FCV challenges through the continuation of the Turnaround Regime (TAR), and the introduction of the Risk Mitigation Regime (RMR). Small States in particular saw a marked increase in support via a significant increase in the annual minimum base allocation, which nearly quadrupled from SDR 4 million to 15 million.

IDA18 delivery continued to balance support for the most vulnerable while rewarding policy performance and institutional capacity. In general, top performers continued to receive the largest performance-based allocations per capita in IDA18, with IDA countries in the top performance quintile receiving about two-thirds more per capita allocation compared to those in the lowest quintile. This represents a decrease relative to IDA17, when countries in the top performance quintile received more than two times the per capita allocation of those in the lowest quintile. This change is due to the reduction of the Country Performance Rating (CPR) exponent from 4 in IDA17 to 3 in IDA18 which increased the poverty-orientation of the PBA system, allowing increased IDA engagement in FCS while preserving the principle of performance orientation in the allocation system.

Key features of IDA18 prepared IDA to respond to challenges and unanticipated demand, particularly COVID-19 in the final months of IDA18. Features such as greater attention to preparedness (through the Catastrophe Deferred Drawdown Option [CAT-DDO], Contingency Emergency Response Components [CERCs], development of pandemic preparedness plans, for example) positioned IDA18 to rapidly support clients as pandemic-related crises deepened and broadened. These features contributed to the World Bank’s coordinated and rapid response to COVID-19 during the last quarter of IDA18 (box 2.1).

The flexibility of IDA18 allowed for important resource reallocations, which also supported the COVID-19 response. Overall, resources from Windows and dedicated funding were reallocated to country allocations during the replenishment cycle. Reallocations helped ensure the effective use of IDA resources by shifting resources when certain country envelopes and Windows are underutilized. This also helped to meet unforeseen client demand and address crises, including IDA18’s COVID-19 response. In March
Box 2.1. IDA’s Response to COVID-19

On March 11, 2020, the World Health Organization (WHO) declared the COVID-19 global outbreak a pandemic. In the same month, the Board of Executive Directors endorsed a WBG Fast Track COVID-19 Facility (FTCF) of up to US$14 billion, including up to US$1.3 billion in new financing from the Crisis Response Window (CRW).

The World Bank Group COVID-19 Crisis Response Approach Paper (2020) provided a framework outlining four areas of priority engagements. Under these areas, IDA18 committed US$6.4 billion during its last quarter. Pillar 4 (Strengthening Policies, Institutions and Investments for Rebuilding Better) received 47 percent of the commitments, followed by Pillar 1 (Saving Lives) with 29 percent, and Pillar 2 (Protecting Poor and Vulnerable People) with 26 percent. The COVID response helped leverage reform-oriented, rapidly disbursing Development Policy Financing with 25 operations across 23 countries, accounting for US$4.1 billion. In addition, the Private Sector Window (PSW) supported the COVID response primarily through programmatic investments within IFC’s COVID-19 Fast Track Crisis Response, equaling some US$545 million.

2020, the IDA Board of Directors approved reallocation of resources across IDA18 Windows to enable the CRW to provide up to US$1.3 billion under the WBG Fast-Track COVID-19 Facility (FTCF). Additionally, reallocations from the CRW, Regional Window (RW), and Scale-up Facility (SUF) freed resources to increase country allocations to respond to COVID-19, some of which are being made whole in FY21 under IDA19 (table 2.1).

In addition to FTCF allocations and “borrowing” from IDA19, countries restructured their portfolios and recommitted canceled balances to reprioritize even more resources for crisis response. This amounted to an estimated US$2.6 billion of reprioritized resources at the end of IDA18. Additionally, special allocations agreed at the IDA18 Mid-Term Review (MTR) enabled IDA’s continued engagement in Yemen even though Yemen had already availed itself of all available resources to boost IDA’s support to the crisis.

Table 2.1. Reallocations of IDA18 Resources (US$ billion)

<table>
<thead>
<tr>
<th></th>
<th>Original Allocation</th>
<th>Re-allocation</th>
<th>Final Allocation</th>
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<tbody>
<tr>
<td><strong>1. Concessional</strong></td>
<td></td>
<td></td>
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<tr>
<td>Country Allocations</td>
<td>52.4</td>
<td>2.6</td>
<td>55</td>
</tr>
<tr>
<td>of which exceptional allocations for:</td>
<td></td>
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<tr>
<td>- Nearational allocation for Syria</td>
<td>10</td>
<td>-10</td>
<td>0.0</td>
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<tr>
<td>- Syrian refugees (Jordan and Lebanon)</td>
<td>1.2</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>- Yemen (special allocations)</td>
<td>1.1</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>IDA Windows</td>
<td>11.1</td>
<td>-0.5</td>
<td>10.6</td>
</tr>
<tr>
<td>- Crisis Response Window</td>
<td>3.0</td>
<td>-0.4</td>
<td>2.6</td>
</tr>
<tr>
<td>- Regional Program</td>
<td>5.0</td>
<td>0.02</td>
<td>5.0</td>
</tr>
<tr>
<td>- Sub-Window for Refugees and Host Communities</td>
<td>2.0</td>
<td>-0.1</td>
<td>1.9</td>
</tr>
<tr>
<td>- Arrears Clearance</td>
<td>11</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td><strong>2. Non-concessional</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Transitional Support</td>
<td>2.8</td>
<td>-1.3</td>
<td>1.5</td>
</tr>
<tr>
<td>- Scale-Up Facility</td>
<td>6.2</td>
<td>0.4</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>3. Private Sector Window</strong></td>
<td>2.5</td>
<td>-1.1</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Note: Original allocations based on IDA18 Replenishment exchange rate of 140.207. Numbers may not add up due to rounding and different exchange rates used at the time of reallocations. Reallocations refer to net amounts across the three FYs of the IDA18 cycle, including those at IDA18 Mid-Term Review, 2019 Annual Meetings, 2020 COVID-19 Response, etc. Source: World Bank Group staff estimates.
2.3. Special Themes

Special Themes aim to enhance IDA’s work on frontier issues confronting IDA countries, and IDA18 demonstrated strong performance with all policy commitments fully met. Special Themes have long played a role in IDA’s policy package to help increase focus on specific development areas, aiming to tackle risks that could undermine or reverse gains towards the WBG twin goals. Policy commitments accompanying Special Themes support the delivery of specific outputs and outcomes. IDA18 built on the themes of past replenishments by featuring five Special Themes: Gender and Development, Climate Change, FCV, Jobs and Economic Transformation (JET), and Governance and Institutions (G&I). During the IDA18 Replenishment, the IDA RMS was revised to enhance monitoring of the implementation of IDA18 Special Themes, including introducing new indicators. Strong performance in delivery of Special Theme policy commitments helped increase the results and impact of IDA financing (see appendix B in this report).

IDA18 Special Themes provide continuity across replenishments and emphasize interlinkages across the five themes. Continuity across replenishments has facilitated development and mainstreaming of activities, changing the way IDA provides support. The themes of FCV (introduced in IDA15) and climate change and gender (introduced in IDA16) now feature prominently in Systematic Country Diagnostics (SCDs) and Country Partnership Frameworks (CPFs), which underpin IDA’s country programs, and emphasize several SDGs. The JET theme focuses more on developing options for job growth and job creation as well as economic inclusion. The G&I theme builds on the earlier strong focus on Public Financial Management (PFM) budget and auditing issues to now include key issues such as institution building for public investment planning, debt management, and decentralization. In addition, the multi-sectoral focus of Special Themes, and the interlinkages across themes, have enabled IDA to approach key development issues in an integrated, holistic way (see chapter 4 in this report).

2.3.1. Jobs and Economic Transformation

The JET Special Theme was a crucial addition to IDA18, emphasizing infrastructure, private sector development, regional economic integration, and job creation. Borrowers raised JET as a key priority, emphasizing the need for better jobs as a main route out of poverty and also as essential to strengthening social cohesion, moderating migration, and including youth and the disabled in the economy. Better jobs also empower women, as in the case of the Women Entrepreneurs in Ethiopia Project, which provided over 12,000 women entrepreneurs with loans and over 16,000 with business training. Additionally, women-owned enterprises that borrowed through this project grew profits by 40.7 percent and employment by 55.7 percent over two years. The JET agenda urgency has increased with the onset of COVID-19, with millions of jobs either lost, newly vulnerable, or earning lower wages. The two strategic pillars of JET included increasing labor demand through private sector investment and growth, and improving employability and potential productivity of the labor force through improved education quality and market-oriented training programs.

The JET commitments emphasized stronger analytics and data development, and expanded efforts to assess and learn from experience, leading to mainstreaming in IDA operations. IDA18 activities supported an increased focus on analyzing constraints to, and options for, greater economic transformation and deepening job impacts of country programs. All JET policy commitments were successfully delivered (see appendix B in this report). Work during IDA18 also included developing data, guidelines, tools, and training for conducting jobs diagnostics. The World Bank launched the Global Jobs Indicators database in October 2019 and held a “Hackathon” for data users to explore JET analytics. It also launched standardized data tools for Jobs Diagnostics, including guidelines and a data visualization tool developed under IDA17. A critical element of the JET agenda has been the impact analyses of SME and entrepreneurship programs across IDA countries to assess their overall impacts and differentiated outcomes for women and youth. The work has helped develop operational guidelines to inform future operations. For instance, the World Bank report published through the Competitiveness Policy Evaluation Lab (ComPEL) program helps make operations more evidence-based, covering areas such as: (i) improving the business environment for small and medium enterprises (SMEs), (ii) strengthening firm capabilities, (iii) improving SME access to markets, (iv) improving SME access to finance, and (v) improving the capacity of SME policy and support entities. Well-established diagnostics—such as Jobs Diagnostics developed during IDA17 and joint IFC and World Bank Country Private Sector Diagnostics (CPSDs)—have informed several IDA operations. Examples include the Bagre Growth Pole project in Burkina Faso, the First Programmatic Jobs Development Policy Credit in Bangladesh, and the Social Protection Integration Project in Honduras. In addition, the Let’s Work program has implemented value chain analysis to assess jobs impacts of investments ex ante. Pilots completed in Bangladesh,
Global knowledge sharing and partnerships, supported by trust funds, improved learning and helped shape investments. The Jobs Multi-Donor Trust Fund leverages impact through project support to deepen jobs lens and measurement in WBG lending and technical assistance as well as a variety of trust funds are contributing to JET IDA policy commitments. The Competitiveness for JET, a new umbrella trust fund developed during IDA18, aims to enhance productivity growth and employment by supporting structural reforms, sector competitiveness, firm linkages, entrepreneurship, and innovation. The Global Infrastructure Connectivity Alliance (GICA) has disseminated lessons and approaches related to cross-border investments and economic corridor development, applying this knowledge to inform IDA operations. As an example, the Reimbursable Advisory Service (RAS) “Enhancing ASEAN Connectivity: Initial pipeline of ASEAN Infrastructure Project” identified potential ASEAN connectivity infrastructure projects aimed at crowdfunding more private financing and ensuring efficient public spending to enhance trade in goods, services, and power. With significant knowledge stemming from these efforts, IDA played a convening role at the country, regional and global levels on issues related to the JET agenda (box 2.2).

### Box 2.2. IDA’s Convening Role to Deepen Country Ownership of the JET Agenda

During IDA18, IDA convened public and private stakeholders—including client governments, development partners, think tanks, research institutions, and World Bank staff and Board members—to focus attention and efforts on the JET agenda in IDA countries.

In May 2018, a World Bank-Peking University JET workshop held in Beijing continued dialogue among policymakers and development practitioners, drawing on recent analytical studies and selected country experiences. Presentations included the Minister of Finance of Benin sharing the country’s experience and plan for economic growth and job creation through industrialization, and the Peking University team discussed their study of Ethiopia’s growth path and experiences implementing special economic zones as an instrument of economic transformation.

In March 2019, a JET workshop held in Addis Ababa, organized by the World Bank and the United Nations Economic Commission for Africa (UNECA), discussed IDA countries’ emerging priorities for economic transformation, how IDA can best organize its support, and the importance of partnership with organizations such as the African Union (AU), the United Nations (UN), and others to support IDA activities.

2.3.2. Gender and Development

Building on the momentum of earlier IDA cycles, the Gender and Development Special Theme in IDA18 focused on closing gaps between women and men, boys and girls. Gender-related investments increased significantly during IDA18, deepening progress gained in previous years and addressing emerging issues. Sixty-two percent of all IDA18 operations were gender tagged. Support to IDA countries maintained a focus on increasing equity in human endowments, removing constraints for more and better jobs, increasing financial inclusion and entrepreneurship, and enhancing women’s voice and agency. In addition, operations addressed frontier issues, such as gender-based violence (GBV) and sexual exploitation and abuse (SEA) prevention and response; early childhood development and care; women’s access to science, technology, engineering, and mathematics (STEM) and non-traditional jobs; and meaningful participation in decision-making. By the end of IDA18, IDA’s portfolio increasingly reflected more intentional and targeted approaches to close specific gaps laid out in the WBG Gender Strategy, including an increase in gender tagging.

IDA18’s policy commitments, fully met during IDA18 implementation, reflect the WBG gender strategy and are aligned with global goals. The commitments included support for increased access to quality reproductive health services, improved educational outcomes, addressing constraints to women’s employment, and emerging issues such as school-to-work transition and occupational sex-segregation. IDA18 also committed to implement the recommendations of the WBG Global Task Force on GBV (box 2.3). These commitments were supported by strengthened country action, innovative regional and country-level tools, and a concerted effort to apply gender data and new evidence to the design of operations. For instance, 29 of 30 skills development operations launched with the help of IDA18 provided entrepreneurship and formal vocational training to address productivity gaps and occupational sex segregation. Nine of 11 information and communications technology (ICT) operations support ICT access for women by providing digital skills training, supporting countries to establish civil registration and national identification systems and create digital services (see appendix B in this report).
The IDA18 portfolio addressed emerging gender issues such as child marriage, STEM education, GBV and SEA prevention, and women’s decision making, and incorporated lessons from evaluations to improve results. Operations under IDA18 more systematically targeted frontier issues, including using instruments in new ways. For example, the multi-sectoral Development Policy Financing (DPF) series on "Fostering Inclusive Growth in Niger", the first in Africa to introduce a gender pillar, supported reforms to eliminate child marriage, keep girls in school, and promote access to reproductive health services. Some operations addressed childcare to support women’s labor force participation. Others supported women’s labor force outcomes, such as a Program-for-Results (PforR) operation in Rwanda that trains adolescent girls in technical and vocational skills in male-dominated sectors such as transport and logistics, energy, and manufacturing. An increasing number of operations in countries including Burkina Faso, Myanmar, Nepal, Tanzania, and Uganda support women’s participation in decision making in utilities. In Malawi, the Lilongwe Water and Sanitation Project provides career training to female staff and uses contractual provisions to encourage contractors to include women in project design. Countering GBV and SEA, especially in FCS, gained prominence in IDA18. For example, the "Democratic Republic of Congo (DRC) Emergency Equity and System Strengthening in Education Project" includes laying the foundations for a safe and inclusive school environment and sexual exploitation, abuse, and harassment (SEA) prevention in the education sector. IDA18 also included a stronger focus on impact evaluation and results tracking to help generate lessons on what works and what does not, helping drive operational design. The Gender Innovation Lab’s upstream work to test innovations and evaluate their impact on women’s economic opportunity has helped achieve a pivot in IDA’s portfolio, as has a more targeted and results-focused approach. The portfolio is now more effective in addressing gender gaps that constrain poverty reduction and inclusive growth, a trend that is expected to continue.

Box 2.3. Sexual Exploitation, Abuse, and Harassment (SEAH) as a Core Part of the WBG Environmental and Social Framework

During IDA18, the WBG adopted and implemented an action plan reflecting the recommendations of the WBG Global Task Force on GBV. It establishes accountabilities for, and responses to, SEAH incidents in WB-supported operations, as well as internal reporting and escalation within the World Bank. A risk assessment tool now helps teams assess country and project-related risks, with risk management measures built into the design of all operations with major civil works. SEAH risk mitigation measures are also being retrofitted onto relevant active projects. Standard procurement documents have been strengthened with specific qualifications and contractual requirements, including mandating the signing of Codes of Conduct (CoC) that establish clear standards of professional conduct, prohibits sex with anyone under the age of 18 (regardless of national law), and establish that sanctions will be applied if an employee violates the CoC. The World Bank is conducting extensive outreach to other international financial institutions (IFIs) to help harmonize and strengthen the work against GBV and SEAH.

The E-Madzi kiosks have simplified the way we manage water kiosks, especially, that we do not need an employee of the water board to be available to sell water and receive cash while ensuring water is available all the time,” said John Maweja, a Lilongwe Water Board kiosk technician, Malawi.
2.3.3. Climate Change

The IDA18 Climate Change Special Theme deepened support to clients to address interdependent climate and development challenges, and furthered climate mainstreaming including the integration of climate action in country programs. IDA18 significantly scaled-up climate resources, with IDA18 projects resulting in about US$23 billion in climate co-benefits and the share of projects with climate co-benefits averaging 73 percent. All nine policy commitments were successfully delivered (see appendix B in this report). The Independent Evaluation Group (IEG) found that IDA18 helped fill unmet needs, especially for disaster and climate change risk mitigation. IDA18 expanded climate mainstreaming to country programs and operations, and supported implementation of Nationally Determined Contributions (NDCs) through alignment with sectoral investment strategies. This positioned IDA to help integrate climate change into national investments, planning and policy reform. All Systematic Country Diagnostic (SCDs) and Country Partnership Frameworks (CPFs) in IDA18 reflected NDCs and incorporated climate and disaster risk considerations. All IDA operations continued to be screened for climate and disaster risk, and efforts to mainstream climate change into national policy action have been successful (box 2.4).

Box 2.4. Integrating Climate Actions into National Policies and Activities

**Nationally Determined Contributions (NDC) implementation support.** IDA18 supported 13 additional IDA countries with NDC implementation, in addition to continuing supporting 14 IDA countries. In Uganda, IDA support has helped develop national climate and disaster risk screening tools and climate budgeting and expenditure tracking systems for priority NDC sectors. In countries including Bangladesh, Côte D’Ivoire, and São Tomé and Príncipe, IDA resources enhanced and supported implementation of NDC targets in the waterway transport and coastal risk management sectors.

**Increases in climate co-benefits in DPFs.** The share of climate co-benefits over the total commitment for IDA DPFs has increased to 21 percent in IDA18, compared to 7 percent in IDA17, reflecting the fact that 78 percent of DPFs have climate co-benefits in IDA18, an increase from 24 percent in IDA17. DPFs supported IDA countries in climate-informed policy reforms, as in the Vanuatu Disaster Risk Management DPF with a Catastrophe Deferred Drawdown Option (CAT-DDO), the CAT DDOs for Grenada and Saint Vincent & the Grenadines, and DPFs on fiscal and environmental resilience, including in Grenada. Broader support, including green growth strategies, has also been provided, as in the Lao PDR Green Growth DPF, which supports a suite of policy reforms for fiscal and financial sustainability and incorporates green growth principles and tools into development planning.

IDA support targeted sustainable land use, as well as clean and sustainable energy access to all. Agriculture and forestry are key sectors for environmental stewardship and sustainable development. With support for NDCs, forests, climate smart agriculture, renewable energy, and climate mainstreaming, IDA has helped advance six SDGs at the country-level. IDA supported 10 countries in developing Climate Smart Agriculture Investment Plans (CSAIPs). Forest Policy Notes (FPNs) supported forestry sector strategies in 11 IDA countries, informing discussions on land use planning and bringing investment to resilient landscapes and livelihoods. The "Climate Action through Landscape Management Program” in Ethiopia supported sustainable land management, and projects such as the "Forest Investment Programs in Nepal" and the "Leveraging Eco-Tourism for Biodiversity Protection in Dominica" supported sustainable forestry. IDA also continued its long track record of support to expand renewable energy. IDA18 support for increased energy access and capital mobilization for power generation resulted in an additional 7.4 gigawatts of renewable energy generation through direct and indirect financing, far exceeding the original target of 5 gigawatts. IDA also supported incorporation of renewable energy generation in national government strategies through DPFs, including through fiscal reforms targeting renewable energy and energy efficiency, and through natural disasters risk reduction. IDA18 also enhanced support for the development of Investment Prospectuses in nine countries with low electricity access and completed prospectuses in nine additional countries.

Working in partnerships has been critical to accelerating climate actions in IDA countries. The WBG, along with other MDBs and members of the International Development Finance Club, are collaborating on a broad range of issues related to climate finance, including standardization of tracking, methodologies for measuring adaptation finance and climate resilience metrics, and alignment of carbon shadow pricing. The WBG uses the Joint MDB methodology for Tracking Climate Finance to quantify IDA resources used for climate change. The MDB’s Joint Report on Climate Finance reports annually on climate finance mobilized from public and private sources. The WBG also actively engages in the global NDC Partnership, setting up the Climate Action Peer Exchange.
IDA18 ramped up its support to clients to address FCV issues through a differentiated approach which supports various situations of fragility before, during and after conflict, and successfully delivered all policy commitments. IDA18 strengthened IDA’s role in preventing the onset, escalation, and recurrence of violent conflict, and in mobilizing support for refugees, including by introducing the RMR and RSW to enhance IDA’s toolkit. IDA18 also included a major emphasis on strategy, knowledge, and learning. The launch of the WBG Strategy for Fragility, Conflict and Violence (2020-2025)—which builds on the 2018 joint United Nations-WBG “Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict” report—represented a critical IDA18 milestone. The strategy’s objective is to enhance the WBG’s effectiveness to support countries in addressing the drivers and impacts of FCV and strengthening their resilience, especially for the most vulnerable and marginalized populations. Another key product was the new Classification of Fragility and Conflict Situations for WBG Engagement, which captures the differentiated nature of fragility and conflict. The Classification aims to allow for effective and context-appropriate engagement by providing a simple and practical operational framework (and associated metrics) that can both help identify countries most affected by fragility- and conflict-related issues and differentiate across such situations.

Risk and Resilience Assessments (RRAs), or other assessments, accompanied all CPFs and Country Engagement Notes (CENs) in IDA FCS and RMR countries to enhance FCV sensitivity and incorporate their recommendations into operations. RRAs increasingly focused on providing operational recommendations, which facilitated transition of their findings into CEN and CPFs. The Comoros CPF, for example, drew from the RRA to prioritize fair and equitable allocation of resources across and within islands; while the Myanmar CPF makes promotion of social inclusion a cross-cutting theme to address recurring conflict, violence, and exclusion challenges. During IDA18, total commitments to IDA FCS and RMR countries reached US$23 billion, demonstrating the ability of both the WBG and its clients to deliver in challenging situations. This includes operations in areas influenced or controlled by non-state actors, requiring innovative approaches. The “Myanmar National Community Driven Development Project” has been operating since 2013, and explicitly working in conflict-affected areas since 2015. As of 2020, about one-third of the Project coverage included conflict-affected areas influenced or controlled by Ethnic Armed Organizations, requiring innovative practices to facilitate project implementation. As a result, access to areas initially closed to the Project improved by 37 percent, enhancing access to basic services for some of the country’s most underserved communities.

Deepened partnerships lead to more effective operational response in FCS, including on joint assessments. Given its mandate and comparative advantage, the World Bank is increasingly partnering across the humanitarian-development-nexus. Investments in analytics and joint assessments have ensured that operational collaboration is underpinned by a shared understanding of the context, drivers, and needs in FCV situations. The World Bank has worked with the United Nations (UN) and European Union (EU) on complementary analytic work analyze drivers of FCV, identify areas of risk, and highlight the critical need for FCV prevention.

**Box 2.5. Multi-partner Collaboration to Address FCV**

Partnerships with United Nations Peacekeeping Missions have allowed the World Bank to provide rapid development support as soon as insecure areas are stabilized. In the Central African Republic (CAR), the IDA US$120 million “LONDO Project” partnered with the United Nations Multidimensional Integrated Stabilization Mission (MINUSCA) to provide temporary employment to vulnerable people in the most difficult to reach and fragile parts of the country. MINUSCA shared data, provided technical assistance, and facilitated transportation and security.

The “Afghanistan Sehatmandi Project”, with US$140 million from IDA, has served as a platform channeling key development partners’ resources to finance basic and priority health services across the country, including in highly insecure and conflict-affected areas that are difficult to serve, with minimal management cost. The Ministry of Public Health of Afghanistan implements the Project in close cooperation with the donors to the Afghanistan Reconstruction Trust Fund, WHO, and UN agencies, with Afghan and international NGOs supporting the project as service providers.

“If this clinic didn’t exist, people would face many issues. Most people do not have transport, they can bring their sick family members here and save their lives. This is a great facility for the people, especially in the winter when roads are blocked.”

Marzia Hussaini, Resident, Haider Abad Village, Afghanistan.
Recovery and Peacebuilding Assessments, which provide a platform for collaboration around joint analysis and needs assessment to help governments and national stakeholders prioritize activities. One such assessment conducted in Cameroon led to a Recovery and Peace Consolidation Strategy and created a platform for the Government and its partners to coordinate support. In Burkina Faso, the World Bank, UN, EU, and African Development Bank jointly undertook a Prevention and Peacebuilding Assessment—the first time the approach was used before the start of active conflict—to identify joint action priorities. The World Bank also increased its operational collaboration with the UN, MDGs, the EU, bilateral partners, and others to deliver operational support in countries such as Afghanistan (box 2.5).

2.3.5. Governance & Institutions

The Governance and Institutions (G&I) Special Theme, new to IDA18, supported client countries to build open, effective, and accountable institutions, including augmenting pandemic and emergency preparedness. The G&I theme promoted an integrated approach to institutional development with a focus on: (i) strengthening core government systems necessary for channeling resources to the bottom 40 percent, (ii) promoting a public sector grounded in transparency and engagement that increases trust between governments and citizens, and (iii) facilitating private sector growth by increasing confidence in the institutional environment to crowd-in capital. The World Development Report (WDR) 2017 on Governance and the Law provided the foundation for the Special Theme which has a policy commitment supporting operationalization of the report. Strategic partnerships have also been central to delivery of the G&I Special Theme to enhance international collaboration. The Special Theme made notable progress and delivered all policy commitments during IDA18 (see appendix B in this report). COVID-19 underscored the need for emergency and pandemic preparedness, and for public institutions to mitigate its health and economic consequences. During IDA18, 47 countries developed pandemic preparedness plans, and a similar number of countries developed frameworks for governance and institutional arrangements for multi-sectoral health emergency preparedness, response and recovery.

IDA18 continued to provide strong support for improving tax collection and the Public Expenditure and Financial Accountability (PEFA) framework, while supporting the development and roll out of the Methodology for Assessing Procurement Systems2 (MAPS2). During IDA18, 57 countries implemented domestic resource mobilization activities, leading to increased tax-to-GDP ratios in 31 countries (box 2.6). This was achieved through a variety of lending and analytical instruments, including DPFs, Investment Project Financing (IPFs), Advisory Services and Analytics (ASAs), and Tax Administration Diagnostic Assessment Tools. PEFA helps strengthen country systems for resource management reforms, and IDA18 supported 10 countries to undertake a second or subsequent PEFA assessment to underpin SCDs. In Uzbekistan, IDA supported a program to improve the tax system, focusing on legislative reforms, strategic planning, broadening the tax base, modernizing tax administration, and building local capacity. During IDA18, the MAPS2 tool was designed, launched and successfully rolled out. MAPS2 establishes an effective and efficient assessment system relevant in all countries to improve value-for-money of public spending through improved procurement quality and integrity. MAPS2 assessments were delivered in seven countries: Bangladesh, DRC, Ethiopia, Malawi, Mozambique, Rwanda, and Zambia.

IDA18 supported mainstreaming of citizen engagement, operationalization of reform commitments around Open Government, and increasingly political economy analysis.37 All IPF operations mainstreamed citizen engagement, achieving 100 percent beneficiary feedback as of FY18, with activities enhancing country systems and processes for citizen engagement. In addition, IDA18 helped advance the design of instruments that utilize disbursement linked indicators (DLIs) to incentivize reform of public sector bottlenecks and improve downstream service delivery. Several programs included political economy analysis to better understand underlying power dynamics that prevent policy implementation. The policy commitment on Open Government was delivered in 26 IDA countries, with some of the most encouraging results being in countries that employed multiple open government interventions in an integrated fashion. In Nigeria, for example, an Open Government Partnership (OGP) National Steering Committee including Government and civil society representatives identified 14 commitments in its OGP Action Plan related to new and existing reforms which were operationalized in part through a PforR operation.

Box 2.6. A Renewed Focus on Improved Domestic Resource Mobilization

Fifty-seven IDA countries implemented domestic resource mobilization activities which led to increased tax-to-GDP ratios in 31 countries. This was achieved through a variety of lending and analytical instruments, including DPFs, IPFs, ASA, and Tax Administration Diagnostic Assessment Tools. IDA18 had a strong focus on revenue mobilization support in several FCS, such as Afghanistan, Chad, DRC, and Somalia, supporting governments to generate revenue streams needed to help maintain basic services and build confidence. IDA also provided technical assistance to Uzbekistan through a comprehensive approach to render the tax system more neutral, transparent, business-friendly, and more equitable. The program focused on legislative reforms, strategic planning, broadening the tax base, assessing and subsequently modernizing the tax administration, and building local capacity.
2.4. Addressing Specific Development Needs Through Dedicated Windows and Facilities

Dedicated financing to complement country allocations expanded significantly during IDA18, supporting specific IDA country needs and IDA18 Special Themes. Dedicated financing supports specific issues through dedicated Windows, or facilities with concessional funding, and more recently with non-concessional financing. IDA18 has continued to enhance the two longstanding Windows from previous replenishments—the Regional Window (RW) (also Regional Program) and the Crisis Response Window (CRW)—and introduced two new Windows: the Private Sector Window (PSW) and the Regional Sub-Window for Refugees and Host Communities (RSW). In addition, two mechanisms continue to provide non-concessional support: Transitional Support and Scale-up Facility (SUF). The Windows represent unique mechanisms to support critical issues that enhance IDA countries’ development; further operationalize IDA18’s Special Themes, particularly FCV; and augment support to select country groups, such as Small States. The Windows also contributed to IDA18’s rapid response to COVID-19.

IDA18 Windows supported targeted issues, while maintaining a focus on performance. Compared to IDA17, IDA18 resources originally allocated to Windows represented an increase in the absolute amount and as a share of total IDA18 resources (up to 30 percent from 25 percent). Overall, the IDA18 Windows were accessed by all but three IDA18 client countries (South Sudan, Guyana, and Vanuatu). Albeit with some exceptions, IDA18 Windows broadly reinforced the PBA usage (figure 2.2). For example, IDA18 Regional Window projects were typically funded with one-third from the PBA and two-thirds from the regional IDA envelope.

2.4.1. Regional Window (RW)

The scaled-up RW continued in IDA18 as an effective mechanism to support multi-country projects, regional public goods, and regional integration, with a significant focus on Africa and FCS. In response to growing IDA countries’ demands for regional solutions, IDA18 nearly doubled the RW allocation from US$2.8 billion in IDA17 to US$5.03 billion in IDA18.40 RW financing terms were fully harmonized with concessional core financing terms, and the eligibility for the 20 percent cap on annual contributions to RW operations was extended to all Small States, thus enhancing their capacity to participate in regional projects.41 The scale-up of the RW allowed for delivery of an ambitious and broad regional integration program during IDA18. When combined with country contributions of US$3.69 billion, the RW reached total commitments of US$8.72 billion for 79 regional projects.42 Total commitments to Africa reached US$3.86 billion (including US$0.36 billion to regional organizations), or 77 percent of the program. Significant effort was undertaken to address the regional dimensions of FCV and build resilience, in alignment with IDA18’s FCV Special Theme. Total commitments to RW projects in FCS reached US$3.43 billion (with US$2.10 billion from the RW and the remainder from country allocations and SUF), including US$1 billion invested in Africa’s Sahel region (box 2.7).43

The RW continued to provide significant funding for regional infrastructure and connectivity investments, and in IDA18 funding branched out into social sectors and public administration. The window supported investments in energy and transport to enhance regional connectivity and links to regional and global markets—especially for landlocked countries and small islands—helping to bolster IDA18’s JET and Climate Change Special Themes. The RW also supported digital connectivity projects for governments, businesses, and individuals in several regions, such as the “Caribbean Digital Transformation Project”, a regional digital economy project.
IDA18’s RW sustained support for global and regional public goods and also provided support for regional organizations. In the last quarter of IDA18, a Multiphase Programmatic Approach (MPA) program was urgently prepared to respond to the devastating locust infestation in Kenya, Uganda, Ethiopia, Djibouti, Somalia, and Yemen. The RW also provided support for sustainable oceans in the “Pacific through the Plastic Free Rivers and Seas Project.” The RW further provided grants to the African Union Commission, Economic Community of West African States (ECOWAS) and the East African Community in support of a regional approach to strengthen statistical development, harmonization and capacity building in a number of West African countries and Tanzania. The Pacific Islands of Tonga and Kiribati benefited from similar support, with projects focused on improving the quality of welfare data collection, enhancing accessibility to comparable welfare data as a public good throughout the Pacific Islands, and strengthening regional capacity to foster innovation and promote improved statistics management practices. Finally, the RW provided support on an exceptional basis to creditworthy regional organizations to enhance their ability to implement regional interventions. These included affordable housing in the Western Africa Economic Union (WAEMU), strengthening regional financial institutions in the Economic and Monetary Community of Central Africa (CEMAC), and technical assistance for the Regional Infrastructure Finance Facility in Eastern Africa.

**Box 2.7. Sahel Women Empowerment and Demographic Dividend (SWEDD)**

"My mother and grandmother never went to school because they got married too early. I am fortunate to have received a scholarship to pursue my studies."

15-year-old Innayatou Souradj, who lives in Kiota, a village located some 100 kilometers from the capital city of Niamey.

Significant scale-up of activities for the SWEDD Project reached more than 2 million girls and young women, with a focus on keeping girls in school, expanding economic opportunities, reducing gender-based violence, and improving sexual and reproductive health and life skills. The US$376 million Project, of which US$234 million is from the Regional Window, involves multiple partners supporting nine countries: Benin, Burkina Faso, Cameroon, Chad, Cote d’Ivoire, Guinea, Mali, Mauritania, and Niger. Key results between 2015 and 2020 include: (i) about 160,000 girls and adolescents received a scholarship or other support to go to school; (ii) over 3,400 safe spaces have been established, where about 120,000 out-of-school girls learned life skills and essential sexual reproductive health knowledge; (iii) over 20,000 young women benefited from trainings in non-traditional professions offering higher earnings opportunities; and (iv) over 20,000 husbands and future husbands were enrolled in a curriculum to increase male participation in household task-sharing and healthy sexual and reproductive health behaviors, and in reducing violence against women and children.

"Having learned to drive last September as part of the SWEDD project, Aminatou confesses that she never dreamed of one day driving a tractor. Today, Aminatou and nine other women from the village are using their expertise to benefit the community while earning a living from the income generated by this tractor which they sometimes rent to the men."

"Video conferencing has big potential for us, particularly as a remote island nation."

Dr. Paula Vivili, Director of the Public Health Division at the Pacific Community, Tonga.
2.4.2. Regional Sub-Window for Refugees and Host Communities (RSW)

During a time of increased forced displacement, IDA18 introduced the RSW to help countries deliver critical services to both refugees and host communities. The RSW complements IDA18 country allocations, which do not adjust for large and/or protracted refugee populations in several IDA countries that may not be a priority for host country PBA financing. RSW financing pioneered an innovative response to refugee and forced displacement issues, by aiming to build inclusive systems to address the needs of both host and refugee populations and focusing on the complementarity of humanitarian and development action.\(^{45}\) In IDA18, the 14 countries that became eligible cumulatively host around 70 percent of refugees or people in refugee-like situations (6.3 million) residing in IDA-eligible countries (see appendix C in this report).\(^{46}\) The RSW provided some US$1.85 billion to these countries across 35 operations, with around 60 percent of resources going to new IDA operations and the rest to existing operations. Three regions received RSW financing during IDA18: Africa (AFR), South Asia (SAR), and the Middle East and North Africa (MNA), with AFR receiving 60 percent of the resources (see appendix C in this report). Demand for RSW has been particularly high in some refugee-hosting countries such as Bangladesh, Uganda, Pakistan, the DRC, Ethiopia, and Cameroon. Support to IDA FCS comprised 11 of the 35 countries such as Bangladesh, Uganda, Pakistan, the DRC, Ethiopia, and Cameroon. Support to IDA FCS comprised 11 of the 35 projects, or about 29 percent of RSW commitments. The overall RSW allocation fluctuated during IDA18 due to changing political environments, and refugee flows.\(^{47}\)

The RSW’s innovative approach has helped host countries incorporate long-term development considerations and a “whole-of-government” approach into refugee support programs. IDA’s engagement with clients in refugee hosting countries has contributed to a “whole-of-government” approach, expanding the refugee agenda to include development considerations along with security and humanitarian needs. RSW resources enabled host countries to shift their policies and approaches to refugee management, with many operations including activities to strengthen institutions for better policy implementation and to expand services to cover refugee populations. RSW has also helped bring attention to lagging and under-serviced regions, where the government is less present and basic services are often limited. In Ethiopia, dialogue contributed to the adoption of reforms that shift away from encampment to offer refugees socio-economic rights, including to move freely, work, and access services. Operations in Cameroon, Chad, Niger, the DRC, and Uganda support transition from humanitarian services to national service delivery on health, education, and social protection (box 2.8). In Rwanda, IDA supported the Government to adopt a Strategic Plan for Refugee Inclusion to expand refugee access to services and economic opportunities; IDA is now supporting implementation of the Plan. The RSW has helped further the global dialogue on refugee policy and strengthened relations with key actors on refugee issues, notably the United Nations High Commissioner for Refugees (UNHCR). World Bank engagement in preparation of the Global Compact on Refugees was instrumental in shifting the dialogue from a pure humanitarian agenda to one that also reflects development principles. WBG support through its analytic work and instruments, such as the RSW, supported host governments to address socio-economic impacts of displacement on refugees and host communities and has been key in shifting the global policy dialogue toward a greater appreciation of, and focus on, complementarity between humanitarian and development support. In addition, the working relationship between the World Bank and the UNHCR has been integral to the RSW, leading to concrete outcomes and strengthened humanitarian-development complementarity at both strategic and operational levels. UNHCR prepares a periodic refugee protection assessment for each eligible RSW country, which informs World Bank’s decision-making on the adequacy of the country’s protection framework. The World Bank and UNHCR teams coordinate closely on monitoring this framework for key aspects of client dialogue, as well as on programmatic issues (see box C.17 in appendix C in this report).

### Box 2.8. Responding to Displacement in Uganda

Uganda hosts more than 1 million refugees, mostly in settlements in poorer northern districts. The “Development Response to Displacement Impacts Project” aims to improve social and economic services and infrastructure; ensure sustainable environmental management, including promoting the use of alternative and efficient energy sources; and increase income-earning opportunities for refugee and host communities in these areas. The project also supports the sustainability of the Government’s progressive refugee policies and practices, as it focuses on: (i) boosting resilience to refugee shocks, in part by supporting integration of refugee response in sectoral strategies and district development plans; (ii) enhancing self-reliance and long-term socio-economic development in areas that host refugees; and (iii) strengthening effective coordination of humanitarian aid and development assistance.

> Government of Uganda welcomes this support from the World Bank to boost our efforts in responding to the needs of refugees and the generous communities that host them. It is a strong demonstration of solidarity with us, which we appreciate.”

Dr Ruhakana Rugunda, Prime Minister, Republic of Uganda whose office oversees and coordinates the refugee response in the country.
Cyclone Idai and subsequent flooding and landslides affected Malawi, Mozambique, and Zimbabwe in March 2019, with significant repercussions on an already fragile part of southern Africa. Ranked as the third-deadliest tropical cyclone on record in the Southern Hemisphere, Cyclone Idai affected around two million people, destroying livelihoods and critical infrastructure. As part of a US$700 million package, the CRW provided US$542 million to support cyclone response in Mozambique, Malawi, and Zimbabwe (on exceptional basis). As of October 2020, the “Zimbabwe Idai Recovery Project” (ZIRP) provided 239,324 beneficiaries with food assistance, 54,508 beneficiaries with agricultural inputs and livestock vaccines and services, 19,076 children with rehabilitated community schools and education services, and 5,776 individuals with jobs to rehabilitate community assets. In addition, 82,160 people benefited from comprehensive health services, and 223,000 people received COVID-19 preventative and hygiene messaging, with personal protective equipment kits delivered to 34 health centers.

**Box 2.9. Response to Cyclone Idai**

“We feel that we owe a lot to this intervention. The immediate growth, the success of agricultural marketing, we owe that fundamentally to the post-Idai presence of this project on the ground. As a district administrator, I feel very happy.”
Santiago Marques (Derre District Administrator), Mozambique.

“Now that the bridge and the rest of the roads have been repaired, it takes less time to reach the hospital. Before the rehabilitation, we used to take 4-5 hours to get here, now we take two hours.”
Farida Camacho (Nurse, Derre Hospital, Mozambique).

2.4.3. Crisis Response Window (CRW)⁴⁹

The CRW continued to evolve in IDA18 to provide critical support in addressing some of the most devastating crises in IDA countries. Responding to strong demand, the CRW envelope increased to US$3 billion in IDA18 from US$1.8 billion in IDA17 and US$0.9 billion in IDA16. The CRW was instrumental in providing resources to address global crises such as COVID-19, regional crises such as Cyclone Idai, and more localized crises such as floods in Laos and Hurricane Maria in Dominica. The CRW provided crisis response support to a diverse set of 61 countries, with Africa being the largest regional recipient, representing 62 percent of the window’s commitments. Overall, 48 percent of recipients were FCS; this represented 56 percent of CRW commitments while seven percent of CRW resources was deployed to Small States. Demand for CRW was uneven over the IDA18 period, reflecting the volatile and uncertain nature of demand for crisis response resources.⁵⁰ The CRW complements other crisis activities that IDA and Trust Funds support, such as public health and pandemic preparedness plans featured in the G&I Special Theme, the introduction of CAT-DDOs in IDA18, the Pandemic Emergency Financing Facility (PEF), and other crises and FCV-related financing provided through the RW, the RSW, and country allocations (including RMR and TAR).

While addressing natural catastrophes continued to make up a considerable amount of CRW support during IDA18, the COVID-19 response ended up amounting to nearly 50 percent of CRW commitments. IDA18 CRW responded to COVID-related emergencies with health support to 58 countries, and pandemic-related economic support to two countries. Total support comprised about US$1.2 billion, or 47 percent of total IDA18 CRW commitments. Natural catastrophes constituted the majority of non-COVID crises, with CRW support for hurricanes, cyclones, and floods amounting to US$822 million, or 32 percent. A key CRW contribution during IDA18 was support for Mozambique, Malawi, and Zimbabwe in response to Cyclone Idai (box 2.9). In response to the tenth outbreak of the Ebola Virus Disease in the DRC, the CRW provided US$258m to two existing operations, including support for strengthening health system governance, provision of a basic free-care package, and rehabilitating priority infrastructure to prepare for subsequent crises. Although the DRC faces many institutional capacity challenges, it demonstrated the ability to absorb the additional CRW financing due to existing effective institutional arrangements under the Health System Strengthening Project. Additionally, CRW is part the IDA’s crisis toolkit to help countries manage their crisis risks along with CAT-DDOs and CERCs which played a role in the responding rapidly to the COVID crisis (see chapter 2.2 in this report).

Partnerships continued to play an instrumental role in CRW-funded operations. The CRW is a vehicle of last resort, providing resources alongside IDA, IBRD, and applicable partner resources.⁵¹ In the aftermath of crises, the World Bank relies on development partners’ collaboration to help bring resources together, undertake needs assessments, and coordinate implementation of crisis response activities. The UN has been key in delivering assistance in difficult environments, such as countries that are in conflict or...
2.4.4. Private Sector Window (PSW)

IDA18 introduced the PSW, an innovative mechanism to tap WBG synergies to leverage private finance for development. The IDA-IFC-MIGA PSW is based on the recognition that the private sector is central to achieving the SDGs, and that mitigation of specific risks and market failures is sometimes needed to encourage high-impact private sector investment in challenging markets. The PSW enables IDA to provide support for private investment in the poorest and most fragile IDA countries, shifting IDA’s role from being a financier of policy and public-sector projects to a catalyst of private finance. The PSW was created to catalyze private capital and expertise to help close infrastructure gaps, support growth for SMEs as a driver for job creation in IDA countries, improve access to long-term local currency financing in countries perceived as high-risk by financial institutions, and provide access to reinsurance markets (box 2.10). The Window was designed to provide demonstration effects for investors to better support underserved markets as well as for providers of development finance to expand their public-private investment toolkit. Four PSW facilities were created to address specific risks, reflecting the particular types of investment and risk mitigation required: (i) Risk Mitigation Facility (RMF—project-based guarantees without sovereign indemnity), (ii) MIGA Guarantee Facility (MGF—from project-based guarantee with shared first-loss and risk participation via MIGA reinsurance); (iii) Local Currency Facility (LCF—IFC loans denominated in local currency); and (iv) Blended Finance Facility (BFF—blending PSW with IFC investments).

IDA18’s commitment of US$1.37 billion in PSW financing has leveraged approximately six times as much in private investments in IDA countries.\(^{53}\) Over the IDA18 period, the PSW has ramped up to help mobilize private investments by sharing risks in IFC and MIGA-supported investment operations in IDA countries. The PSW did not fully utilize its initial allocation of US$2.5 billion, given the time needed to develop a WBG-wide review process for each operation. Nonetheless, the PSW deployed US$1.37 billion to support 51 projects and a number of programmatic platforms.\(^{54}\) Despite start-up challenges, as well as the obstacles of operating in difficult markets, the IDA18 PSW allocations are expected to enable US$8.4 billion in additional investment financing. Over 50 percent of the PSW resources supported investments in Africa, and nearly 50 percent supported investments in FCS. About US$423 million was approved for projects in FCS, including Cote d’Ivoire, Myanmar, Afghanistan, and Djibouti among the top 10 recipient countries. The financial sector and SME support received a large share of the window, followed by energy, manufacturing, and agriculture, and smaller shares for other industries such as Information and Communication Technology (ICT) (see appendix C in this report). The PSW also supported green infrastructure, for example, the “Upper Trishuli-1 216-megawatt hydroelectric

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Box 2.10. IDA PSW Support for Bond Markets and Private Equity Funds

PSW supported IFC’s investment in the Caisse Régionale de Refinancement Hypothécaire (CRRH) by enabling issuance of two bonds. The effort aimed to support local banks extend the tenor of loans in local currency for affordable housing for lower and middle-income households in West African CFA countries. PSW support, which amounted to US$18 million, enabled IFC to access CFA Francs at a volume, tenor, and pricing unavailable from commercial swap markets, thus allowing the IFC to participate as an anchor investor in a market-based financing, signaling confidence in the borrower CRRH.

PSW also supported establishment of the first targeted private equity fund in the Kyrgyz Republic, the Highland Private Equity and Meganine Fund L.P. The investment, made through the IFC SME Ventures Program, established the first fund focused on SMEs in the Kyrgyz Republic, a sector with extreme financial constraints. Ranked pari passu with other senior investors, including IFC, the PSW investment of US$4 million enabled the fund to reach its first financial close. This helped create a model for private equity investment in Kyrgyz Republic SMEs, developing the market for private equity funds and much needed investment capital for business expansion by Kyrgyz Republic SMEs.
project in Nepal”, BBOXX’s operations in the DRC and Rwanda, and a 60-megawatt solar photovoltaic project in Malawi (see appendix C in this report).

In line with its key objectives, PSW implementation helped to create demonstration effects in diverse markets, delivering projects with significant impact. The PSW has demonstrated scale additionally by leveraging every dollar of IDA capital deployed to six dollars in overall investment into IDA countries. It has demonstrated scope additionally by supporting several innovative approaches and market transforming transactions. This includes the first ever local currency bond issuance in Cambodia to offer more affordable local currency lending products to rural borrowers, especially women; the first targeted private equity fund in the Kyrgyz Republic; support for expansion of mortgage finance and nascent bond markets in the WAEMU; and the first utility-scale hydropower project in the Solomon Islands. The PSW managed the concessionality level to ensure the most effective use of IDA funds and to avoid distorting private markets, with an implied level of subsidy of less than 3 percent of total financing. The development impact has been articulated in detail ex ante as a key criterion for project approval, with additional data on project impact being collected during implementation for reporting. Significant development impact has been demonstrated by PSW project ratings, which achieve higher IFC impact scores (Anticipated Impact Measurement and Monitoring [AIMM]) than other IFC projects, and typically score highly on MIGA’s ex-ante development impact ratings/scores (Impact Measurement and Project Assessment Comparison Tool [IMPACT]). Finally, financial performance of the PSW has been carefully managed. Management and governance across the WBG have been a strong focus during the PSW’s establishment phase, to build processes and systems to follow the highest standards for concessional blended finance, prevent windfall gains for private investors, effectively manage risk for IDA, and ensure the greatest impact of IDA funds.

The four PSW facilities supported innovative investments, drawing on expertise and financing across the WBG. Each facility targeted specific markets and market failures, bringing in new private sector capital to markets previously deemed too risky. In a few cases, resources were combined from across facilities to support the investment, such as with the Carrières et Chaux du Mali (see appendix C in this report). The four financing facilities are:

- **Blended Finance Facility (BFF, US$872 million)**—blends PSW funds with pioneering IFC investments across sectors with high development impact, such as the “Yoma Micro Power” project in Myanmar, and the “Engee PET Manufacturing Limited” project in Nigeria.

- **Local Currency Facility (LCF, US$219 million)**—provides local currency solutions to reduce currency risk for impactful projects in countries where such solutions were absent or underdeveloped, such as the “CIEL Healthcare Limited” project in Uganda and the “NSIA Banque” project in Côte d’Ivoire.

- **MIGA Guarantee Facility (MGF, US$246 million)**—expands coverage of MIGA guarantees through shared first-loss and risk participation akin to re-insurance, for investments such as the “Ghoubet Windfarm” project in Djibouti (Appendix C) and the “Tina River Hydropower” project in Solomon Islands.

- **Risk Mitigation Facility (RMF, US$33 million)**—provides project-based guarantees without sovereign indemnity to “crowd-in” private investment in large IFC-supported infrastructure projects and public-private partnerships (PPPs), such as the “Mazar-e-Sharif Gas-to-Power Project” in Afghanistan.

Toward the close of IDA18, the PSW supported COVID-19 response, primarily through programmatic investments. The PSW deployed a significant portion of its allocations during IDA18 through programmatic solutions that were developed as part of the WBG’s response to the COVID-19 pandemic. Programmatic investments—where the Board authorizes a program and delegates authorization of individual transactions to IDA Management within well-defined parameters—accounted for just over half of total volume of Board approved projects under IDA18. The PSW provided significant support to three programs within IFC’s COVID-19 Fast Track Crisis Response: US$250 million to the Global Trade Finance Box 2.11. World Bank’s Re-engagement with Somalia

Somalia has suffered decades of protracted crisis and conflict, with macroeconomic instability, unsustainable fiscal policies, high dependence on foreign assistance and ultimately the accumulation of arrears to external creditors. However, sustained political and economic reforms since 2012 supported Somalia’s transition out of fragility. In March 2020, the Federal Government of Somalia cleared its arrears to IDA, through bridge financing provided by the Government of Norway. This allowed Somalia to normalize its financial relationship with the WBG, re-establish its access to new IDA resources, and paved the way for receive debt relief under Heavily Indebted Poor Countries (HIPC) and the Multilateral Debt Relief Initiative (MDRI).

IDA has played a significant role in helping Somalia reach this point. Since 2012, support to Somalia has focused on developing sound economic management; building core monetary and financial sector governance institutions; establishing basic legal foundations for a market economy; and introducing reforms in strategic sectors including telecommunications, banking, and energy. Economic policy reforms, such as the recently enacted Public Financial Management Law and the Company Law, have improved public financial management and revenue generation. Financing has been critical, including over US$285 million from several sources: IDA Pre-Arrears Clearance Grants, the Somalia Multi Partner Fund to re-establish basic country systems, and the Reengagement and Reform DPF financed by an IDA grant. IDA disbursed up to SDR271.2 million (US$359 million) from the arrears clearance grant to repay the bridge-loan creditor assisting with arrears clearance, and SDR32.6 million (US$45 million) from the Turnaround Regime (TAR) to the Federal Government of Somalia as budget support to meet cash flow needs after Somalia cleared its IDA arrears.
2.4.5. Arrears Clearance

Arrears clearances continue to facilitate progress in countries emerging from difficult circumstances. IDA established an arrears clearance set-aside to complement Heavily Indebted Poor Countries (HIPC) facilitation country reengagement where arrears are so large and protracted that a country’s regular or exceptional IDA country allocation cannot support clearance. A total of US$11 billion was set aside for IDA18 arrears clearance for Somalia and Sudan. Having demonstrated significant reform progress, Somalia was able to advance along the HIPC path and reach arrears clearance status with significant support from IDA and bilateral donors (box 2.11). The remainder of arrears clearance set-aside was carried over into IDA19 and replenished to US$1 billion.

2.4.6. Non-concessional IDA Financing

IDA18 provided resources on IBRD lending terms for Transitional Support. Transitional Support provides resources to IDA graduates as they transition to IBRD. Bolivia, Sri Lanka, and Vietnam received IDA18 support on an exceptional basis to smooth their transition to IBRD after their graduation from IDA at the end of IDA17. During IDA18, US$11.5 billion was provided as Transitional Support, reaching US$1.8 billion together with recommitments of canceled balances (US$172 million for Bolivia, US$615 million for Sri Lanka, and US$986 million for Vietnam). While IDA provided resources based on IBRD lending terms, the three graduate countries were eligible to recommit canceled concessional balances on IDA’s blend lending terms.

The Scale-Up Facility (SUF) provides support to IDA countries to complement their country allocation with non-concessional financing for transformational initiatives with high expected investment return and development impact. The US$6.2 billion initial IDA18 SUF allocation responded to strong demand from client countries, and the allocation was increased by US$500 million at the Mid-term Review (MTR). This represents a 73 percent increase in financing relative to IDA17, when the SUF was introduced at the IDA17 MTR (Appendix C). Main modifications for the IDA18 SUF centered on allocation modalities, prioritization criteria, and pricing. The SUF’s principles and practices to protect clients’ debt sustainability remained paramount, and IDA18 enhanced this by restricting access to countries with low or moderate risk of debt distress. IDA18 SUF financed 34 operations in 17 countries and two regional projects, with Africa receiving 63 percent and South Asia 31 percent. The majority of SUF financing (86 percent) supported IDA-only countries to complement country allocations, with FCS amounting to 21 percent of the IDA18 allocation. More than half of operations utilized SUF financing in combination with concessional resources or the RW to significantly scale up the scope and development impact of projects. SUF projects are facilitating transformations in transportation, access to energy, housing finance, technology, water and sanitation services, urban development, and agriculture. As part of the overall reprioritization of IDA to respond to COVID-19, some SUF funding were redirected to address urgent needs in the health sector.

2.5. IDA-supported Results: From Inputs to Impact

The overarching theme of IDA18 emphasized three key pillars of development—Growth, Resilience and Opportunity—with results tracked in the IDA RMS.57 IDA’s country allocations and dedicated financing combine to deliver on key pillars and Special Themes. While IDA18 results are still emerging, with impact expected in both the near and longer term, IDA18’s paradigm shifts—greater resources, more FCS focus, and increased private sector financing—will improve development outcomes. During the replenishment period, growth in IDA countries has been spurred by IDA financing for activities including those to improve farming, provide financial services, build or rehabilitate roads, expand irrigation, develop renewable energy and catalyze private investment. Sustainability and resilience have been supported by initiatives such as those aimed at energy savings, disaster risk reduction, greenhouse gas emission reductions, and efforts to strengthen the civil service to better deliver critical services such as capacity building (for example, in areas such as statistics and civil registration), transparency (through OGP, for instance), and revenue generation (through taxpayer registration). Finally, opportunity and inclusiveness have been promoted through human development activities such as teacher training, nutrition and population services, immunizations, social safety nets, job creation and critical infrastructure services such as water, sanitation, and electricity services. The IDA RMS has continued to evolve into a robust accountability and management framework and has strengthened results measurement at country, program and project levels. Several enhancements were introduced in the IDA18 RMS to improve alignment, structure and focus on IDA areas of engagement and comparative advantage while maintaining continuity with previous RMS.58
IDA18 supported strong results across a diverse set of activities in IDA countries. The results of the 765 operations delivered during IDA18 have furthered development across diverse sectors to contribute to growth, inclusiveness/opportunity, and sustainability/resilience. During the replenishment period, IDA has supported:

- **Growth** by financing 6.9 million farmers to adopt improved agricultural technologies; 7.4 gigawatts of renewable energy generation capacity; 4.11 million beneficiaries to receive financial services; 19,876 km of roads constructed or rehabilitated; more than 1.5 million hectares of irrigation and drainage services. IDA also catalyzed US$20 billion of private investment in IDA countries. Multisectoral efforts to provide essential infrastructure, stimulate private investment, and provide job skills have been critical to accelerate growth in IDA countries (box 2.12).

  **Box 2.12. Accelerating Growth through Multi-pronged Support in Madagascar**

  In Madagascar, Integrated Growth Poles and Corridor lending operations (FY06–14, FY14–19, FY19–23) resulted in increases in private sector investment, jobs, and increased business and farm-level revenues. By 2020, the projects helped increase the price paid to cocoa farmers by 50 percent; mobilized US$180 million in private sector investments in tourism and US$40 million investment to the national airline (Air Madagascar); built strong youth entrepreneurship networks in three poles; sustained a boost to cities and rural towns by providing enabling infrastructure (energy, water, sanitation, and roads) and increased tax collections of municipalities by 141 percent.

- **Inclusiveness** by continuing to focus on health and education support, including training 6.3 million teachers; expanding access to essential health, nutrition, and population services to 281.5 million people (including immunizing 105 million children); and expanding social safety net programs to 58.8 million people. Financing for infrastructure services also featured prominently, including expanding access to improved water sources for 31.6 million people, improved sanitation services for 22.8 million people, and improved urban living conditions for about 15.6 million people. IDA has also supported job-focused interventions for 25.4 million people. Access to essential services and job creation are critical elements of IDA’s emphasis on inclusion (box 2.13).

  **Box 2.13. Access to Essential Health Services and Jobs are Critical for Inclusion: The Cases of Rwanda and Liberia**

  The “Rwanda Stunting Prevention and Reduction Project” (FY18–23) represents a bold new approach to tackle stunting and chronic malnutrition through an enhanced package of multisectoral interventions. From 2017 to 2019, the project increased the percentage of children aged 6-23 months receiving micronutrients supplementation from 18 percent to 88 percent. Pregnant women who attended their first antenatal care visit during their first trimester increased from 42 percent to 51 percent during the same period. From September 2019 to July 2020, coverage of Fortified Blended Food rose from 94 percent to 100 percent for children, and from 11 percent to 42 percent for pregnant and lactating women in targeted districts.

  The “Liberia Youth Opportunities Project” (FY16–21) aims to improve access to income-generation opportunities to targeted youth, a population segment critical to sustain growth and recover from past civil wars. To date, over 12,000 youth in rural and urban areas received life and business skills training to participate in the labor market, and 10,000 youth living in rural communities received farming inputs and labor subsidies to engage in community-based farming. They cultivated more than 12,000 acres with rice and cassava, contributing to food security in Liberia, and produced vegetables and other non-staple crops for additional earnings.

  “Before I received the training, I was sitting without doing anything. I really learned a lot from that training. That training brings pride to my life. Today people can see me and praise me because of that training.”

Sustainability and resilience by ensuring significant fuel and energy savings and greenhouse gas emissions reductions. IDA18 also helped bolster public sector capacity and service delivery by supporting 46 countries toward institutionalizing disaster risk reduction, 12 countries to increase the number of registered tax payers, 70 countries to improve statistical capacity for household surveys, 27 countries to implement open government agendas. IDA18 also financed eight operations to support civil registration. Financing for sustainability and resilience is critical for IDA countries, many of which have high exposure and sensitivity to climate shocks and stressors, coupled with low adaptive capacity to buffer their economies and communities from climate and disaster risks. IDA support helps bring new solutions to build resiliency and reduce vulnerability (box 2.14).

Tracking and achieving results in FCS have been a key feature of IDA18, as in IDA17. Indicators across a number of areas—including agriculture technology, financial services, irrigation service, social safety net programs, sanitation services, electricity services, and job focused interventions—revealed significant results for beneficiaries in FCS during IDA18, such as in the case of Yemen (box 2.15). Disaggregated numbers suggest a strong focus on achieving results in FCS in several key areas, including 30 percent of roads constructed or rehabilitated were in FCS; 22 percent of private investment catalyzed by the WBG; 26 percent of health, nutrition and population services including 30 percent of women and children receiving basic nutrition services and 23 percent of child immunizations, 33 percent of beneficiaries of social safety net programs, and 43 percent of countries institutionalizing disaster risk reduction as a national priority.
Results are emerging from COVID-19 response operations. Despite the short timeframe since approval, the rapid response and prior IDA investments have already contributed to encouraging results in some operations. By responding early, fast, and together, the Ethiopia COVID-19 Emergency Response Project has been at the forefront of implementing efforts and mobilizing critical resources to rapidly strengthen preparedness and response to the pandemic. While a significant portion of IDA’s COVID-19 response focused on health, it provided considerable support to respond to the education crisis, as well as for urgent needs in a variety of other sectors (box 2.16).

IDA performance standards were met or exceeded in several areas during the IDA18 period. IDA16 introduced performance standards for IDA to deliver results in specific areas. During the IDA18 period, standards were exceeded in areas such as agricultural support to farmers, deliveries attended by a skilled health professional, renewable energy, social safety net provision, access to improved sanitation services, energy/fuel savings, progress on disaster risk reduction and statistical capacity building, and were fully met in areas such as provision of financial services, irrigation and drainage services, urban living conditions, electricity provision, taxpayer registration and operationalization of the OGP agenda commitments. Some indicators did not meet their IDA18 targets including construction or rehabilitation of roads, teacher training, child immunization, basic nutrition services, and access to improved water services. This is largely due to a shift in country demands and priorities in recent years, resulting in pipeline adjustments—for example, in transport and education—as well as several large projects in final implementation stages that no longer contribute significantly to aggregated results, for example children immunization and water services.

Box 2.16. Responding to the COVID-19 Pandemic in Ethiopia and Yemen

Prepared during a 10-day period in early March 2020, the Ethiopia COVID-19 Emergency Response Project relied on Ethiopia’s prevention-based primary public health-care infrastructure and the health extension system built during the last two decades, community mobilization, and public-awareness campaigns. Results achieved with support of the project includes increased laboratory and testing capacity with daily testing capacity increased to an average of 20,000; screening at points of entry; establishing 332 isolation, 50 quarantine, and 64 treatment centers as of June 15, 2020, toll-free call centers responding to 8,000-10,000 calls daily; and development of Risk Communication and Community Engagement Strategy. Strong partnership among key development partners in Ethiopia’s health sector and the Ministry of Health’s resource mapping database contributed to better coordination to avoid duplication of efforts.

As of February 2021, results from the Yemen COVID-19 Response Project include equipping six central public health laboratories with COVID-19 diagnostic equipment and establishing test kits and reagents and 37 isolation units in 22 governorates. Additionally, over 39,000 PCR diagnostic tests, 10,000 RNA isolation kits and other laboratory accessories were provided. Additionally, 1143 healthcare staff were trained in infection prevention and control as per WHO protocols, and about 1,700 governorate and district rapid response team staff were trained.
1 FCS in this report refers to the WBG Harnessed List of Fragile Situations. IDA-eligible countries classified as FCS are referred to as IDA FCS. FCV refers to the challenge of fragility, conflict and violence regardless of classification as FCS. Small States in this report refers to the 21 IDA-eligible Small States with population of 1.5 million or fewer as of end-FY20.

2 The difference between the financing envelope of US$75 billion and the delivery of US$77.7 billion is due to exchange rate variations and recommitments of previous IDA resources.

3 Reporting on commitments data is based on the dynamic FCS list of each FY (except for FY20, which is based on FY19 list) and it also refers to the four countries under the FCV Risk Mitigation Regime.

4 COP 21: COP stands for Conference of the Parties, referring to the Parties that have ratified or acceded to international conventions or agreements such as the United Nations Framework on Climate Change. COP21 is the 21st COP under UNFCCC that took place in Paris in 2015.

5 The twin goals: (i) ending extreme poverty by reducing the shared of the global population living in extreme poverty to 3 percent by the year 2030, and (ii) promoting shared prosperity by increasing the income of the bottom 40 percent of the population in each country in a sustainable manner (WBG Strategy, 2013).

6 This includes US$1.37 billion from the IDA18 Private Sector Window and recommitments from cancellations.

7 Funding for each three-year replenishment was determined by cashflow availability to support disbursements for the agreed financing envelope over the disbursement period. The key sources of cashflows in the financing framework for each replenishment included: donor contributions (including proceeds from Concessional Partner Loans starting IDA17), reflows, and transfers from IBRD and IFC. The revolving nature of the IDA model with strong continued contributions from donors, strong repayment records by IDA clients, as well as prudent financial management of IDA resources resulted in a build-up of IDA’s exceptional balance sheet and strong virtually unleveraged equity.

8 See IDA’s road to capital markets summary in the link: https://youtu.be/juh2cNPBiSs. Total issuance stood at US$6.4 billion at the end of IDA18 period. The pace of capital market debt issuance is aligned with the phased disbursement schedule associated with IDA’s financing.


10 This increase represents an average of 32.5 percent over FY19-FY20, compared to a baseline of 24 percent at the time of the Capital Package. IFC aimed to deliver a total of US$135 billion in own account and mobilization in IDA/FCS between FY19 and FY30 in nominal terms. US$660 billion, or 75 percent, more than if there were no package. IFC also aimed to utilise the IDA PSW to substantially increase own account annual commitments in LIC IDA and IDA FCS countries, to 15-18 percent and 15-20 percent of total annual commitments by 2026 and 2030 respectively, compared to a baseline of about 7 percent in FY17.

11 The TAR was introduced in IDA17, providing enhanced support to countries at a critical juncture in their development trajectory to help build stability and resilience. The TAR builds on the earlier Post-Conflict and Re-engaging regimes and on lessons learned from their implementation and updated them to reflect the evolving conceptualization of FCV and new knowledge of how countries transition toward resilience.

12 This adjustment particularly benefited FCS as they are generally at the low end of the performance spectrum.

13 The recommendations to increase the number of Borrower Representatives and include an external replenishment co-chair during IDA18 were based on the recommendations of the IDA17 informal working group on Governance and Reform of the Replenishment Process.

14 Since IDA’s establishment in 1960, 37 countries have successfully transitioned to middle income status and graduated to IBRD. Mongolia and Moldova graduated from IDA at the end of IDA18 owing to their recent development gains.


16 Details can be found in the IDA18 Results Measurement System on http://ida.worldbank.org/sites/default/files/images/ida18_rms_brochure_final_october_2020.pdf.

17 Out of the 66 IDA countries that use the Debt Sustainability Framework for Low-Income Countries (LIC DSF), 34 (or around 52 percent) are assessed at high risk of external debt distress or in external debt distress (as of end September 2020).

18 As of end-February 2021, these countries are Guinea Bissau, Kenya, Rwanda, Papua New Guinea, Madagascar, and Zambia.

19 By providing grant terms in line with countries’ risk of debt distress, IDA’s grant allocation framework prevents a worsening of debt burden due to IDA credits in grant-eligible countries that are at elevated risk. For further details see: https://ida.worldbank.org/debt/dsfs/.

20 For further details see: Responding to the Emerging Food Security Crisis and Building Back Better: Pursuing a Greener, More Inclusive, and Resilient Recovery (DFCII, November 2020).

21 Throughout this report, Small States refers to the 21 IDA-eligible Small States with population of 1.5 million or fewer as of end-FY20.

22 Country allocations refer to IDA Core financing, including performance-based allocation (PBA) and IDA18 exceptional regimes: Risk Mitigation Regime (RMR) and Turn Around Regime (TAR). The original IDA18 allocation was close to 70 percent for country allocations, and this increased to approximately 73 percent for actual country allocations after reallocations during the replenishment (table 1).

23 Fiji also received this increased base allocation as it became IDA eligible in 2019 as a result of revisions to the World Bank’s IDA ‘Small Island Economies Exception’, in place since 1985.

24 This excludes Small States, whose average per capita allocations are disproportionately influenced by the minimum annual base allocation.

25 For further reference, see IDA’s performance-based allocation (PBA) system for IDA18 https://openknowledge.worldbank.org/sites/idapub/IDA18/Pages/docs/PBA.pdf.

26 In April 2020, reallocations from the RW and SUF to CRW (up to US$2 billion for COVID-19 Phase 2 operations) were approved, with these deductions to be returned from country allocations in IDA19. In addition, reallocations from unused IDA windows resources to the country envelope (up to US$100 million) were also approved.

27 The adjustments in the PBA model that addressed structural vulnerability and fragility issues in small, post-conflict, and/or re-engaging countries did not apply to Yemen. Given the great needs of the country, and the fact that it had already availed itself of all available resources to boost IDA’s support to the crisis, an allocation of US$400 million intended to support, on an exceptional basis, the Yemen Emergency Crisis Response Project was approved at IDA18 MTR.

28 In March 2019, the Board approved a US$200 million exceptional allocation to Jordan and Lebanon on terms equivalent to IDA Credits on IDA Regular Terms for projects that principally and directly benefited Syrian refugees. US$100 million was committed to a PforR operation in Jordan focused on creation of economic opportunities, while the remaining US$100 million was reallocated to the COVID-19 response.
29 These include: Climate Support Facility; Debt Management Facility; Digital Development Platform; Finance for Development; Foundations and Innovations for Food Systems; Human Capital; Impact Assessment of Poverty & Equity; KNOMAD (migration); Social Inclusion & Empowerment/HRTDF; Sustainable Infrastructure; Sustainable Urban Development; Umbrella Trade.
30 Gender tag is the World Bank’s system that monitors and rates projects on their “depth” of gender integration at project design stage. The first year of implementation, 56 percent of IDA18 operations received the gender tag, rising to 67 percent during the second year, and 62 percent, the final year.
32 New IDA18 commitments such as greenhouse gas accounting and shadow carbon pricing of applicable sectors, as well as the WBG Capital Increase Package (2018) have had spillover effects across the institution, having also been mainstreamed in IBRD operations and in some cases in IFC Operations.
33 Learning from IDA Experience: Lessons from IEG Evaluations, with a Focus on IDA Special Themes and Development Effectiveness. World Bank, Washington, DC.
34 Climate Action Peer Exchange is a knowledge exchange forum for finance ministers to discuss common challenges and good practices for developing climate and environmental policies for NDC implementation.
36 Key partnerships from IDA18 include: (i) the Platform for Collaboration on Tax; (ii) the Open Government Partnership (OGP); and (iii) Stolen Asset Recovery Initiative.
38 Launched as a pilot in IDA13, the Regional Program (called the Regional Window as of IDA19) has evolved and expanded over the past twenty years. In addition, a SDR1.85 billion sub-window was established within the Regional Program to provide financing to projects targeting refugees and their host communities.
39 Following reallocations during the replenishment, this percent in IDA18 dropped to 27 percent.
40 The IDA Regional Window eligibility criteria: projects involve at least three (two if one is an FCS) countries or one country if the project can demonstrate transformational impact on the region, has benefits that spill over country boundaries, has strong regional and country ownership and is part of a regional strategy.
41 Previously, this was based on the size of a country’s annual allocation rather than size of the country. The contribution from a Small State’s Core IDA to regional projects in a given financial year is capped at 20 percent with the remainder of that country’s share of the regional project cost financed by the IDA Regional Program.
42 During the IDA18 MTR the allocation to the window was increased by US$200 million to meet demand. However, this amount was reallocated to respond to COVID-19 with planned regional projects postponed to IDA19.
43 Overall support to fragile communities is higher, as some of the regional projects support pockets of fragility in non-fragile situations.
44 These included Benin, Mali, Mauritania and Niger (REDISSE III) and Angola, the Democratic Republic of Congo, Central African Republic, Chad and the Republic of Congo (REDISSE IV).
45 Provided through a Board waiver as IDA did not have provisions for extending credits to regional organizations.
46 Eligible countries could finance up to five-sixth of an operation from the RSW, with at least one-sixth coming from PBA. For the RSW portion, countries at high risk of debt distress received 100 percent grants, while other countries received 50 percent grants/50 percent credits.
47 To become eligible for RSW financing, an IDA country must meet three criteria: 1) the country hosts at least 25,000 refugees or at least 0.1 percent of its population are refugees; 2) the country maintains an adequate framework for refugee protection and; 3) the government has in place a plan/strategy for the creation of longer-term development opportunities for refugees and host communities.
48 The initial envelope of US$2 billion was increased to US$2.2 billion at the IDA18 MTR, then reduced to USS17 billion at the 2019 Annual Meetings, and ended IDA18 at USS185 billion with around USS300 million in excess demand that was postponed to early IDA19.
49 Piloted in IDA15 to respond to the 2008/9 global economic and financial crisis, the CRW has evolved over time to include support for major natural disasters and public health emergencies. During IDA18, the window was adjusted to help facilitate IDA’s support, including by simplifying the governance arrangements on CRW access and by adjusting financing terms in extreme cases of natural disasters.
50 The first half of IDA18 was characterized by modest demand due to relatively few severe crises that met the CRW eligibility criteria, followed by a rapid increase of more devastating crises, with final commitments reaching US$2.6 billion. In IDA19, Deputies put in place a measure to facilitate the reallocation of CRW resources at mid-term reviews due to unpredictable demand. During IDA18, US$750 million was moved out of the CRW at the MTR, followed by another US$443 million in early 2020; a reallocation of US$965 million was subsequently directed back into the CRW after demand surged due to the COVID-19 pandemic.
51 These include partners such as the UN, IMF, other multilateral institutions, bilateral partners, regional development banks, and NGOs.
53 This includes the IFC and MIGA financing included in the PSW projects.
54 About a quarter of allocations were made during the first two years of operation, with a significant surge at the end of the replenishment period to finance COVID-related investments.
55 Financial exposure on IDA balance sheet (incurred when transactions are financially committed and loan, equity disbursements occur) amounts to US$388.6 million with US$67 million in receivables under the LCF. These transactions have generated US$21 million in revenue (of which US$15.3 million is guarantee income) and total administrative expenses are US$19 million; unrealized losses under the LCF and BFF (equity linked transactions) are US$0.8 million; and loan loss provisions under the BFF and MGF amount to US$22.2 million. These are early financial results which will evolve as more approved transactions translate to financial exposure on IDA’s balance sheet.
56 The review of potential projects focuses on development objectives and eligibility criteria, with particular attention given to transaction pricing to ensure that support from the PSW is targeted at a level that is the minimum necessary to sufficiently de-risk a project to unlock its benefits. Assessment of potential PSW projects utilizes criteria from the Enhanced Blended Concessional Finance Principles for DFI Private Sector Operations and includes considerations to minimize crowding out private finance, the path towards commercial sustainability, impact on building and reinforcing markets, and promoting the highest standards for development finance.
57 Several enhancements were introduced in the IDA18 RMS to improve alignment, structure and focus on IDA areas of engagement and comparative advantage while maintain continuity with previous RMS. Details on IDA18 RMS can be found on http://ida.worldbank.org/results/rms and http://ida. worldbank.org/sites/default/files/images/ ida18_rms_brochure_final_october_2020.pdf
Key enhancements introduced in the IDA18 RMS included: (i) alignment (with the World Bank Corporate Strategy and the SDG agenda); (ii) harmonization with World Bank Scorecard; (iii) structure and streamlining (consolidating to a 3-tier structure and adjusting indicators to harmonize with WBG measurement and improve data quality, aggregating and reporting results); (iv) enhancement of data quality and validity of reported results (including the adoption of Corporate Results Indicators and disaggregation of data for FCS and female beneficiaries when applicable and feasible); and (v) addressing key emerging issues and IDA18 Special Themes.

Results stories of COVID-19 response operations are available here https://www.worldbank.org/en/results and will be updated with new stories as they are published.

During IDA18 there was increased support to tackle complex transport challenges in IDA countries such as intermodal urban transport, waterways, and rail, shifting from the earlier focus on building and rehabilitating roads. In education there has been a gradual shift in IDA’s education portfolio away from teacher recruitment and training towards helping IDA countries to focus more attention on the quality of learning – with important linkages to skills and jobs.

For further details see: IDA18 Implementation and Delivery (October 2020). The Financing Needs in IDA Countries (December 2020), and IDA Financial Assistance in the IDA18 Period: Commitments and Disbursements Report (February 2021).

See Review of the IDA Crisis Toolkit: Background Note (May 2019).

The last quarter of FY20 had the highest lending (US$17.2 billion) mainly due to IDA’s response to COVID-19.

This includes the RW, the RSW, the CRW, Arrears Clearance, the SUF, IDA transitional support, extraordinary allocations to Jordan, and recommitments from cancellations from India and other IDA graduates.

IDA’s hybrid model, which is economic capital driven and allows IDA to raise liquidity from market sources according to needs, enables more efficient management of contingent financing mechanisms such as guarantees and CAT-DDOs via an economic capital set-aside that is a fraction of the financing amount, rather than a set-aside of the full amount that would be required under the earlier cashflow based model.

Pillar 4 (strengthening policies and institutions) received 47 percent of the commitments, followed by Pillar 1 (saving lives), 29 percent and Pillar 2 (protecting poor & vulnerable), 26 percent.

Please see http://ida.worldbank.org/debt/debt-sustainability-grants

Volumes for active portfolio include IDA net commitments in blend operations.

Disbursement ratio refers to the ratio of IDA investment disbursements in a fiscal year to IDA undisbursed investment balance at the start of the fiscal year.

The Facetimie index shows professional (GE+) staff presence on the ground in FCS per fiscal year and captures the following components: (i) days of GE• World Bank staff based in FCS at the end of the fiscal year (assumed number of days per year 220 x number of staff); (ii) days paid for GE• Short-Term Consultants (local and international) based in FCS during the full fiscal year; and (iii) mission days, during full fiscal year, from non-FCS to FCS for GE• Staff and Short-Term Consultants, who are not based in FCS.

Problem projects are those rated unsatisfactory (unsatisfactory -U, moderately unsatisfactory -MU or highly unsatisfactory -HU) in the progress towards achievement of the Project Development Objective (PDO) and/or the Implementation Progress (IP) in an archived Implementation Status and Results Report (ISR).


This is measured by Tier 3 of the IDA18 RMS, and measures both the operational and organizational effectiveness of IDA. This includes indicators tracking the performance of IDA’s portfolio, the quality and timeliness of projects delivered to clients, the results orientation of the operations, client and beneficiary feedback, financial sustainability, and the implementation of the five IDA Special Themes.

Percentage of closed IDA projects, as a share of IDA commitments, reviewed by IEG (FY17-FY19 exits) rated Moderately Satisfactory, Satisfactory, or Highly Satisfactory (FY17-FY19 exits) and reviewed by IEG (FY17-FY19 exits) rated Moderately Satisfactory, Satisfactory, or Highly Satisfactory (FY17-FY19 exits) on overall Bank’s performance reached 81 percent, exceeding the performance standard for IDA18 of 80 percent. The percentage, as a share of IDA operations, during the same period reached 77.3 percent, surpassing the performance standard of 75 percent.

Quality of M&E is based on IEG ratings for closed investment projects that were designed 5–8 years earlier in most cases. Such rating improved from only 39.3 percent (FY14-16 exits) at the end of IDA17 to 50.4 percent (FY17-19 exits) at the end of the IDA18 cycle.


These include but are not limited to funding costs, borrower and counterparty credit ratings, and market parameters such as interest rates and exchange rates.


Learning from IDA Experience: Lessons from IEG Evaluations, with a Focus on IDA Special Themes and Development Effectiveness. World Bank, Washington, DC.


The WBG has set up a new and ambitious climate co-benefits target of 35 percent over the five years from FY21 to FY25.

The RECA provides a base level of support in rare cases in which a country’s PBA is extremely low due to the often-related combinations of high-intensity conflict and weak institutional capacity. RECA gives IDA the option to support countries in circumstances where, despite conflict, the World Bank can meaningfully engage to preserve institutional capacity and human capital that will be critical for the country’s future recovery.

Introduced in 2006, the NCBP was aimed at addressing situations in post-Multilateral Debt Relief Initiative (MDRI) and grant-eligible IDA-only countries, in which debt relief or IDA grants could potentially: (i) cross-subsidize creditors that offer non-concessional loans to recipient countries, or (ii) create incentives for these countries to overborrow, thereby eroding the gains to debt sustainability obtained from debt relief and grants. See: “IDA’s Non-Concessional Borrowing Policy, 2019 Review,” September 2019.

“IDA’s Non-Concessional Borrowing Policy, 2019 Review,” September 2019. World Bank Group’s announced response to COVID-19 of up to US$160 billion over April 2020 to June 2021 highlights World Bank’s role as provider of positive net flows in a more constrained financing environment for our clients. Of this amount, IDA is seen as being able to deploy an estimated US$50-55 billion to support member countries. This also includes some planned capacity brought forward to the first year of the IDA19 replenishment. Thus far, till December 2020, IDA commitments reached almost US$31 billion, with countries facing the steepest debt burden (DSSI-eligible) receiving financing of US$28 billion. Between April and December 2020, the DSSI-eligible countries benefited from net transfer of $14 billion from IDA, of which US$4.3 billion is on grant terms, and the bulk of the rest on highly concessional IDA terms.
References


