IDA18 Retrospective - Chapter 3

Delivery Trends

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Cover photos

Top left: Mali © Ollivier Girard/ World Bank

Top right: Beneficiary in a greenhouse, supported under the Environmental Land Management and Rural Livelihoods Project, Khatlon region, Tajikistan. © World Bank

Middle right: Cocoa production, Honduras. © World Bank

Bottom from left to right:

1: Wells built in Aqee Boy and Ortabiẓ-e-Farghana vilages, Afghanistan. © Imal Hashemi/ World Bank

2: A worker sprays disinfectant in downtown Yangon, Myanmar. © Mar Naw/ World Bank

3: Students listen to their teacher Ms. Shuma Das at Sahabatpur Daspara Ananda school in Sahabatpur village, Bangladesh. © Dominic Chavez/ World Bank

4: Haapa helps her 7-year-old daughter Edith to write her name. Haapa, a beneficiary of an IDA-supported road project in Papua New Guinea, sells betel nut and water apples at a roadside market. © Connor Ashleigh/ World Bank

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CHAPTER 3. DELIVERY TRENDS

Scan or click to view an interactive dashboard of Policy Commitments delivery, including by country.

3.1. Overall Trends in Financial Delivery

The IDA18 Replenishment resulted in four trends for IDA's deliverables which gained a more prominent role in overall World Bank lending as well as in Africa, FCS and Small States. First, there was a significant scale up in resources and support from the WBG. The IDA18 allocation framework—as agreed with shareholders—ramped up support for all IDA countries and was reflected in a strong delivery over the three-year period. IDA reached 52 percent of total World Bank lending in FY20, compared to 14 percent in its first year (FY61). Equally important, IDA18 delivery had a significant focus on Africa, FCS, and Small States. Accompanying the significant increase in commitments were strong disbursement levels and broadly unchanged disbursement ratios, suggesting continued strong absorptive capacity during IDA18.[61] In addition, one of the significant changes in IDA18 was a growing field presence, particularly in FCS. Finally, the Development Policy Financing (DPF) with a Catastrophe Deferred Drawdown Option (CAT-DDO) was introduced in IDA18 to augment IDA's crisis response toolkit, deploying a contingent financing line that provides immediate liquidity to countries to help address shocks related to natural disasters and/or health-related events.[62] The record delivery of IDA18, including IDA's rapid response to the challenges of COVID-19, is a testament to the key role that IDA plays as a collaborative of countries addressing global challenges, with IDA borrowers, donors and staff working hand in hand.

Compared to prior IDA cycles, IDA18's commitment were the highest, with Africa accounting for nearly two-thirds. IDA18 committed resources totaling US$76.4 billion (US$77.7 billion including PSW), across 78 countries. Over US$30.4 billion was delivered in FY20 alone, representing the highest level of commitments in any fiscal year through IDA18.[63] Around 75 percent (US$57.7 billion) was committed from country allocations while the residual was delivered through IDA Windows and others.[64] IDA18 commitments, including PSW, exceeded IDA17 commitments by 42 percent and included a significant increase in both number and size of projects. Commitments in the Africa region reached an all-time high of US$48.7 billion in IDA18, representing a 64 percent increase over IDA17 levels. As a share of total IDA commitments, AFR now accounts for almost two-thirds (64 percent) of total IDA financing up from 54 percent in IDA17, reflecting the increasing importance of the continent in IDA's overall strategy.

IDA18 more than doubled its commitments in FCS from IDA17 and used innovations such as RMR and TAR to channel resources to the greatest needs. IDA18 commitments to IDA FCS and countries under RMR reached US$23 billion, increasing its share of total IDA from 19 percent in IDA17 to 30 percent (figure 3.1). Support to FCS in the Africa region increased significantly from US$6 billion in IDA17 to US$16 billion in IDA18. Additionally, support to the Sahel increased by 139 percent from US$2.5 billion in IDA17 to US$6.0 billion in IDA18 (box 3.1). IDA18 provided support to Guinea, Nepal, Niger, and Tajikistan through the RMR and to CAR, The Gambia, Madagascar, and Somalia through TAR (box 3.2).

Box 3.1. IDA at Work in the Sahel

Aggregated IDA commitments to the Sahel region (Burkina Faso, Chad, Mali, Mauritania, and Niger – using the definition of the Sahel Alliance) more than doubled in IDA18 compared to IDA17. Similarly, the number of operations delivered increased by 69 percent, from 49 in IDA17 to 83 in IDA18. This support is also reflected in the region's share of total IDA lending, increasing from 5 percent of total commitments in IDA17 to 8 percent of total commitments in IDA18. At the individual country level, IDA lending to Mauritania and Mali nearly tripled compared to IDA17 from US$148 million and US$419 million in IDA17 to US$427 million and US$1.2 billion in IDA18, respectively. Niger and Burkina Faso, countries with the largest IDA18 commitments in the Sahel, increased their borrowing compared to IDA17 by 145 percent and 121 percent, reaching US$1.8 billion and US$1.9 billion in IDA18, respectively. Chad, also nearly doubled IDA commitments from US$352 million in IDA17 to US$699 million in IDA18.

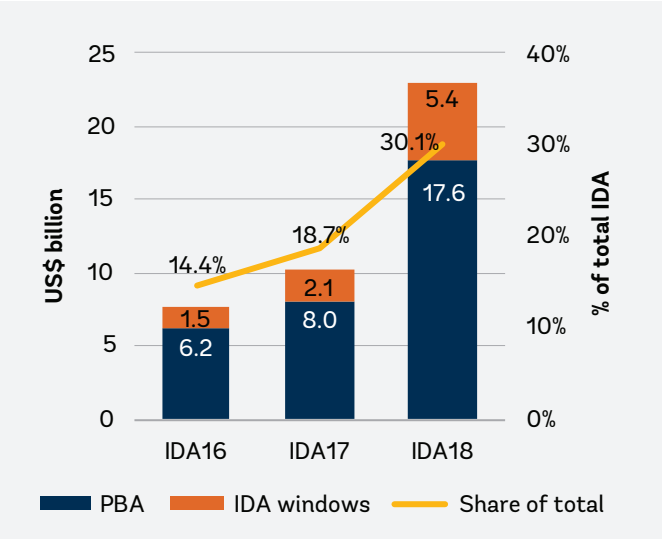
WBG analytic work and lessons learned continue to inform operational approaches in the Sahel. The "Pathways for Peace" report provided the analytical framework for the Sahel Regional Risk and Resilience Assessment (RRA) (conducted through the Sahel Alliance). The work culminated in the "Sahel Approach Paper", laying the groundwork for a programmatic shift towards prevention and a spatially differentiated approach in conflict-affected areas and areas at risk (prevention zones), especially in Mali and Burkina Faso. IFC's Burkina Faso Country Private Sector Diagnostic (CPSD) helped lay the groundwork for an Emergency COVID-19 response Development Policy Financing on issues such as access to finance.

Box 3.2. Risk Mitigation Regime (RMR) and Turnaround Regime (TAR) in Action

The **IDA18 RMR** committed US$847 million, comprising US$147 million to Guinea, US$300 million to Nepal, US$300 million to Niger, and US$100 million to Tajikistan. In all four countries, interventions target at-risk populations such as unemployed youth or border populations. In *Tajikistan*, the funds targeted at-risk geographic areas, and in *Guinea*, the establishment of a pilot early warning system helped communities with localized conflicts better manage deeply rooted grievances. In *Niger*, the funds helped improve basic services and economic opportunities for refugees and host communities in select areas and in *Nepal*, a DPF supported the fiscal arrangements for the newly established federal system, focusing on good governance, transparency, and accountability. RMR resources also supported operations for COVID-19 response at the end of IDA18.

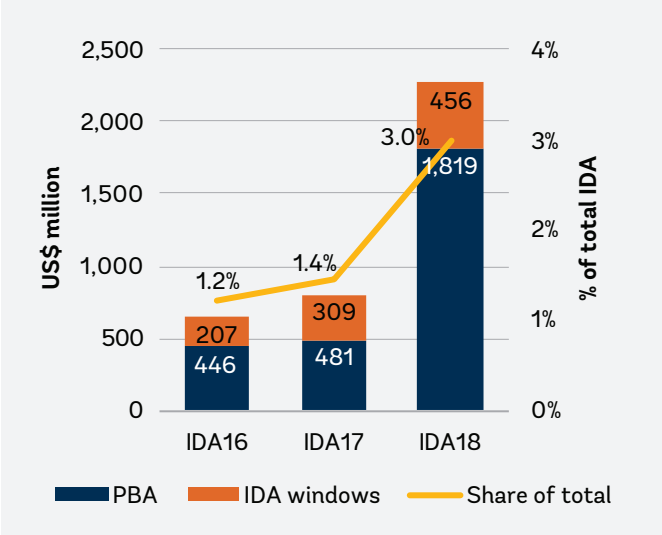
The **IDA18 TAR** committed US$1.6 billion, including US$242 million to the Central African Republic, US$154 million to The Gambia, US$809 million to Madagascar, and US$355 million to Somalia. The CAR and Madagascar became eligible for the TAR in IDA17, and remained eligible throughout IDA18. The Gambia accessed TAR in FY19 and FY20, following a presidential election that marked the first democratic transition of power in the country's history, and Somalia began access to the TAR upon re-engagement with IDA in FY20. In CAR, TAR supported progress towards post-conflict stabilization, and in The Gambia it supported a fragile transition from years of autocratic rule to a democratically elected President, helping restore macro-economic stability, stimulating inclusive growth, increasing investments in human capital, and building resilience and assets for the poor.

Figure 3.1. Commitments in IDA FCS, IDA16-IDA18



Source: World Bank Group staff estimates. Note: The commitments data also include countries under RMR.

Figure 3.2. Commitments in Small States, IDA16-IDA18



Source: World Bank Group staff estimates.

IDA18 also nearly tripled commitments to Small States, reaching US$2.3 billion compared to US$0.8 billion in IDA17 (figure 3.2). This enabled IDA to expand its engagement and support larger operations, placing IDA as an even stronger strategic partner for Small States. Increased support also allowed IDA to enhance policy engagement, such as in the Pacific as well as the Caribbean where IDA supported significant fiscal reforms in several high-debt Small States. IDA18 also played a considerable role in mainstreaming disaster risk financing strategies and instruments in the Caribbean—such as contingency funds in Grenada and St Vincent and the Grenadines and innovative insurance in Grenada—which are important to mitigate vulnerabilities (see appendix 1 in this report).

Overall scale-up of DPFs and PforRs reflected increased focus on policy and results, accompanied by the new CAT-DDO instrument to contribute to preparedness. While commitments increased across all lending instruments, DPFs increased by 118 percent from IDA17, mainly due to the need for strong policy and institutional responses and to address fiscal challenges, particularly during the COVID-19 pandemic. DPFs supported policy reform across IDA countries. In Kenya, for example, the "Kenya Inclusive Growth and Fiscal Management DPF2" focused on growth and private investment (see appendix A in this report), while the "Kenya Covid-19 Emergency Response Project" helps bolster Kenya's public finances to expand its response to COVID-19 and protect vulnerable households and micro, small, and medium enterprises (MSMEs) from layoffs and bankruptcies. Approved prior to a disaster and disbursed quickly once the event occurs and the drawdown trigger is met, CAT-DDOs provide early financing while mobilizing funds from other sources.[65] The CAT-DDO is most effective as part of a

broader risk management strategy in countries highly exposed to disasters, galvanizing preparedness and prevention as well as serving as a valuable platform for advancing policy dialogue on disaster readiness. As part of DPF operations, IDA18 approved 13 operations with CAT-DDO components for a total amount of US$616 million. Of those, seven (Cabo Verde, Honduras, Kenya, Malawi, Maldives, Samoa, and Vanuatu) responded to COVID-19, totaling US$292 million (box 3.3).

Box 3.3. Disaster Response through the Catastrophe Deferred Drawdown Option (CAT-DDO): Kenya and Honduras

IDA CAT-DDOs have helped countries build the foundations for disaster risk management, enhancing preparedness and responsiveness to disasters including those related to climate as well as health. The Kenya Disaster Risk Management (DRM) Development Policy Financing (DPF) with a CAT-DDO supports the Government of Kenya in strengthening capacity to manage climate and disaster risks impacts. The operation helps fortify institutional, planning and policy frameworks to manage climate and disaster risk, and build financial capacity to advance climate adaptation and mitigation and respond to natural hazards. In IDA18, CAT-DDOs have particularly helped IDA countries address COVID-19 challenges. The Honduras DRM DPF with a CAT-DDO was crucial in assisting the Government of Honduras to strengthen the country's ability to manage the pandemic outbreak and quickly mobilize resources.

IDA18 provided a coordinated and rapid response to COVID-19 using several instruments. During the last quarter of IDA18, IDA committed about US$6.4 billion for direct response under the four pillars outlined in the WBG COVID-19 Response Approach paper.[66] The Crisis Response Window (CRW) provided US$1.1 billion through the Fast-Track COVID-19 Facility (FTCF) by the end of IDA18. The majority of these CRW resources were for emergency health interventions to combat the pandemic, but also supported longer-term strengthening of national systems for public health preparedness (box 3.4). CAT-DDOs and greater use of Contingency Emergency Response Components in projects also played a key role in the ability to respond rapidly to the COVID crisis at the end of IDA18.

The IDA18 period saw a significant increase in grants, a modest increase in blend credits and a decrease in guarantees. In IDA18, the option for Single Currency Loans became fully available for all IDA credit terms under all Windows, and financing flexibility increased by removing limits. IDA18 commitments comprised US$54.7 billion in credits (72 percent), US$20.8 billion in grants (27 percent), and about US$0.8 billion in guarantees (1 percent). This compares to US$46.6 billion in credits (85 percent), US$6.9 billion in grants (13 percent), and US$1.1 billion in guarantees (2 percent) in IDA17. The increased share of grant financing in IDA18 is due to IDA countries' deteriorating risk of debt distress. 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.[67]

Box 3.4. IDA's Response to COVID-19: The Cases of Bangladesh, Ghana, and Mongolia

IDA's timely action to COVID-19 has been pivotal in helping IDA countries. Country examples illustrate how IDA funding is used to ensure that programs adjust and align with COVID-19 challenges, in support of a country's pandemic preparedness, the capacity of its health and social support systems, and incorporating lessons from the early phase of pandemic response.

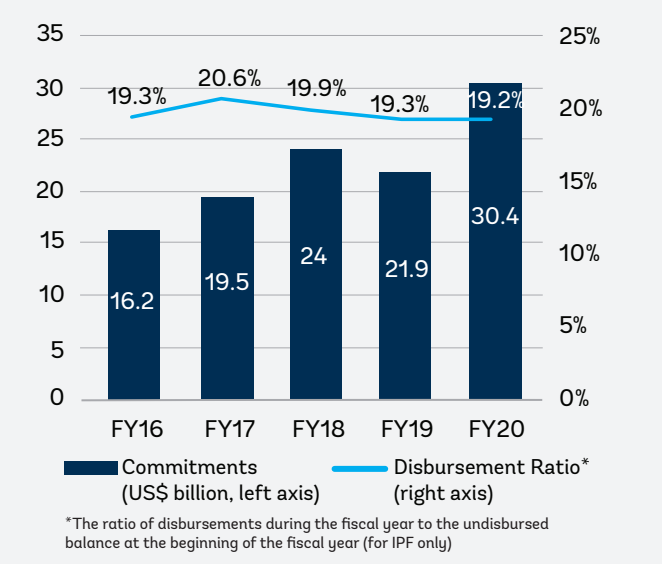
The US$35million "Ghana Emergency Preparedness and Response Project" aims to strengthen Ghana's National Laboratories for early detection of COVID-19 cases and providing real-time disease surveillance and outbreak reporting systems. IDA support has included assistance to recruit and train 4,410 health professionals, 1,385 contact tracers, and 318 laboratory technicians. Drone delivery of samples from remote areas to test centers has also been initiated, along with the potentially time saving practice of "pool testing". This effort has led to the testing of 361,542 persons as of July 2020.

In Mongolia, the Crisis Response Window (CRW) provided US$3.1 million to the US$26.9 million COVID-19 "Emergency Response and Health System Preparedness Project". Designed to meet emergency pandemic needs, the Project also helps Mongolia prepare for future health crises by strengthening its capacity for multi-sectoral response, particularly the interface of veterinary and public health services to contain the spread of new viruses of animal origin at their source.

In Bangladesh, the Cash Transfer Modernization Project expedited the disbursement of US$165.84 million to more than 4.3 million vulnerable beneficiaries under the project's Contingent Emergency Response Component to co-finance ongoing cash transfers for poor elderly, widows, and disabled persons.

IDA's active portfolio increased considerably over IDA18, while disbursement ratios were largely stable and broadly in line with IDA17 levels, suggesting continued strong client absorptive capacity. IDA's total active portfolio under implementation stood at about US$137 billion at the end of IDA18 with 1,120 active projects, compared to about US$106 billion at the end of IDA17 with 918 projects.[68] The Africa region accounted for 58 percent of IDA's active portfolio at the end of IDA18, and 53 percent of total projects. Despite this increase in the IDA portfolio and significant growth of commitments in IDA18, undisbursed balances and annual disbursement ratios in IDA18 have been sustained (figure 3.3).[69] Undisbursed balances as a percent of project portfolio was at 56 percent at the end of IDA18, similar to IDA17 levels (57 percent), and annual disbursements remained at over 19 percent for the last five years. This represents a significant increase in disbursements relative to earlier replenishments, from about US$39 billion at the end of IDA17 to about US$53 billion at the end of IDA18 (figure 3.4). Overall undisbursed balances have significantly increased to US$76 billion from US$59 billion in IDA17, reflecting scaling-up of IDA18 resources overall and a significant share of investment operations that disburse at a slower pace in initial years.

Figure 3.3. IDA Disbursement Ratio and Commitments, FY16-FY20

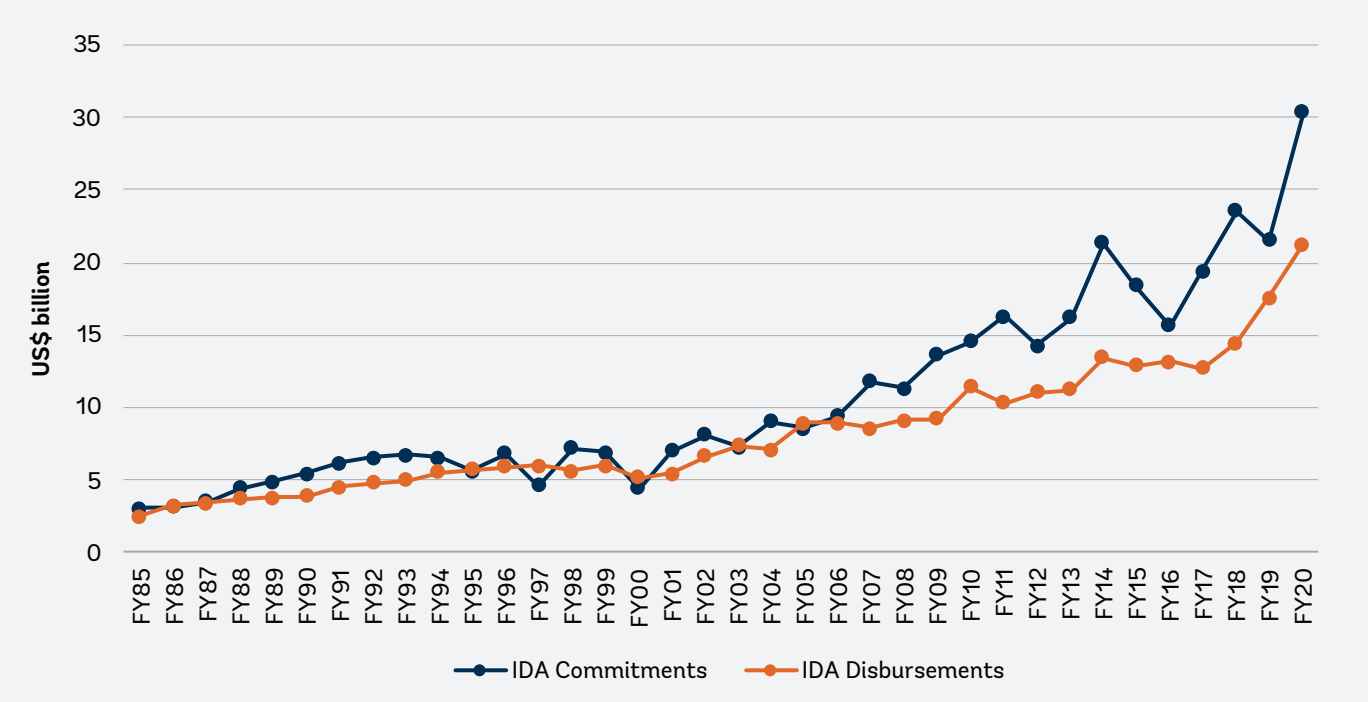


Source: World Bank Group staff estimates.

Projects implemented in FCS demonstrated solid performance as IDA strengthened its operational modalities and increased its field presence in these countries. As of the end of June 2020, 820 staff were working in IDA FCS and RMR countries, representing a net increase of 159 staff across all grades during IDA18. In addition, the Facetime Index, which measures professional staff presence in IDA FCS and RMR countries through mission travel, increased by 16 percent during IDA18.[70] Despite the scale-up of investments in FCS, the share of problem projects significantly declined from 20.9 percent in IDA17 to 12.5 percent during IDA18. By comparison, the share of problem projects in non-FCS declined marginally from 17.3 percent in IDA17 to 15.1 percent under IDA18.[71] This reflected development and implementation of a strategic approach to engage effectively and adapt to the operational model in FCV situations. Satisfactory performance in IDA-financed operations in FCS greatly exceeded benchmarks, while overall portfolio quality was somewhat lower than the benchmark value.[72]

IDA18's portfolio and financial performance exceeded RMS performance standards along most dimensions.[73] Satisfactory development outcomes of IDA operations were above performance standards, both as a share of commitments and as a share of operations.[74] Client feedback also exceeded standards on WBG effectiveness, and impact on results as well as WBG knowledge. However, performance was somewhat weaker on WBG responsiveness and staff accessibility, and collaboration with other donors. Beneficiary feedback was on par with performance standards. While the three categories of satisfactory Bank performance in IDA-financed operations (overall, at entry, and during supervision) exceeded IDA17 ratings, IDA18 signaled room for improvement in areas such as drawing evaluation lessons for operational design and monitoring and evaluation (M&E) quality, although the latter showed significant improvement over IDA17.[75] This demonstrates that increased efforts to strengthen project quality and promote more robust M&E practices are proving effective. Time for project preparation and reaching effectiveness dropped significantly in IDA18 over IDA17, indicating the accelerated pace of delivering finance to clients. IDA's Proactivity Index, a key measure of the

Figure 3.4. IDA Commitments and Disbursements, FY85-FY20



Source: World Bank Group staff estimates.

actions taken to resolve critical portfolio problems, also improved during IDA18. Finally, financial sustainability indicators were fully met. The IDA Budget Anchor, which measures IDA's administrative expense as a share of operational revenues, met the RMS performance standard and was significantly reduced relative to IDA17, and the budget to portfolio volume ratio also declined.[50]

3.2. Transforming Knowledge to Action

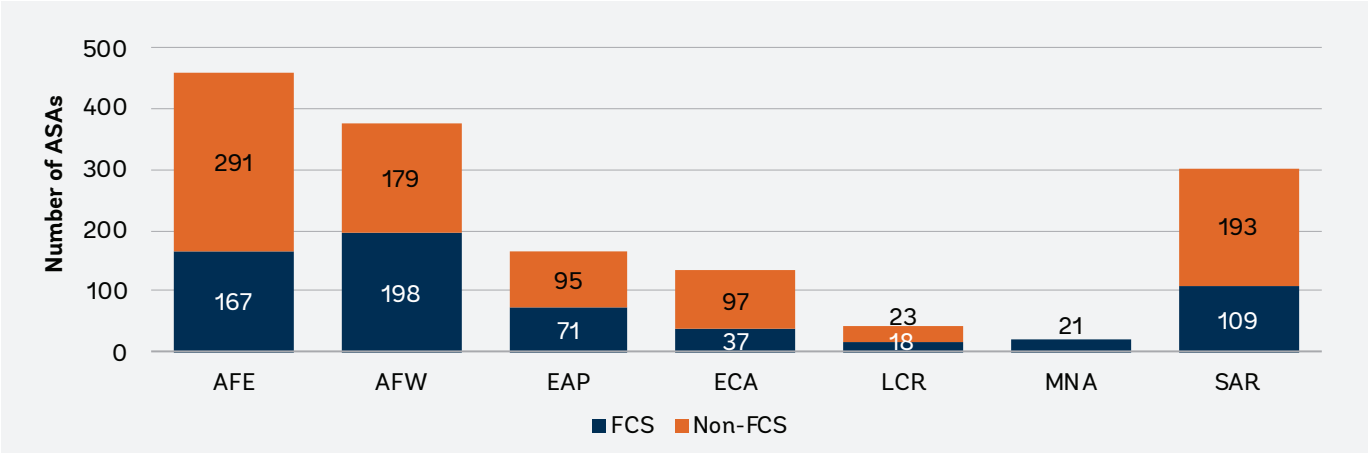
IDA18 delivered notable flagship product to guide institutional direction and underpin policies and operations, coupled with knowledge products, data collection, and evaluations. At the institutional level, broad thematic strategies and flagship reports—such as the FCV Strategy, the WBG Gender Strategy, and the WDR2017 implementation plan—set the direction for World Bank support for the coming years, helping to delineate specific operational and policy issues and underpin CPFs.[76] These were particularly relevant to further development and operationalization of IDA's Special Themes. These broader efforts were complemented by regional and sub-regional knowledge products such as the Sahel Regional RRA, which informed the Sahel Approach Paper and laid the groundwork for a programmatic shift towards prevention and a spatially differentiated approach in conflict-affected areas and areas at risk. Around 1,200 products addressed a range of global, regional, and subnational strategic issues. World Bank knowledge products also provide methodologies and assessment and monitoring tools available to all development actors, such as the new Classification of Fragility and Conflict Situations, Methodology for Assessing Procurement Systems2 (MAPS2), Jobs Diagnostic Guidelines, and Development of Human Capital Project. Data collection is key to identifying critical issues, targeting beneficiaries, and monitoring progress, including new instruments such as the Global Jobs Indicators database. IEG Evaluations developed

Construction of schools in the Las Quebradas community, Nicaragua. Photo: Jorge Antonio Bastino/ World Bank

during IDA18 serve both internal and external audiences, such as those on IDA's CRW, RW, Special Themes, regional integration, trade facilitation, local currency financing and conflict-induced displacement.

IDA18 made significant investment in country Advisory Services and Analytics (ASAs), with FCS featured prominently. Country-level ASA—including analytical reports, policy notes, hands-on advice, and knowledge-sharing workshops or training programs—support country dialogue, strengthen institutions, build capacity, and inform policies. ASA developed by IDA as well as IFC (such as Country Private Sector Diagnostics [CPSDs]) provide knowledge for the policy dialogue underpinning design of country programs and operations. IDA18's significant investment in ASA informed CPFs and laid the foundations for future operations, with close to 1,500 ASA single-country products targeting individual IDA-eligible countries. IDA18 ASA included a major focus on FCSs, with about 40 percent of IDA ASA carried out in FCS, deepening understanding of political, social, and governance in FCS (figure 3.5).

Figure 3.5. Completed ASA in IDA-eligible Countries, FY18-20



Note: Only single country tasks are included.

Source: World Bank Group staff estimates.

Endnotes

1 FCS in this report refers to the WBG Harmonized 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.

9 "Sustainable Financing for Sustainable Development: World Bank Group Capital Package Proposal", prepared for the April 21, 2018 Development Committee Meeting.

10 This increase represents an average of 32.5 percent over FY19-FY30, 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$60 billion, or 75 percent, more than if there were no package. IFC also aimed to utilize 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 benefitted 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.

15 World Bank. 2020. Poverty and Shared Prosperity 2020: Reversals of Fortune. Washington, DC: World Bank.

16 Details can be found in the IDA18 Results Measurement System on http://ida.worldbank.org/results/rms and 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: http://ida.worldbank.org/debt/debt-sustainability-grants

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://spappscsec.worldbank.org/sites/IdaDesk/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 benefitted 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/HRDTF; 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.

31 WBG Gender Strategy can be found here http://documents1.worldbank.org/curated/en/820851467992505410/pdf/102114-REVISED-PUBLIC-WBG-Gender-Strategy.pdf

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 Opoperations.

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.

35 The publicly disclosed classification is available here: https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations

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.

37 Open government is described as increased transparency, citizen participation and collaboration between government and citizens. See details at https://www.worldbank.org/en/topic/governance/brief/open-government-global-solutions-group

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 SDR1.4 billion sub-window was established within the Regional Program to provide financing for 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 US$1.7 billion at the 2019 Annual Meetings, and ended IDA18 at US$1.85 billion with around US$300 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 IDA16, 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.

52 "IDA's Crisis Response Window: Lessons from Independent Evaluation Group Evaluations, A Synthesis Report" (March, 2019).

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$2.1 million in revenue (of which US$1.53 million is guarantee income); total administrative expenses are US$1.9 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 maintaining 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

58 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.

59 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.

60 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.

61 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).

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

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

64 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.

65 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.

66 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.

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

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

69 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.

70 The Facetime 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.

71 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).

72 See details on the IDA18 Results Measurement System at http://ida.worldbank.org/results/rms

73 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.

74 Percentage of closed IDA projects, as a share of IDA commitments, reviewed by IEG (FY17-FY19 exits) rated Moderately Satisfactory, Satisfactory, or Highly Satisfactory on overall Bank's performance reached 81.6 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.

75 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-FY19 exits) at the end of the IDA18 cycle.

76 See *WBG Strategy for Fragility, Conflict and Violence 2020–2025; The WBG Gender Strategy 2016–2023. 2017; and the WDR 2017: Governance and the Law.* Other notable flagship reports include the *WDR 2018: Learning to Realize Education's Promise, WDR 2019: The Changing Nature of Work, WDR 2020: Global Value Chains: Trading for Development, Global Waves of Debt: Causes and Consequences, Groundswell: Preparing for Internal Climate Migration, and Lifelines: The Resilient Infrastructure Opportunity.*

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

78 *Management's Discussion & Analysis and Condensed Quarterly Financial Statements (Unaudited) (December, 2020)* http://pubdocs.worldbank.org/en/937891613506271432/IDA-Financial-Statements-December-2020.pdf

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

80 Operational Policy 2.30, "Development Cooperation and Conflict". See https://policies.worldbank.org/en/policies/operational-manual

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

82 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.

83 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.

84 "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 benefitted 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.

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