IDA18 Retrospective - Chapter 4
Looking Forward
CHAPTER 4. LOOKING FORWARD

IDA18 experience, with its emphasis on scale and flexibility to respond to changing circumstance, informed IDA19 and beyond. IDA18 included significant innovations, including the increased resource base from IDA18’s new hybrid model, two new Windows, and inclusion of the JET and G&I Special Themes. Equally important, IDA18 demonstrated its ability to adapt to and address unforeseen events, such as natural disasters and pandemics. IDA18 implementation took place in the midst of a challenging global context with weak growth and debt vulnerabilities, compounded by external shocks including COVID-19, which significantly affected IDA countries. The flexibility of IDA18 facilitated its significant and swift response to the pandemic, and set the stage for continued support beyond IDA18. Rapidly shifting country needs during IDA18 implementation required mid-course adjustments after the IDA18 Mid-Term Review (MTR), including more significant reallocations compared to previous replenishments. IDA18 experience led to many lessons, several adjustments in country allocations, Windows, instruments, and a variety of operational issues helping increase IDA19’s efficiency.

4.1. Lessons Learned

The hybrid financial model introduced IDA into the capital market, where it is still a relatively new player with investors and rating agencies, underscoring the need for careful management. The hybrid model optimizes the use of IDA’s capital and has enabled IDA to significantly scale-up financing to clients. Maintaining IDA’s capital adequacy is key to supporting risks on its balance sheet and backing market debt issuances. Several exogenous market factors influence IDA’s financial headroom in the new, leveraged and partly debt-funded model. Consideration of these factors is critically important in determining IDA’s access to borrowing from capital markets, protecting IDA’s capital adequacy, and maintaining its AAA rating over a long-term strategic planning horizon. IDA19 will continue to focus on rigorously implementing its new financial and risk policy framework, and utilizing the capital adequacy framework anchored on Deployable Strategic Capital put in place with the shift to the hybrid model to determine IDA commitment levels.

IDA18 demonstrated that resources can be reallocated flexibly through due process to address emerging needs and that the envelope was fully used within the three-year period. IDA18 scaled-up new areas of engagement and introduced two new Windows, which met uncertain demand at the outset of the replenishment period. Reallocations promote effective use of IDA resources by shifting resources when certain country envelopes and Windows are underutilized, or to meet unforeseen client demand or crises, including support for COVID-19 response. Going forward, reallocations will be necessary and useful in IDA discussions and MTR decisions for efficient IDA implementation.

Intercepted plastic waste is baled and transported for recycling through Parley collaborations in the Maldives. Photo: Parley for the Oceans

The experience with Special Themes points to the need for continuity that transcends replenishment cycles to maximize impact. IDA18 Special Themes delivered significant outputs and results through detailed policy commitments, as in previous replenishments. Significant experience gained from implementing Special Themes over replenishment cycles, including recommendations from Independent Evaluation Group (IEG) reports, have helped integrate Special Themes into analytic work and operations, improving donor and client approaches to tackle these challenges. The main takeaway is the impact of maintaining Special Themes over multiple IDA cycles—on gender, for instance, which has been a special theme since IDA15—leads to deeper and broader integration into IDA’s programs and projects. Other lessons are theme-specific. For instance, the IDA18 Jobs and Economic Transformation (JET) experience underscores the need to invest in a solid knowledge base, including job indicators, to underpin future investments and further embed JET into operational work. Similarly, data play a critical role for the Gender and Development theme, with a continued need to fill central gender data gaps, particularly to track and address sex-disaggregated repercussions of the pandemic. For climate change, there is continued need to meet demands for low carbon energy, develop new tools and methods for enhanced adaptation actions and crisis preparedness, enabled by sustained climate financing, emphasizing the positive spillover effects of climate action through increased economic opportunities. For Fragility, Conflict, and Violence (FCV), IDA18 underscored the need to prioritize prevention and inclusive approaches, develop regional solutions, rely on partnerships, draw on analytics (such as Risk and Resilience Assessments [RRAs] and Monitoring and Evaluation [M&E]), and have field presence in fragile and conflict-affected situations (FCS). Finally, the long-term nature of Governance and Institutions (G&I) efforts underscores the importance of support beyond election cycles and the need for new approaches to build institutional capacity and increase technology use.
Interlinkages across Special Themes increase their impact. Special themes often focus on issues that cut across sectors, requiring systems-level change and cross-sectoral work transcending siloed approaches. Furthermore, IDA Special Themes themselves have strong interlinkages, and IDA18 has demonstrated that critical work at the nexus of Special Themes can improve country outcomes (box 4.1).

Box 4.1. Interlinkages Across Special Themes
IDA18 ramped-up efforts to address underlying drivers of Fragility, Conflict and Violence (FCV), such as economic shocks and food insecurity caused by climate change, as well as poor governance and corruption. IDA18 increased its focus on gender-based violence (GBV) and disabilities, both of which occur more frequently in fragile and conflict-affected situations (FCS). Strengthening public procurement and financial management systems—as part of a focus on governance and institution building—reinforces country capacity for timely response to external shocks, including natural disasters, climate change, and other vulnerabilities such as pandemics. Governance and institution building efforts also include increasing the voice and agency of women in public policy formulation, and improved gender data help sharpen the evidence basis and targeting of policymaking. The focus on Jobs and Economic Transformation (JET) has highlighted existing occupational sex-segregation in the labor market and the need to remove constraints for more and better jobs for women and to move from low to higher-quality jobs. Inclusive job creation is also critical for maintaining social cohesion in FCV contexts. The climate agenda’s focus on clean technology, which represents a growth segment of employment, can have beneficial links to job creation as well as contributing to health improvements including by reducing air pollution.

IDA18 implementation suggested lessons on the size of Windows and dedicated financing relative to the size of country allocations. With the IDA18 addition of Regional Sub-Window for Refugees and Host Communities (RSW) and Private Sector Window (PSW), the share of Windows and set asides in the total envelope increased to 30 percent in IDA18. While Windows and dedicated financing have proven effective in addressing specific client needs, a balance needs to be maintained to achieve overall country needs financed through country allocations and targeted needs supported by dedicated funding through Windows and set asides. In addition, IDA18’s outset, both new and adjusted Windows and dedicated financing presented some challenges to quickly inform staff and clients of the opportunities for accessing this financing, including eligibility requirements and implementation guidelines. Staff and client outreach efforts ramped-up during IDA18 ahead of IDA19. Going forward, the experience of rolling out several new Windows during IDA18 provides useful knowledge for future implementation of window financing.

IDA18 experience also provided specific lessons for each Window. IDA18’s experience with CRW demonstrated the need to increase focus on prevention and preparedness, building on IDA’s past efforts to mainstream disaster risk management into national frameworks financed largely through country allocations (box 4.2). The Regional Window (RW) experience underscored the importance of strategic commitments to regional integration and developing strategic regional frameworks with tailored approaches and flagged the key role regional organizations play in supporting these operations. The RSW points to the importance of continual engagement with the host countries so that refugees are supported through a “whole-of-government” approach. IDA18 experience resulted in a revised IDA guidance note on refugee protection assessment as well as inputs to the ongoing exercise to update Operational Policy 2.30. The PSW experience emphasized the need for a disciplined use of, and transparency of, subsidies to avoid market distortions, as well the key role of programmatic approaches and regional interventions (see appendix C in this report).

Box 4.2. IDA’s Role in Mainstreaming Disaster Risk Management in South Asia
IDA investments in India and Bangladesh over the last two decades have helped to build cyclone shelters, improve early warning dissemination to communities at risk, strengthen coastal embankments, raise community preparedness, enable large-scale evacuation, and ensure rapid restoration of supply routes. Mainstreaming disaster risk management in project design over the years has helped establish a balance in IDA financing between risk management before disasters as well as post-disaster recovery and resilience. More recently at the strategic level, country strategies have increasingly focused on risk, which has helped shape policies and investments in resilience. At the project level, the countries have increasingly focused on preparedness, including through Contingency Emergency Response Components (CERC), which allows reallocation of project funds for post-disaster recovery. For example, US$30 million from IDA17 financed Jhelum and Tawi Flood Recovery Project has been reallocated under CERC for COVID-19 response and strengthening pandemic preparedness.

Partnerships were critical to IDA18 success. IDA significantly deepened its partnerships during IDA18, and working in complement with partners will continue to be a main feature of IDA. The need for partnerships has been particularly accentuated as IDA has moved more assertively into supporting countries affected by FCV, forced displacement, and crisis and disaster response. IDA has deepened collaboration with its traditional partners such as the IMF, Multilateral Development Banks (MDBs), bilateral donors, and the UN, and expanded with specialized organizations and agencies for specific issues. IDA18 has continued to deepen partnerships at the regional and global levels, particularly through Windows and Special Themes.

- Windows: The RW emphasizes partnerships with regional organizations, such as ECOWAS and the African Union. The RSW works hand in hand with the UNHCR and has benefitted from on-the-ground partnerships with international NGOs and local
civil society organizations (CSOs). The CRW draws on external support from a variety of international organizations, and collaborates with numerous partners for implementation, particularly with UN agencies such as UN-Habitat, the United Nations Office for Project Services (UNOPS), the World Food Programme (WFP), the Food and Agricultural Organization (FAO), the United Nations Children’s Fund (UNICEF), the World Health Organization (WHO), and the United Nations Population Fund (UNPF). Through the PSW, the WBG has also strengthened relationships with global and regional private investors, as well as a number of financial institutions.

- Special Themes: Cooperation with partners is key in FCV contexts, and IDA works closely with organizations with complementary mandates and long experience working in the FCV space, including UN development and humanitarian agencies, peacekeeping forces, and other international players such as the International Committee of the Red Cross (ICRC). On climate, IDA works extensively with other MDBs for consistency in approaches and monitoring. IDA also supports accelerated global action through engagement in key platforms such as the United Nations Framework Convention on Climate Change, Conference of Parties (UNFCCC), the Nationally Determined Contributions (NDC) Partnership, and the Coalition of Finance Ministers for Climate Action. IDA’s gender work relies on partnerships with key stakeholders at the country level, such as CSOs and UN agencies. G&I work relies heavily on international platforms such as Collaboration on Tax, Open Government Partnership (OGP), and Stolen Asset Recovery, and emphasizes the importance of regional and global collaborative engagements on issues such as domestic resource mobilization or illicit financial flows (IFFs). Finally, JET’s emphasis on analytics and data have brought together actors across a broad spectrum, including through global programs such as the Competitiveness Policy Evaluation Lab (ComPEL) program.

Partnerships at the country level have also been key to coordinate and improve operational delivery to maximize impact and expand financing. IDA’s collaboration with other agencies at the country level is critical, particularly in FCV contexts, with partnerships serving as the backbone to coordinate support, and in many cases implementation support. In the aftermath of crises, the World Bank relies on development partners’ collaboration in the convening of resources, undertaking of assessment needs, and coordination of implementation, among other efforts. In particular, partners such as the UN have been key in delivering assistance in conflict environments or countries with very weak capacity, such as in Somalia (box 4.3). Partnerships to mobilize financing to supplement IDA resources have also become more prominent as IDA addresses more complex issues, often requiring larger projects and multiple funding sources.

**Box 4.3. Somalia - Partnerships for a Stronger Response**

Somalia is in the grip of a climate and public health emergency. The country has repeated cycles of flooding and drought over many years, swarms of desert locusts threatening food security, and the COVID-19 pandemic, compounded by two decades of armed conflict. The IDA18 "Somalia Crisis Response Project" supports the urgent needs of Somalia most affected by climate change and public health emergencies. With partners such as the FAO, IDA’s support helps affected households recover livelihoods in areas hardest hit by locust swarms, flooding, and droughts. The Project supports the Government establish a cash-for-work program, bring the locusts under control, boost agricultural production, and promote household hygiene. It will also help rehabilitate critical infrastructure, including water and sanitation systems and health facilities. The Project will also help the Government manage and contain the COVID-19 pandemic through risk communication, surveillance, contact tracing, and procurement of medical equipment and supplies in collaboration with the WHO, UNICEF, and the International Organization for Migration (IOM).

**4.2. Adjustments in IDA19**

IDA18 implementation provided lessons which have helped inform IDA19. Experience gained during IDA18 has paved the way for IDA19, including on: (i) adjustments to the balance of country allocations and Windows; (ii) implementing Special Themes, particularly approaches to working in FCV contexts; (iii) fine-tuning IDA Window processes and focus; and (iv) increased focus on debt management. IDA18 experience also points to the need for continued focus in IDA19 on key issues related to IDA management, particularly optimizing IDA’s balance sheet, as well as operational implementation, including supporting countries’ absorptive capacity and deepening coordination with MDBs, the UN, and other development partners.

Country allocations increased in IDA19 replenishment allocations with the FCV envelope consolidating FCV-related allocations. In IDA19, the share of country allocations increased to 74 percent compared to 70 percent allocated at the beginning of IDA18 and the dedicated window financing was reduced. By allowing mid-course corrections, IDA’s performance-based allocation (PBA) system helps adjust for unpredictable circumstances. The IDA18 Risk Mitigation Regime (RMR) and Turnaround Regime (TAR) provided lessons on identification of eligible countries and in-cycle flexibility, especially around the need for strengthened incentives and accountability. The lessons informed the design of the Prevention and Resilience Allocation (PRA) and Turnaround Allocation (TAA), introduced in IDA19 to streamline and simplify exceptional allocations for FCS and replaced RMR and TAR.
IDA18 implementation experience helped guide IDA19’s focus on Special Themes. Overall, the policy matrix for the IDA19 Special Themes commitments has been streamlined and the number of policy commitments reduced. Governance efforts have been strengthened in IDA19 by focusing on enhancing GovTech solutions, combining open government and citizen engagement principles, and enhancing debt transparency and debt risk management. The JET theme in IDA19 focuses on applying analytics developed in IDA18 into country program and operational design, following strong requests from Participants during the replenishment process. The Gender and Development theme in IDA19 focuses on accelerating closing of gaps between women and men, girls and boys, and enhancing women’s empowerment, especially through social protection programs and in health and education, drawing on the Human Capital Project. The Climate Change theme in IDA19 elevates climate co-benefits to 30 percent, shifts towards outcome-oriented commitments, increases focus on adaptation and resilience, and commits to advancing nature-based solutions and increasing renewable energy supply. The FCV theme in IDA19 aims to further deepen and tailor engagement, in alignment with the FCV Strategy, including by introducing the FCV Envelope and continuing financing through the RSW (box 4.4). Based on experience with Yemen in IDA18, IDA19 included the Remaining Engaged during Conflict Allocation (RECA).

The experience of Special Themes during IDA18 and earlier replenishments pointed to the need for additional cross-cutting themes in IDA19 to further enhance IDA’s policy package. IDA19 further expands the reach of IDA by incorporating four crosscutting issues: debt, technology, investing in people, and disability inclusion. These themes aim to deepen IDA’s contribution to growth, improving the lives and resiliency of all people, especially the most vulnerable. Greater focus on these cross-cutting issues is expected to provide extra support to IDA countries towards achieving the WBG twin goals and the 2030 development agenda.

With debt-related vulnerabilities increasing in IDA countries, IDA19 introduced the Sustainable Development Finance Policy (SDFP), bringing debt vulnerability to the forefront of policy dialogue in IDA countries. The SDFP framework builds on lessons learned during the Non-Concessional Borrowing Policy (NCBP) implementation, and adapts it to the new debt and creditor landscape. The SDFP addresses a few limitations of the NCBP, including expanding scope to all IDA countries, taking broader and more systematic review of borrowers of rising debt vulnerabilities, and providing stronger incentives to IDA countries to improve debt management capacity and debt transparency. Recognizing that sustainable financing is a collective responsibility that will need cooperation by borrowers and creditors alike, the SDFP will support IDA countries to increase their capabilities in addressing their debt-related vulnerabilities and towards a path of sustainable development.
finance. The SDFP provides a more proactive and systematic engagement at the country level and aims to foster greater debt transparency and good debt management practices. The SDFP implementation has responded to COVID-19, underscoring the importance of public debt transparency and need to build capacity for debt management. When financing needs increase and countries’ domestic and external resource mobilization capacity becomes further constrained, debt limits under the SDFP and IMF Debt Limits Policy (DLP) help to contain further debt vulnerabilities due to non-concessional borrowing. IDA’s response to the increasing debt issue is aligned with other global initiatives, notably the Debt Service Suspension Initiative (DSSI).

4.3. IDA19 and Beyond

IDA18 innovations will have a longstanding legacy, setting the stage for future replenishments. The IDA18 financial model has had a lasting impact on IDA’s ability to significantly scale-up funding, which has been critical in the midst of the COVID-19 pandemic. To leverage IDA funding, the focus on crowding-in private resources has had a considerable demonstration effect, opening up investment opportunities in some of the most challenging markets and increasing external financing. Focus on FCS has positioned IDA as a key player to support clients with the greatest challenges and the greatest needs. With the COVID-19 pandemic becoming widespread in the final months of IDA18, and continuing into IDA19, IDA is called upon to play an even greater role. As part of this, IDA will maintain its approach to graduation to help graduates make a successful and lasting exit from IDA. Graduation will be closely monitored, as the COVID-19 crisis will likely hinder graduation of more IDA countries.

After setbacks from cascading crises, IDA countries will need to redouble efforts to recover, rebuild, and achieve their long-term development goals, with strong support from the international community. IDA18 innovations—such as attention to preparedness; focus on FCS; and emphasis on crisis, disaster resilience, and response—positioned IDA18, and subsequently IDA19, to provide flexible support to IDA countries during the crises emerging in 2020. IDA countries now face challenges and opportunities to rapidly repair historic reversal in development gains, and adapt to changes in a transformed world. Countries need to address initial emergency needs and crisis recovery, which may be more protracted in IDA FCS and require more targeted efforts. At the same time, IDA countries need to keep long-term goals in sight, including implementing projects they delayed as they prioritized COVID-19 responses. COVID-19 has brought the issue of climate front and center, warranting a sharper focus on enabling a green recovery. IDA is well placed to scale up green investments, building on its experience and continuing efforts to increase support to countries in adaptation, mitigation as well as climate-smart investments. IDA countries can leverage the opportunity to build back better by increasing resilience and inclusion, which is key to withstanding future inevitable shocks and can lead to greener solutions and job creation. There is also a need and opportunity to build equity and inclusion and address structural inequalities, including by leveraging technology for more robust and inclusive delivery of health, education, and social protection. Finally, there is a need for governments to step up with policies, investments, and structural reforms that tackle an increasingly complex agenda to achieve macroeconomic, environmental and social sustainability. These efforts to recover, rebuild, and achieve long-term development goals in IDA countries will require extensive support from the international community, including from IDA. With client needs far greater than envisaged during IDA18 and IDA19 replenishment discussions, IDA will require an exceptional scaling of support, including for concessional and grant financing.
This includes US$1.37 billion from the IDA18.

The twin goals: (i) ending extreme poverty and (ii) protecting the environment.

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.

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.

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.

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.

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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.


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

Out of the 65 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-February 2020).

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

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/debt-sustainability-grants.

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

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.

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).

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.

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

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

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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/HRTF; 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 SDR14 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 portfolio, 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 IDA18, 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$2.1 million in revenue (of which US$15.3 million is guarantee income); total administrative expenses are US$1.9 million; unredeemed 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, Rears Clearance, the SIF, 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 4.7 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 Facetimex 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 200 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 of 75 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 (FY17–19 exits) at the end of the IDA18 cycle.


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.


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


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 (DSII-eligible) receiving financing of US$28 billion. Between April and December 2020, the DSII-eligible countries benefited from net transfer of US$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.