

EXECUTIVE SUMMARY - IDA16: Delivering Development Results

i. The Sixteenth Replenishment of the International Development Association (IDA) took place at a critical time for IDA countries and the international community.

First, there are only five years until 2015 – the target date for reaching the Millennium Development Goals (MDGs) – and IDA recipients’ longer term growth and progress towards reaching the MDGs have been negatively affected by the impact of the recent food, fuel, and global economic crises. The recovery of IDA countries from these crises remains fragile and they need significant resources to regain their momentum of growth and progress towards the MDGs. IDA countries also face new and growing challenges, including adapting to global warming and climate volatility and managing the impacts of crises and emergencies, which would require additional resources. Second, many donors are facing significant fiscal challenges that require adjustments in their domestic and international programs, including in official development assistance (ODA). These circumstances challenge donors, recipient countries and IDA to make the best use of limited resources in the face of escalating and competing demands. Third, the recent voice reform provides the foundations for a global compact where all parties would do their part: traditional donors, new and emerging donors, IDA graduates and IDA blend countries, and the World Bank Group. Fourth, IDA recipient countries continue to remain central to the achievement of results.

ii. In this context, Participants selected delivering development results as the overarching theme for the IDA16 Replenishment discussions, with crisis response, gender, climate change and fragile and conflict affected countries as “special themes”.

Participants urged IDA to remain a leader in driving the results and effectiveness agenda through its convening power both at the global and country level, as well as through more efficient internal operations and more comprehensive results measurement. Participants noted that the special themes are “frontier” issues in the development agenda and that IDA’s efforts to better understand and translate research findings and lessons learned into new operational tools and policies are critical to accelerate progress in achieving development results, including the MDGs.

iii. IDA16 forms an integral part of the overall World Bank Group’s long-term strategy as set out in the recent Post-Crisis Directions paper (PCD).

The PCD strategy supports an inclusive and sustainable globalization – to overcome poverty, enhance sustainable growth and create individual opportunity and hope. Projects and programs will be developed on the basis of country led priorities and consistent with IDA’s strategic selectivity and comparative advantage. Cross-cutting issues – climate change adaptation and mitigation, gender, and work in fragile and conflict affected countries – will be mainstreamed into IDA’s core operations in an innovative and results focused manner. While IDA’s poverty focus implies continuing support for all low income countries, IDA will continue to place a special emphasis on Sub-Saharan Africa aiming to direct more than half of its financial assistance to Sub-Saharan African countries, if warranted by performance, to help address the exceptional development challenges confronting the region.

iv. Managing for development results will be the driving force behind IDA’s work in IDA16.

To ensure that IDA delivers “value for money” to both recipients and donors, IDA will further improve its results focus, effectiveness and efficiency through the implementation of comprehensive internal reforms and new enhancements of IDA’s results monitoring system. Investment lending reform will improve risk management and implementation support, and better align services with government priorities and the efforts of development partners. The World Bank is also developing a proposal for a Results-Based Lending (RBL) instrument. Knowledge services are also being enhanced to create incentives for capturing, sharing and disseminating knowledge quickly to IDA’s clients. Progress is continuing with respect to decentralizing staff and decision making authority to IDA’s country offices, particularly in fragile and conflict affected countries. Complementary efforts are ongoing to develop human

resources and diversity, revamp the IT systems to support knowledge sharing and connectivity for country offices, and reform the budget process to strengthen the focus on results and cost efficiency. IDA is also leading progress on the transparency agenda through the recent launch of a new Access to Information policy and through the Open Data initiative which make data on development publicly available, and the ongoing geo-coding of IDA supported operations.

v. Given the focus on development results, Participants agreed on an ambitious package of policy measures and performance targets that underpin the financing framework for the IDA16 replenishment.

This package includes several important elements: (i) it quantifies as far as feasible IDA-supported development results in recipient countries; (ii) introduces measures of IDA's operational and organizational effectiveness; and (iii) focuses on important policy and implementation actions which would be undertaken by IDA management during the IDA16 period. It is noteworthy that, for the first time, specific indicators that track progress on the IDA16 special themes have been integrated into the overall results framework.

vi. Participants welcomed the enhanced Results Measurement System (RMS).

The IDA16 RMS comprises quantitative indicators (Table 1 to 4 in Annex 1) and the package of policy deliverables (Table 5 in Annex 1). Participants welcomed the addition of the "IDA Report Card" which tracks indicators of IDA's operational and organizational effectiveness against agreed IDA16 performance standards. Participants also welcomed IDA's efforts to capture the impact of IDA's support to long-term development outcomes, and actions designed to strengthen IDA's capacity to deliver results, including the role IDA plays in the international community, and the corporate internal reforms agenda.

vii. Participants endorsed the establishment of a dedicated Crisis Response Window (CRW).

The CRW would provide IDA countries with timely access to additional resources to respond to the impact of severe economic crises or natural disasters, and would strengthen IDA's capacity to rapidly respond to such crises in collaboration with other agencies, development banks and donors.

viii. Participants endorsed adjustments to the IDA lending volume and terms. For fragile and conflict affected countries the phase-out for post-conflict and re-engaging countries would be extended on a case-by-case basis and the requirements for regional project financing relaxed to allow projects with two countries when at least one is a fragile or conflict affected country. For small states the maximum per capita allocation ceiling would be eliminated and the base allocation increased to SDR 3 million per year. For countries eligible for debt relief under the Multilateral Debt Relief Initiative (MDRI), the amount deducted as forgone debt service would be capped at 30 percent of their regular IDA allocation.

ix. Participants welcomed the review of IDA's lending terms and supported adjusting the terms of IDA lending to better reflect the economic circumstances of different categories of IDA countries.

They also supported the acceleration of payments on qualifying credits of eligible IDA graduates.

x. IDA has been broadening its donor membership, a clear indication of the commitment of the international community to support the lowest income countries in achieving the MDGs and sustained improvements in their standards of living.

The successful broadening of the IDA donor membership also poses challenges on how to best enhance the dialogue on development issues. Towards this end, the Participants decided to create informal working groups that will be the fora for consultations and brainstorming on selected development issues. It was decided that for IDA16 four working groups would be

created on (i) development results; (ii) IDA's longterm financial sustainability; (iii) inclusive growth; and (iv) fragile and conflict-affected countries. In addition, IDA Management has offered to organize periodic IDA fora at the margins of the Spring and Annual Meetings that would provide a further opportunity to debate development issues.