IDA18 Retrospective
Investing in Growth, Resilience, and Opportunity through Innovation
Foreword

It is a pleasure to present the IDA18 Retrospective: Investing in Growth, Resilience and Opportunity through Innovation. In 2016, our shareholders made possible a landmark replenishment, with 55 countries pledging US$23 billion contributions that resulted in a record delivery of US$78 billion to support IDA clients’ development goals during the July 2017 to June 2020 period. This report examines how IDA delivered on its policy package during the three-year period.

As we look back on IDA18, there were notable departures from previous replenishments. These include innovations related to IDA’s financing model, replenishment process and targeted support. Financial innovation was a key feature of IDA18, with IDA mobilizing funding and leveraging IDA’s equity through tapping bond markets for the first time. In addition, IDA18 significantly ramped up its focus on humanitarian-development and bolstered support for clients experiencing situations of fragility. IDA18 also introduced the Private Sector Window, a mechanism to mitigate risks and catalyze private investment – the first for a multilateral development bank. Another key feature of IDA18 was the stepped-up representation of clients within the expanding coalition of over 60 donors and client governments which, together with the addition of an external co-chair, provided critical input to influence key features of the replenishment.

IDA18’s achievements supported strong results in the areas of gender, climate change; fragile and conflict-affected situations and Small States, and governance and institutions. During IDA18, IDA also adapted to and addressed unforeseen events by flexibly reallocating resources, which proved valuable in the rapid and strong response to the COVID-19 crisis.

As the COVID-19 pandemic became widespread in the final months of IDA18 and continuing into IDA19, it became clear that IDA countries need to redouble efforts to recover, rebuild, and achieve their long-term development goals after suffering setbacks from the cascading crises. Going forward, IDA will maintain a line of sight to long-term development goals, while focusing on immediate to mid-term crisis recovery. The IDA framework provides a strong foundation to support client needs for a green, resilient, and inclusive future.

I look forward to continuing our partnership with IDA’s global coalition to support IDA countries to address these challenges.

David Malpass
President
World Bank Group
# Abbreviations

**Fiscal Year (FY)** = July 1 to June 30

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<thead>
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AFR</td>
<td>Africa (World Bank regional vice presidency)</td>
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<td>ASA</td>
<td>Advisory Services and Analytics</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>BEAC</td>
<td>Bank of Central African States</td>
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<td>BFF</td>
<td>Blended Finance Facility</td>
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<td>BOAD</td>
<td>West Africa Development Bank</td>
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<td>CAT-DDO</td>
<td>Catastrophe Deferred Drawdown Option</td>
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<td>CEMAC</td>
<td>Central African Economic and Monetary Community</td>
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<td>CEN</td>
<td>Country Engagement Note</td>
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<td>CERC</td>
<td>Contingency Emergency Response Component</td>
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<td>CMAW</td>
<td>Creating Markets Advisory Window</td>
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<td>COVID-19</td>
<td>Coronavirus Disease 2019</td>
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<td>CPF</td>
<td>Country Partnership Framework</td>
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<td>CPR</td>
<td>Country Performance Rating</td>
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<td>CPSTD</td>
<td>Country Private Sector Diagnostic</td>
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<td>CRW</td>
<td>Crisis Response Window</td>
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<td>CSO</td>
<td>Civil Society Organization</td>
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<td>DLP</td>
<td>Debt Limits Policy</td>
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<td>DPF</td>
<td>Development Policy Financing</td>
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<td>DRM</td>
<td>Disaster Risk Management</td>
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<td>DSF</td>
<td>Debt Sustainability Framework</td>
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<td>DSSI</td>
<td>Debt Service Suspension Initiative</td>
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<td>EAP</td>
<td>East Asia and Pacific (World Bank regional vice presidency)</td>
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<td>ECA</td>
<td>Europe and Central Asia (World Bank regional vice presidency)</td>
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<td>ECOWAS</td>
<td>African Union Commission, Economic Community of West African States</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>FCS</td>
<td>Fragile and Conflict-Affected Situations</td>
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<td>FCV</td>
<td>Fragility, Conflict, and Violence</td>
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<td>FTCF</td>
<td>Fast-Track COVID-19 Facility</td>
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<td>G&amp;I</td>
<td>Governance and Institutions</td>
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<td>GBV</td>
<td>Gender-Based Violence</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HIPC</td>
<td>Heavily Indebted Poor Countries</td>
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<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
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<td>ICRC</td>
<td>International Committee of the Red Cross</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>IDA</td>
<td>International Development Association</td>
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<td>IDA18</td>
<td>Eighteenth Replenishment of the International Development Association</td>
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<td>IEG</td>
<td>Independent Evaluation Group</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>IFFs</td>
<td>Illicit Financial Flows</td>
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<td>IFI</td>
<td>International Financial Institution</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IOM</td>
<td>International Organization for Migration</td>
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<td>IPF</td>
<td>Investment Project Financing</td>
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<td>JET</td>
<td>Jobs and Economic Transformation</td>
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<td>LAC</td>
<td>Latin America and the Caribbean (World Bank regional vice presidency)</td>
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<tr>
<td>LCF</td>
<td>Local Currency Facility</td>
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Over 55,000 children aged 3-6 were enrolled in a half-day program in preschools across Uzbekistan under the Improving Pre-Primary and General Secondary Education Project. Photo: World Bank
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Executive Summary

The landmark 18th Replenishment of the International Development Association (IDA18) featured significant innovation, substantial delivery, and flexibility to respond to urgent country needs, including COVID-19 (figure ES.1). IDA18’s financing package represented a 42 percent increase in delivery relative to IDA17, and IDA18 comprised 50 percent of all World Bank financing during the period. IDA18 was also characterized by leverage, with overall resources tripling donor contributions and IDA funds mobilizing approximately six times as much in private investment finance (including from International Finance Corporation [IFC] and Multilateral Investment Guarantee Agency [MIGA]). IDA18 succeeded in providing targeted financing to meet the needs of the most vulnerable, including 64 percent of overall financing committed to the Africa region. Compared to IDA17, fragile and conflict-affected situations (FCS) received more than double the financing volume, and Small States received nearly triple. Finally, greater attention to resilience and preparedness, as well as flexibility to reallocate original resource allocations, helped position IDA18 to rapidly address the COVID-19 pandemic that emerged in the final months of IDA18. During the fourth quarter of fiscal year 2020, IDA18 provided about US$6.4 billion for a coordinated and rapid response to COVID-19, which caused enormous set-backs in IDA countries.

Paradigm shifts in IDA18 signaled a significant and historic change for IDA. The replenishment, reflecting a commitment to the 2030 development agenda and the World Bank Group (WBG) twin goals of poverty reduction and shared prosperity, signaled a step change for IDA. It included paradigm shifts related to its financing model, replenishment process, and target recipients. First, financial innovation was a key feature of IDA18. For the first time, IDA mobilized funding and leveraged IDA’s equity through tapping bond markets, a major shift in how a concessional window operates. With donor contributions remaining essential to support IDA’s core concessional nature, the hybrid model enabled a significant scale-up of financial resources in IDA18 as well as for future replenishments via more efficient leveraging of donor contributions. IDA18 replenishment was followed by a set of transformative measures as part of Capital Increase Package to strengthen the capacity of WBG institutions, including increased support for IDA countries. Second, IDA18 increased focus on the humanitarian-development nexus and bolstered support for clients experiencing diverse situations of fragility, including by providing financial support to help countries hosting large numbers of refugees. The increased financing envelope enabled by the leveraged financial model contributed to a substantial increase in country allocations to FCS. Third, IDA18 introduced an innovative mechanism to mitigate risks and catalyze private investment, the first for a multilateral development bank, with a focus on increasing investment in the most fragile countries. As such, IDA has evolved in its role, directly taking private sector risks to catalyze private investments. Increased client representation within the expanding coalition of donors and clients—together with the addition of an external co-chair—not only augmented inclusiveness and transparency but also helped drive IDA18’s paradigm shifts and influence key features of the replenishment, such as the Special Themes. The overall number of donors, including a growing number of WBG clients, also increased in IDA18.

IDA18 met all policy commitments related to its Special Themes, influencing IDA programs and increasing impact. IDA18 Special Themes built on the three themes of previous replenishments and introduced two new themes to support continued focus on policies and key issues critical for development in IDA countries. The multisectoral nature and important interlinkages across the Special Themes served to drive impact, and implementation was enhanced through key partnerships:

**Jobs and Economic Transformation (JET)**
This theme was a crucial addition to IDA18, deploying analytics and data aimed at boosting economic transformation and deepening job creation.

**Gender and Development**
IDA18 continued its focus on closing gender gaps, including by supporting quality reproductive health services, improved educational outcomes, and women’s employment, while also addressing frontier issues such as preventing gender-based violence and sexual exploitation and abuse.

**Climate Change**
IDA18 deepened support for climate mainstreaming, with a significant increase in climate co-benefits, including through sustainable land use, clean and sustainable energy access to all, and climate and disaster risk management.

**Fragility, Conflict and Violence (FCV)**
IDA18 ramped up its support to address FCV issues through a differentiated approach which supports various situations of fragility before, during, and after conflict, with a focus on analytics such as Risk and Resilience Assessments (RSAs).

**Governance and Institutions (G&I)**
Introduced in IDA18, G&I supported client countries to build open, effective, and accountable institutions including through support for domestic resource mobilization, debt management, and citizen engagement, and also bolstered pandemic and emergency preparedness.
Dedicated Windows address targeted development needs to complement country allocations. IDA18 included five Windows, including expansion of two longstanding Windows and introduction of two new ones:

- **Regional Window (RW)** — The scaled-up RW continued as an effective mechanism to support multi-country projects, regional public goods, and regional integration, with a significant focus on Africa and FCS.

- **Crisis Response Window (CRW)** — The CRW continued to evolve in IDA18 to provide critical support to address some of the most devastating crises in IDA countries, including natural catastrophes and the COVID-19 pandemic.

- **Regional Sub-Window for Refugees and Host Communities (RSW)** — The new RSW emphasized long-term development considerations and a “whole-of-government” approach to support both refugees and host communities during a time of increased displacement.

- **Private Sector Window (PSW)** — The PSW was a major innovation introduced in IDA18 featuring a risk mitigation mechanism to tap IDA-IFC-MIGA synergies to leverage private finance for development, most notably in the most challenging and fragile IDA countries.

- **Arrears Clearance** — Arrears clearances continue to facilitate progress in countries emerging from difficult circumstances. IDA18 supported Somalia which reached arrears clearance status following significant IDA and bilateral donor support.

Dedicated financing also supported two mechanisms providing non-concessional lending. IDA18 provided resources on IBRD lending terms for Transitional Support to Bolivia, Sri Lanka, and Vietnam on an exceptional basis to smooth their transition to IBRD after graduation from IDA at the end of IDA17. The Scale-up Facility (SUF) provided support to IDA countries to complement their country allocations with non-concessional financing for transformational initiatives with high expected returns on investment and development impact.

IDA18 supported strong results under the overarching theme of Growth, Resilience and Opportunity, with a strong emphasis on FCS and the unforeseen COVID-19 crisis. Significant results related to Growth were seen in improved agricultural technologies, increased renewable energy generation capacity, access to financial services, roads constructed or rehabilitated, hectares of irrigation and drainage services, and private investment catalyzed. Results related to inclusiveness continued to focus on health and education—such as teachers trained, health, nutrition, population services, social safety net programs—as well as financing for infrastructure services such as access to water sources and improved sanitation services and urban living conditions. Sustainability and resilience results included ensuring significant fuel and energy savings and greenhouse gas emissions reductions as well as bolstering public sector capacity and service delivery, including disaster risk reduction, tax collection, statistical capacity, and government transparency. Tracking and achieving results in FCS were a key feature of IDA18, as in IDA17. Indicators across several areas improved—including agriculture technology, financial services, irrigation service, social safety net programs, sanitation services, electricity services, and job-focused interventions—revealing significant results for beneficiaries in FCS during IDA18. Despite
IDA18’s record delivery included shifts in the use of financial instruments to support policy reform and results, as well as significant knowledge generation and dissemination. IDA18’s scale-up in resources translated into record delivery of US$76.4 billion (US$77.7 billion including PSW). IDA18 featured an overall scale-up of Development Policy Financing (DPF) and Performance Results (PforR) financing, reflecting increased focus on policy and results. It also introduced the Catastrophe Deferred Drawdown Option (CAT-DDO) to strengthen a country’s disaster risk management capability through policy reforms and to enhance preparedness and responsiveness to disasters, including those related to climate as well as health. The IDA18 period saw a significant spike in grants, partly offset by a modest increase in blend credits and a decrease in guarantees. IDA18 delivered a broad portfolio of knowledge products at the institutional, regional, and sub-regional levels, with notable flagship products—such as the FCV Strategy and the WBG Gender Strategy—setting institutional direction and underpinning policies and operations. These knowledge products were complemented by data collection and evaluations to inform operations, as well as country-level analytical reports, policy notes, advice, and training. These inputs support country dialogue, underpin the design of country programs and operations, strengthen institutions, build capacity, and inform policies.

IDA18 achieved strong disbursement levels, increased field presence, and solid portfolio and financial performance. With significant increase in commitments, the size of IDA’s active portfolio increased considerably over IDA18. Despite these increases, disbursement ratios were largely stable and broadly in line with IDA17 levels, suggesting continued strong client absorptive capacity. In addition, one of the significant changes in IDA18 was a growing field presence, particularly in FCS; projects implemented in FCS demonstrated solid performance as IDA strengthened its operational modalities and increased its field presence in these countries. Finally, IDA18 portfolio and financial performance exceeded Results Measurement System (RMS) performance standards along most dimensions.

IDA18 experience yielded valuable lessons related to IDA’s focus, flexibility, and complementarity with other development partners, successfully setting the stage for IDA19. IDA18 included significant innovation, including the new hybrid financial model and new Windows and Special Themes. The hybrid financial model brought IDA into the capital market, where it is a relatively new player with investors and rating agencies, underscoring the need for careful management through its financial and risk policy and capital adequacy frameworks. The experience with Special Themes pointed to the need for continuity that transcends replenishment cycles, and the interlinkages across Special Themes have been key to increasing their impact. The new IDA18 Windows presented some initial challenges, pointing to the need for improved rollout planning for any new future Windows. IDA18 also demonstrated its ability to adapt to and address unforeseen events, relying on its ability to flexibly reallocate resources through due process. This allowed IDA to address emerging needs and fully use the envelope within the three-year period. IDA18 also pointed to the critical role of partnerships, enabling IDA to work in complementary fashion with partners, which proved particularly important as IDA has moved more assertively into supporting FCS, forced displacement, and crisis and disaster response. Based on IDA18 experience, IDA19 increased the share of country allocations, consolidated the FCV-related allocations with the FCV envelope; added cross-cutting themes to further enhance IDA’s policy package; and maintained the number of Windows and fine-tuned existing Windows. Finally, IDA19 introduced the Sustainable Development Finance Policy (SDFP), which brought debt vulnerability to the forefront of policy dialogue with IDA-eligible countries.

IDA18 innovations will have a longstanding legacy, providing direction for future replenishments. The IDA18 financial model will have a lasting impact on IDA’s ability to significantly scale up resources for future replenishments. Scaling up of resources has been critical to increase IDA’s impact and to respond to COVID-19. The innovation of the PSW to leverage IDA funding to mobilize private resources has had a considerable demonstration effect, opening investment opportunities in some of the most challenging markets and increasing external financing. Focus on FCV has positioned IDA as a key partner in supporting countries with the greatest challenges and the greatest needs. With the pandemic becoming widespread in the final months of IDA18, and continuing into IDA19, IDA countries will need to redouble efforts to recover after suffering COVID-19-related setbacks. IDA countries are indicating the need for strong support from the international community, and IDA is called upon to play an even greater role. IDA countries will need to continue focusing on achieving long-term development goals and tapping opportunities to build back better through green, resilient, and sustainable recovery.
Figure ES.1. IDA18 Retrospective at a Glance

IDA financial support has considerably increased as a share of total World Bank lending, especially in IDA18.

...and across IDA cycles, particularly from IDA17 to IDA18.

IDA18 substantially increased the leverage of donor contributions...

...and for the first time, mobilized capital by taking private sector risk.

IDA responded rapidly to COVID-19 toward the end of IDA18.
Africa accounted for almost two-thirds of total IDA18 financing.

Compared to IDA17, support to FCS more than doubled...

...and support to Small States almost tripled.

IDA18 emphasized scaling-up of field staff in FCS.

IDA18 increased disbursements and sustained its disbursement ratio which, accompanied by scaled-up commitments, suggests improved absorptive capacity.
Dressed in traditional clothes, women of Haku Bensi village gather for a meeting. The women’s group is spearheading efforts to preserve their culture and tradition. The Upper Trishuli-1 Hydropower Project (UT-1) has committed to support Indigenous People’s Plan.

Photo: Md Shahnewaz Khan/International Finance Corporation
CHAPTER 1. IDA18 AT WORK WITH AMBITIOUS INNOVATION

1.1. Introduction

The landmark 18th Replenishment of IDA (IDA18) represented a significant change for IDA including paradigm shifts. The replenishment responded to the call to step up support for IDA countries towards new global ambitions, focusing on the overarching theme of “Toward 2030: Investing in Growth, Resilience and Opportunity.” This theme demonstrates the need for a multi-sectoral approach that seeks to alleviate and reverse the impacts of climate change and fragility, conflict, and violence (FCV), while also promoting steps to foster growth, equality, and better governance. IDA18 introduced paradigm shifts which significantly impacted its scope and focus; IDA18 (i) enhanced its financial model enabling IDA to increase financing to clients, (ii) expanded IDA’s role to better serve clients experiencing various forms of FCV, and (iii) introduced the Private Sector Window (PSW) to catalyze private investment by mitigating uncertainties and risks. The stepped-up representation of clients within the expanding coalition of donors and clients helped drive the paradigm shifts of the IDA18 replenishment.

Agreement on financing and policy commitments for IDA18 came at a time of renewed commitment to the 2030 development agenda, consistent with the World Bank Group (WBG) twin goals of poverty reduction and shared prosperity. The 2030 agenda featuring the Sustainable Development Goals (SDGs) build on the Millennium Development Goals (MDGs) and the need for continued progress on poverty reduction, health and education, while deepening and expanding their scope and coverage, and incorporating sustainability including in terms of environmental sustainability but also with respect to SDG financing. The SDGs are complemented by other global agreements such as the United Nations’ Addis Ababa Action Agenda and the COP21 on climate agenda. In 2013, the WBG developed a strategy focusing on the twin goals of ending extreme poverty and promoting shared prosperity in a sustainable manner, which are well-aligned with global ambitions, and which together underpin IDA18. With international goals being underfunded and donor countries facing fiscal challenges and weakened public support for foreign aid, the need for IDA to better leverage donor resources to deliver a scaled-up IDA18 response was highlighted.

This paper lays out IDA18’s innovations, progress, and challenges, and the substantial delivery between FY18 and FY20, and how IDA18 helped shape IDA going forward, including the pivot to a substantial COVID-19 response at the end of IDA18 and in to IDA19. The remainder of Chapter 1 elaborates on IDA18 innovations. Chapter 2 describes overall progress in IDA countries during the IDA18 period, the COVID-19 pandemic that set this progress back in the final months of IDA18, and adjustments made to allocations to employ IDA resources flexibly to address these challenges. The chapter also describes how IDA18 implemented its five Special Themes, and dedicated Windows, as well as IDA-supported results. Chapter 3 focuses on the financial delivery of IDA18 implementation. Finally, Chapter 4 outlines how IDA18 implementation experience has informed adjustments for IDA19 and beyond.

1.2. IDA18’s Innovative Financing Model

Financial innovation was a key feature of IDA18, leveraging IDA equity by issuing bonds, which along with an enhanced WBG capital base enabled significant scale-up of resources to better support client needs. IDA18 was the first time a concessional arm of a multilateral development bank (MDB) accessed capital markets, an innovation that boosted IDA’s financial capacity for all future replenishments. Given the unique and untested nature of leveraging as part of a concessional business model, the adoption of the innovative hybrid financial model and introduction of IDA as a AAA-rated bond issuer required a concerted effort involving all IDA Participants. During IDA18, the WBG also developed a Capital Increase Package, which served to prioritize support to IDA graduates and augment IBRD support to IDA countries. The result of these measures was a record-setting replenishment: IDA18 was able to commit US$77.7 billion across 78 countries, increasing overall IDA financing by 42 percent compared to IDA17 committed financing, even as donor contributions remained at levels similar to those of IDA17. In parallel, both IFC and MIGA have significantly scaled up engagement in IDA countries. These efforts have led to an historic level of overall WBG financing to IDA-eligible countries, with total commitments from IDA, International Bank for Reconstruction and Development (IBRD), International Financial Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA), and trust funds nearly tripling from US$36.9 billion in IDA14 to US$97.3 billion in IDA18 (figure 1.1).
Leveraging IDA’s substantial equity built up over time, and establishing IDA as a AAA-rated issuer in bond markets, represented a significant step change in how funding is mobilized. IDA was originally designed as a revolving fund with donor contributions financing concessional credit. In IDA18, shareholders agreed to expand IDA’s model to include debt funding through new capital market access to complement continued use of concessional partner loans. IDA’s equity had been built up over time, and using this equity as risk capital for market debt borrowings allowed IDA to expand the institution’s financial capacity. It allowed every dollar of IDA18 donor contributions to mobilize three dollars in IDA commitment authority, up from a ratio of 1-to-2 in IDA17 (figure 1.2). Since IDA issued its first bond of US$1.5 billion in April 2018 on the back of an over-subscribed order book totaling US$4.6 billion from 110 investors in 30 countries, IDA has executed other bond issuances in various currencies. Continued donor contributions are critical for each replenishment and as a result of IDA’s augmented financial capacity created by leveraging, these contributions will be used more effectively to better target concessional credits and grants to those clients who need them most. For instance, the 50 percent increase in financing envelope in IDA18 was accompanied by a tripling of grants for IDA countries, thus significantly increasing the efficient use of donor contributions.
The change in IDA’s financial model in IDA18 also entailed adopting a longer-term strategic planning framework and increased transparency. This new framework ensures that IDA’s leveraging will be implemented in a financially sustainable manner based on long-term financial projections compliant with a robust capital adequacy policy. It also provides longer-term predictability for borrowers and donors, with IDA expanding its previous three-year projections into longer horizons, which provide greater stability for borrowers. In parallel, publicly disclosing its balance sheets has increased the transparency of IDA finances. The financial innovation in IDA18 has also increased the complexity of IDA and shifted the role of donor countries to include financial aspects such as capital adequacy and international capital market engagement, requiring deeper engagement with experts in finance ministries and treasuries.

Following IDA18 replenishment, a set of transformative measures as part of Capital Increase Package was introduced to strengthen the capacity of WBG institutions, including increased support for IDA countries. The Capital Increase Package of early 2018 was developed to strengthen the financial capacity of the WBG as a whole. As part of the package, IBRD prioritized support to IDA graduates and new blend countries to ensure sustainable IDA graduation. This aims to make resources available to replace 100 percent of IDA financing for IDA graduates, and exempts blends and recent IDA graduates from price increases. The income-based IDA transfer formula was extended in IDA18 to augment IDA’s financial capacity, under the assumptions of the Capital Increase Package, the level of IBRD transfer to IDA was estimated to reach a cumulative total of US$7-8 billion beyond IDA18 up to FY30. Meanwhile, IFC aimed to expand commitments to IDA countries and fragile and conflict-affected situations (FCS) to 40 percent of all commitments by 2030, as well as scale up investments in IDA countries through the IDA18 IFC-MIGA Private Sector Window (PSW) and provide advisory services through the Creating Markets Advisory Window (CMAW). Finally, MIGA committed to significantly expand its activities in FCS, aiming to reach 40 percent of total gross annual issuance by 2030.

1.3. Increasing IDA’s Role in Situations of Fragility, Conflict, and Violence (FCV)

IDA18 bolstered support for clients experiencing diverse situations of FCV, in particular by substantially increasing country allocations. IDA18 included an enhanced performance-based allocation (PBA) system that benefitted FCS, as well as the new Risk Mitigation Regime (RMR) and continued use of the Turnaround Regime (TAR). As part of IDA18, the poverty orientation of the PBA was increased by reducing the Country Performance Rating (CPR) exponent from 4 to 3 which increased the share of allocations to FCS. IDA18 piloted RMR as an exceptional regime to test the use of development interventions as a prevention tool. The RMR augmented country allocations for select fragile and conflict-affected countries to strengthen the risk mitigation agenda, providing additional financing to target FCV risks and reinforcing sources of resilience, as well as strengthening diagnostics (see chapter 4.1 in this report).

IDA18 introduced a financing window targeted to helping countries cope when hosting large numbers of refugees. With a coverage extending beyond FCS, IDA18 introduced a US$2 billion Regional Sub-Window for Refugees and Host Communities (RSW) to provide dedicated funding for host governments struggling to meet the needs of both refugees and their host communities. The RSW supports a new approach based on longer-term development goals to address forced displacement. It provides funds on more favorable terms for medium-term investments that benefit refugees and host communities (see chapter 2.4 and appendix C in this report). As part of the expanded role, IDA strengthened partnerships with humanitarian and peacebuilding organizations critical to operating in many FCV settings, with the United Nations High Commissioner for Refugees (UNHCR) playing a particularly important role in the RSW.
1.4. Catalyzing Private Investment in IDA Countries

To further leverage IDA funds and respond to the SDGs’ emphasis on private sector solutions, IDA18 introduced the Private Sector Window (PSW), an innovative new mechanism to mitigate risks and catalyze investment from the private sector, the first by an MDB. The PSW leverages IFC and MIGA platforms to increase private sector investments in IDA-only countries, with a focus on FCS. Building on IDA’s support for upstream private sector reforms, the PSW enables private sector investments in IDA-only and FCS by de-risking private investments through disciplined use of subsidies where high risks would otherwise hamper these investments. It employs a blended finance model which is path-breaking in the world of multilateral development banks (MDBs). IDA PSW is intended to step in when there is limited private sector appetite and other WBG financing options are not appropriate or sufficient. This innovative mechanism draws on IFC and MIGA platforms, thus combining forces across the WBG to catalyze private finance where it is most needed. The PSW is sector agnostic and has supported private sector engagement in several areas, including climate, small and medium enterprises (SMEs), gender, and infrastructure, among others (see chapter 2.4 and appendix B in this report). The PSW complements other IDA mechanisms to leverage private investment by drawing on expertise and financing from the WBG as a whole.

1.5. Stepped-up Representation of Clients

Increased client representation in the replenishment process was a key feature of a broader IDA18 coalition driving the paradigm shifts of IDA18. Building on earlier replenishments, IDA18 ramped up client participation in the replenishment process, expanding IDA’s broad coalition to 69 donor and client governments (box 1.1). Addition for the first time of an external Co-Chair further amplified client “voice”. The external Co-Chair guided discussions and negotiations, improving outreach and reinforcing inclusiveness and transparency of proceedings.13 Client inputs helped shape the IDA program on issues critical to them. For instance, clients and donor countries worked together to create a strong platform to support growth and jobs under the Jobs and Economic Transformation (JET) Special Theme in IDA18, a key client priority.

Box 1.1. Client “Voice” and Representation in the IDA Replenishment Process

IDA13 introduced Borrower Representatives to ensure that replenishment discussions incorporate and benefit from the views and perspectives of countries borrowing IDA resources. Based on IDA17’s informal working group on Governance and Reform of the Replenishment Process recommendations, IDA18 increased the number of Borrower Representatives and added an external replenishment co-chair during the IDA18 replenishment discussions. The new IDA18 Borrower Plenary broadened the coalition of donor and client governments and increased developing country representation and “voice” from nine to 14 representatives, including representatives from all client regions. Some donor countries, such as Nigeria and Pakistan, are IDA-eligible and recipients.

Box 1.2. The Multifaceted Role of IDA Graduates

IDA graduates are evolving into multi-dimensional partners: borrowers, emerging IDA donors, and knowledge-sharing leaders. Although G7 countries continue to provide the majority of IDA18 funding, some longstanding graduates, such as Korea, have contributed for years, while others, such as China and India, are now emerging as IDA donors.

India transitioned from being IDA’s largest beneficiary (47 percent of IDA’s commitments in the 1960s) to an IDA donor, highlighting IDA’s role as a long-term partner in India’s significant development over the past six decades. According to World Bank estimates, India’s per capita income has quadrupled, poverty has retreated, illiteracy has tumbled, and health conditions have improved. India has lifted more than 160 million people out of poverty in recent years (India Systematic Country Diagnostic, World Bank, 2018). Upon graduation to IBRD at the end of IDA16, India’s share of IDA commitments stood at 13 percent. India became an IDA donor in 2014 and has since contributed US$598 million over the last three IDA replenishments (IDA17-IDA19).
CHAPTER 2. INVESTING IN GROWTH, RESILIENCE, AND OPPORTUNITY

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

2.1. Strong Progress with Indications of COVID-related Setbacks

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

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

Figure 2.1. Real GDP Growth

Source: Global Economic Prospects, January 2021. World Bank
drop in the under-five mortality rate (from 76/1000 to 70/1000), maternal mortality dropped (from 466 deaths/100,000 births to 444/100,000), the increase in access to electricity (from 50 percent to 59.5 percent of the population), the portion of adults with a bank account (increasing from 29 percent to 37 percent of the population) and the ratio of girls to boys in lower secondary education completion (from 90.8 to 93.3 percent).

However, the COVID-19 crisis threatens progress achieved during the IDA18 period, with potentially long-lasting impacts. The economic recession in IDA countries is the worst in decades, with expected average contraction of 3.3 percent in 2020 and per-capita contraction averaging 5.2 percent. This backsliding is eroding improvements in living standards, pushing millions of people into extreme poverty, and amplifying existing inequalities. When compared with pre-crisis forecasts, projections estimate that COVID-19 will push around 32 to 46 million more people in IDA countries into extreme poverty in 2020. Of these new extreme poor, around 24 to 37 million will live in Sub-Saharan Africa and 18 to 29 million (62 percent of the new extreme poor) will live in IDA fragility and conflict-affected situations (FCS).

IDA countries entered the COVID-19 crisis already facing elevated debt levels and weak fiscal positions. The pandemic places heightened pressure on IDA countries to finance additional expenditures for relief and recovery amid shrinking fiscal revenues and limited access to sustainable financing. As of end-February 2021, 55 percent of IDA countries covered under the joint World Bank-IMF Debt Sustainability Framework (DSF) are assessed at high risk of external debt distress or in debt distress, up from 48 percent as of the end of 2018 and doubling the 2013 level. Since the onset of COVID-19, debt distress ratings were downgraded for six countries, largely related to the worsened macroeconomic outlook amid the pandemic. This leads to increased grant financing from IDA as IDA’s grant allocation framework provides grant terms in line with countries’ risk of debt distress.

The COVID-19 pandemic is accompanied by a food crisis and exacerbated by unemployment, education disruptions, climate change, with the greatest impact on the poor and vulnerable. Negative impacts on jobs and labor market are being felt broadly, but the poor—especially women, youth, and migrants—are experiencing more significant work declines. Countries with large portions of the population employed in the informal sectors face a dilemma between saving lives and saving livelihoods. School closures are widening the education gap, and health systems are under severe strain. Increases in infrastructure access and improvements in urban living are expected to stall or reverse, and the crisis is also compounding the impacts of climate change. A potentially substantial and protracted food crisis is looming, which will further pressure IDA countries—especially in situations of fragile, conflict, and violence (FCV)—with small-scale food producers, children, and the poorest likely to suffer most. The World Food Programme (WFP) estimates that 96 million people will be acutely food insecure by the end of 2020 due to COVID-19.

2.2. IDA18’s Allocation Process Provided Flexible Support to IDA Countries

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

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

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

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

6 | IDA18 Retrospective
Box 2.1. IDA’s Response to COVID-19

On March 11, 2020, the World Health Organization (WHO) declared the COVID-19 global outbreak a pandemic. In the same month, the Board of Executive Directors endorsed a WBG Fast Track COVID-19 Facility (FTCF). Additionally, reallocations from the CRW, Regional Window (RW), and Scale-up Facility (SUF) freed resources to increase country allocations to respond to COVID-19, some of which are being made whole in FY21 under IDA19 (table 2.1). In addition to FTCF allocations and “borrowing” from IDA19, countries restructured their portfolios and recommitted canceled balances to reprioritize even more resources for crisis response. This amounted to an estimated US$2.6 billion of reprioritized resources at the end of IDA18. Additionally, special allocations agreed at the IDA18 Mid-Term Review (MTR) enabled IDA’s continued engagement in Yemen even though Yemen had already availed itself of all available resources to boost IDA’s support to the crisis.

The World Bank Group COVID-19 Crisis Response Approach Paper (2020) provided a framework outlining four areas of priority engagements. Under these areas, IDA18 committed US$6.4 billion during its last quarter: Pillar 1 (Saving Lives) with 30 percent, Pillar 2 (Protecting Poor and Vulnerable People) with 26 percent. The COVID response helped leverage reform-oriented, rapidly disbursing Development Policy Financing with 25 operations across 23 countries, accounting for US$4.1 billion. In addition, the Private Sector Window (PSW) supported the COVID response primarily through programmatic investments within IFC’s COVID-19 Fast Track Crisis Response, equaling some US$545 million.

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

<table>
<thead>
<tr>
<th></th>
<th>Original Allocation</th>
<th>Re-allocation</th>
<th>Final Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Concessional</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country Allocations</td>
<td>52.4</td>
<td>2.6</td>
<td>55</td>
</tr>
<tr>
<td>- National allocation for Syria</td>
<td>10</td>
<td>-10</td>
<td>0.0</td>
</tr>
<tr>
<td>- Syrian refugees (Jordan and Lebanon)</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>- Yemen (special allocations)</td>
<td>-</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>IDA Windows</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Crisis Response Window</td>
<td>3.0</td>
<td>-0.4</td>
<td>2.6</td>
</tr>
<tr>
<td>- Regional Program</td>
<td>5.0</td>
<td>0.02</td>
<td>5.0</td>
</tr>
<tr>
<td>- Sub-Window for Refugees and Host Communities</td>
<td>2.0</td>
<td>-0.1</td>
<td>1.9</td>
</tr>
<tr>
<td>- Arrears Clearance</td>
<td>11</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td><strong>2. Non-concessional</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Transitional Support</td>
<td>2.8</td>
<td>-1.3</td>
<td>15</td>
</tr>
<tr>
<td>- Scale-Up Facility</td>
<td>6.2</td>
<td>0.4</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>3. Private Sector Window</strong></td>
<td>2.5</td>
<td>-1.1</td>
<td>1.4</td>
</tr>
</tbody>
</table>

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


2.3. Special Themes

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

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

2.3.1. Jobs and Economic Transformation

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

The JET commitments emphasized stronger analytics and data development, and expanded efforts to assess and learn from experience, leading to mainstreaming in IDA operations. IDA18 activities supported an increased focus on analyzing constraints to, and options for, greater economic transformation and deepening job impacts of country programs. All JET policy commitments were successfully delivered (see appendix B in this report). Work during IDA18 also included developing data, guidelines, tools, and training for conducting jobs diagnostics. The World Bank launched the Global Jobs Indicators database in October 2019 and held a “Hackathon” for data users to explore JET analytics. It also launched standardized data tools for Jobs Diagnostics, including guidelines and a data visualization tool developed under IDA17. A critical element of the JET agenda has been the impact analyses of SME and entrepreneurship programs across IDA countries to assess their overall impacts and differentiated outcomes for women and youth. The work has helped develop operational guidelines to inform future operations. For instance, the World Bank report published through the Competitiveness Policy Evaluation Lab (ComPEL) program helps make operations more evidence-based, covering areas such as: (i) improving the business environment for small and medium enterprises (SMEs), (ii) strengthening firm capabilities, (iii) improving SME access to markets, (iv) improving SME access to finance, and (v) improving the capacity of SME policy and support entities. Well-established diagnostics—such as Jobs Diagnostics developed during IDA17 and joint IFC and World Bank Country Private Sector Diagnostics (CPSDs)—have informed several IDA operations. Examples include the Bagre Growth Pole project in Burkina Faso, the First Programmatic Jobs Development Policy Credit in Bangladesh, and the Social Protection Integration Project in Honduras. In addition, the Let’s Work program has implemented value chain analysis to assess jobs impacts of investments ex ante. Pilots completed in Bangladesh,
Burkina Faso, Mozambique, and Tajikistan collected gender-disaggregated data and reported specific gender outcomes.

Global knowledge sharing and partnerships, supported by trust funds, improved learning and helped shape investments. The Jobs Multi-Donor Trust Fund leverages impact through project support to deepen jobs lens and measurement in WBG lending and technical assistance as well as a variety of trust funds are contributing to JET IDA policy commitments. The Competitiveness for JET, a new umbrella trust fund developed during IDA18, aims to enhance productivity growth and employment by supporting structural reforms, sector competitiveness, firm linkages, entrepreneurship, and innovation. The Global Infrastructure Connectivity Alliance (GICA) has disseminated lessons and approaches related to cross-border investments and economic corridor development, applying this knowledge to inform IDA operations. As an example, the Reimbursable Advisory Service (RAS) “Enhancing ASEAN Connectivity: Initial pipeline of ASEAN Infrastructure Project” identified potential ASEAN connectivity infrastructure projects aimed at crowding-in more private financing and ensuring efficient public spending to enhance trade in goods, services, and power. With significant knowledge stemming from these efforts, IDA played a convening role at the country, regional and global levels on issues related to the JET agenda (box 2.2).

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

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

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

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

### 2.3.2. Gender and Development

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

**When I grow up, I’ll be a teacher, so that I can educate children to become intelligent and be able to help their families in the future.”**

Joyce Sosongo Litamba, 7-year-old girl from Kinshasa, Democratic Republic of Congo.

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

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

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

The IDA18 portfolio addressed emerging gender issues such as child marriage, STEM education, GBV and SEA prevention, and women’s decision making, and incorporated lessons from evaluations to improve results. Operations under IDA18 more systematically targeted frontier issues, including using instruments in new ways. For example, the multi-sectoral Development Policy Financing (DPF) series on “Fostering Inclusive Growth in Niger,” the first in Africa to introduce a gender pillar, supported reforms to eliminate child marriage, keep girls in school, and promote access to reproductive health services. Some operations addressed childcare to support women’s labor force participation. Others supported women’s labor force outcomes, such as a Program-for-Results (PforR) operation in Rwanda that trains adolescent girls in technical and vocational skills in male-dominated sectors such as transport and logistics, energy, and manufacturing. An increasing number of operations in countries including Burkina Faso, Myanmar, Nepal, Tanzania, and Uganda support women’s participation in decision making in utilities. In Malawi, the Lilongwe Water and Sanitation Project provides career training to female staff and uses contractual provisions to encourage contractors to include women in project design. Countering GBV and SEA, especially in FCS, gained prominence in IDA18. For example, the “Democratic Republic of Congo (DRC) Emergency Equity and System Strengthening in Education Project” includes laying the foundations for a safe and inclusive school environment and sexual exploitation, abuse, and harassment (SEAH) prevention in the education sector. IDA18 also included a stronger focus on impact evaluation and results tracking to help generate lessons on what works and what does not, helping drive operational design. The Gender Innovation Lab’s upstream work to test innovations and evaluate their impact on women’s economic opportunity has helped achieve a pivot in IDA’s portfolio, as has a more targeted and results-focused approach. The portfolio is now more effective in addressing gender gaps that constrain poverty reduction and inclusive growth, a trend that is expected to continue.

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

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

Box 2.4. Integrating Climate Actions into National Policies and Activities

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

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

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

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

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

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

Box 2.5. Multi-partner Collaboration to Address FCV

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

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

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

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

2.3.5. Governance & Institutions

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

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

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

Box 2.6. A Renewed Focus on Improved Domestic Resource Mobilization

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

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

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

2.4.1. Regional Window (RW)

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

The RW continued to provide significant funding for regional infrastructure and connectivity investments, and in IDA18 funding branched out into social sectors and public administration. The window supported investments in energy and transport to enhance regional connectivity and links to regional and global markets—especially for landlocked countries and small islands—helping to bolster IDA18’s JET and Climate Change Special Themes. The RW also supported digital connectivity projects for governments, businesses, and individuals in several regions, such as the “Caribbean Digital Transformation Project”, a regional digital economy project.

**Figure 2.2. IDA18 Windows and performance-based allocation (PBA) Usage**

![Graph showing IDA18 Windows and PBA usage](Image)

*Source: World Bank Group staff estimates.*
IDA18’s RW sustained support for global and regional public goods and also provided support for regional organizations. In the last quarter of IDA18, a Multiphase Programmatic Approach (MPA) program was urgently prepared to respond to the devastating locust infestation in Kenya, Uganda, Ethiopia, Djibouti, Somalia, and Yemen. The RW also provided support for sustainable oceans in the “Pacific through the Plastic Free Rivers and Seas Project”. The RW further provided grants to the African Union Commission, Economic Community of West African States (ECOWAS) and the East African Community in support of a regional approach to strengthen statistical development, harmonization and capacity building in a number of West African countries and Tanzania. The Pacific Islands of Tonga and Kiribati benefited from similar support, with projects focused on improving the quality of welfare data collection, enhancing accessibility to comparable welfare data as a public good throughout the Pacific Islands, and strengthening regional capacity to foster innovation and promote improved statistics management practices. Finally, the RW provided support on an exceptional basis to creditworthy regional organizations to enhance their ability to implement regional interventions. These included affordable housing in the Western Africa Economic Union (WAEMU), strengthening regional financial institutions in the Economic and Monetary Community of Central Africa (CEMAC), and technical assistance for the Regional Infrastructure Finance Facility in Eastern Africa.
2.4.2. Regional Sub-Window for Refugees and Host Communities (RSW)

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

The RSW’s innovative approach has helped host countries incorporate long-term development considerations and a “whole-of-government” approach into refugee support programs. IDA’s engagement with clients in refugee hosting countries has contributed to a “whole-of-government” approach, expanding the refugee agenda to include development considerations along with security and humanitarian needs. RSW resources enabled host countries to shift their policies and approaches to refugee management, with many operations including activities to strengthen institutions for better policy implementation and to expand services to cover refugee populations. RSW has also helped bring attention to lagging and under-serviced regions, where the government is less present and basic services are often limited. In Ethiopia, dialogue contributed to the adoption of reforms that shift away from encampment to offer refugees socio-economic rights, including to move freely, work, and access services. Operations in Cameroon, Chad, Niger, the DRC, and Uganda support transition from humanitarian services to national service delivery on health, education, and social protection (box 2.8). In Rwanda, IDA supported the Government to adopt a Strategic Plan for Refugee Inclusion to expand refugee access to services and economic opportunities; IDA is now supporting implementation of the Plan.

The RSW has helped further the global dialogue on refugee policy and strengthened relations with key actors on refugee issues, notably the United Nations High Commissioner for Refugees (UNHCR). World Bank engagement in preparation of the Global Compact on Refugees was instrumental in shifting the dialogue from a pure humanitarian agenda to one that also reflects development principles. WBG support through its analytic work and instruments, such as the RSW, supported host governments to address socio-economic impacts of displacement on refugees and host communities and has been key in shifting the global policy dialogue toward a greater appreciation of, and focus on, complementarity between humanitarian and development support. In addition, the working relationship between the World Bank and the UNHCR has been integral to the RSW, leading to concrete outcomes and strengthened humanitarian-development complementarity at both strategic and operational levels. UNHCR prepares a periodic refugee protection assessment for each eligible RSW country, which informs World Bank’s decision-making on the adequacy of the country’s protection framework. The World Bank and UNHCR teams coordinate closely on monitoring this framework for key aspects of client dialogue, as well as on programmatic issues (see box C.17 in appendix C in this report).

Box 2.8. Responding to Displacement in Uganda

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

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

Dr Ruhakana Rugunda, Prime Minister, Republic of Uganda whose office oversees and coordinates the refugee response in the country.
Box 2.9. Response to Cyclone Idai

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

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

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

2.4.3. Crisis Response Window (CRW)

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

While addressing natural catastrophes continued to make up a considerable amount of CRW support during IDA18, the COVID-19 response ended up amounting to nearly 50 percent of CRW commitments. IDA18 CRW responded to COVID-related emergencies with health support to 58 countries, and pandemic-related economic support to two countries. Total support comprised about US$12 billion, or 47 percent of total IDA18 CRW commitments. Natural catastrophes constituted the majority of non-COVID crises, with CRW support for hurricanes, cyclones, and floods amounting to US$822 million, or 32 percent. A key CRW contribution during IDA18 was support for Mozambique, Malawi, and Zimbabwe in response to Cyclone Idai (box 2.9). In response to the tenth outbreak of the Ebola Virus Disease in the DRC, the CRW provided US$258m to two existing operations, including support for strengthening health system governance, provision of a basic free-care package, and rehabilitating priority infrastructure to prepare for subsequent crises. Although the DRC faces many institutional capacity challenges, it demonstrated the ability to absorb the additional CRW financing due to existing effective institutional arrangements under the Health System Strengthening Project. Additionally, CRW is part the IDA’s crisis toolkit to help countries manage their crisis risks along with CAT-DDOs and CERCs which played a role in the responding rapidly to the COVID crisis (see chapter 2.2 in this report).

Partnerships continued to play an instrumental role in CRW-funded operations. The CRW is a vehicle of last resort, providing resources alongside IDA, IBRD, and applicable partner resources. In the aftermath of crises, the World Bank relies on development partners’ collaboration to help bring resources together, undertake needs assessments, and coordinate implementation of crisis response activities. The UN has been key in delivering assistance in difficult environments, such as countries that are in conflict or...
countries with very weak capacity, as in the case of the US$200 million CRW allocation to Yemen to the “Emergency Health and Nutrition Project” implemented by the World Health Organization (WHO) and United Nations Children’s Fund (UNICEF). The response in the aftermath of Cyclone Idai was also undertaken in collaboration with a variety of organizations, including the UN, EU, Food and Agricultural Organization (FAO), United Nations Human Settlement Programme (UN-Habitat), United Nations Office for Project Services (UNOPS), UNICEF, WHO, United Nations Population Fund (UNPF), and International Organization for Migration (IOM). An Independent Evaluation Group (IEG) report noted that IDA’s close coordination with other development partners helped address critical gaps in emergency assistance, and ensured a targeted response in areas where the CRW would make the most impact (see appendix C in this report).

2.4.4. Private Sector Window (PSW)

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

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

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

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

PSW also supported establishment of the first targeted private equity fund in the Kyrgyz Republic, the Highland Private Equity and Meganine Fund L.P. The investment, made through the IFC SME Ventures Program, established the first fund focused on SMEs in the Kyrgyz Republic, a sector with extreme financial constraints. Ranked pari passu with other senior investors, including IFC, the PSW investment of US$4 million enabled the fund to reach its first financial close. This helped create a model for private equity investment in Kyrgyz Republic SMEs, developing the market for private equity funds and much needed investment capital for business expansion by Kyrgyz Republic SMEs.

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This craftsman is one of many Uzbek citizens benefiting from the increased number of foreign tourists buying local souvenirs. Photo: Matluba Mukhamedova/ World Bank
US$4 million enabled the fund to reach its first financial close. This helped create a model for private equity investment in Kyrgyz Republic, a sector with severe financial constraints. Ranked nine Fund L.P. The investment, made through the IFC SME Ventures Program, established the first fund focused on SMEs in the Kyrgyz Republic. PSW also supported establishment of the first targeted private equity fund in the Kyrgyz Republic; support for expansion of mortgage finance and nascent bond markets in the WAEMU; and the first utility-scale hydropower project in the Solomon Islands. The PSW managed the concessionality level to ensure the most effective use of IDA funds and to avoid distorting private markets, with an implied level of subsidy of less than 3 percent of total financing. The development impact has been articulated in detail ex ante as a key criterion for project approval, with additional data on project impact being collected during implementation for reporting. Significant development impact has been demonstrated by PSW project ratings, which achieve higher IFC impact scores (Anticipated Impact Measurement and Monitoring [AIMM]) than other IFC projects, and typically score highly on MIGA’s ex-ante development impact ratings/scores (Impact Measurement and Project Assessment Comparison Tool [IMPACT]). Finally, financial performance of the PSW has been carefully managed. Management and governance across the WBG have been a strong focus during the PSW’s establishment phase, to build processes and systems to follow the highest standards for concessional blended finance, prevent windfall gains for private investors, effectively manage risk for IDA, and ensure the greatest impact of IDA funds.

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

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

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

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

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

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

Box 2.11. World Bank’s Re-engagement with Somalia

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

IDA has played a significant role in helping Somalia reach this point. Since 2012, support to Somalia has focused on developing sound economic management; building core monetary and financial sector governance institutions; establishing basic legal foundations for a market economy; and introducing reforms in strategic sectors including telecommunications, banking, and energy. Economic policy reforms, such as the recently enacted Public Financial Management Law and the Company Law, have improved public financial management and revenue generation. Financing has been critical, including over US$265 million from several sources: IDA Pre-Arrears Clearance Grants, the Somalia Multi Partner Fund to re-establish basic country systems, and the Reengagement and Reform DPF financed by an IDA grant. IDA disbursed up to SDR271.2 million (US$359 million) from the arrears clearance grant to repay the bridge-loan creditor assisting with arrears clearance, and SDR32.6 million (US$45 million) from the Turnaround Regime (TAR) to the Federal Government of Somalia as budget support to meet cash flow needs after Somalia cleared its IDA arrears.
2.4.5. Arrears Clearance
Arrears clearances continue to facilitate progress in countries emerging from difficult circumstances. IDA established an arrears clearance set-aside to complement Heavily Indebted Poor Countries (HIPC) facilitate country reengagement where arrears are so large and protracted that a country’s regular or exceptional IDA country allocation cannot support clearance. A total of US$11 billion was set aside for IDA18 arrears clearance for Somalia and Sudan. Having demonstrated significant reform progress, Somalia was able to advance along the HIPC path and reach arrears clearance status with significant support from IDA and bilateral donors (box 2.11). The remainder of arrears clearance set-aside was carried over into IDA19 and replenished to US$1 billion.

2.4.6. Non-concessional IDA Financing
IDA18 provided resources on IBRD lending terms for Transitional Support. Transitional Support provides resources to IDA graduates as they transition to IBRD. Bolivia, Sri Lanka, and Vietnam received IDA18 support on an exceptional basis to smooth their transition to IBRD after their graduation from IDA at the end of IDA17. During IDA18, US$115 billion was provided as Transitional Support, reaching US$1.8 billion together with recommitments of canceled balances (US$172 million for Bolivia, US$615 million for Sri Lanka, and US$986 million for Vietnam). While IDA provided resources based on IBRD lending terms, the three graduate countries were eligible to recommit canceled concessional balances on IDA’s blend lending terms.

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

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

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

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

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

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

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

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

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

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

IDA18 also helped bolster public sector capacity and service delivery by supporting 46 countries toward institutionalizing disaster risk reduction, 12 countries to increase the number of registered tax payers, 70 countries to improve statistical capacity for household surveys, 27 countries to implement open government agendas. IDA18 also financed eight operations to support civil registration.

Financing for sustainability and resilience is critical for IDA countries, many of which have high exposure and sensitivity to climate shocks and stressors, coupled with low adaptive capacity to buffer their economies and communities from climate and disaster risks. IDA support helps bring new solutions to build resiliency and reduce vulnerability (box 2.14).

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

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

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

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

As of February 2021, results from the Yemen COVID-19 Response Project include equipping six central public health laboratories with COVID-19 diagnostic equipment and establishing test kits and reagents and 37 isolation units in 22 governorates. Additionally, over 39,000 PCR diagnostic tests, 10,000 RNA isolation kits and other laboratory accessories were provided. Additionally, 1143 healthcare staff were trained in infection prevention and control as per WHO protocols, and about 1,700 governorate and district rapid response team staff were trained.
CHAPTER 3. DELIVERY TRENDS

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 WB. 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, IDA 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. 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.

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. Around 75 percent (US$57.7 billion) was committed from country allocations while the residual was delivered through IDA Windows and others. 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, AFRO 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.
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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

![Graph showing commitments in IDA FCS, IDA16-IDA18](image)

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

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).

Figure 3.2. Commitments in Small States, IDA16-IDA18

![Graph showing commitments in Small States, IDA16-IDA18](image)

**Source:** World Bank Group staff estimates.

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. 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).

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. The Crisis Response Window (CRW) provided US$11 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 Continuity 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$20.8 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$11 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.

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. 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). 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 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 IDA resources overall and a significant share of investment operations that disburse at a slower pace in initial years.

### 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 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 to carry out 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.

### 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$35 million “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 helped 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 expended 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.

The US$35 million “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 expended 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.
IDA18's portfolio and financial performance exceeded RMS performance standards along most dimensions. Satisfactory development outcomes of IDA operations were above performance standards, both as a share of commitments and as a share of operations. 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.

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. 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. 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.

This demonstrated 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
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.26

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.27 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 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

![Completed ASA in IDA-eligible Countries, FY18-20](image)

Note: Only single country tasks are included.
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.77 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.78

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.

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.79 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 supports 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 2.30.60 The PSW experience emphasized the need for a disciplined use of, and transparency of, subsidies to avoid market distortions, as well as 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 Somalis 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.
Box 4.4. IDA19’s Response to Fragility, Conflict and Violence (FCV) Builds on IDA18 and the FCV Strategy

IDA19 introduced the FCV Envelope to enable IDA to respond with greater agility and tailored support, in alignment with the first three pillars of engagement of the FCV Strategy: preventing violent conflict and interpersonal violence, remaining engaged during conflict and crisis situations, and helping countries transition out of fragility. The Window for Host Communities and Refugees supports the fourth FCV Strategy pillar, mitigating the spillovers of FCV. IDA19 will further sharpen Risk and Resilience Assessments (RRAs) based on an updated methodology, and will more fully integrate recommendations into Country Partnership Frameworks (CPFs), Country Engagement Notes (CENs), and Performance and Learning Reviews (PLRs) for programming to better address FCV drivers and build on sources of resilience. IDA19 will also focus more on regional dimensions of fragility, especially in the Sahel, Lake Chad, and the Horn of Africa. IDA19 will continue to scale-up field presence in FCS, and mainstream skills for operational staff to work more effectively in, and on, FCV-affected countries. Working with development and humanitarian partners in the FCV context has pointed to the need to simplify the approval process for channeling IDA funding through UN agencies or international NGOs to implement projects in challenging environments.

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.81 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).82

Box 4.5. IDA19 Adjustments to the Regional Window (RW)

The IDA19 RW continued to strengthen regional coordination in overcoming public health challenges and bolster national and regional resilience. This included support to single-country operations that demonstrate positive cross-border spillovers for health pandemics, natural disasters, and adoption of innovative technologies. To further support Small Island Economies and IDA FCS, the RW will prioritize operations that support the “Blue Economy,” and combat marine litter and address drivers of FCV and security risk in at least three subregions, including the Sahel, Lake Chad area, and the Horn of Africa.

The IDA19 RW adopted three new measures: (i) increased support for coordinated regional-level policy reform and institutions to complement physical investments; (ii) extension of credit terms to creditworthy regional organizations able to repay IDA, and (iii) extension of RW eligibility for single country operations that provide public goods and demonstrate positive cross-border spillovers.

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.83 The SDFP addresses a few limitations of the NCBP, including expanding scope to all IDA countries, taking broader and more systematic review of drivers 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 FCV has positioned IDA as a key player to support clients with the greatest challenges and 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 adopt 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.
Endnotes

1 FCS in this report refers to the WBG Managed List of Fragile Situations. IDA-eligible countries classified as FCS are referred to as IDA FCS. This 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 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 share 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


10 This increase represents on average of 32.5 percent over FY19-FY20, compared to a baseline of 24 percent at the time of the Capital Package. IFC aimed to deliver a total of US$135 billion in own account and mobilization in IDA/FCS between FY19 and FY30 in nominal terms. US$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 FY19.

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.


17 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-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://openadspace.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 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.

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.

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.


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$51.3 million is guarantee income); total administrative expenses are US$19 million; unrealized losses under the LCF and BFF (equity linked transactions) are US$0.8 million; and loan loss provisions under the BFF and MGF amount to US$22.2 million. These are early financial results which will evolve as more approved transactions translate to financial exposure on IDA’s balance sheet.

56 The review of potential projects focuses on development objectives and eligibility criteria, with particular attention given to transaction pricing to ensure that support from the PSW is targeted at a level that is the minimum necessary to sufficiently de-risk a project to unlock its benefits. Assessment of potential PSW projects utilizes criteria from the Enhanced Blended Concessional Finance Principles for DFI Private Sector Operations and includes considerations to minimize crowding out private finance, the path towards commercial sustainability, impact on building and reinforcing markets, and promoting the highest standards for development finance.

57 Several enhancements were introduced in the IDA18 RMS to improve alignment, structure and focus on IDA areas of engagement and comparative advantage while 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
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 IDA Special Themes.

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

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

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

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

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

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

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

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

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

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

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

The 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.

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


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

Percentage of closed IDA projects, as a share of IDA commitments, reviewed by IEG (FY17-FY19 exits) rated Moderately Satisfactory, Satisfactory, or Highly Satisfactory 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.

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.


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


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


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

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

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

“IDA’s Non-Concessional Borrowing Policy. 2019 Review,” September 2019. World Bank Group’s announced response to COVID-19 of up to US$160 billion over April 2020 to June 2021 highlights World Bank’s role as provider of positive net flows in a more constrained financing environment for our clients. Of this amount, IDA is seen as being able to deploy an estimated USS50-55 billion to support member countries. This also includes some planned capacity brought forward to the first year of the IDA19 replenishment. Thus far, till December 2020, IDA commitments reached almost US$31 billion, with countries facing the steepest debt burden (DSSI-eligible) receiving financing of US$28 billion. Between April and December 2020, the DSSI-eligible countries benefited from net transfer of US$4 billion from IDA, of which US$4.3 billion is on grant terms, and the bulk of the rest on highly concessional IDA terms.
Appendixes
Catalina (right), 11, and other children from VuniSaviSavi village collect coconuts from trees along the shoreline. In the past, many shrubs and coconut trees grew on the shoreline, creating shade and food for the community. Rising sea levels and coastal erosion have resulted in the death of most of the trees and a significant reduction in the amount of fruit produced. The grass has been destroyed by salt water and crabs encroaching further inland.

Photo: Alana Holmberg/World Bank.
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APPENDIX A. OVERALL DELIVERY TRENDS

The IDA18 delivery of US$76.4 billion (US$77.7 billion including Private Sector Window [PSW]) represents not only a significant increase of IDA financing, but also a shift in IDA’s role in overall World Bank funding. Historical trends show that IDA has doubled the size of delivery over the last 10 years, and that IDA’s share of total World Bank lending has also significantly increased, from 14 percent in IDA’s first year in FY61 to 52 percent in FY20 (figure A.1).

**Figure A.1. World Bank Annual Lending FY61-FY20 (US$ billion)**

![World Bank Annual Lending FY61-FY20 (US$ billion)](image)


IDA18 commitments focused on Africa (AFR), Fragile and Conflict-Affected Situations (FCS), and Small States. Commitments in the Africa region reached an all-time high of US$48.7 billion in IDA18, a 64 percent increase over IDA17 levels. AFR now accounts for about two-thirds of total IDA financing (figure A.2). During IDA18, IDA commitments in South Asia (SAR) increased to US$71 billion (up from US$14.3 billion in IDA17), representing 22 percent of total IDA commitments. IDA doubled its commitments in Eastern Europe and Central Asia (ECA) with commitments of US$3 billion (up from US$1.5 billion in IDA17), while it increased commitments in Latin America and the Caribbean (LAC) region by 84 percent to US$18 billion. With the challenging context in the Middle East and North Africa (MENA) region, IDA maintained US$12 billion in commitments in the region, including an exceptional allocation to Yemen and Syrian Refugees in Jordan. IDA continued a strong program in East Asia and Pacific (EAP) with US$4.4 billion in commitments representing 6 percent of IDA total commitments. Compared to IDA17, IDA18 commitments to IDA FCS more than doubled, with support to FCS in the Africa region increasing significantly from US$6 billion in IDA17 to US$15.6 billion in IDA18 (figure A.3). Commitments to Small States almost tripled, reaching US$2.3 billion compared to US$0.8 billion in IDA17, including support to the Caribbean (box A.1).

**Box A.1. IDA18’s Support to Small States in the Caribbean**

IDA’s increased support to the Caribbean paved the way for significant policy dialogue, which led to structural reforms in areas such as fiscal, Public Financial Management (PFM), resilience building, and climate change. IDA support included two Development Policy Financing (DPF) operations, including the first for “Blue Growth”. The projects strengthened the World Bank’s role, engagement, policy advice, and financing for resilience through Catastrophe Deferred Drawdown Options (CAT-DDOs) in two island states and for post-hurricane reconstruction financing through the Crisis Response Window (CRW) for Dominica. In the aftermath of COVID-19, Small Caribbean States benefited from the Fast-Track COVID-19 Facility (FTCF) and additional IDA financing through several Contingent Emergency Response Components (CERCs). These helped secure early procurement of essential medical equipment and supplies, and also supported efforts to minimize issues related to reopening of economies through investments in laboratory testing, contact tracing, and treatment and isolation of cases. Finally, portfolio consolidation—that is, shifting from a large number of small operations to a few large operations—enabled more holistic focus on sectors such as health, public sector governance, and human development, as well as a significant scale-up of regional initiatives, for instance, through the large regional health, digital transformation, and transport projects.
IDA18 included a shift in the use of existing instruments along with the introduction of Catastrophe Deferred Drawdown Option (CAT-DDO) instruments. IDA18 witnessed an overall scale up of Development Policy Financing (DPFs) and Program-for-Results (PforRs), reflecting increased focus on policy and results (figure A.4). While commitments increased across all lending instruments, DPFs increased by 118 percent from IDA17. DPFs have helped support policy reforms across IDA countries, for example in Kenya (box A.2), along with PforRs, which have also enabled sectoral transformation. Grants significantly spiked, blend credits moderately increased, and guarantees decreased during the IDA 18 period.

IDA18 delivery concentrated in social sectors (33 percent) and infrastructure (31 percent). Within social sectors, IDA18 commitments in health increased most (74 percent) compared to IDA17, followed by education (62 percent), and social protection (34 percent). The share of commitments in health set a record in FY20 (14 percent of total IDA lending) as a result of IDA’s COVID-19 response. The share in infrastructure decreased from 37 percent of total IDA lending in IDA17 to 31 percent in IDA18. Within infrastructure, the transport sector commitments decreased by 32 percent compared to IDA17, representing the largest sector decrease. In contrast, IDA support to public administration sectors increased from 11 percent to 16 percent in the same period (figure A.5).

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**Box A.2. Supporting Critical Reforms to Drive Inclusive Growth in Kenya through Development Policy Financing (DPF)**

As the second of a two-operation DPF series, the World Bank approved the “Kenya Inclusive Growth and Fiscal Management DPF2” in the first half of 2020 with total financing of US$1 billion (US$750 million IDA credit; US$250 million IBRD loan). This builds on the first operation approved in 2019, which received a US$750 million IDA credit. Both DPFs aim to (i) crowd in private investment and financing for affordable housing, (ii) enhance farmer incomes and food security, (iii) create fiscal space to support the Government’s inclusive growth agenda, and (iv) attract private investment and leverage digitization to support the Government’s inclusive growth agenda.

The DPF2 complements the Kenya Covid-19 Emergency Response Project (US$50 million IDA credit) approved earlier in 2020 to prevent, detect, and respond to the COVID-19 outbreak and strengthen national systems for public health emergency preparedness. This DPF will bolster Kenya’s public finances to expand its COVID-19 response and protect vulnerable households and micro, small, and medium enterprises (MSMEs) from layoffs and bankruptcies. The World Bank also made available the balance from the Kenya Disaster Risk Management (DRM) DPF with a Catastrophe Deferred Drawdown Option (CAT-DDO) for COVID-19 emergency response, approved in FY18 with US$200 million from IDA. Smallholder farmers benefit from better targeting of subsidized agricultural inputs through electronic vouchers.

Photo: Denis Nthiga/World Bank
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Smallholder farmers benefit from better targeting of subsidized agricultural inputs through electronic vouchers.

Photo: Denis Nthiga/World Bank
The size of IDA’s active portfolio increased considerably in IDA18. IDA’s total active portfolio under implementation stood at about US$137 billion at the end of IDA18, compared to about US$106 billion at the end of IDA17. The number of IDA projects totaled 1,120 compared to 918, when combing new projects approved during the IDA18 cycle and the closing of others approved earlier. The Africa region accounted for 58 percent of IDA’s active portfolio at the end of IDA18, and 53 percent of total projects (figure A.6). Projects implemented in FCS demonstrated solid performance as IDA strengthened its operational modalities and increased its field presence in these countries.
IDA18 disbursement ratios remained similar to IDA17, even with the scale-up of IDA18 financing (figure A.7). Similar to commitments, IDA disbursements increased significantly relative to earlier replenishments, from about US$39 billion in IDA17 to about US$53 billion in IDA18. Overall, undisbursed balances considerably increased in IDA18, reflecting the scaling-up of IDA18 resources and a significant share of investment operations disbursing at a slower pace during initial years. However, at the end of IDA18, undisbursed balances as a percent of project portfolio (56 percent) remained similar to IDA17 levels (57 percent).

Figure A.7. Undisbursed Balances and Disbursement Ratio (FY15-FY20)

Source: World Bank Group Staff Estimates
## APPENDIX B. IDA18 POLICY COMMITMENTS

### Jobs and Economic Transformation (JET)

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<th>Objectives</th>
<th>Policy Commitment</th>
<th>Progress</th>
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<td>1. WBG will deploy tools and resources from IDA and IFC to undertake 10 inclusive global value chain analyses in IDA countries to understand how they can contribute to economic transformation and job creation, including through growth in agri-businesses, manufacturing, and services and will use this analysis to inform activities within the IDA portfolio.</td>
<td>Delivered: Global value chain (GVC) analyses were completed in 12 IDA countries: Bangladesh, Benin, Chad, Ethiopia, Haiti, Lesotho, Mali, Mozambique, Mongolia, Nepal, Pakistan, and Uganda. As part of the Country Private Sector Diagnostics (CPSDs), additional in-depth sectoral and GVC analyses were completed in Burkina Faso, Côte d’Ivoire, D.R. Congo, Ethiopia, Ghana, Guinea, Kenya, Mozambique, Nigeria, Rwanda, Senegal, Nepal, Uzbekistan, and Uganda. Other engagements included a second phase of work on supporting agro-processing regional value chain integration in the Southern African Development Community region (including eight IDA countries), as well as the training of Ministry of Commerce officials in key aspects of value chain analysis, which resulted in the analysis of over 20 value chains. Using funding from the Umbrella Facility for Trade, a report was prepared extracting the key findings from the studies produced under this commitment (“Pulling Up or Binding Down? Upgrading Trajectories in Apparel and Agro-Processing Global Value Chains for IDA countries”). The findings were presented at workshops in Switzerland and the Netherlands in July 2019.</td>
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<td>2. WBG will use the Global Infrastructure Connectivity Alliance to make available to IDA countries knowledge on lessons and approaches related to cross-border investments and economic corridor development and will use this analysis to inform activities within the IDA portfolio.</td>
<td>Delivered: Global Infrastructure Connectivity Alliance (GICA) knowledge products were made available online and disseminated, enabling a leveraging of information to inform IDA operations. GICA launched a website containing more than 400 publications from various GICA members on connectivity, along with over 100 maps consolidating and structuring knowledge resources. This information is available to all IDA countries. The first annual meeting of GICA on January 25-26, 2018, identified key priorities for GICA members, and GICA online conversation through the GICA LinkedIn Group was concluded. The GICA knowledge base has increasingly inform innovative regional infrastructure investments in IDA countries. During FY18 and FY19, the GICA connectivity framework was shared with the Association of Southeast Asian Nations (ASEAN) countries, and a prioritization approach was applied to a list of connectivity projects in Cambodia, Laos, and Myanmar. Moving forward, the GICA knowledge base is being leveraged for the growing regional trade and transport integration engagement in South Asia (Bhutan, Bangladesh, Nepal, and India). A 2030 outlook analyzing megatrends and disruptive technology impacting Global Connectivity was developed in FY19 to provide a framework to understand such changes. During FY18 and FY19, GICA also contributed to the preparation of a RAS for the ASEAN Secretariat. The objective of the RAS “Enhancing ASEAN Connectivity: Initial Pipeline of ASEAN Infrastructure Project” was to identify a priority pipeline of potential ASEAN connectivity infrastructure projects and sources of funds. The pipeline included infrastructure projects that have the potential to enhance the movement of people, services, goods, and innovations across ASEAN. The ASEAN Connectivity RAS led to the establishment of a rolling pipeline of 19 projects, which included 3 projects in IDA countries (Yangon–Mandalay Expressway, HCMC–Moc Bai Expressway, and Lao–Myanmar Interconnector). While these projects are not World Bank financed, the World Bank’s technical assistance supports ASEAN’s objectives of improving access and increasing connectivity in and among the ASEAN Member States. More specifically, the pipeline was designed to be a long-term dynamic tool to help the ASEAN Member States assess and prioritize infrastructure projects that will have a regional impact - including in IDA countries. The contribution of GICA to the rolling pipeline, which included IDA countries in EAP is noteworthy. With the pipeline endorsed, ASEAN (together with Infrastructure Asia and the World Bank) prioritized five of the projects for market sounding boards based on likely private sector interest. The first investor roundtable was held (virtually) in May 2020 on the Yangon – Mandalay Expressway.</td>
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<td>Jobs and Economic Transformation (JET)</td>
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<td><strong>Raising job quality and ensuring inclusion of youth and women</strong></td>
<td>3. WBG will systematically carry out impact analyses of SME and entrepreneurship programs across IDA countries to assess their overall impacts and differentiated outcomes for women for youth and will develop operational guidelines to inform future operations.</td>
<td><strong>Delivered:</strong> WBG moved to conduct impact analysis as a standard part of undertaking SME and entrepreneurship programs and prepared a report, bringing together the learnings from these assessments across the portfolio. The report builds on the collaboration between the Finance, Competitiveness, and Innovation global practice and the IFC on SME programs, including through the SME Working Group. The report draws on the results of extensive evaluations of SME programs in recent years, including rigorous impact evaluations (including randomized control trials) through the ComPEL program. It also draws on a review underway to assess the effectiveness of programs seeking to support technology adoption and absorption by SMEs. The report includes guidelines to inform future operational teams drawing on the lessons of these evaluations.</td>
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<td>4. WBG will prepare operational guidelines for integrated youth employment programs with a focus on connecting to demand-side interventions and supporting labor market integration to inform the design of a new generation of youth employment programs in IDA countries.</td>
<td><strong>Delivered:</strong> WBG published detailed guidelines for task teams designing and implementing integrated supply-demand side youth employment programs. These guidelines are informing a new generation of integrated youth employment programs such as in Nepal and Ghana. The guidelines are complemented by A Stock-take of Evidence on what works in Youth Employment programs.</td>
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<td><strong>Targeting support for jobs and private sector development in high-risk contexts, including fragility and migration</strong></td>
<td>5. WBG will enhance existing and introduce new operational instruments to improve risk sharing in projects and crowd-in private capital in high risk investment environments, including through the introduction of the IFC-MIGA PSW.</td>
<td><strong>Delivered:</strong> PSW was fully operational and supported by financial, administrative, and legal infrastructure; the first suite of programs delivered and continued strong focus on accelerating project origination, pipeline, and delivery. A total of US$1.37 billion in allocations from PSW were approved by the Board, of which US$423 million were supporting projects in FCS countries. These operations are expected to enable up to US$8.4 billion private sector investments, including US$2 billion from IFC and US$564 million from MIGA own account. IFC has introduced several mechanisms aimed at supporting FCS and investing in higher risk environments, such as Creating Markets (which offers sector reform, standardization, building capacity, and demonstration to expand investment opportunities in key sectors); de-risking (PSW, guarantees, blended resources); and the Creating Markets Advisory Window and other upstream support to project preparation. Commitments have strengthened incentives for teams across the IFC to expand engagements with FCS countries, as part of the 2018 Capital Increase Package to meet the goal of delivering 60 percent of its program in IDA countries and FCS and 15–20 percent of its program in low-income IDA and IDA FCS countries, by 2030.</td>
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<td>6. WBG will adopt a ‘migration lens’ in IDA countries where migration has a significant economic and social impact (including home, host, and transit countries). This will include analytics that close critical knowledge gaps and, where there is explicit country demand, support for operations that focus on job creation, managing legal economic migration, and integrating young people and economic migrants.</td>
<td><strong>Delivered:</strong> WBG applied a ‘migration lens’ in the SCDs for Comoros and eSwatini using the migration diagnostics template included in the 2019 Board paper ‘Leveraging Economic Migration for Development: A briefing for the World Bank Board.’ The number of SCDs mentioning migration and remittances increased, even in the absence of formal migration diagnostics. Under IDA18, 9 SCDs in IDA countries included an analysis of migration, remittances and diaspora. Selected examples include growth and poverty reduction effects of remittances in Comoros, The Gambia, Kyrgyzstan, Myanmar, Pakistan, Somalia, Timor Leste, and Guyana; the role of migration and the need for investing in education and skills to improve competitiveness in Honduras; and the significance of internal migration in the Nigerian economy. In addition, the Nigerian SCD states that drought and migration raise the pressure on natural resources, which exacerbates food insecurity and social tensions. The Gambia SCD reports that “a combination of few economic opportunities, widespread poverty, and food insecurity contributes to large-scale migration.”</td>
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APPENDIXES I

IDA18 Retrospective

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### Jobs and Economic Transformation (JET)

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<td><strong>7.</strong> WBG will develop and make available for use in IDA countries a set of ex ante measurement tools and systems to assess the impacts of large-scale public and PPP investments targeting infrastructure and economic transformation on jobs, including pilot assessments on gender outcomes.</td>
<td><strong>Delivered:</strong> Seven macro model pilots led by IFC in coordination with the World Bank Jobs Group were carried out in Cote d’Ivoire, Ethiopia, Ghana, Kenya, Nigeria, Pakistan, and Togo. These pilots tested alternative tools (under the broad macro model approach) that can be used to assess ex ante the direct, indirect and induced jobs impacts of prospective large-scale infrastructure investments. The Let’s Work program also implemented value chain analysis to assess jobs impacts of investments ex ante. Pilots completed in Bangladesh, Burkina Faso, Mozambique, and Tajikistan. Gender-disaggregated data was collected and specific gender outcomes reported.</td>
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<td><strong>8.</strong> WBG will catalogue learnings from the Jobs Diagnostics, assess how Jobs Diagnostics are informing the design and implementation of operations in IDA countries targeting job creation and economic transformation, and recommend any changes necessary to improve the impact of the tool.</td>
<td><strong>Delivered:</strong> The ‘Pathways to Better Jobs in IDA Countries: Findings from Jobs Diagnostics’ was finalized and made publicly available. Jobs Diagnostics informed several IDA operations, such as the Agribusiness and Trade project in Zambia, the Bagre Growth Pole project Additional Finance in Burkina Faso; the First Programmatic Jobs Development Policy Credit in Bangladesh; Social Protection Integration Project in Honduras; Developing Productive Inclusion Approaches for the Poorest Households in Zambia; as well as the Harnessing the Demographic Dividend project in Mozambique. Data, guidelines, tools and training on jobs diagnostics was made publicly available. Additional capacity building on jobs diagnostics and strategies will continue to be supported given their links to SCDs, CPFs, and CPSDs, and operations.</td>
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| **9.** WBG will develop and integrate spatial perspectives into analysis of migration and urbanization trends, and the impacts of infrastructure on jobs and economic transformation, this will include piloting of: spatial inventory of infrastructure in five IDA countries; urban jobs accessibility assessments of 10 cities in IDA countries; and spatial assessment of trends in job creation and destruction in five countries. | **Delivered:** WBG piloted several new approaches using spatial data to inform the JET agenda:  
- The WBG piloted rapid machine learning approaches to extract network infrastructure and buildings from satellite imagery in 5 countries (Tanzania, Djibouti, Comoros, Ghana, and South Sudan) to help develop inventories of critical infrastructure mapped against the communities they serve.  
- Urban jobs accessibility assessments were carried out in ten cities. Six were part of a report supported by the United Kingdom Department for International Development and launched in May 2018 (Nairobi, Conakry, Lusaka, Bamako, Kigali and Kampala). The others were in Abidjan, Dhaka, Freetown, and Karachi.  
- Spatial tools were used to assess firm location and job creation patterns in Bangladesh, Tanzania, Uganda, Zambia, and Zimbabwe. |
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<td><strong>Human endowments/first generation gaps:</strong></td>
<td><strong>Delivered:</strong> All 32 applicable operations approved in IDA18 in primary or secondary education (totaling US$2.9 billion) address gender-based disparities, by incentivizing enrollment, attendance, and retention of girls in Afghanistan, Bangladesh (three operations), Benin, Cameroon, Central African Republic, Chad, DRC, Djibouti, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Malawi, Moldova, Myanmar, Niger, Pakistan (two operations), Rwanda, Senegal, Sierra Leone, Tajikistan,Timor-Leste, Tuvalu, Vietnam, Zambia (two operations).</td>
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<td><strong>Human endowments/first generation gaps:</strong></td>
<td><strong>Delivered:</strong> All 38 operations approved in IDA18 for maternal and reproductive health provide one or more of the following: reproductive health consultations through mobile brigades, train midwives, develop adolescent-friendly health services support free maternal health services, C-sections, and uptake of long-term contraception in Afghanistan, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Cote d’Ivoire, Democratic Republic of Congo, Djibouti, Ethiopia, Guinea-Bissau, Haiti, Kyrgyz Republic, Lao PDR, Madagascar, Malawi, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Nigeria, Pakistan, Senegal, South Sudan, Republic of Yemen, Zambia, and Zimbabwe.</td>
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<td><strong>Removing constraints for more and better jobs:</strong></td>
<td><strong>Delivered:</strong> 32 of 33 (97 percent) skills development operations approved in IDA18 support women’s participation in and improvement in the productivity of their economic activity, and/or consider how to reduce occupational segregation.</td>
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<td><strong>Removing constraints for more and better jobs:</strong></td>
<td><strong>Delivered:</strong> At least two-thirds of all IDA18 financing operations in urban passenger transport will address the different mobility and personal security needs of women and men.</td>
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<td><strong>Control over assets with a focus on financial inclusion:</strong></td>
<td><strong>Delivered:</strong> Fourteen operations approved under IDA18 addresses gaps between women and men in access to and use of financial services (including digital financial services) through risk-sharing facilities for mortgages to women borrowers, building institutional capacity to identify and target gaps, and by setting inclusion targets for female entrepreneurs accessing credit in Afghanistan, Burkina Faso, Burundi, Cape Verde, Djibouti, Ghana (two operations), Kenya, Madagascar, Mozambique, Pakistan, Sao Tome and Principe, Sierra Leone, and Somalia. Ten Financial Inclusion Strategies have been formulated under IDA18 identifying actions for women’s financial inclusion, including financial literacy training and other activities to increase women’s access to and use of financial services, and provide sex-disaggregated reporting in Bangladesh, Ethiopia, Gambia, Haiti, Liberia, Madagascar, Mozambique, Pakistan,Uzbekistan and Zambia.</td>
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<td><strong>Control over assets with a focus on financial inclusion:</strong></td>
<td><strong>Delivered:</strong> Nine out of eleven information and communications technology (ICT) operations approved under IDA18 support better access to the Internet and better access to ICT services for women, by providing digital skills training that targets women, by providing a better civil registration and National ID system, and by stimulating the creation of digital services in Afghanistan, Benin, Cote d’Ivoire, Kosovo, Kyrgyz Republic, the Federated States of Micronesia, Nigeria, Tonga, and Tuvalu.</td>
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<td>Gender and Development</td>
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<td><strong>Enabling country-level action:</strong></td>
<td>15. Pilot data collections will be launched in at least six IDA countries to gather direct respondent, intra-household level information on employment and assets.</td>
<td>Delivered: Six pilot data collections launched. Four data collections completed (Cambodia, Ethiopia, Malawi, and Tanzania). Another two data collections were launched in Nepal and Sudan, but fieldwork was later suspended due to COVID-19-related mobility restrictions. All preparations are continuing so that field work can restart once restrictions are lifted.</td>
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<td><strong>Voice and agency:</strong></td>
<td>16. Increase the number of operations in fragile contexts which prevent or respond to gender-based violence, including through access to essential services and livelihood support activities for women (baseline: IDA16; see FCV).</td>
<td>(Cross-reference to FCV commitment #31) Delivered: 20 projects were approved, starting from a baseline of zero at the beginning of IDA18.</td>
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| **Voice and agency:** | 17. Implement the recommendations of the WBG Global Task Force on Gender-Based Violence, as applicable, within operations in IDA-eligible countries. | Delivered: Action plan reflecting task force recommendations adopted, and actions are being implemented, e.g.:  
  - Risk assessment tool developed to assess country and project-related-risks.  
  - Sexual Exploitation, Abuse and Sexual Harassment now addressed as an integral part of ESF implementation.  
  - Risk management measures now included in the design of all operations with major civil works, in line with the Good Practice Note on SEAH, and associated guidance.  
  - New guidance and risk screening tool for Human Development being finalised.  
  - A protocol in place to escalate SEAH incidents to Senior Management.  
  - Roster of GBV specialists compiled to support teams; GBV specialists hired as Bank staff.  
  - Extensive training and awareness raising throughout the Bank.  
  - Extensive outreach to other IFIs on GBV/SEAH.  
  - Standard procurement documents have been strengthened with specific qualifications, and contractual requirements. |
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<th>Climate Change</th>
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<td><strong>18.</strong> All IDA SCDs and CPFs to incorporate climate and disaster risk considerations and opportunities and reflect (I)NDCs, based on a review of experience before the start of IDA18, and to be reported at MTR.</td>
<td><strong>Delivered:</strong>  • SCDs: All applicable IDA SCDs completed between July 1, 2017 and March 31, 2020 have incorporated climate and disaster risk considerations and reflected NDCs.  • CPFs: All applicable IDA CPFs completed between July 1, 2017 and March 31, 2020 have incorporated climate and disaster risk considerations and reflected NDCs.</td>
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<td><strong>19.</strong> All IDA operations continue to be screened for climate change and disaster risks and integrate resilience measures, based on review of experience before the start of IDA18, and to be reported at MTR.</td>
<td><strong>Delivered:</strong> All 751 IDA operations approved by the Board between July 1, 2017 and June 30, 2020 were screened for climate and disaster risks. COVID health emergency response operations were not required to undertake climate and disaster risk screening in FY20, but 37 projects were still screened and are included in the total of 751.</td>
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<td><strong>20.</strong> Support at least 10 countries (on demand) to translate their (I)NDCs into specific policies and investment plans and start to integrate these into national budget and planning processes.</td>
<td><strong>Delivered:</strong> Thirteen countries received support through the NDC Support Facility (Bangladesh, Cote d’Ivoire, Honduras, Kyrgyz Republic, Mali, Mozambique, Pakistan, São Tomé and Príncipe, St. Vincent and the Grenadines, Uganda, Dominica, Kenya, Tanzania).</td>
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<td><strong>21.</strong> Develop at least 10 climate-smart agriculture investment plans (CSAIPs) and 10 programmatic forest policy notes (FPNs).</td>
<td><strong>Delivered:</strong> Ten Climate-Smart Agriculture Investment Plans (CSAIPs) were delivered (Bangladesh, Côte d’Ivoire, Lesotho, Mali, Zambia, Zimbabwe, Burkina Faso, Ghana, Cameroon, Congo) and eleven programmatic Forest Policy Notes (FPNs) were delivered (Bhutan, Democratic Republic of Congo, Ethiopia, Liberia, Mozambique, Nepal, Zambia, Benin, Dominica, Laos PDR, Myanmar).</td>
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<td><strong>22.</strong> Increase the use of DPFs that support climate co-benefits.</td>
<td><strong>Delivered:</strong> The share of climate co-benefits over the total commitment for IDA DPFs increased to 21 percent in IDA18 (22 percent in FY18 and FY19, and 19 percent in FY20) as compared to 7 percent in IDA17. 78 percent of IDA DPFs have climate co-benefits in IDA18 (60 percent in FY18, 84 percent in FY19, and 82 percent FY20), an increase from 24 percent in IDA17.</td>
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<td><strong>23.</strong> Apply GHG accounting and shadow carbon price for all operations in significant sectors, and prepare a revised guidance note on discount rates.</td>
<td><strong>Delivered:</strong> All applicable IDA projects approved between July 1, 2017 and June 30, 2020 applied GHG accounting and Shadow Carbon Price, and revised guidance note on discount rates was published.</td>
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<td><strong>24.</strong> Support the addition of five GW in renewable energy generation.</td>
<td><strong>Delivered:</strong> Operations approved between July 1, 2017 and June 30, 2020 supported the addition of 7.4 GW of renewable energy generation through direct and indirect financing (1.5 GW from direct financing and 5.9 GW from indirect financing).</td>
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<td><strong>25.</strong> Develop Investment Prospectuses in seven additional countries with low electricity access.</td>
<td><strong>Delivered:</strong> Investment Prospectuses have been completed and published in nine countries: Cameroon, Côte d’Ivoire, Kenya, Madagascar (high level analysis) Malawi, Mozambique, Niger, Republic of Congo (high level analysis), and Togo. Another seven are underway (Benin, Zambia, Liberia, Somalia (client executed but World Bank providing TA), Chad, Mauritania, Zimbabwe).</td>
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<td><strong>26.</strong> Report annually on private finance mobilized for climate and continue to report on overall climate finance together with other MDBs.</td>
<td><strong>Delivered:</strong> The WBG continued reporting annually on private finance mobilized for climate and overall climate finance.  • The 2018 MDB’s Joint Report on Climate Finance was launched on June 13, 2019. In 2018, MDB’s total climate finance reached US$43.1 billion (up from US$42.6 billion in 2017 report). WBG remains the largest financier of climate-related projects with US$20.6 billion in total finance and US$14.5 billion in private mobilization (up from US$8.7 billion in 2017).  • The 2019 MDB’s Joint Report on Climate Finance was launched in August 2020. In 2019, MDB’s total climate finance reached US$61.6 billion (up from US$43.1 billion in 2018 report). WBG remains the largest financier of climate-related projects to low- and middle-income economies with US$18.8 billion in total finance and US$7.5 billion in private mobilization.</td>
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<tr>
<td><strong>Deepening IDA's knowledge on FCV and learning from operational experience</strong></td>
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<td>27. Adopt a risk-based approach for identifying fragility beyond those countries on the Harmonized List of Fragile Situations.</td>
<td>Delivered: To support differentiation of approaches, policies, and instruments and enable tailored WBG engagement in difficult and complex situations, a new methodology to identify and classify FCS has been developed as part of the WBG FCV Strategy. All data used for the classification is based on internationally recognized and publicly available indicators. The World Bank recognizes that any typology has limitations but expects that the new list will prove to be an improvement on the previous version, as it will help tailor WBG engagement along the FCS continuum and distinguish between countries based on the nature and severity of the issues that they face. Under the new list, the overall number of IDA FCS remains at 32 (FY20), while the total number of countries on the list is 36 (as well as the West Bank &amp; Gaza). The FCS list was finalized as part of the WBG FCV Strategy in February 2020 and will be updated on an annual basis.</td>
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<td>28. Deepen the WBG's knowledge on the mitigation and prevention of FCV risks through a flagship report drawing on lessons from operational experience and impact evaluations.</td>
<td>Delivered: Flagship report was launched in March 2018. Dissemination events have been conducted. The World Bank is prioritizing efforts to apply the report’s findings across sectors and country contexts (see IDA19 FCV Paper for more details).</td>
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<td><strong>Designing integrated WBG strategies addressing FCV drivers and building institutional resilience</strong></td>
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<td>29. RRAs inform all CPFs in FCS and countries with significant risks of FCV.</td>
<td>Delivered: During IDA18, 100 percent of CPF/CENs in IDA FCS and RMR countries have been accompanied by an RRA or equivalent (South Sudan and Yemen). The South Sudan CEN was informed by a dynamic risk monitoring system to provide real-time analysis on humanitarian/security/development dynamics and by a range of conflict studies and analyses. For the Yemen CEN, the June 2016 RRA was complemented by dynamic analyses of fragility and nexus issues undertaken by the World Bank and other development partners, including on evolving conflict dynamics, resilience factors, and lessons learned and relevant responses for the WBG. • FY18 (4 CPFs/CENs delivered; 4 RRAs or equivalents completed): South Sudan (Q3): RRA alternative completed, Niger (Q4): RRA completed, The Gambia (Q4): RRA completed, Guinea (Q4): RRA completed. • FY19 (7 CPFs/CENs delivered; 7 RRAs or equivalents completed): Nepal (Q1): RRA completed, Solomon Islands (Q1): RRA completed, Somalia (Q1): RRA completed, Liberia (Q2): RRA completed, Yemen (Q4): RRA alternative completed, Tajikistan (Q4): RRA completed, Papua New Guinea (Q4): RRA completed. • FY20 (6 CPFs/CENs delivered; 6 RRAs completed): Burundi (Q1): RRA completed, Republic of Congo (Q2): RRA completed, Timor-Leste (Q2): RRA completed, Comoros (Q3): RRA completed, Sierra Leone (Q4): RRA completed, Myanmar (Q4): RRA completed.</td>
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<td>30. Increase the number of operations targeting refugees and their host communities (baseline: IDA17).</td>
<td>Delivered: 35 projects were approved in 14 countries under RSW in IDA18.</td>
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<td>31. Increase the number of operations in fragile contexts which prevent or respond to GBV, including through access to essential services and livelihood supported activities for women (baseline: IDA16).</td>
<td>Delivered: 20 projects were approved, starting from a baseline of zero at the beginning of IDA18. Projects were approved in the following countries: Democratic Republic of Congo (2 project), Tuvalu (3 projects), Solomon Islands (2 projects), Central African Republic (2 projects), South Sudan (1 project), Mali (1 project), Afghanistan (1 project), Comoros (1 project), Liberia (1 project), Burundi (1 project), Chad (1 project), Federated States of Micronesia (1 project), Myanmar (1 project), Papua New Guinea (1 project) and Niger (1 project).</td>
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<tr>
<td><strong>Improving staffing, operational effectiveness and flexibility</strong></td>
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<td>32. Increase the World Bank staffing footprint in IDA FCS countries by net 150 over the IDA18 period.</td>
<td>Delivered: In IDA18, the World Bank committed to scale up staffing by net 150 staff in IDA FCS and RMR countries from a baseline of September 30, 2016. As of end-June 2020, there were 820 staff working in IDA FCS and RMR countries. This is a net increase of 159 staff across all grades, 141 of which were GE+ staff, during IDA18. The scale-up reflects an appropriate distribution of technical roles, locations, grade levels, and genders. The Facetime Index, which measures professional staff presence in IDA FCS and RMR countries through mission travel, has increased by 5 percent from the FY17 baseline to FY18, by 9 percent in FY19 compared to FY18 and a further 2 percent from FY19 to end FY20.</td>
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### Fragility, Conflict and Violence

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<td><strong>Promoting partnerships for a more effective response</strong></td>
<td>33. Undertake joint RPBAs as openings arise for engagement in the aftermath of conflict in IDA countries.</td>
<td><strong>Delivered:</strong> Joint RPBAs have been completed in Cameroon and Zimbabwe.</td>
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<td><strong>Enhancing financing to support FCS/FCV</strong></td>
<td>34. Implement the revised IDA resource allocation framework for FCS/FCV to enhance targeting of IDA’s exceptional support and financial engagement in these countries.</td>
<td><strong>Delivered:</strong> RMR Implementation Notes have been approved by the Board for the four eligible countries (Nepal, Niger, Guinea, Tajikistan). One RMR financed project is closed, 21 are active. The TAR continues to provide significant financing support to Central African Republic, Madagascar, Somalia and The Gambia.</td>
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### Governance and Institutions

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<td><strong>Strengthen Domestic Resource Mobilization</strong></td>
<td>35. Provide support to at least a third of IDA countries targeted at increasing their Tax/Gross Domestic Product ratio through lending operations, ASA and technical assistance including tax diagnostic assessments.</td>
<td><strong>Delivered:</strong> Activities were delivered in 57 countries (Afghanistan, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cabo Verde, Cambodia, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Cote d’Ivoire, Djibouti, Ethiopia, Fiji, Grenada, Ghana, Guinea, Haiti, Kenya, Kosova, Kyrgyz Republic, Lao PDR, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Federated States of Micronesia, Moldova, Mongolia, Mozambique, Myanmar, Nepal, Niger, Nigeria, Pakistan, Papua New Guinea, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, St. Vincent and the Grenadines, Tajikistan, Targania, The Gambia, Timor-Leste, Togo, Tonga, Uganda, Ugbekistan, Zimbabwe).</td>
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| **Improve public expenditure, financial management and procurement** | 36. Support at least 10 IDA countries in performing 2nd or subsequent PEFA assessments to inform preparation of their SCDs. | **Delivered:** 28 countries were supported:  
- World Bank-led: Afghanistan (published), Ethiopia (published), Ghana (published), Lao PDR (published), Malawi (published), Myanmar (published), Tajikistan (published), Timor-Leste (published), Ugbekistan (published), Zambia (published), Zimbabwe (published).  
- World Bank-supported: Chad (published), Guinea (published), Kenya (published), Mali (published), Sierra Leone (published), DR Congo, Cote d’Ivoire, Mauritania, Nigeria, Papua New Guinea, St. Lucia, Sao Tome and Principe, Senegal, Tonga, and Fiji (published). |
| **Strengthen active ownership of SOEs**          | 37. Deliver MAPS2 in five IDA countries to accelerate the development of modern, efficient, sustainable and more inclusive public procurement systems that take into account national development objectives. | **Delivered:** MAPS2 were delivered in 7 countries (Malawi, Zambia, Mozambique, Bangladesh, Burkina Faso, Rwanda, and Ethiopia). |
| **Support at least 10 IDA countries on enhancing SOE performance through: (i) Performance Agreements and/or (ii) increased transparency through published reports on their SOE portfolio.** | 38. Support at least 10 IDA countries on enhancing SOE performance through: (i) Performance Agreements and/or (ii) increased transparency through published reports on their SOE portfolio. | **Delivered:** Twelve countries were supported, and work is ongoing in another five countries  
- Bangladesh, Cabo Verde, Cameroon, Ghana, Liberia, Mauritania, Moldova, Mozambique, Nigeria, Pakistan, Senegal, Zimbabwe.  
- Ongoing  
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<td>Support public administration performance for service delivery</td>
<td>39. Perform joint operations, TA, and/or ASA on sector-focused governance in 10 IDA countries to identify and address institutional bottlenecks to service delivery with the health, water, and/or education sectors. Delivered: 18 countries were supported, and work is ongoing in another six</td>
<td>Delivered: Afghanistan, Bangladesh, Benin, Burundi, Cameroon, Cote d’Ivoire, Democratic Republic of Congo, Lesotho, Liberia, Madagascar, Mali, Mozambique, Niger, Nigeria, Pakistan, Solomon Islands, Tanzania, Togo. Ongoing: Central African Republic, Myanmar, Sudan.</td>
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<tr>
<td>Support institutional capacity to respond to pandemics</td>
<td>40. Support at least 25 IDA countries in developing pandemic preparedness plans. Delivered: Pandemic preparedness plans developed in 47 countries (Afghanistan, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cameroon, Chad, Comoros, Cote d’Ivoire, Democratic Republic of Congo, Djibouti, Dominica, Eritrea, Ethiopia, Ghana, Grenada, Guinea, Guyana, Haiti, Kenya, Lao PDR, Lesotho, Liberia, Malawi, Maldives, Mauritania, Mongolia, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, St. Lucia, St. Vincent and the Grenadines, Sudan, Tanzania, Timor-Leste, Uganda, Zambia, Zimbabwe).</td>
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<tr>
<td>Integrate citizen engagement and beneficiary feedback into service delivery operations</td>
<td>41. Support 25 countries in developing frameworks for governance and institutional arrangements for multi-sectoral health emergency preparedness, response and recovery. Delivered: Governance and institutional frameworks developed in 47 countries (Afghanistan, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cameroon, Chad, Comoros, Cote d’Ivoire, Democratic Republic of Congo, Djibouti, Dominica, Eritrea, Ethiopia, Ghana, Grenada, Guinea, Guyana, Haiti, Kenya, Lao PDR, Lesotho, Liberia, Malawi, Maldives, Mauritania, Mongolia, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, St. Lucia, St. Vincent and the Grenadines, Sudan, Tanzania, Timor-Leste, Uganda, Zambia, Zimbabwe).</td>
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<tr>
<td>Strengthen open, transparent and inclusive governance through Open Government commitments</td>
<td>43. Support at least one-third of IDA countries (at least 25 countries) to operationalize reform commitments towards the OGP agenda to strengthen transparent, accountable, participatory, and inclusive governments. Delivered: 26 countries supported (Afghanistan, Benin, Burkina Faso, Cambodia, Central African Republic, Djibouti, Ethiopia, Ghana, Grenada, Guinea, Guinea-Bissau, Haiti, Honduras, Kenya, Kiribati, Kyrgyz Republic, Lao PDR, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Marshall Islands, Micronesia FS, Moldova, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Samoa, St. Lucia, Tajikistan, Tanzania, Tonga, Togo, Uganda, Uzbekistan, Republic of Yemen, Zambia).</td>
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<tr>
<td>Mitigate IFFs</td>
<td>44. Perform IFFs assessments in at least 10 IDA countries to support the identification and monitoring of IFFs; Delivered: 26 countries supported (Benin, Burkina Faso, Burundi, Cambodia, Cabo Verde, Democratic Republic of Congo, Ethiopia, The Gambia, Ghana, Guyana, Kosovo, Kyrgyzstan, Lao PDR, Malawi, Moldova, Nepal, Niger, Nigeria, Pakistan, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda, Zambia, Zimbabwe).</td>
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<tr>
<td>Enhance understanding of governance and institutions in FCV</td>
<td>45. Strengthen and systematize Governance &amp; Institutional analysis in half of Risk and Resilience Assessments and at least three-quarters of Recovery &amp; Peace Building Assessments in IDA countries Delivered: 13 out of 16 RRAs (81 percent) included governance and institutions analysis (Burundi, Republic of Congo, Comoros, Djibouti, The Gambia, Kosovo, Nepal, Papua New Guinea, Sierra Leone, Solomon Islands, Somalia, Tajikistan, Timor-Leste). All RPBAs included governance and institutions analysis (Cameroon, Central African Republic, Mali, Nigeria).</td>
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</tbody>
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APPENDIX C. IDA18 WINDOWS

C.1. Scale-Up Facility (SUF)

Introduced at the IDA17 Mid-Term Review (MTR), the SUF increased significantly in IDA18 resulting in a US$6.6 billion allocation following an increase at the IDA18 MTR. This represented a 73 percent increase in commitments over IDA17 (table C.1). Given strong client demand for non-concessional resources to support transformational projects, the SUF has maintained a rigorous focus on protecting clients’ debt sustainability by restricting access to countries with low or moderate risk of debt distress.\(^5\)

**Table C.1. Comparison of SUF commitments between DA17 and IDA18 (US$ Million)**

<table>
<thead>
<tr>
<th>Region</th>
<th>IDA17</th>
<th>IDA18</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFR</td>
<td>2,514</td>
<td>4,126</td>
<td>64</td>
</tr>
<tr>
<td>EAP</td>
<td>213</td>
<td>29</td>
<td>-86</td>
</tr>
<tr>
<td>ECA</td>
<td>100</td>
<td>305</td>
<td>205</td>
</tr>
<tr>
<td>LCR</td>
<td>80</td>
<td>35</td>
<td>-56</td>
</tr>
<tr>
<td>MNA</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SAR</td>
<td>895</td>
<td>2,066</td>
<td>131</td>
</tr>
<tr>
<td>Total</td>
<td>3,082</td>
<td>6,561</td>
<td>73</td>
</tr>
</tbody>
</table>

SUF financing is often used in combination with concessional resources to significantly scale-up projects’ scope and development outcomes. More than half of SUF projects (19 out of 34), such as the “Ethiopia Electrification Program” (box C.1), integrated multiple World Bank financing sources by blending non-concessional SUF resources with concessional IDA credits from their own country allocations or the Regional Window.

The SUF also helped leverage additional financing. In some cases, such as in the “Abidjan Urban Mobility Project” (box C.2), the SUF leveraged financing from other development agencies as well as the private sector. The use of the SUF to catalyze additional finance helped expand the scope of ambitious flagship projects, achieving greater economies of scale and allowing them to reach more beneficiaries and maximize development benefits.

IDA18 SUF use was significant in Africa (AFR) and South Asia (SAR), representing a sizeable increase over IDA17 in responding to strong demand in those regions (figure C.1). AFR benefited most from SUF resources, with over US$4.1 billion in commitments (63 percent of the IDA18 envelope), followed by SAR with just over US$2 billion (31 percent of the envelope). These two regions exhausted their IDA18 SUF allocations, as did Europe and Central Asia (ECA), demonstrating high demand for SUF resources. Only East Asia and Pacific (EAP) and Latin America and the Caribbean (LAC), where few countries are eligible for SUF, did not use the entirety of their allocations, making them available to other regions.

During IDA18, the SUF extended access to non-concessional resources to 17 IDA countries and two regional projects, while featuring significant delivery in fragile and conflict-affected situations (FCS). Four countries facing fragility, conflict, and violence

**Box C.1. Combining Resources to Support the NEP**

“It is an historic moment for Ethiopia, for the Ethiopia Electric Utility as well as the World Bank. The gaps in management roles and decision-making cannot remain.”

Ato Shiferaw Telila, Ethiopia Electric Utility Chief Executive Officer

Ethiopia National Electrification Program (NEP) aims to reach universal electricity access by 2025. The SUF co-funded “Ethiopia Electrification Program (ELEAP)” supports the NEP by financing the first phase of grid intensification activities, building implementation capacity, and creating a blueprint for scaling-up electrification. The project was designed to create a conducive framework for crowding-in resources from other development partners. Using a PforR instrument, ELEAP will help establish a sector-wide programmatic approach for financing electrification by demonstrating the viability of the NEP and ensuring good practices for access expansion. The project secured US$125 million in Scale-up Facility (SUF) financing, with the balance from a regular IDA credit, amounting to a total US$375 million total budget. ELEAP aligns with the SUF objectives to prioritize projects with potentially transformational impact, given the significant increase in electricity access that the programmatic ELEAP framework will create.

The NEP aims to create more equitable energy institutions, starting with helping the Ethiopia Electric Utility (EEU) achieve a better balance of men and women among leadership and in its workforce. Photo: Inka Schomer/World Bank
Box C.2. Leveraging Private Finance through the Scale-up Facility (SUF)—Abidjan Urban Mobility Project

The US$540 million project, co-financed with the Agence Française de Développement and the private sector, seeks to improve accessibility to economic and social opportunities in the greater Abidjan area through increased public transportation system efficiency. The project centers around establishing a new Bus Rapid Transit (BRT) along the city’s East-West corridor, together with strengthening the Abidjan Public Transport Company (Société des Transports Abidjanais), restructuring the feeder system to mass transit lines, supporting professionalization of the artisanal transport sector, and developing human capital by improving skills and social protection schemes.

The project secured SUF financing based on strong and transformative potential for urban development and improvement of social and economic conditions in the greater Abidjan area through improving mass transit efficiencies and the overall urban transport system. Specifically, the project objectives include a near doubling of the number of jobs accessible within one hour of travel, on average, and the reorganization of a sector employing more than 100,000 people. With creation of the new BRT using a public-private partnerships (PPP) model, the project will also help crowd-in additional private sector resources, know-how, and innovation to create cleaner transport services.

Figure C.1. SUF Commitments by Region

Source: World Bank Group staff estimates

Figure C.2. Top 5 Recipients of SUF IDA18 Financing

Source: World Bank Group staff estimates

Figure C.3. SUF Financing by Sector

Source: World Bank Group staff estimates

(FCV) challenges benefited from the SUF in IDA18 (Cote d’Ivoire, Liberia, and Mali classified as FCS and Nepal under the Risk Mitigation Regime [RMR]), amounting to US$1.4 billion, or 21 percent of IDA18 SUF financing. Thirteen SUF recipients were IDA-only (86 percent of SUF financing) and the remaining four were Blend countries (14 percent of SUF financing). The share of Blend recipients is lower than that of in IDA17 (26 percent), demonstrating that the SUF fulfilled its objective of complementing country allocations to pursue larger-scale development initiatives in IDA-only countries. The largest SUF recipients in IDA18 by commitment volumes were Bangladesh (five projects), Côte d’Ivoire (four projects), Nigeria (two projects), Burkina Faso (two projects), and Senegal (three projects) (figure C.2).

Infrastructure projects continue to constitute the majority of SUF financing, with large investments in the energy, water and sanitation, and transport sectors (figure C.3). Energy and extractives projects accounted for the largest portion of projects receiving SUF IDA18 financing (20.0 percent), supporting transmission projects in Bangladesh, Nigeria, and Moldova; rural electrification...
The SUF also supported regional institutions for transformational projects. These included a SUF credit to the West Africa Development Bank (BOAD) in connection with the “Regional Off Grid Electrification Project”, and a SUF credit to the Trade and Development Bank in June 2020 for the “Regional Infrastructure Finance Facility Project”. This built on IDA17 experience gained in supporting one regional project affiliated with BOAD in connection with the “Affordable Housing Finance Project”. These projects are expected to support transformation in sectors viable for private sector engagement, where creditworthy regional organizations provide a platform for opportunities that individual countries would not have been able to implement on their own. This approach requires operational waivers since Regional Organizations are not sovereign World Bank member countries, and thus do not meet SUF eligibility criteria.

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C.2. Private Sector Window (PSW)

The PSW was a key innovation introduced in IDA18 to crowd-in private finance, leveraging International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA)’s existing business platforms. The PSW is an integral part of the WBG’s effort to ramp up support to attract private investment to the poorest countries and most challenging environments, including fragile and conflict-affected countries. The PSW helps mitigate the uncertainties and risks for specific high impact private investments and is an option when there is no fully commercial solution or when the WBG’s other tools and approaches are insufficient. The PSW is aimed at improving access to finance, particularly funding with longer tenor and in local currency, and reducing real or perceived risks for investors which can make investments unviable or unprofitable. It does not fund private investment on its own; it deploys IDA’s concessional financing to backstop or blend with IFC investments or MIGA guarantees to support private sector investments through its four facilities.

Bangladesh’s economy has been propelled by a dynamic manufacturing sector, which in recent years has received Government’s support to improve access to serviced industrial land for greenfield investors. The “Private Investment and Digital Entrepreneurship Project” supports this effort using Scale-up Facility (SUF) combined with Government resources to promote private investment, job creation, and environmental sustainability in participating economic zones and software technology parks. The project intends to facilitate economic diversification and promotion of higher value-added production. To drive transformational change and generate hundreds of thousands of new jobs for the growing workforce, the project focuses on eliminating binding supply-side constraints to manufacturers and digital service providers, helping Bangladesh maintain and attract domestic and foreign producers.

Box C.3. Bangladesh Private Investment and Digital Entrepreneurship Project

Bangladesh’s economy has been propelled by a dynamic manufacturing sector, which in recent years has received Government’s support to improve access to serviced industrial land for greenfield investors. The “Private Investment and Digital Entrepreneurship Project” supports this effort using Scale-up Facility (SUF) combined with Government resources to promote private investment, job creation, and environmental sustainability in participating economic zones and software technology parks. The project intends to facilitate economic diversification and promotion of higher value-added production. To drive transformational change and generate hundreds of thousands of new jobs for the growing workforce, the project focuses on eliminating binding supply-side constraints to manufacturers and digital service providers, helping Bangladesh maintain and attract domestic and foreign producers.

The SUF also supported regional institutions for transformational projects. These included a SUF credit to the West Africa Development Bank (BOAD) in connection with the “Regional Off Grid Electrification Project”, and a SUF credit to the Trade and Development Bank in June 2020 for the “Regional Infrastructure Finance Facility Project”. This built on IDA17 experience gained in supporting one regional project affiliated with BOAD in connection with the “Affordable Housing Finance Project”. These projects are expected to support transformation in sectors viable for private sector engagement, where creditworthy regional organizations provide a platform for opportunities that individual countries would not have been able to implement on their own. This approach requires operational waivers since Regional Organizations are not sovereign World Bank member countries, and thus do not meet SUF eligibility criteria.

In Ethiopia; power supply reliability in Mali; and regional off-grid development in West Africa. Similarly, around 19.6 percent of projects accessing SUF resources focused on the water sector, supporting rural water supply development in Benin, Lesotho, and Senegal, together with sanitation projects in Burkina Faso and Bangladesh. SUF financed 17 percent of IDA commitments in the transport sector which included road connectivity projects in Bangladesh, Nepal, and Nicaragua, and both an urban mobility and a port city integration project in Cote d’Ivoire. SUF also made important investments to encourage global innovation and competitiveness, for instance, by supporting the development of economic zones and software technology parks in Bangladesh (box C.3).

The SUF also supported regional institutions for transformational regional projects. These included a SUF credit to the West Africa Development Bank (BOAD) in connection with the “Regional Off Grid Electrification Project”, and a SUF credit to the Trade and Development Bank in June 2020 for the “Regional Infrastructure Finance Facility Project”. This built on IDA17 experience gained in supporting one regional project affiliated with BOAD in connection with the “Affordable Housing Finance Project”. These projects are expected to support transformation in sectors viable for private sector engagement, where creditworthy regional organizations provide a platform for opportunities that individual countries would not have been able to implement on their own. This approach requires operational waivers since Regional Organizations are not sovereign World Bank member countries, and thus do not meet SUF eligibility criteria.

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proving an innovative business model and driving employment. Malawi’s 60-megawatt solar photovoltaic project in the Salima province offers an alternative and renewable source of electricity in a country that is heavily reliant on hydroelectric generation. All PSW investments were screened through climate change, gender and Jobs, Economic and Transformation (JET) lenses.

**Figure C.4. PSW Financing by Region and Sector**


By Region
- AFR
- SAR
- EAP
- MNA
- ECA, LAC, and MNA

By Sector
- Financial Sector (incl. SME support)
- Energy
- Manuf. & Ag
- ICT
- Housing, Tourism, Services
- Health

**Source**: World Bank Group staff estimates.

**Note**: Percentages are calculated based on allocated PSW resources as of end-IDA18. By that time US$449m of resources approved under programmatic platforms had not yet been allocated.

Nearly half of all PSW investments were in countries facing FCV challenges. Nigeria, Nepal, Cote d’Ivoire, Myanmar, Afghanistan, and Djibouti were among the top ten recipients of PSW investments (figures C.5 and C.6).

**Figure C.5. Top Ten Recipients of PSW Commitments**


By Region
- Nigeria
- Nepal
- Cote d’Ivoire
- Myanmar
- Afghanistan
- Djibouti
- Bangladesh
- Tanzania
- Sierra Leone
- Cambodia

**Note**: Calculations are based on allocated PSW commitments.

**Figure C.6. PSW Investments by FCS classification**


By FCS classification
- FCS
- Non-FCS

**Note**: FCS commitments also include countries under RMR. Data excludes unallocated funds. Calculations are based on allocated PSW commitments.
Overall, PSW got off to a slow start. Initial challenges stemmed from a steep learning curve to launch four new facilities across the WBG as well as challenges from operating in some of the world’s most difficult markets. The window ramped up delivery after the MTR and ultimately supported more than 50 projects (figure C.7). A number of programmatic platforms were also developed as part of the WBG’s response to the COVID-19 pandemic.

**Figure C.7. Board Approvals by Month in IDA18**

![Graph showing board approvals by month in IDA18](image)

*Source: World Bank Group staff estimates.*

A significant portion of the PSW commitments during IDA18 were deployed through programmatic solutions developed as part of the WBG’s response to the COVID-19 pandemic. Programmatic platforms, where the Board authorizes a program and delegates approval of individual transactions to IDA Management within defined parameters, accounted for just over half of the total volume of Board approved projects under IDA18. The PSW provided significant support to three programs within IFC’s COVID-19 Fast Track Crisis Response: US$250 million to the Global Trade Finance Program (GTFP), US$80 million to the Real Sector Envelope (RSE), and US$215 million to the Working Capital Solutions Program (box C.4).

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**Box C.4. IDA Private Sector Window Working Capital Solutions Program**

The Program was established to support IFC’s investment in Private Sector Window (PSW)-eligible countries as part of IFC’s Working Capital Solution Loans envelope, part of the package of immediate support from the WBG to assist countries coping with the health and economic impacts of the COVID-19 pandemic. As the COVID-19 pandemic began affecting the global economy, banks in IDA countries have seen liquidity become more expensive or dry up altogether, as short-term finance is particularly vulnerable to exogenous shocks like the COVID-19 pandemic. The support from PSW Blended Finance Facility (BFF) is expected to enable US$860 million of Working Capital Solutions loans in IDA PSW countries during the life of the Program, by derisking and balancing the risk-reward of potential investments in financial institution clients in PSW-eligible countries. The proceeds of the WCS loans will be on lent by the financial institution recipients to their small, and medium enterprises (SMEs) and micro, small, and medium enterprises (MSMEs) borrowers for new loans or to refinance existing loans for trade and working capital needs, protecting businesses, jobs and livelihoods. As of the end of IDA18, the program had utilised US$215 million from the PSW and overall provided US$645 million to support nine banks operating in a range of PSW-eligible countries, including Cambodia, Bangladesh, Nigeria and Rwanda.
The four facilities under PSW were created to address specific risks in challenging markets, reflecting the various types of investment and risk mitigation required (figure C.8). Initial allocations were adjusted over time to reflect demand, with the Blended Finance Facility (BFF) exceeding its allocation and reaching US$872 million, well over its US$600 million initial allocation. The other three facilities ramped up more slowly: the US$600 million initial allocation for Local Currency Facility (LCF) ultimately financed US$219 million, the $500 million MIGA Guarantee Facility (MGF) financed US$246 million, and the US$600 million Risk Mitigation Facility (RMF) financed US$33 million (figure C.9).

Figure C.8. PSW Facilities

- **Local Currency Facility**: This facility provides local currency solutions to reduce currency risk for impactful projects in countries where such solutions are absent or underdeveloped.
- **MIGA Guarantee Facility**: This facility expands the coverage of MIGA guarantees through shared first-loss and risk participation akin to reinsurance, for investments such as those in infrastructure, agribusiness, manufacturing and services, financial markets and public private partnerships (PPPs).
- **Blended Finance Facility**: This facility blends PSW funds with pioneering IFC investments across sectors with high development impact, including small and medium-size enterprises, agribusiness, health, education, affordable housing, infrastructure, climate change mitigation and adaptation, among others.
- **Risk Mitigation Facility**: This facility provides project-based guarantees without sovereign indemnity to crowd-in private investment in large infrastructure projects and public private partnerships (PPPs) supported by IFC.

Figure C.9. PSW Facility Commitments

![Graph showing the allocation of PSW resources by facility]

Source: World Bank Group staff estimates. Percentages are calculated based on allocated PSW resources as of end-IDA18. By that time US$449m of resources approved under programmatic platforms had not yet been allocated to specific investments.

The LCF supports IFC loans denominated in local currency, and supported 17 projects with a US$219 million allocation during IDA18. The LCF provides currency hedging products to IFC on currencies, tenors and/or pricing which is not otherwise available from commercial counterparties. It is principally used to enable a local currency solution by IFC in a PSW country, or to support the development of a local currency market such as in Senegal and Burkina Faso (box C.5).

Box C.5. Local Currency Facility (LCF): Credit and Savings Alliance for Production (ACEP) in Senegal and Burkina Faso

The Private Sector Window (PSW) supported IFC’s investments in ACEP Senegal and ACEP Burkina Faso, microfinance institutions focused on supporting clients underserved by other financial institutions and living in rural communities. The PSW supported the transactions by providing a local currency swap, enabling IFC to lend at local currency rates that enable long-term onlending at rates sustainable for the clients of both institutions and comparable to recent local market rates. The investments improved the liquidity of both ACEPs and enabled the scale up of financing to underserved farmers and agribusinesses, demonstrating the viability of providing financing to smallholder farmers in a manner replicable by other financial institutions. Both projects are part of IFC’s Rural Finance Facility, an open-access program being developed by IFC aimed at supporting financing of micro, small, and medium enterprises (MSMEs) in rural areas.
The BFF blends PSW funds with IFC investments and supported 25 projects with US$872 million in financing during IDA18. The BFF aims to address some of the challenges faced by investors due to market failures and weak investment climates found in IDA and FCS markets, which create significant risks and obstacles that prevent scaling-up of pioneering, high impact private investments. The BFF supports existing IFC products with blended finance and risk mitigation, to enable IFC to provide financing at a viable pricing that in turn enables IFC to on-lend at affordable rates to rural farmers and women in Timor-Leste, where risks are perceived to be high and commercial agri-financing remains scarce.

**Box C.6. Blended Finance Facility (BFF): Kaebauk Investimentu No Finansas (KIF) in Timor-Leste**

The BFF supported an IFC investment in KIF to contribute to agricultural market creation in Timor-Leste where access to finance has been a constraint on growth in the agriculture sector. Timorese commercial banks have a limited appetite for investments in commercial agricultural businesses, while microfinance institutions which provide micro loans to rural populations, have only limited financing available. Addressing this gap, IFC provided KIF with loans of US$5 million, with up to 50 percent as a concessional loan from the BFF. The concessional portion from the BFF enables IFC to provide financing at a viable pricing that in turn enables KIF to on-lend at affordable rates to rural farmers and women in Timor-Leste, where risks are perceived to be high and commercial agri-financing remains scarce.

The MGF supports project-based guarantees with shared first loss and risk participation via MIGA reinsurance and supported 13 projects with US$246 million during IDA18. The MGF comprises two instruments: shared first-loss and risk participation via MIGA reinsurance. It is intended to cover non-commercial risks where MIGA’s or other commercial products are insufficient or unavailable. It provides coverage for a combination of political risk insurance products, covers non-commercial risks such as expropriation, currency transfer restriction and inconvertibility, war and civil disturbance, and breach of contract for key project agreements covering government obligations. The additionality of the facility stems from the increase in both the scale and scope of MIGA’s activities in PSW-eligible countries (box C.7).

**Box C.7. Financing Climate-Friendly Investments through the MIGA Guarantee Facility (MGF): Rwanda, Democratic Republic of Congo and Djibouti**

During IDA18, the MGF provided US$10.1 million to support MIGA guarantees to the shareholders of the BBOXX companies, the operators of an off-grid solar business providing solar home systems and compatible appliances to peri-urban and rural customers on a pay-as-you-go model in Rwanda and the Democratic Republic of Congo (DRC). The BBOXX model is expected to expand access to electricity using an innovative business model in areas with very low rates of energy access. The Private Sector Window (PSW) MGF support enabled MIGA to provide guarantees against non-commercial risks to shareholders of businesses operating in areas with significant perceived security and political risks, unlocking investments of private capital and supporting business expansion to a greater number of customers, as well as demonstrating the viability of doing business in DRC and Rwanda.

In 2019, the PSW MGF provided up to US$48 million as a shared first loss layer in support to MIGA’s guarantees of nearly US$101 million to develop a 60-megawatt wind farm in the Arta region of Djibouti. The project, involving approximately 15 wind turbines, will be used to help Djibouti realize its Vision Djibouti 2035, and transition from ageing fossil fuel powered generators and electricity imports, to 100 percent renewable electricity sources by 2030. PSW support allowed the project to proceed, despite the risks associated with what would be the first Independent Power Producer project (IPP) in a challenging fragile, conflict and violence (FCV) context. The project will be Djibouti’s first utility scale wind project and is intended to demonstrate the viability of private infrastructure investment in the country, strengthen the regulatory regime for IPPs, and encourage other investors to replicate the business model, further supporting the realization of Vision Djibouti 2035.
The RMF supports project-based guarantees without the benefit of a sovereign indemnity and supported one project with US$33 million during IDA18. The RMF provides guarantees to cover key noncommercial risks associated with private participation in infrastructure projects where existing instruments may unavailable or unsuitable. This includes, for example, non-payment risk from transaction participants (such as off-takers), or political and regulatory risks (such as termination/breach of contract risk). The RMF is intended to be deployed alongside other IFC investments and can provide direct risk mitigation coverage to IFC, supporting the scale-up of IFC’s origination, structuring and mobilization capabilities in PSW eligible countries. Investments supported by the RMF are to be deployed alongside other WBG interventions and support, including on investment climate, tariff reform, creditworthiness of State-owned Enterprises (SOEs), and infrastructure program prioritization, such as the gas-to-power project in Afghanistan. (box C.8).

As a highly innovative approach to development financing, the PSW was intended to undertake a ‘learning by doing’ approach with adjustments based on IDA18 experience. During the initial phase of IDA18, significant work was undertaken to establish PSW policies, procedures and controls systems, together with building an understanding of the facilities and their objectives with IFC and MIGA project teams. Considerable experience has been gained in managing challenges such as the significant lead time needed for building up a high-quality pipeline of projects and the appropriate sequencing of transactions in conjunction with wider efforts on market and sector reforms. The need for a disciplined use of subsidies to avoid market distortion has been critical and subsidy transparency has been increased during IDA18. Smaller PSW interventions can have high impact, but are often costly, a consideration which led to the development of more programmatic approaches endorsed by the Board after the IDA18 MTR. A waiver for regional projects was granted to accommodate the need for private investors to take regional approaches to diversify risks and PSW resources can now support regional interventions where up to 20 percent of the total investments supported are located outside of PSW eligible countries. Reflecting the increased risk faced by private investments in IDA countries stemming in large part from COVID-19, the Board approved a proposal to expand the range of PSW eligible countries to include IDA Gap and Small State Blend Countries. Finally, the relatively small uptake of the RMF has illustrated the need for facility level envelopes to be flexible in order to support evolving needs over the replenishment period.

In a few cases, resources were combined from across facilities to support the investment. This was the case with the Carrières et Chaux du Mali which supported the domestic quicklime industry through the LCF and BFF (box C.9).

**Box C.9. Support for Carrières et Chaux du Mali**

The Private Sector Window (PSW) supported the development of a Mali’s goldmining and agriculture sectors through its backing for the domestic quicklime industry, a critical input for both sectors. With allocations totaling US$12.5 million from the PSW Blended Finance Facility and the PSW Local Currency Facility, PSW supported IFC’s investment in Carriere et Chaux du Mali, a Malian quicklime producer. PSW support enabled the transaction to proceed, despite Mali’s challenging business environment and lack of financiers, due to the ongoing conflict and insecurity since 2012. The transaction, IFC’s first local currency lending in the country supporting the manufacturing, agribusiness, and services sector, will enable an increase in production volume and efficiency at the company level, while reducing the country’s reliance on expensive imported products.

**Box C.8. Risk Mitigation Facility (RMF): Maqar-e-Sharif Gas-to-Power Project in Afghanistan**

The only project to receive an allocation from the RMF during IDA18, the Maqar-e-Sharif Gas-to-Power Project amounted to US$33 million. Afghanistan, classified as fragile and conflict-affected situations (FCS), with a significant power shortage, will benefit from the increased generation capacity from the 58.6 megawatts gas-fired power project. The Project will be Afghanistan’s first independent power producer and has the potential to promote greater market competitiveness through creating a model for future long-term bankable IPPs and other infrastructure projects in Afghanistan. It is also intended to improve the resilience of the energy system through the utilization of locally sourced fuels. The high risk for projects in Afghanistan, due to the security and political environment and the lack of a track record for this type of project from the off-taker, fuel supplier or government meant that the lenders, including IFC, required coverage for breach of contract risk. This was unavailable commercially and was offered by the RMF to enable the project to proceed. The project demonstrated how the PSW can be utilised to catalyse a comprehensive WBG solution through complementary application of WBG instruments and enabling a challenging investment in FCS.
C.3. Regional Window (RW)

The RW was scaled-up significantly from US$2.8 billion in IDA17 to US$5.03 billion during IDA18 in response to growing demand for regional solutions. Together with country contributions of US$3.69 billion, total commitments to regional projects amounted to US$8.72 billion. Of the total RW commitments of US$5.03 billion, Africa accounted for 77 percent and FCS, 42 percent (table C.2).

Table C.2. IDA18 RW Commitments by Region (US$ billion)

<table>
<thead>
<tr>
<th>Region</th>
<th>National IDA</th>
<th>Regional Window</th>
<th>SUF</th>
<th>IDA Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFR</td>
<td>1.98</td>
<td>3.86</td>
<td>0.67</td>
<td>6.51</td>
</tr>
<tr>
<td>EAP</td>
<td>0.13</td>
<td>0.13</td>
<td>0.00</td>
<td>0.27</td>
</tr>
<tr>
<td>ECA</td>
<td>0.07</td>
<td>0.08</td>
<td>0.00</td>
<td>0.15</td>
</tr>
<tr>
<td>LCR</td>
<td>0.16</td>
<td>0.14</td>
<td>0.00</td>
<td>0.30</td>
</tr>
<tr>
<td>SAR</td>
<td>0.50</td>
<td>0.79</td>
<td>0.15</td>
<td>1.44</td>
</tr>
<tr>
<td>MNA</td>
<td>0.02</td>
<td>0.04</td>
<td>0.00</td>
<td>0.06</td>
</tr>
<tr>
<td>Total</td>
<td>2.86</td>
<td>5.03</td>
<td>0.82</td>
<td>8.72</td>
</tr>
</tbody>
</table>

Source: World Bank staff estimates.

Though energy and extractives sector projects accounted for the largest share of regional projects, there was also considerable support to other sectors (figure C.10). The energy and extractives sector accounted for the largest share of RW commitments, supporting power generation, transmission, and trade across countries (27 percent). Support to Africa regional energy projects advanced efforts to increase power generation (including off-grid and solar), distribution and trade, with a focus on enhancing linkages across the western, southern, and eastern Africa power pools. The RW also supported projects to improve power trade between the Central Asian countries of Tajikistan and the Kyrgyz Republic, and the South Asian countries of Pakistan and Afghanistan.

Infrastructure projects covered a wide spectrum, from transport corridors to digital connectivity (boxes C.10 and C.11). About 15 percent of RW financing supported projects aimed at building transportation links across countries. The “Khyber Pass Economic Corridor Project”, for instance, will connect Pakistan and Afghanistan with Central Asia, and will boost economic activity and promote private sector development. The “Central Asia Regional Links Program” (CARs-3) will increase regional connectivity and economic activity between the Kyrgyz Republic, Kazakhstan, and neighboring countries. The “Nepal Strategic Road Connectivity and Trade Improvement Project”—part of a larger program to improve connectivity in Bangladesh, Bhutan, India, and Nepal—will improve the efficiency of cross-border trade. The RW also supported other transport modes, such as expanding regional air transport projects in the Caribbean and the Pacific.

Figure C.10. IDA18 RW Commitments by Sector

This village was in the lowland, so it was flooded frequently in the past years. We did not have any protection, people’s homes were flooded, the streets were flooded. So, thanks to the efforts of the World Bank and the Ministry of Transport, we now have a great flood protection infrastructure, and people feel more protected from natural disasters.”

Yokubjon Mamajonov, Head of the Kalachai Majar community, Tajikistan, talked about the Second Phase of the Central Asia Road Links Program (CARs-2).

Box C.10. Enhancing Regional Road Connectivity in the South Asia

To enhance regional road connectivity, US$450 million in IDA credits was approved in June 2020 for the “Nepal Strategic Road Connectivity and Trade Improvement Project”, using US$200 million from the Regional Window (RW). The project is expected to improve efficiency and safety in select transport infrastructure, increase the efficiency of cross-border trade, and strengthen capacity for strategic road network management in Nepal. The project aims to enhance infrastructure, facilities, and sanitation at border crossing points to ease trade constraints and spur agricultural exports. Amid the COVID-19 pandemic, the project will support better screening of goods and people at border facilities, and develop guidance for special working arrangements, such as safe distancing and remote working. This project is a part of the World Bank’s “Eastern Corridor Connectivity Program”, which since 2013 has financed a continually evolving regional program to improve connectivity and trade between Bangladesh, Bhutan, India, and Nepal.
In addition to infrastructure, the RW financed projects in health, education, livelihoods, and social protection. This was particularly important in addressing fragility and resilience building, especially in hot spots such as the Lake Chad region (Box C.12).

**Box C.12. Addressing Drivers of Fragility in the Lake Chad Region Recovery and Development Project**

The World Bank approved the “Lake Chad Region Recovery and Development Project” (PROLAC)—a US$170 million Project using US$115 million from the Regional Window (RW)—in May 2020. The Project aligns with the WBG Strategy for fragility, conflict, and violence (FCV), and works along the humanitarian-development-security nexus to enhance resilience in Cameroon, Chad, and Niger of the Lake Chad Region. The project addresses some drivers of fragility in the region, especially issues related to poor local governance, youth unemployment, insecurity, and climate change. The Project is expected to expand livelihood opportunities, strengthen community empowerment through citizen engagement, and contribute to recovery through regional coordination and crisis monitoring. PROLAC will contribute to rehabilitation of rural roads and small transport infrastructure, and support farmers through extension services and climate-smart agricultural innovations. It will also promote knowledge sharing and regional dialogue through a data platform hosted at the Lake Chad Basin Commission.

The RW supports reduction of negative externalities at the regional level. During IDA18, the RW provided substantial support for a variety of regional issues, ranging from pest infestation control to pollution management initiatives (Box C.13).

The IDA18 RW provided critical support to strengthen the capacity of regional organizations to implement and advance regional integration. On an exceptional basis, three creditworthy regional organizations received RW credits to support innovative projects: providing affordable housing in the Western African Economic Union (WAEMU), strengthening regional financial institutions in the Economic and Monetary Community of Central Africa (CEMAC—box C.14), and providing technical assistance for the Regional Infrastructure Finance Facility in Eastern Africa.

The strong performance of the RW during IDA18 provided continued learning, which informed the IDA19 policy framework. RW projects involve multiple borrowers and implementing entities, anchored in strategic commitments to regional integration. This underscores the importance of developing strategic regional frameworks and tailored approaches to support regional integration efforts, as well as building momentum for regional projects and integration by expanding from single-country to multiple-country operations or by pursuing programmatic approaches. Enhanced focus is needed to harness opportunities for strengthening regional integration where demand for regional initiatives have been limited. Regional organizations have proved to be critical platforms for select operations to coordinate joint programs and harmonize policies across country borders, motivating lending to certain credit-worthy organizations beginning in IDA19. Furthermore, clients with common policy frameworks have expressed increasing demand for support to coordinate and sequence policy reforms through regional DPFs. Strong delivery under IDA18 resulted in significant expansion of the regional project portfolio, necessitating augmented portfolio management, staffing, and resources. IDA19 continues to integrate these lessons.
Box C.13. Combatting Regional and Transboundary Challenges

**Locust infestations.** In the last quarter of IDA18, IDA reallocated resources to provide emergency funding to fight the worst locust crisis in decades. US$200 million was reallocated to support the US$ 500 million “Emergency Desert Locust Response Program” using the Multiphase Programmatic Approach (MPA). In phase one of the MPA, the Regional Window (RW) provided US$160 million, including US$106.7 million from the IDA18 RW. The RW supported Kenya (US$28.7 million), Djibouti (US$4 million), Ethiopia (US$42 million), and Uganda (US$32 million) as emergency funding to provide immediate assistance for affected farmers, herders, and rural households. IDA funds will also support targeted social safety net programs, such as cash transfers, while investing in medium-term recovery of agriculture and livestock production systems and rural livelihoods, as well as strengthening long-term surveillance and early warning systems. The World Bank is also strengthening its collaboration with the FAO through the program to build a strong technical foundation for desert locust management. In the second phase of the MPA, IDA provided US$40 million (US$ 26.7 million from RW) to Somalia to protect food security and livelihoods of poor and vulnerable households affected by the locust outbreak. In Yemen, IDA provided US$25 million (US$16.7 million from RW) to control the desert locust outbreak, support livelihoods in locust-affected areas, and strengthen Yemen’s preparedness for future locust infestations.

**Plastics pollution.** A RW grant of US$37 million supported the “South Asia Cooperative Environment Programme” (SACEP) and Parley for the Oceans to fight plastics pollution in seven countries. The Project offers grants to strengthen innovation and coordination of circular economy solutions, including three prongs: (i) avoiding plastics through consumer education and behavior change, (ii) intercepting plastics wastes for recycling, and (iii) redesigning with eco-innovative alternatives. The Project will focus on researching new alternatives and scaling-up proven innovations to “upcycle” plastic wastes into yarns to replace virgin plastics used in athletic and leisure wear. This life-cycle approach will reduce plastics waste, which ends up in South Asian seas, to help these countries pave a more sustainable and equitable recovery pathway.

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Box C.14. Strengthening Regional Financial Institutions in CEMAC Community

In May 2018, the World Bank approved the US$35 million (US$10 million grants and US$25 million credit) for the “Strengthening the Capacity of Regional Financial Institutions in the CEMAC Region Project”. The Project aims to strengthen the capacity of selected regional financial institutions in the Central African Economic and Monetary Community (CEMAC) to implement their mandates in the areas of financial stability, inclusion, and integrity. The Bank of Central African States (BEAC) received IDA RW credit, while the Central African Banking Supervision Agency (COBAC) and Task Force against Money Laundering in Central Africa (TAFAC) received grants to support Technical Assistance in their respective thematic areas: financial stability, financial inclusion, financial integrity, and results-based financing reforms. The project aims to promote the development of a common market for sustained development in Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon.
C.4. Regional Sub-Window for Refugees and Host Communities (RSW)

The RSW, introduced in IDA18, has helped shift host country refugee agendas towards a more multifaceted mode that incorporates longer-term development. The RSW offers additional IDA resources for a wide range of operations aiming to create longer-term development opportunities for refugees and host communities. It emphasizes a “whole-of-government” approach to refugee management, expanding the refugee agenda to include development considerations along with security and humanitarian needs.

In Rwanda, the World Bank helped the Government to adopt a Strategic Plan for Refugee Inclusion to expand refugee access to services and economic opportunities; the World Bank is now supporting its implementation. When Ethiopia passed a revised Refugee Proclamation in 2019 that gives refugees a pathway to live outside of camps, work in the formal sector, and access national health and education services, the World Bank provided over US$200 million to support these economic opportunities for refugees and host communities. A program is now under development to help refugee children enter and succeed in national schools.

Access to services is a critical refugee issue. The RSW is supporting transition from humanitarian to national service delivery on health, education, and social protection in several countries: Cameroon, Chad, Congo, Democratic Republic of, Mauritania, Niger, the Republic of Congo, and Uganda. Support through the RSW has also helped bring attention to lagging and under-serviced regions, where government is less present and basic services are often limited. The refugee and host community multisectoral program in Mauritania, for example, includes expertise in areas such as social protection, health, decentralization, urban development, and water. The spatial approach developed by the World Bank in the country will also help generate links between host regions and refugee camps as economic centers. The project in the DRC takes a programmatic approach towards socioeconomic inclusion of refugees as the project incorporates refugees and other displaced populations into the key national social protection system building blocks, for example, the social registry. In addition, the RSW has helped further global dialogue on refugee policy through partnership with United Nations High Commissioner for Refugees (UNHCR), combining the complementary efforts of humanitarian and development actors.

RSW resources produced a diverse portfolio in its initial three years, tailored to meet the development needs of refugees and host communities. During IDA18, the RSW financed 35 operations totaling US$1.85 billion across 14 countries. Operations were predominantly IPFs, as well as some PforRs. Three regions benefitted from RSW financing during IDA18: AFR, SAR and MNA, with AFR receiving 60 percent of the resources (table C.3). The demand for the RSW was particularly high in some refugee-hosting countries such as Bangladesh, Uganda, Pakistan, the DRC, Ethiopia, and Cameroon (table C.4). Resources to FCS comprised 11 of the 35 projects, representing about 29 percent of RSW commitments.

Table C.3. RSW Commitments by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Total IDA (US$ millions)</th>
<th>of which from RSW (US$ millions)</th>
<th>Percentage share of Regions from RSW</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFR</td>
<td>2,559</td>
<td>1,112</td>
<td>60</td>
</tr>
<tr>
<td>SAR</td>
<td>911</td>
<td>718</td>
<td>39</td>
</tr>
<tr>
<td>MNA</td>
<td>56</td>
<td>20</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>3,526</td>
<td>1,850</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: Includes projects fully or partially financed by the RSW. Source: World Bank Group staff estimates.

Table C.4. RSW Country Recipients

<table>
<thead>
<tr>
<th>Country</th>
<th>RSW Amount (US$ Mn)</th>
<th>No. of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>491.7</td>
<td>6</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>14.0</td>
<td>1</td>
</tr>
<tr>
<td>Burundi</td>
<td>15.0</td>
<td>1</td>
</tr>
<tr>
<td>Cameroon</td>
<td>130.0</td>
<td>4</td>
</tr>
<tr>
<td>Chad</td>
<td>50.0</td>
<td>1</td>
</tr>
<tr>
<td>Congo, Republic of</td>
<td>19.3</td>
<td>1</td>
</tr>
<tr>
<td>Djibouti</td>
<td>20.0</td>
<td>4</td>
</tr>
<tr>
<td>DRC</td>
<td>220.0</td>
<td>1</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>166.7</td>
<td>1</td>
</tr>
<tr>
<td>Mauritania</td>
<td>67.0</td>
<td>4</td>
</tr>
<tr>
<td>Niger</td>
<td>90.0</td>
<td>2</td>
</tr>
<tr>
<td>Pakistan</td>
<td>225.8</td>
<td>4</td>
</tr>
<tr>
<td>Rwanda</td>
<td>50.0</td>
<td>1</td>
</tr>
<tr>
<td>Uganda</td>
<td>2,910</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>1,849.5</td>
<td>35</td>
</tr>
</tbody>
</table>

The portfolio is comprised of support to a variety of sectors with the largest share being to social sectors. Social sectors—including primary education, social protection, and social development—received 61 percent of RSW resources, followed by infrastructure at 23 percent (figure C.11). Service delivery is a key area of focus for RSW projects.

**Figure C.11. RSW Portfolio by Sector**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total</th>
<th>RSW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Social</td>
<td>2.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1.5</td>
<td>1.1</td>
</tr>
<tr>
<td>Finance, Industry and Trade</td>
<td>0.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Public Admin</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4.5</td>
<td>3.1</td>
</tr>
</tbody>
</table>

*Source: World Bank Group staff estimates.*

Many RSW projects are multisectoral in nature. The RSW provided over US$200 million to support economic opportunities for refugees and host communities through the “Ethiopia Economic Opportunities Program”, which also promotes increased access to social services for both refugee and host communities (box C.15).

**Box C.15. The Multisectoral Nature of RSW: the “Ethiopia Economic Opportunities Program”**

Ethiopia hosts around 730,000 refugees—Africa’s second largest refugee population—from Eritrea, Somalia, South Sudan, and Sudan. Dialogue between the Government of Ethiopia and the World Bank led to adoption of reforms that shift from the decades-old encampment model and offer refugees socio-economic rights, including to move freely, work, and access services. The World Bank used its “Performance for Results” (PforR) instrument that included as a condition of fund disbursement the passage of a Refugee Proclamation providing refugees with a pathway to education. IDA provided over US$200 million to support the Government policies to provide economic opportunities for refugees and host communities. The refugee agency and line ministries issued directives to implement the proclamation, and refugees have received over 2,700 work permits. The Government and the World Bank are now developing a program to help refugee children enter and succeed in national schools.

Both global and country level partnerships are key to implementing the RSW. The working relationship between the World Bank and the UNHCR has been integral to the RSW, leading to concrete outcomes and strengthened humanitarian-development complementarity at both strategic and operational levels (box C.16). In-country coordination features a highly orchestrated sequencing and integration of specific skills and expertise from a variety of organizations, such as Cameroon (box C.17).

**Box C.16. IDA’s Collaboration with the United Nations High Commissioner for Refugees (UNHCR)**

The UNHCR prepares a periodic refugee protection assessment for each eligible RSW country that informs World Bank decision-making on the adequacy of the country’s protection framework. Teams coordinate closely to monitor this framework on key aspects of the client dialogue, as well as on programmatic issues. At the country-level, UNHCR has welcomed the WBG’s ability to directly engage with line ministries in complement to refugee agencies, while the WBG has relied heavily on UNHCR’s long expertise and continuous dialogue with the host government on refugee issues. The World Bank and UNHCR have also jointly conducted a range of assessments, data analysis, and evidence-building in Regional Sub-Window for Refugees and Host Communities (RSW) countries to inform programming. The organizations also established a Joint Data Centre on forced displacement to collect and analyse population and socio-economic data, facilitate open access to that data, promote innovation, and strengthen the sustainability of a global data collection system to inform analytics, dialogue, and operations.

**Box C.17. Improving Service Delivery in Cameroon**

The refugee crisis has reinforced existing territorial inequalities. Poverty in remote northern regions of Cameroon was increasing rapidly, even before the rise in Boko Haram activities and related insecurity. Refugee-hosting regions are relatively isolated from the rest of the country, and access to basic services is limited in these areas. The presence of large numbers of refugees has exacerbated pre-existing pressure on scarce social services, depletion of natural resources; and competition for limited livelihood opportunities. The Regional Sub-Window for Refugees and Host Communities (RSW) is helping the Government develop an integrated approach and implementation arrangements to manage forced displacement situations. The Community Development Program Support Project Response to Forced Displacement (CDPSP) in Cameroon focuses on rural livelihoods and social cohesion in hosting areas. This includes support for local development and participatory processes in local councils affected by refugee inflows in the far north, north, Adamawa, and east regions. The goal is to improve access to quality socioeconomic infrastructure and services. The CDPSP supports interventions to mitigate the social, economic, and environmental impacts through investments and interventions that support social infrastructure and economic or productive investments for the poorest and most vulnerable populations in host communities in the Adamawa, North, Far North, and East regions.
Over the IDA18 period, the RSW has yielded important lessons for future support. The RSW has highlighted the importance of taking an integrated approach to both refugees and host communities. Key lessons have been learned for critical elements of project design and implementation, including the resources required to address the politically sensitive nature of the needs of both host and refugee communities, and the experimentation and enhanced monitoring needed to learn and adapt to changing circumstances. A higher risk tolerance for stalled or stopped projects is also needed, given that RSW programming is sensitive to changes in the domestic political environments of host countries, as demonstrated by the fluctuating demand over the IDA18 period, which was exacerbated by specific challenges associated with COVID-related disruptions. Coordination within the World Bank has been strengthened to better support staff to access the RSW funds. Finally, coordination with partners will remain key, including bilaterals, international Non-governmental Organizations and local civil society organizations (CSOs), and the working relationship with the UNHCR will continue to be critical for the success of RSW operations.

C.5. Crisis Response Window (CRW)

The CRW provides additional resources to respond to major natural disasters, public health emergencies, and severe economic crises to help IDA countries return to their long-term development paths. Piloted in IDA15 to respond to the 2008/9 global economic and financial crisis, and officially established in IDA16, the CRW marked a shift in IDA’s crisis response from ad hoc interventions to a more systematic approach. In IDA17, the CRW scope expanded to cover public health emergencies. IDA18 increased the CRW envelope to US$3 billion from US$1.8 billion in IDA17 following strong demand in the preceding IDA cycle, and the Window committed US$2.6 billion of the original allocation. IDA18 established governance arrangements for CRW access for economic shocks aligned with those for natural disasters and public health emergencies. In addition, the IDA financing terms of countries exposed to a severe natural disaster resulting in damages and losses exceeding one third of GDP would be adjusted, if warranted, based on an updated debt sustainability analysis shortly after the crisis.

During IDA18, the CRW provided critical support to address some of the most devastating crises in IDA countries. The CRW was instrumental in providing needed resources to address global crises such as the COVID-19 pandemic, regional crises such as Cyclone Idai, and localized crises such as flooding in Laos. Given the magnitude of the COVID-19 pandemic, nearly 50 percent of CRW commitments were directed to countries’ response efforts. This response entailed mainly emergency health response across 58 countries, but also included two cases of economic response. Natural catastrophes— including hurricanes, cyclones, and floods— constituted the majority of non-COVID crises, followed by public health emergencies (figure C.12).

Africa was the largest regional CRW recipient (figure C.13). Africa’s share of CRW commitments reflected the channeling of substantial CRW resources to support COVID-19 emergency responses in all IDA-eligible countries, and also several large disasters—notably Cyclone Idai in southern Africa and the 10th Ebola outbreak in the DRC. Overall, of 61 CRW beneficiaries, 48 percent were FCS, representing 56 percent of CRW commitments. Seventeen of 21 IDA-eligible Small States received CRW resources, representing seven percent of CRW commitments. About 61 percent of CRW beneficiaries were IDA-only countries, representing 69 percent of CRW commitments. Several countries received significant support, including US$350 million to Mozambique, followed by the DRC (US$305 million), Yemen (US$227 million), Malawi (US$127 million) and Senegal (US$120 million). The largest beneficiary per capita was Dominica, following Hurricane Maria’s extensive devastation, which wreaked damages and losses of 226 percent of GDP.
Figure C.14. CRW Allocations in IDA18

<table>
<thead>
<tr>
<th>Event</th>
<th>Allocation size (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic shock (Mongolia)</td>
<td>80</td>
</tr>
<tr>
<td>Health (Yemen-Cholera)</td>
<td>200</td>
</tr>
<tr>
<td>Hurricane (Dominica)</td>
<td>50</td>
</tr>
<tr>
<td>Cyclone (Tonga)</td>
<td>20</td>
</tr>
<tr>
<td>Cyclone Kenneth (Lao PDR)</td>
<td>50</td>
</tr>
<tr>
<td>Cyclone Idai</td>
<td>542</td>
</tr>
<tr>
<td>Flood (Somalia)</td>
<td>75</td>
</tr>
<tr>
<td>Health (DRC-Ebola)</td>
<td>280</td>
</tr>
<tr>
<td>Soc/Eco (COVID-19)</td>
<td>144</td>
</tr>
</tbody>
</table>


A key CRW contribution during IDA18 was support for Mozambique, Malawi, and Zimbabwe in response to Cyclone Idai. Cyclone Idai, and subsequent flooding and landslides over March 4–17, 2019, had significant repercussions on an already fragile part of southern Africa. The CRW provided US$542 million in financing to Mozambique, Malawi, and Zimbabwe in response. Mozambique, the country hardest hit, received US$350 million in CRW financing to re-establish its water supply, rebuild damaged public infrastructure and crops, and to support disease prevention, food security, social protection, and early warning systems in affected communities. In Malawi, the CRW provided US$120 million to restore agricultural livelihoods, reconstruct priority infrastructure, and support disease surveillance. Lastly, the CRW provided an exceptional allocation of US$72 million to select UN agencies to support people in Zimbabwe affected by the cyclone. Funds helped harmonize multi-sector livelihood support and a recovery operation focused on social welfare and community interventions. In addition to the UN, the World Bank coordinated its crisis response efforts across the three CRW-recipient countries in collaboration with many other partners, including bilateral donors, multilaterals, and regional organizations.

IDA18 also featured the CRW’s exceptional response to the COVID-19 pandemic, with US$11 billion for health response channeled through the CRW. IDA responded quickly to the COVID-19 crisis in the final months of IDA18 when COVID-19 escalated into a pandemic. In March 2020, IDA reallocated resources across IDA18 Windows to enable the CRW to provide up to US$1.3 billion under the WBG Fast-Track COVID-19 Facility (FTCF). In IDA18, the CRW committed a total of US$2.6 billion through 78 operations across 61 IDA countries. The bulk of these CRW resources ($1.1 billion) have been for health operations under the FTCF, mainly for emergency health interventions to combat the pandemic, but also supporting the longer-term strengthening of national systems for public health preparedness.

Demand for crisis response financing is volatile, which calls for flexibility in the deployment of resources as the IDA cycle progresses. Indeed, estimating the appropriate size of the CRW envelope presents considerable challenges. Demand for CRW resources was uneven over the IDA18 period, reflecting the always uncertain nature of the frequency and severity of crises (figure C.14). In the first half of the IDA18 cycle, demand was quite modest, reflecting the relatively few crises that met the CRW eligibility criteria, with CRW allocations for addressing natural disasters and economic crises amounting to US$400 million or only 13 percent of the total CRW envelope. In contrast, the second half of IDA18 was characterized by several crises including Cyclone Idai. The CRW also provided US$258 million to combat the 10th Ebola outbreak in the DRC. In addition, the COVID–19 pandemic required emergency response across a wide swath of IDA countries, with the CRW providing up to US$1.3 billion in new financing. The ability to be flexible in allocating IDA resources over the IDA18 replenishment cycle proved particularly useful in mitigating unpredictable demand for CRW resources.
Partnerships continued to play a key role in the implementation of CRW-funded operations. By design, the CRW is a vehicle of last resort, which means it provides financing alongside external support from other development partners including the UN, the IMF, and other multilaterals, bilateral partners, regional development banks, and nongovernmental organizations (NGOs). It also complements other WBG resources such as IDA country allocations, project restructuring, and IBRD funding. In the aftermath of crises, the World Bank relies on development partners’ collaboration to convene resources, undertake of assessments, and coordinate implementation, among other efforts. In particular, other partners, such as the UN, have been key in delivering assistance in conflict environments or countries with very weak capacity. In Yemen, for instance, the CRW provided US$200 million to the Emergency Health and Nutrition Project that was implemented by the World Health Organization (WHO) and United Nations Children’s Fund (UNICEF). An Independent Evaluation Group (IEG) report noted that IDA’s close coordination with partners helped address critical gaps in emergency assistance and ensured a targeted response in areas where the CRW would make the most impact.

Lessons from several reviews inform IDA’s crisis response going forward. IDA has developed a number of good practices for project design and implementation related to broader crisis management. These include increasing focus on prevention and preparedness, integrating medium-term goals in crisis response, and mainstreaming disaster risk management into national frameworks. While the CRW is a crisis response vehicle, it will support resilience-building by requiring CRW beneficiary countries to make the linkages between CRW usage and IDA country allocations more explicit, thus strengthening crisis prevention and preparedness. In addition, IDA19 introduced the new CRW Early Response Financing (ERF) modality, providing US$500 million to support earlier interventions to slow-onset events, namely, disease outbreaks and food insecurity. Under this modality, the CRW could also provide funds for pre-allocated Contingency Emergency Response Components (CERCs), which is a form of pre-arranged financing that facilitates quicker crisis response. Finally, a consistent lesson throughout the years of CRW implementation is the need for flexibility in reallocating resources to areas of high demand. This is due to the challenge in estimating the appropriate size of the CRW envelope, given the inherent unpredictability in the frequency and severity of crises, and thus the volatility of country demand.
Endnotes

1. While the IDA18 aggregate commitments for EAP are lower than in IDA17 reflecting the graduation of Vietnam at the end of IDA17, this represents a 54 percent increase over IDA17 commitments excluding Vietnam.

2. Including IDA18 support to countries under Risk Mitigation Regime (RMR).

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

4. Reflection of NDC considerations is applicable to 22 out of the 29 completed SCDs in IDA18. PCN review for the other 7 took place before IDA18 and, therefore, are excluded from the analysis (IDA17 did not require SCDs to reflect NDCs). Of the 22 SCDs, three SCDs (Cabo Verde, Ghana, Mongolia) did not directly reference NDCs but they do reflect NDC priorities.

5. Reflection of NDC considerations is applicable to 22 out of 24 completed CPFs in IDA18. Of the 22 CPFs, one (Somalia) did not directly reference NDCs but it does reflect NDC priorities. Nicaragua had not yet submitted its NDC to the UNFCCC and is therefore not included. The PCN review for the Moldova CPF was conducted in FY17 and thus excluded from the analysis (IDA17 did not require CPFs to reflect NDCs).

6. Forest Policy Notes (FPNs) are also referred as Country Forest Notes in the World Bank Forest Action Plan and Climate Change Action Plan.

7. This category includes financing for the construction of new renewable generation facilities, the addition of generation capacity through rehabilitation or expansion of existing facilities, the conversion from non-renewable to renewable sources of generation, and the provision of risk mitigation financing to provide incentives for private sector participation. This includes on-grid, mini-grid, and off-grid solutions.

8. This category can be further disaggregated into three sub-categories, and includes: (i) Renewable Energy Generation Facilities: financing for the construction of enabling facilities for investments in renewable energy generation; (ii) Renewable Energy Integration: financing for the construction of infrastructure to integrate renewable generation facilities into the grid and evacuate power from renewable generation facilities (thus avoiding stranded assets); (iii) Technical Assistance: financing for the preparation of least cost and master plans, the development of laws and regulations, resource mapping and data collection, and the analyses required for construction such as feasibility studies, and environmental and social analyses and plans.

9. Climate finance reporting will continue to follow the methodology and procedures agreed upon with other MDBs and will report on the WBG numbers.

10. Enhanced GRMs include minimum standards on uptake, responsiveness, disclosure, and/or gender inclusion.

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12. Countries were also required to demonstrate consistency with any borrowing ceiling established under the IDA’s Non-Concessional Borrowing Policy (NCBP) or the IMF Debt Limits Policy (DLP). To avoid over-concentration of SUF resources, indicative allocations were determined for each region along with a cap of the amount of funds made available to Blend countries (which already have access to IBRD). Another cap was established at the country level, to ensure that individual countries do not borrow from SUF in an amount greater than their annual Performance-Based Allocation (PBA). Finally, a set of soft filters was developed to guide the selection of candidate projects, prioritizing those that best crowd in additional resources, support resilience building, drive economic transformation, deliver benefits across borders or promote regional integration.

13. For projects relating to mandate letters signed with private sector clients after October 1, 2019, PSW project information will include a disclosure of the subsidy as a percentage of project cost.

14. This is limited to a period of two years, subject to an aggregate limit of US$375 million or 15 percent of the overall PSW envelope.

15. The approval of RW credits was with Board waiver as IDA18 did not have provisions for extending credits to regional organizations. IDA19 has included this provision.

16. The RSW had initially allowed countries to access 100 percent grants for ‘refugee-only programming’ in exceptional circumstances, with only Bangladesh being eligible. At the IDA18 MTR, the exception was amended to allow 100 percent grant financing for countries experiencing a ‘sudden massive inflow’ of refugees to provide initial support to clients to chart a developmental path at the onset of a refugee crisis. Bangladesh and Uganda qualified for this exception. From IDA18 MTR onwards, all operations must cater to both refugees and host communities.

17. In IDA18, the CRW supported COVID-19 emergency economic responses in Senegal and Rwanda for US$100 million and US$44 million, respectively.

18. Includes 4 Risk Mitigation Regime countries in IDA18 and is based on the dynamic FCS lists of each FY, with the exception of FY20 (which uses the FCS FY19 list).

19. These included enhancing COVID-19 detection capacities and support for adoption of social distancing measures.

20. Given the widespread impact of COVID-19, allocations were made to all IDA-eligible countries.

21. At the IDA18 MTR, $750 million was allocated out of the US$3 billion CRW envelope due to subdued demand, followed by a request in February 2020 to reallocate the remaining $443 million in unallocated resources by the end of IDA18, to meet demand in country allocations and other windows. Shortly after, with the outbreak of the COVID-19 pandemic in March, $965 million was reallocated to the CRW to set up the US$1.3 billion FTCF for COVID-19 emergency health response, and an additional up to US$2 billion was later made available to be channeled through the CRW, in April, to provide social and economic response to the crisis in IDA client countries. It is important to note that the volatile nature of demand for CRW resources is not unique to IDA18. To cater to the unpredictable nature of CRW demand, in IDA16 Deputies put in place a measure to facilitate the reallocation of CRW resources at mid-term reviews, as part of the process of managing the window’s resources.

22. In addition to the IEG report, these include the IDA’s Crisis Response Window: Lessons from IEG Evaluations (2019) and Crisis Response and Resilience to Systematic Shocks: Lessons from IEG Evaluations (2017).
References


