

**Project Preparation Facility:  
Increase in Commitment Authority and Enhanced Scope**

**Chair Summary\***

**January 26, 2017**

The Executive Directors discussed the paper entitled “Project Preparation Facility: Increase in Commitment Authority and Enhanced Scope”, and highlighted the importance of project preparation resources for improved readiness and more effective project delivery. Directors approved: (i) an increase in the commitment authority of the Project Preparation Facility (PPF) from \$290 million to \$750 million; and (ii) a modification in the policy governing the PPF (to be set out in OP 10.00), to support a programmatic approach within the parameters described in the paper.

Directors welcomed the increase in the commitment authority of the PPF, acknowledging that the lending volumes for IBRD/IDA have more than doubled since 1996, while the commitment authority of the PPF remained unchanged over the past 20 years. Directors supported the expansion of the PPF for scaling up IDA 18, including for countries in fragile and conflict-affected situations (FCS), but emphasized the usefulness of PPF for all IBRD and IDA eligible countries. Directors emphasized the importance of adequate World Bank systems and resources to implement the expanded PPF. They sought coordination of PPF with other sources of funding for project preparation and technical assistance, from the World Bank as well as development partners. Directors encouraged harmonized approaches with development partners to scale up the impact of PPF. Directors also expressed interest in project preparation and capacity building for regional projects.

Directors welcomed the programmatic approach and the flexibility it introduces of using a single preparation advance (PA) to support the identification and preparation of multiple projects in the pipeline and/or to strengthen institutions to better prepare future projects, in a specific country. They noted the potential for programmatic advances to support complex projects and stressed the importance of building sustainable capacity in client countries, including safeguards and procurement. Directors stressed the importance of establishing appropriate monitoring mechanisms to ensure that programmatic PAs will be utilized effectively.

Directors underscored the importance of outreach internally, as well as externally with client countries, to raise awareness of the PPF and ensure that information on how to access the facility – and the new programmatic approach in particular – is made available to both IBRD and IDA countries. They were also interested in the potential for learning from borrowers’ use of the PPF.

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\*This Summary is not an approved record.