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IDA17

Report from the Executive Directors of the International Development Association to the Board of Governors

Additions to IDA Resources: Seventeenth Replenishment

IDA17: Maximizing Development Impact

Approved by the Executive Directors of IDA on March 25, 2014

ACRONYMS AND ABBREVIATIONS

Fiscal year (FY) = July 1 to June 30

AAA	Analytical and Advisory Activities
BP	Bank Procedures
BW	Business Warehouse
CAS	Country Assistance Strategy
CIF	Climate Investment Fund
CPI	Consumer Price Index
CPIA	Country Policy and Institutional Assessment
CRW	Crisis Response Window
CSO	Civil Society Organization
CTF	Clean Technology Fund
DIME	Development Impact Evaluation Initiative
DPL	Development Policy Lending
DPO	Development Policy Operation
DSA	Debt Sustainability Analysis
DSF	Debt Sustainability Framework
EACC	Economics of Adaptation to Climate Change
EFA-FTI	Education for All-Fast Track Initiative
EITI	Extractive Industry Transparency Initiative
FCS	Fragile and Conflict-affected State
FDI	Foreign Direct Investment
FIP	Forest Investment Program
GAC	Governance and Anti-Corruption Strategy
GAFSP	Global Agriculture and Food Security Program
GAP	Gender Action Plan
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GMR	Global Monitoring Report
HDI	Human Development Index
HIPC	Heavily Indebted Poor Country
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HLF	High Level Forum
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion and Results Report
ICT	Information and Communication Technologies
IDA	International Development Association
IEG	Independent Evaluation Group
IFC	International Finance Corporation
INCAF	International Network for Conflict and Fragility
IMF	International Monetary Fund
IoC	Instruments of Commitment
ISR	Implementation Status and Results Report
IT	Information Technology
M & E	Monitoring and Evaluation
MDB	Multilateral Development Bank
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MDTF	Multi-Donor Trust Fund
MICs	Middle Income Countries
MIGA	Multilateral Investment Guarantee Agency
MMR	Maternal Mortality Rate
MOPAN	Multilateral Organizations Performance Assessment Network
MSMEs	Micro, Small, and Medium Enterprises
NCBP	Non-Concessional Borrowing Policy
OBA	Output-Based Aid
ODA	Official Development Assistance
OECD-DAC	Organization for Economic Cooperation and Development – Development Assistance Committee
OP	Operational Policy
PBA	Performance-Based Allocation
PCPI	Post-Conflict Performance Indicators
PDO	Project Development Objectives
PPCR	Pilot Program for Climate Resilience
PPP	Purchasing Power Parity
PPR	Portfolio Performance Rating
PREM	Poverty Reduction and Economic Management
PSD	Private Sector Development
RBL	Results Based Lending
RDB	Regional Development Bank
RMS	Results Measurement System
SDR	Special Drawing Right
SFDCC	Strategic Framework for Development and Climate Change
UN	United Nations
UNCAC	United Nations Convention against Corruption
UNFCCC	United Nations Framework Convention on Climate Change
WBG	World Bank Group
WDR	World Development Report
WP-EFF	Working Party on Aid Effectiveness and Donor Practices

TABLE OF CONTENTS

LIST OF ANNEXES

EXECUTIVE SUMMARY

i. **The Seventeenth Replenishment of the International Development Association (IDA) is taking place at a time of historic opportunity and evolving risks for IDA countries.**

- The evolving development landscape is characterized by increased foreign direct investment (FDI) and other private flows, strong growth in low- (LIC) and middle-income (MIC) countries, and new patterns of trade, investment and knowledge exchange among developing countries. These trends, along with improved economic policies and favorable primary commodity prices, contributed to notable advancements by many IDA countries in poverty reduction and other Millennium Development Goals (MDGs) in the past decade. A continuation of these trends would also point to a pathway beyond aid dependency for LICs through increased scope to leverage global finance and knowledge for development and a historic opportunity for IDA countries to shift their development trajectories towards ending extreme poverty within a generation.

- Against this backdrop, the new World Bank Group (WBG) strategy sets out ambitious goals to reduce extreme poverty to 3 percent by 2030 and to promote shared prosperity in a sustainable manner. To deliver on this agenda, the WBG will align its activities and resources to these goals; support clients in delivering development "solutions", by advancing knowledge of what works; and work as a "One WBG", by leveraging the strengths of each agency (IBRD, IDA, IFC and MIGA).

- IDA will be the main instrument for pursuing the WBG goals in the world's poorest countries – home to roughly one billion people living on less than US$1.25 per day (about 80 percent of the world's poor). Deliberate action will be required to sustain economic growth and make it more inclusive across and within IDA countries as well as to address an evolving range of development challenges, including fragility, gender equality, climate change and disaster risks. In the face of complex challenges and constrained aid budgets, these ambitious goals also demand making the best use of scarce resources and enhancing collaboration with development partners.

- In this context, Participants noted that the IDA17 period, which spans the target date for the MDGs and the launch of the post-2015 agenda, presents a unique opportunity to harness the benefits of the changing global economy, address evolving risks to secure the gains that have been achieved and accelerate inclusive and sustainable development. They highlighted IDA's critical role in supporting concerted and accelerated action and called for an ambitious IDA17 Replenishment to maximize development impact to meet the WBG goals in IDA countries.

ii. **In response to the evolving external context and anchored in the WBG strategy, Participants selected "maximizing development impact" as the overarching theme for IDA17, with inclusive growth, gender, climate change and Fragile and Conflict-affected States (FCSs) as "special themes".** The overarching theme encapsulates IDA's enhanced value proposition to respond to the rapidly evolving global landscape by expanding its role in

leveraging financing, partnerships and knowledge to catalyze results in IDA countries. It also encompasses a sharper focus on "value for money," through enhanced efforts to improve both results and cost-effectiveness. The special themes aim to enhance IDA's work on frontier issues confronting IDA countries and will be implemented in line with country contexts. Participants agreed to carry forward the IDA16 special themes of FCSs, climate change and gender equality and, building on the progress made, raise the level of ambition in these areas during IDA17. They also agreed to add the special theme of inclusive growth given its centrality for achieving the WBG goals. Participants highlighted that the special themes were mutually reinforcing, aiming to tackle risks that could undermine or reverse gains towards the WBG goals.

iii. **The WBG strategy and change process will strengthen IDA's capacity to maximize development impact, including on the special themes.** IDA's comparative advantage is rooted in a strong and effective business model that leverages resources and delivers value for money. Throughout its operational cycle – encompassing resource allocation, project preparation, implementation, completion and impact assessment – IDA uses a robust framework to maximize the development impact of the programs and activities it supports. The WBG strategy and change process will help further scale up IDA's impact by fostering more integrated, evidence-based engagement to meet the WBG goals and by promoting selectivity through systematic country diagnostics, country partnership frameworks and learning reviews. Enhanced synergies across IBRD, IDA, IFC and MIGA through the One WBG approach will also position IDA to better leverage both public and private resources for clients towards enhanced economic growth and development outcomes. In addition, the creation of new Global Practices will enable the WBG to harness its operational knowledge across sectors and regions more efficiently and with greater impact for clients. This, together with increased support for evidence-based engagement through strong monitoring and evaluation (M&E) and real-time data, will help to advance the science of delivery by capturing, codifying and sharing knowledge and development experience for continuous improvement. Lastly, the review of the WBG planning and budgeting process will better align resources to the new WBG strategy and enhance IDA's cost-effectiveness and efficiency.

iv. **Participants agreed on a strong package of policy measures and performance targets to track IDA's progress in maximizing development impact in IDA17, including on the special themes (see Annex 1)**. This package, which encompasses policy commitments and a set of indicators under IDA's four-tier Results Measurement System (RMS), incorporates several important new elements: (i) it explicitly aligns IDA's activities and results monitoring with the WBG strategy goals and the WBG change and reform process, including by adopting a more selective and evidence-based country engagement model, using knowledge more effectively, taking more informed risks, and expanding WBG synergies to achieve results; (ii) it enhances the focus on outcome and quality indicators, including to track IDA's operational effectiveness and organizational efficiency; (iii) it strengthens IDA's accountability to clients and shareholders, through greater use of beneficiary feedback and public disclosure; and (iv) it places greater attention to managing and reporting the costs of delivering results. Participants welcomed the enhanced strategic relevance and coverage of the RMS, which also involves closer links between tiers, as well as the increased links with IDA commitments.

v. **To allow IDA to better respond to increasingly diverse client needs, Participants endorsed adjustments to IDA's lending terms and volumes.** Participants agreed to revise IDA's resource allocation framework for IDA17 to more effectively respond to the specific challenges facing FCSs and small states. To better address the need for a smooth transition for graduating countries, Participants also agreed to provide transitional support for India during IDA17. Participants welcomed the review of IDA's lending terms and endorsed the revision of lending terms to IDA-only countries. They also supported the acceleration of payments on qualifying credits of IDA eligible countries.

vi. **Participants welcomed Management's review of IDA's long term financial capacity, which draws on the findings and recommendations of the IDA16 working group on IDA's long-term financial sustainability.** While underscoring that IDA's finances depend primarily on grant funding, Participants endorsed the introduction of limited debt funding in IDA17's financing framework in the form of concessional partner loans. These loans provide a mechanism for partners to scale up the volume of their contributions to IDA and increase IDA's commitment authority. Participants endorsed the principles of ensuring transparency, equal treatment, additionality and protecting IDA's long-term financial sustainability. They recognized that concessional loan contributors would receive burden sharing recognition and allocation of voting rights based on the 'grant element' of the loan. Participants also noted the introduction on a pilot basis during the IDA17 period of IDA participations which would allow partners to provide financing to IDA through purchases of participations in projects already under implementation.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Participants agree on a set of operational, policy and financial recommendations towards achieving the World Bank Group goals to end extreme poverty and promote shared prosperity in IDA countries. They note that the focus on maximizing development impact and the special themes selected for the IDA17 Replenishment will increase the effectiveness and impact of IDA support. Annex 1 presents the full set of policy commitments and indicators for IDA17. The key conclusions and recommendations are summarized below.

A. Maximizing Development Impact

- Participants urge IDA Management to implement the IDA17 RMS and request that a report on progress be presented at the IDA17 Mid-Term Review.

- Participants urge that *all* IDA Country Partnership Frameworks be aligned to the WBG goals by supporting countries to (i) collect key data (or help fill gaps through appropriate surveys); (ii) use the *Systematic Country Diagnostic* to identify constraints and priorities; and (iii) align strategies to identified priorities.

- Participants urge IDA to enhance support for leveraging private resources by carrying out WBG Joint Implementation Plans in at least 20 IDA countries (of which at least 10 are FCSs), and carry out a systematic assessment of implementation and results by the IDA17 Mid-Term Review and the IDA17 Retrospective.

- Participants urge IDA to expand use of beneficiary feedback in IDA-supported projects and report at IDA17 Mid-Term Review on impact of these mechanisms. They also request IDA to ensure more systematic use of impact evaluations; develop and mainstream a wider range of evidence-based tools and approaches to strengthen M&E; and provide real-time data to support project mid-course corrections. They urge IDA to step up support for statistical capacity building in IDA countries.

- Participants urge IDA to develop a system for tracking project financing partnerships.

- Participants recommend that IDA enhance its role as a knowledge connector, including by developing a system to report on South-South knowledge exchange activities embedded in operations and by supporting capacity building for South-South sharing of development experiences.

- Participants urge IDA to publicly disclose IDA project preparation and implementation costs and to pilot the calculation of unit costs in three sectors.

- Participants request that Management propose a revised procurement policy for Board approval which would incorporate special considerations for situations of urgent need of assistance or capacity constraints, including in FCSs.

- Participants note that a new budget process will be used from FY15 to align resources with the WBG goals and strategy, including implementation of IDA17 commitments, and incentives for selectivity and cost efficiency will be strengthened.

- Participants request Management to develop indicators for inclusion in the IDA17 RMS in the areas of alignment and cost-effectiveness and efficiency as developed under the Corporate Scorecard. They also request Management to develop a methodology to assess how the science of delivery is incorporated and supported with appropriate budget resources in line with the introduction of a new budget framework.

B. Inclusive Growth

- Participants request IDA to roll out a new "job diagnostic tool" in at least 15 IDA countries (of which at least 5 are FCSs), using multi-disciplinary micro- and macro-level data.

- Participants urge Management to establish key strategic priorities on jobs and report on the priorities and targets.

- Participants recommend that IDA expand coverage of the Global Financial Inclusion Database (Global FINDEX) and other WBG surveys, including to better measure innovative payments, mobile phone banking and financial literacy.

- Participants recommend that IDA support at least 10 IDA countries to meet their financial inclusion targets and priorities through financing and technical assistance, including through the new Financial Inclusion Support Framework (FISF).

- Participants recommend that IDA roll out the BOOST public finance analysis tool in at least 20 IDA countries (of which at least 5 are natural resource abundant economies).

- Participants urge IDA to develop and use innovative tools and build capacity to support government efforts to: (i) improve the legal and regulatory frameworks for extractive industries (EIs); (ii) enhance revenue collection from EIs; (iii) increase the local content and positive impact of EI investments, including through building capacity in small and medium-size enterprises (SMEs) and labor training and through agreements with EI companies that benefit local communities; and (iv) support the implementation of the Extractive Industries Transparency Initiative (EITI) and increase transparency. They ask Management to report at the IDA17 Mid-Term Review on take-up and impact of these innovative tools and capacity building activities.

C. Gender Equality

- Participants request that *all* IDA Country Partnership Frameworks incorporate gender equality considerations into the analysis, content of the program and the results framework.

- Participants urge Management to ensure that all regions implement and monitor the Regional Gender Action Plans, with plans and corresponding indicators tailored to regional and country gender context.

- Participants request that Management develop a renewed strategy for gender equality – with more ambitious targets, a new methodology for measuring progress and an agenda for pushing ahead on new frontiers with transformational projects.

- Participants request that Management introduce a mechanism to strengthen learning and results through an assessment and rating of gender performance at project exit, building on the systematic tracking of ISRs, enhanced efforts on impact evaluations and emerging architecture associated with learning reviews.

- Participants urge IDA to strengthen knowledge of what does and does not work to close gender gaps in IDA countries through monitoring and evaluation, including impact evaluations on gender related issues, more systematic tracking of gender results of IDA operations using sex-disaggregated core sector indicators and the expanded use of beneficiary feedback mechanisms.

- Participants urge Management to roll out statistical activities to increase sex-disaggregated data and gender statistical capacity in at least 15 IDA countries.

D. Climate Change

- Participants request that *all* IDA Country Partnership Frameworks incorporate climate and disaster risk considerations into the analysis of the country's development challenges and priorities and, when agreed with the country, incorporate such considerations in the content of the programs and the results framework.

- Participants request that Management screen all new IDA operations for short- and long-term climate change and disaster risks and, where risks exist, integrate appropriate resilience measures.

- Participants request that IDA scale up support to IDA countries to develop and implement country-led, multi-sectoral plans and investments for managing climate and disaster risk in development in at least 25 additional IDA countries.

- Participants request that IDA support the efforts of IDA countries to develop national energy action plans and investment prospectuses to achieve the Sustainable Energy for All objective of universal access to energy by 2030.

- Participants urge IDA to enhance monitoring by: (i) expanding climate finance coding system to cover tracking of ESW and non-lending TA that address climate change issues in IDA countries; and (ii) piloting a coding system to measure the share of IDA investments with disaster risk management co-benefits.

E. Fragile and Conflict-Affected States

- Participants recommend that *all* Country Partnership Frameworks in IDA FCSs be informed by analysis of drivers of fragility and conflict.

- Participants urge Management to enhance synergies through IDA-IFC-MIGA joint implementation plans in at least 10 IDA FCSs, including joint frameworks to measure results.

- Participants urge IDA to undertake analytical work on job creation in FCSs, including by rolling out a "job diagnostic tool" in at least 5 FCSs.

- Participants recommend that IDA promote more effective response in FCSs by implementing the new strategic and results framework for the UN/WB partnership in FCSs to strengthen collaboration among the UN, WB, MDBs and other development partners, including through the New Deal.

- Participants urge IDA to support efforts for addressing gender-based violence issues and report on progress at the IDA17 Mid-Term Review.

- Participants urge Management to strengthen knowledge of what does and does not work in IDA FCSs through monitoring and evaluation, including impact evaluations, tracking of results of IDA operations and expanded use of beneficiary feedback mechanisms.

- Participants recommend that Management implement the revised IDA resource allocation framework for FCSs.

F. Adjustments to Volumes and Terms of IDA Assistance

- Participants agree to the following changes to IDA's Performance Based Allocation (PBA) system: (i) implementing an exceptional allocation regime for countries facing "turn-around" situations; (ii) increasing the poverty-orientation of the regular Performance-Based Allocation (PBA) system by changing the Country Performance Rating (CPR) exponent in the PBA formula from 5 to 4; (iii) increasing the annual minimum base allocation from SDR3 million to SDR 4 million; and (iv) ensuring a smooth transition for countries under the current exceptional Post-Conflict and Re-Engaging regimes.

- Participants agree to increase financing for regional projects and to (i) introduce, on a case-by-case basis and subject to a two-step process of early consultation with and approval by IDA Executive Directors, the ability to finance, with resources from the IDA

Regional Program, projects that require financial participation of only one IDA country but which would have a significant transformational impact on the region; and (ii) cap, on a case-by-case basis and subject to approval by IDA's Executive Directors, the amount that comes from a country's regular IDA allocation to 20 percent of that country's IDA17 allocation for regional projects where project costs are very large relative to the country's available IDA resources.

- Participants agree that India would receive exceptional transitional support during IDA17 in the amount of 2/3 of the 11 percent of IDA17 resources that India would have received had it not graduated from IDA.[1]

- Participants agree to adjustments in the lending terms applicable to IDA-only countries. Starting in IDA17, credits for IDA-only countries would have a maturity of 38 years with a 6-year grace period and move to a straight line amortization of principal (SLA). The lending terms for small island countries would remain unchanged.

- Participants agree to the continuation of a dedicated Crisis Response Window (CRW) in IDA17 and agree that partners would provide an amount of SDR0.6 billion, representing 2 percent of the IDA17 envelope, to support IDA's capacity to respond to severe natural disasters and economic crises in IDA countries, and help build their crisis resilience. In the event of exceptional circumstances this amount could be exceeded, subject to approval by the Board of Executive Directors.

- Deputies welcome the Executive Directors' approval of Management's proposal to exercise the acceleration clause included in the legal agreements for regular and blend credits since 1987 subject to consideration of the economic capacity of the borrowers.

G. Replenishment of IDA Resources

- Deputies recommend that contributions of SDR17.3 billion (equivalent to US$26.1 billion) be provided so as to achieve a total replenishment of SDR34.6 billion (equivalent to US$52.1 billion) during the IDA17 period. Deputies pledge substantial resources towards this goal. Deputies also emphasize the importance of continued and substantial transfers from the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC) to IDA, subject to availability of net income and annual approvals by their respective Boards.

- Deputies recommend that IDA's cost of debt relief under the Heavily Indebted Poor Country (HIPC) Initiative and arrears clearance operations during the IDA17 period be covered under the IDA17 replenishment. Deputies note that IDA17 will be the second replenishment for the financing of forgone principal reflows due to grants extended since IDA13. Deputies agree that forgone principal reflow on grants that IDA would have received during the IDA17 period be covered under the IDA17 replenishment.

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[1] Capped blends are countries which receive less than their allocation norms due to their broader financing options. India's access was capped at 11 percent of allocable resources in IDA16.

- Deputies note the importance of providing their Instruments of Commitment (IoC) as early as possible, to enable IDA to extend grants during the early part of the IDA17 period.

- Deputies agree to treat resources for financing of arrears clearance operations as a set-aside and request Management to provide an update on utilization and plans for reallocation of such resources at the time of the IDA17 Mid-Term Review. Any financing shortfall during the IDA17 period would be made up in IDA18.

- Deputies recognize the importance for partners to continue firming up their financing commitments to the separate Multilateral Debt Relief Initiative (MDRI) replenishment in order to support the total volume of IDA17 commitment authority.

- Deputies underscore that IDA's finances depend primarily on grant funding. Taking into account special circumstances, they endorse the introduction of limited debt funding in IDA17's financing framework in the form of concessional partner loans. Deputies endorse the principles of ensuring transparency, equal treatment, additionality (i.e., avoiding substitution), and protecting IDA's long-term financial sustainability. They recognize that concessional loan contributors would receive burden sharing recognition and allocation of voting rights based on the 'grant element' of the loan.

- Deputies also note the introduction on a pilot basis during the IDA17 period of IDA participations, which would allow partners to provide financing to IDA through purchases of participations in projects already under implementation.

INTRODUCTION

1. ***IDA is a unique investment in development.*** IDA is the largest single provider of concessional financing and knowledge services for the world's 82 poorest countries, of which 40 percent are Fragile and Conflict-affected States (FCSs). IDA's diverse client base includes small island states, large economies facing deep poverty at sub-national levels and countries undergoing momentous transitions. It has been at the forefront of global efforts to strengthen development effectiveness and is ranked among the most effective and efficient development assistance agencies. IDA's comparative advantage is rooted in a strong and effective business model that leverages resources and delivers value for money. IDA leveraging of resources encompasses catalyzing other resources for development as well as supporting more effective use of existing resources, particularly at the country level.[2] Throughout its operational cycle, from the allocation of its resources through project preparation and implementation, to completion and impact assessment, IDA uses a robust framework to maximize the development impact of the programs and activities it supports. Its focus on delivering development impact and results for clients also involves making sure that it has the tools to monitor and report on results as well as deliver effectively in a cost efficient manner.

2. ***IDA17's focus on maximizing development impact.*** The IDA Deputies and Borrower Representatives selected "maximizing development impact" as the overarching theme for IDA17, with inclusive growth, gender equality, climate change and FCSs as special themes. The overarching theme encapsulates IDA's enhanced value proposition to respond to the rapidly evolving global landscape by placing greater emphasis on *leveraging* knowledge and financial resources for transformative development impact. It also encompasses a sharper focus on "value for money", through enhanced efforts to improve both results and cost-effectiveness. The repositioning of the WBG through the strategy and change process will reinforce IDA's capacity to deliver this agenda, by putting the full range of competencies across the WBG to work for clients and address frontier development issues, also sharpening the focus on selectivity, customized solutions and results.

3. ***Special themes for IDA17.*** Participants agreed to carry forward the IDA16 special themes of FCSs, climate change and gender equality where there is still an unfinished agenda, and to raise the level of ambition in these areas in IDA17 toward greater development impact. They also agreed to add the special theme of inclusive growth, given the importance of addressing rising inequality in many IDA countries and the centrality of inclusive growth for achieving the WBG goals. Participants noted that the special themes are "frontier" development issues confronting IDA countries and that IDA plays a critical role in leading the development community in understanding and addressing these issues at the global and country levels. The IDA17 special themes are mutually reinforcing and aim to tackle risks that could undermine development or reverse development gains.

4. ***Process for the IDA Seventeenth Replenishment Round.*** The IDA Replenishment negotiations have been central to IDA's relevance, resilience and institutional learning over time,

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[2] It is estimated that US$1 of IDA funding leverages up to US$9, depending on the type of IDA instruments, sectors and countries.

providing a context for substantive dialogue on development priorities, emerging themes and results and the introduction of a range of thematic, policy and financial innovations. Representatives of IDA's contributing partners, known as "the IDA Deputies," and representatives of borrower countries ("Borrower Representatives"), collectively referred to in this report as the "Participants", negotiated the Seventeenth Replenishment of IDA's resources (IDA17) over a series of four meetings held in 2013. The first two meetings were chaired by Ms. Caroline Anstey, Managing Director of the WBG, and the last two meetings were chaired by Ms. Sri Mulyani Indrawati, Chief Operating Officer (COO) and Managing Director of the WBG. These meetings benefited from the prior discussions and outreach efforts of the IDA16 working groups – with input from a large number of representatives from IDA Deputies, Borrower Representatives, think tanks and Multilateral Development Banks (MDBs) – on the frontier issues of inclusive growth, FCSs, results and IDA long-term financial sustainability.[3]

5. The IDA17 Replenishment round brought together a wide coalition of partners, including first-time participation from the governments of Indonesia, Malaysia and Thailand, along with observers from other international development institutions and management and staff of the WBG. In line with the continued emphasis on transparency across the WBG, each of the policy papers discussed at the IDA17 replenishment meetings and meeting summaries were made available to the public (see Annex 4). In addition, Participants sought public comments on the draft IDA Deputies' Report, resulting in submissions from three organizations/individuals. Progress on the implementation of the IDA17 replenishment arrangements will be reviewed by the IDA Deputies and Borrower Representatives at the IDA17 Mid-Term Review, which would take place in the second quarter of fiscal year 2016. Deliverables for the IDA17 Mid-Term Review are specified in Tables 1 and 2 of Annex 1.

6. ***IDA17 Working Groups.*** Looking ahead, Participants proposed that IDA continue to integrate lessons learned and adapt to changing circumstances, opportunities and client needs in line with its comparative advantage. Participants noted that IDA's platform as part of the WBG is essential for responding to the evolving agenda of IDA countries, particularly as global issues such as climate change are likely to gain further ground. To support IDA's continued improvement, Participants called for the creation of informal working groups with participation from contributing partners, recipient governments and WBG staff for consultation and brainstorming in IDA17, as was the case in IDA16. They agreed that the working groups would focus respectively on: (i) development results; (ii) IDA's long-term vision and financial sustainability; and (iii) governance and reform of the IDA Replenishment Process. Participants endorsed broad principles to guide the operation of the working groups, noting that the groups should be transparent, cost-efficient and consultative rather than for decision making. They also agreed that membership of the working groups should be voluntary and inclusive, with participation from partners, borrowing countries, and WBG staff. Lastly, they agreed that the working groups could schedule events to share ideas and feedback on their work on the margins of the World Bank-IMF Spring and Annual Meetings.

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[3] The chairmanship of the working groups was as follows: Inclusive Growth: Denmark and South Africa; Fragile and Conflict-Affected States: France and Germany; Results and Effectiveness: Australia and Sierra Leone; IDA Long-term Financial Sustainability: IDA Management.

7. ***Organization of the IDA17 Report.*** This report contains the Participants' guidance on the policy and financial framework that underpins IDA's enhanced value proposition towards transformative development in the IDA17 period. The report comprises seven sections. Section I discusses the changing development landscape and IDA's comparative advantage in helping countries to seize opportunities and manage risks in the context of the new WBG strategy. Section II focuses on the overarching theme of "maximizing development impact", followed by a detailed discussion of the four IDA17 special themes in Section III. Section IV summarizes changes to the volume and terms of IDA's assistance. Section V presents a synopsis of the management of IDA's financial resources. Section VI reviews the arrangements for financing debt relief, arrears clearance and foregone principal on grants. Finally, Section VII sets out the recommendation of the Executive Directors to the Board of Governors to adopt the draft IDA17 Resolution (see Annex 5).

SECTION I: IDA'S ROLE IN A CHANGING GLOBAL ENVIRONMENT

A. KEY TRENDS IN THE GLOBAL ECONOMY AND AID LANDSCAPE

8. **Recent patterns of trade and investment present increased opportunities to leverage finance and global knowledge for economic growth in IDA countries.** On average, savings and investment rates rose significantly over the past decade among developing countries, including many IDA countries. The share of global investment and savings to developing countries stood at well over 40 percent in 2012, a significant shift compared to historical performance through the 1990s.[4] Also, trade among developing countries – referred to as South-South trade – saw strong growth over the past decade, increasing by 19 percent on average between 2001 and 2010 compared to world export growth of 12 percent during the same period. New partnerships have also emerged, with roughly a third of FDI in developing countries currently originating in other developing countries. The recent increases in trade and finance have been associated with strong growth in these countries over the past decade. Should these trends continue, the new patterns of trade and investment hold promise for generating wide spillovers, ranging from enhanced technology transfer and knowledge sharing to spurring demand for exports and growth of domestic manufacturing and agriculture in IDA countries. Also important, increased remittance flows to developing countries and evolving migration patterns represent important sources of savings and investment along with opportunities for partnerships through diaspora networks.

9. **Changes in the composition of finance for development have mirrored these global shifts.** Private flows account for an increasing share of the composition of net flows to developing countries, including to several IDA countries. However, capital flows to developing countries have been highly concentrated, typically favoring MICs and resource-rich LICs. Official Development Assistance (ODA) thus remains critical, particularly for low-income countries lacking credit-worthiness. Notably, ODA is evolving, with an increasing number of actors, delivery channels and interventions. While the widening array of aid partnerships has

[4] Developing countries accounted for 46 percent of global investment in 2012, more than twice the level of the mid-1960s; domestic savings in developing countries have also grown, now equaling roughly 33 percent of developing countries' GDP (up from 21 percent in 1970). See Global Development Horizons (2013). Capital for the Future: Saving and Investment in an Interdependent World.

intensified the administrative burden for both aid recipients and aid providers alike, the increasing diversity of development aid providers points to growing potential for innovative collaboration, sharing and exchange. On the knowledge front, for example, research and development experience increasingly originates from multiple sources, including the academic community, development banks, bilateral development agencies and developing countries themselves. The expansion of information and communication technology (ICT) is also paving the way to vastly improve information sharing, data collection and measurement of impact.

10. **In the context of these broader trends, many IDA countries have been able to accelerate their economic growth over the past decade.** Several IDA countries were among the fastest growing economies in the world over the last decade. In Africa, growth averaged 4.7 percent between 2000 and 2009 (with average growth of 6 percent excluding South Africa) despite the impacts of the global financial crisis of 2008/2009. More broadly, improved growth and policy performance have helped to lift the average per capita Gross Domestic Product (GDP) of IDA countries from US$618 (in constant 2000 US$) in 2009 to US$865 in 2012, reflecting significant progress among some of the world's poorest countries. Moreover, economic growth in several IDA countries (including Nigeria, Angola, Bangladesh and Pakistan) shows promise for spurring the development of regional growth poles, with important ripple effects for neighboring countries. In addition, recent mineral discoveries in several IDA countries, notably in sub-Saharan Africa, point to new opportunities to harness natural resource wealth for poverty reduction and development of new growth poles and resource corridors, raising new demands for effective public financial management, good governance and inclusive growth.

11. **Poverty reduction in IDA countries since 2000 has also been unprecedented, though extreme poverty in these countries remains widespread.** IDA countries achieved a significant reduction in absolute poverty ratio from 58 percent of the population in 1981 to 36 percent in 2010. Notwithstanding this progress, performance across and within countries has been uneven and aspects of the progress achieved are vulnerable to reversal. Due to higher population growth and a lower rate of poverty reduction compared to other developing countries, IDA countries account for an increased share of the world's poor – 78 percent in 2008 compared to 53 percent in 1990. Roughly one billion people currently live on less than US$1.25 per day in IDA countries – equivalent to one out of every seven people on earth. In addition, the poverty headcount increased in sub-Saharan Africa and in Fragile and Conflict-affected States; indeed, the number of people in absolute poverty in FCSs nearly doubled from 84 million in 1990 to 162 million in 2008.

12. **Human development gains and progress towards achievement of the MDGs among IDA countries have been uneven.** At the global level, two main MDGs – MDG 1a on extreme poverty and MDG 7c on improved water source – were met in 2010 and progress on various other MDGs is on track. Furthermore, there have been important recent improvements in human development at the global level: over the past decade, all countries for which data are available accelerated their achievements in the education, health and income dimensions measured by the United Nations Human Development Index (HDI).[5] Nevertheless, given initial conditions that were much worse than for non-IDA countries, a significant distance still needs to be covered before these MDGs will be achieved. In particular, more than half of IDA countries are currently

[5] 2013 Human Development Report: The Rise of the South: Human Progress in a Diverse World.

off track for achieving the health-related MDGs: over 80 percent of them are off track to achieve the MDG on reducing the under-5 mortality by two-thirds by 2015 and more than 70 percent are off target to reduce maternal mortality by three-quarters. Similarly, current trends suggest that the majority of MDG goals in FCSs are unlikely to be met by the 2015 target, despite important advances made in some of them in poverty reduction and human development. Recent data show that only eight FCSs have already met the goal to halve extreme poverty, and only 20 percent of them are meeting the poverty target.[6]

13. **Stepping up inclusive and sustained growth and poverty reduction in IDA countries will demand tackling a range of challenges and emerging risks, including rising inequality.** In many IDA countries, export growth remains highly primary commodity dependent, with relatively limited structural transformation and modest improvements in diversification over the past decade. More broadly, although improved macroeconomic management and structural reforms are leading to more sustainable fiscal policies and removing some of the bottlenecks to private sector-led growth, a significant increase in productivity has not ensued. As a result, where growth has been robust, it has not always spurred the creation of high productivity and better-paying jobs, nor has it always been accompanied by progress on women's empowerment. In addition, capital flows have been largely concentrated in resource-rich countries and natural resource rents have tended to be concentrated, fueling inequality and further marginalizing disadvantaged groups. Thus, in many countries growth has been accompanied by rising inequality and disparities, with lagging regions and disadvantaged groups within countries. For IDA countries confronting the aspirations of their populations for increased voice and economic opportunity, the urgency of addressing development gaps linked to endemic poverty, productive employment, gender equality and infrastructure is pressing. For FCSs, development is not only imperative for their own citizens but has important implications for the peace, stability and growth of neighboring countries. Finally, successive global crises in recent years, the changing climate and the increasing frequency of natural disasters revealed new risks and vulnerabilities associated with shocks. Thus, joint efforts to confront cross-border challenges at the regional and global level and to increase IDA countries' resilience and adaptability will be critical.

B. A NEW WORLD BANK GROUP STRATEGY: POSITIONING IDA17 FOR GREATER IMPACT

14. **At the World Bank Group's 2013 Spring Meetings, the Board of Governors endorsed two goals to guide WBG action**: to end extreme poverty – reducing the percentage of people living on less than US$1.25 a day to 3 percent by 2030;[7] and to promote shared prosperity – fostering income growth for the bottom 40 percent of the population in every country. The WBG strategy outlines how the WBG will work in partnership with others to help countries achieve these goals in an environmentally, socially and economically sustainable manner.

15. **The WBG strategy, and the change process to adapt the WBG to this strategy, will reinforce IDA's focus on maximizing development impact.** Building on its strengths and comparative advantage, the WBG will align its activities and resources to better support clients to accelerate progress towards the goals in the context of their national development programs.

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[6] World Bank staff estimates based on analysis of data in the Global Monitoring Report 2013 and the World Bank's Harmonized List of Fragile Situations for FY13.

[7] Projections indicate that when the developing world as a whole reaches an aggregated poverty incidence of 3 percent, the corresponding poverty incidence for IDA countries would be 7 percent (World Bank staff estimates, 2013).

The implementation of the strategy and of the change process and alignment of WBG activities to the goals will be monitored regularly through the new WBG Corporate Scorecard, which will also measure joint WBG progress and results. The WBG will also support clients in delivering development solutions by advancing knowledge of what works; harnessing evidence to address complex development challenges; collaborating more systematically among IDA IBRD, IFC and MIGA as "One WBG" by leveraging the strengths of each agency; and enhancing partnerships with other development partners. The new strategy also aims to strengthen the value proposition of the WBG on several fronts, notably: (i) strengthening its ability to work on multi-stakeholder solutions through engagement with a broad range of public sector and private sector partners; (ii) revamping its country engagement model to better deploy its strategy setting and diagnostic capabilities, including through support of evidence-based public policy; (iii) increasing flexibility and speeding up delivery while preserving its fiduciary and safeguard norms; (iv) aligning WBG resources with the goals and strategy; and (v) ensuring medium-term financial sustainability by increasing revenues and cutting costs.

16. **Participants highlighted four core linkages between the WBG strategy and change process and the IDA17 Replenishment.** First, the strategy and change process will help promote selectivity for aligning client engagement in IDA countries towards meeting the WBG goals through systematic country diagnostics, country partnership frameworks and learning reviews. Second, stronger synergies across IBRD, IDA, IFC and MIGA through the One WBG approach will position IDA for greater leveraging of both public and private resources for clients towards enhanced economic growth and development outcomes. In addition, enhancing partnerships with other development partners will help make best use of scarce resources. Third, the science of delivery will help to ensure that WBG's in-depth implementation experience across sectors and countries can be utilized in IDA countries, including in fragile and conflict-affected states where adaptive action and real-time beneficiary feedback are particularly critical. The fourteen new Global Practices will be integral to ensuring that the WBG can capture, codify and share knowledge and development experience for continuous improvement. The five accompanying cross-cutting solution areas will foster cross-practice and cross-WBG integration in priority areas that are closely aligned with the IDA17 special themes: climate change; fragility, conflict and violence; gender; jobs; and public-private partnerships. Fourth, the review of the WBG planning and budgeting process will better align resources to the new WBG strategy, including support for strengthening M&E, real-time data and feedback loops for mid-course correction and enhancing IDA's cost-effectiveness and efficiency. In this connection, the WBG Expenditure Review will be a key input for helping to increase the effectiveness and efficiency of the WBG, thus helping to maximize the impact of every dollar for clients.

17. **Towards achievement of the WBG goals, the Board of Governors strongly endorsed the new WBG Strategy during the 2013 Annual Meetings.** Participants agreed that successful implementation of the WBG Strategy in IDA countries would require effective, timely, and well-managed implementation, including clear sequencing of reforms and metrics for implementing major changes. Participants underscored the importance of close ongoing alignment between IDA17 and the WBG strategy and change process and noted the importance of aligning IDA's RMS with the WBG performance monitoring.

C. IDA'S SUPPORT TO ELIGIBLE COUNTRIES

18. **IDA is uniquely positioned to help clients maximize the benefits of expanded knowledge, financing and partnerships and confront emerging challenges and capture opportunities.** IDA's country-driven and non-earmarked approach provides the flexibility to meet the demands, opportunities and risks facing its diverse client base and provide customized WBG support and solutions to end extreme poverty and boost shared prosperity in the poorest countries. Further, by combining financing with knowledge gained from operational experience across regions, IDA also plays a catalytic role in leveraging and complementing private sector development, scaling-up public resources for poverty reduction interventions at the country level and brokering knowledge exchanges across countries. Together with IBRD, IFC and MIGA, IDA has been a leader in supporting the public and private sectors, providing access to knowledge resources and risk insurance. Looking ahead, the combined strengths of the WBG will become increasingly valuable for IDA countries as they seek to foster stronger public-private collaboration and to further leverage private sector development. In particular, IDA's capacity to blend public and private finance supports stronger management of both public and private investments as well as sustainable expansion of infrastructure and services.

19. **IDA comparative advantage is rooted in a strong and effective business model that delivers value for money.** IDA's performance-based support for the world's poorest countries targets scarce concessional financing where it is most effective. Throughout its operational cycle – from the allocation of resources, through project preparation and implementation, to completion and impact assessment – IDA uses a robust framework to maximize the development impact of the programs and activities it supports. This framework includes: allocation of IDA resources based on performance and results as well as needs; strong quality assurance and fiduciary and risk management processes; a robust evaluation and accountability framework to ensure evidence-based decision making; [8] a strong system of internal controls;[9] commitment to transparency and accountability; [10] IDA's Results Measurement System; and systems and processes driving efficiencies in a way that does not compromise effectiveness. IDA's pioneering work in results monitoring and measurement helps IDA countries deliver stronger results, enhance operational effectiveness and improve organizational efficiency. Recent external assessments of international aid agencies affirm IDA's business model as among the most effective and efficient development assistance delivery mechanisms.[11]

20. **As the architecture for development finance and aid grows more complex, IDA's capacity to facilitate partnerships for development outcomes is ever more critical.** IDA has a global track record for rallying the international community on issues that matter for the poor

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[8] This includes the Board of Executive Directors, an Independent Evaluation Group, an Inspection Panel, self-evaluation of every activity and development results monitoring systems (including the World Bank Corporate Scorecard and IDA's Results Measurement System).

[9] This includes the Institutional Integrity and Internal Audit Departments.

[10] This includes the Open Data Initiative, the Access to Information Policy, publishing data to the International Aid Transparency Initiative (IATI), the Open Knowledge Repository system, the web-based Corporate Scorecard, the IDA RMS and the geo-coding and mapping of all IDA-financed operations for results. These systems provide public access to information on Bank-financed operations and results as well as development data. Complementing these quantitative results, over 1,000 country and sector briefs along with project results stories provide insight into IDA results and integrate beneficiary assessments of the difference IDA is making.

[11] For a list of such external assessments see Managing Crisis and Building Resilience: A Retrospective Review of IDA's 15th Replenishment, World Bank: Washington, DC, 2012.

and tackling frontier issues such as FCSs, gender equality, crisis response and climate change resilience. At the country level, IDA provides a platform for governments and development partners to effectively manage aid resources, helping to reduce the fragmentation associated with the growing complexity of development aid. On a global scale, IDA's convening power, international reach and knowledge also have helped to galvanize international efforts to address global public goods and cross-border risks, from global economic crises and disruptive climate-related events, to food price spikes, and communicable diseases and to boost regional cooperation.

IDA Country-level Engagement

21. **Going forward, IDA will improve the focus of its country programs through more evidence-based and selective country engagement.** While today's country strategies are broadly aligned with the WBG's mission, they need to be better prioritized according to their expected impact on the goals. Country engagement will emphasize improved planning and execution, with more attention devoted to evidence, development impact and learning. Improved WBG coordination will be an important feature, maximizing synergy across IDA, IFC, MIGA and IBRD towards achievement of the WBG goals. Going forward, IDA country engagement will also pay more attention to appraising evidence, applying knowledge and capturing beneficiary feedback along with improved monitoring and project mid-course adjustments to enhance learning, accountability and impact. Country engagement will also enhance efforts to integrate partnership arrangements with other development actors, including the MDBs, bilateral partners, United Nations (UN) agencies, and other stakeholders in line with the Paris Declaration of Aid Effectiveness and the Accra Agenda for Action.

IDA Engagement across Sectors and Thematic Areas

22. **During IDA17, IDA will continue to assist countries across sectors and thematic areas as well as on regional and global issues while also enhancing its focus on the "special themes" (see Section III).** IDA's portfolio spans a wide range of sectors and themes. Over the past decade IDA-supported government programs have intensified investment in infrastructure and human capital, strengthened policies and institutions and affected the lives of hundreds of millions of people. While the choice of sectors/thematic areas continues to be determined at the country level, the World Bank's sector strategies help shape the sectoral and thematic focus at the country, regional and global levels, as discussed below.

23. **Infrastructure.** IDA countries have strong demand for infrastructure to meet large basic access needs and to fuel growth. Availability and reliability of infrastructure are critical for the provision of goods and services, private sector growth and competition in domestic and international markets. In addition to access to basic services and growth, the infrastructure agenda is increasingly shaped by second-generation issues and the need for job creation and opportunities for social outcomes to ensure social stability and gender equality. Rapid urbanization in IDA countries is fueling demand for integrated infrastructure solutions: by 2030, 95 percent of the population growth in these countries will be in cities. Also, adaptation to climate change requires infrastructure more resilient to natural disasters while mitigation calls for an infrastructure that is less environmentally damaging. Addressing these needs will require significant amounts of capital from domestic and external sources, estimated at US$48 billion

per year for Africa alone. IDA is an important catalyst for resources to close the infrastructure gap. Since 2002, IDA helped construct or rehabilitate about 116,000 kms of roads, provided 123 million people with access to improved water sources and 7 million people with access to improved sanitation facilities. Infrastructure accounts for 40 percent of IDA16 commitments to date and client demand in IDA17 is expected to far exceed that range. In line with the WBG's Infrastructure Strategy Update FY12-15, IDA will support efforts to unlock the transformational impact of infrastructure to tackle complex, second-generation infrastructure issues and achieve a higher leverage of the WBG's capital by mobilizing the private sector, MDBs and other financiers.

24. **Agriculture.** Agriculture remains critical for IDA countries where 75 percent of the population live in rural areas and rely primarily on agriculture for their livelihood. The need for action in agriculture, especially in sub-Saharan Africa (SSA), is underscored by recurrent spikes in global food prices in recent years, climate variability, shrinking global stocks of key grains, underperformance on nutrition related MDG goals, and associated risks of social and political tensions. Globalization and economic integration offer the opportunity of new demand patterns and export markets for agricultural products. Returns to investment in the sector can be high and studies show that growth from agriculture is 2-4 times more effective at reducing poverty than growth from other sectors. IDA's comparative advantage in the agriculture sector encompasses IDA's multi-sectoral approach, substantial financing, leveraging private and public resources, knowledge generation, and coordination and policy dialogue. WBG financing for agriculture is expected to increase to US$8-10 billion annually in FY13-15, from an average of US$7 billion in FY10-12. Within this, IDA's support for agriculture and related sectors almost doubled between FY06-08 and FY10-12, and is expected to stay at these higher levels of US$2.5 billion annually in FY13-15. IDA's support for agriculture has been formulated around the implementation of the 2008 WDR "Agriculture for Development" and the Agriculture Action Plan for FY2013-15. In addition to focusing on adequate food production and nutrition, the Action Plan emphasizes the need to build agricultural systems that can help raise the level and resilience of employment and incomes for the world's poor; provide environmental services (such as managing watersheds and preserving biodiversity); and use finite land and water resources more efficiently. IDA's support will focus on helping clients improve sustainable agricultural growth, incomes, food and nutrition security, and their resilience to climate change in five key thematic areas. These areas are raising agricultural productivity and its resilience, linking farmers to markets and strengthening value chains, facilitating rural non-farm income, reducing risk and vulnerability, and enhancing environmental services and sustainability. IDA will also support the development of a Food Price Crisis Monitoring Tool, an innovation that is particularly relevant given the vulnerability of many IDA countries to food price shocks.

25. **Private Sector Development** is a critical driver of economic and social development and plays a leading role in stimulating growth, productivity, job creation for both men and women, technology transfer, and the provision of key goods and services. Strengthening the momentum for poverty reduction and shared prosperity will require boosting capacity in all IDA countries to capture the potential benefits of private resources for development. A vibrant private sector can spur women's economic empowerment as women's access to paid jobs helps lift their households out of poverty and boosts economic growth. This calls for leveraging IDA's comparative advantages, which include improving the regulatory and institutional framework

and strengthening the enabling environment for investment, as well as harnessing IFC's expertise in financing and advising private enterprises and MIGA's ability to mobilize private sector participation through issuance of political risk guarantees. IDA's direct support to private sector growth has accounted for roughly one quarter of all IDA commitments in recent years. IDA also provides indirect support, e.g., for critical infrastructure, financial sector and skills, policy support for macroeconomic management (including taxation and trade and integration) and partial risk guarantees for projects financed by private creditors, leveraging on average eight times the IDA resources. During the IDA17 period, IDA will intensify its efforts to identify and remove constraints to private sector growth, including by providing support to investment climate reforms, infrastructure financing, improving labor market efficiencies and building financial and trade systems that facilitate access to financial services and are resilient to shocks. In line with the overarching theme of IDA17 of maximizing development impact, the WBG will step up support for leveraging private sector investment in IDA countries by: (i) enhancing synergies and developing joint approaches across IDA, IBRD, IFC and MIGA; and (ii) expanding the range of IDA guarantee instruments and regional approaches.

26. **Education.** Important progress has been made towards achieving the education-related MDGs but significant challenges remain. Of the 82 IDA countries, 45 are off track to meet the goal of universal primary completion and 18 others have no data from which to measure progress while 30 countries are off track to meet the goal of gender equality in primary and secondary schooling. The most recent data (2009) indicated that 67 million primary school age children are still out of school, almost half of whom live in SSA and around a quarter in South Asia. The demand for secondary and tertiary education has risen sharply in line with labor market demands for a more skilled and agile workforce, yet learning levels in most IDA countries are alarmingly low, particularly among disadvantaged populations. Over the past decade IDA helped recruit and/or train about 3.5 million teachers, over 2 million classrooms were built or rehabilitated and around 300 million textbooks were purchased and/or distributed. In FY13, IDA invested around US$1.7 billion in education. IDA's comparative advantage in the sector encompasses the capacity to deliver critical financing together with a broad package of services that includes analysis, policy advice and technical assistance, capacity building and sharing of global knowledge. The Bank's Education Sector Strategy 2020 "Learning for All" identifies education as a fundamental driver of development and encourages countries to invest early, smartly and for all. To help achieve these goals, IDA's priority in education over the next decade will be to help strengthen the capacity of education systems to achieve learning goals while building on progress and stepping up its support to help all countries achieve Education for All (EFA) and the education Millennium Development Goals (MDGs). IDA will also need to help countries meet the increased demand for secondary and tertiary education that is critical to developing a skilled, productive and flexible labor force.

27. **Health.** IDA is a key supporter of health, nutrition and population (HNP) programs in IDA countries. Since 2003, IDA provided 117 million people with access to basic HNP programs, 195 million women with antenatal care, and immunized 597 million children. IDA investments totaled US$7.2 billion in FY06-12, of which 30 percent was directed at strengthening health systems and a significant proportion to key MDG themes such as child health care (18 percent), tuberculosis and malaria (12 percent), population and reproductive health (11 percent), HIV/AIDS (10 percent) and nutrition (6 percent). IDA's core strengths in HNP have included a strong track record as a flexible financing mechanism that can leverage

other funding; its focus on building systems and institutions and multi-sectoral approach; broad convening power; and focus on results, country ownership, and engagement in strategic partnerships. IDA has supported innovative financing mechanisms such as the IDA buy-down for polio; it partners with other agencies to expand health services; and participates in global action initiatives such as Scaling Up Nutrition, fighting diseases like AIDS, malaria and tuberculosis and improving maternal and newborn child health. Progress towards halting the spread of communicable diseases is promising, but less than one fifth of IDA countries are on track to meet the MDG goals to reduce child and maternal mortality. Expanding the implementation capacity of the health sector and improving the quality, efficiency and reach of the health services is critical if programs are to reach the poor and achieve sustainable results on the required scale. In line with its comparative advantage, IDA will continue to place emphasis on improving health systems governance, including by developing tools to monitor accountability. Towards advancing health coverage, it will also focus on equity and financial protection for the poor from high and unpredictable out-of-pocket spending. An important element of IDA's support is the increased use of results-based financing, including financial incentives to reward delivery of verified outcomes and to improve service quality, efficiency and equity and to monitor the intended and unintended consequences. IDA is also working with partners to develop ways to better monitor the health MDGs and assist countries to carry out rigorous evaluations of health innovations and programs.

28. **Social Protection.** The most recent financial, food and fuel crises highlighted the importance of strong social protection systems for addressing vulnerability and for building the foundation for shared prosperity. Building on the Bank's Social Protection and Labor Strategy 2012-2022, IDA will assist countries to move towards more harmonized social protection systems to improve resilience to shocks and help their populations become more productive through investment in human capital and access to jobs and opportunity. It will focus on two important challenges: (i) lack of capacity to design and maintain effective and scalable social protection schemes where needs are greatest – in the poorest countries and fragile states; and (ii) retaining political and fiscal commitments to systems for improved coverage and resilience post crisis. To address these challenges the Bank is developing country-tailored tools and approaches, investing in knowledge, data and evidence, providing real-time policy advice and offering continuous technical assistance and capacity building. Through this strategy, IDA is capitalizing on the WBG's comparative advantage by combining long-term financing and support for capacity building with in-depth local engagement and global knowledge about effective social protection in countries with similar institutional constraints. IDA's support for social protection and risk has surged with commitments increasing to US$4.2 billion in IDA15, almost double those of IDA14 (US$2.2 billion), and US$3.5 billion in IDA16 to date, and it is expected to remain strong in IDA17 in support of a diverse set of safety net interventions, ranging from cash transfers to labor-intensive public works and school feeding programs.

29. **Governance**. Strengthening governance and fighting corruption are critical for ending extreme poverty and boosting shared prosperity. During the IDA17 period, IDA will continue its efforts to systematically mainstream governance and anticorruption in its assistance to IDA countries based on the 2012 updated strategy and implementation plan on governance and corruption.[12] This reflects significant changes taking place, including the rise of civil society

[12] Strengthening Governance, Tackling Corruption: The World Bank's Updated Strategy and Implementation Plan, 2012.

movements and of social media as fundamental drivers for societal transformation; the call for greater openness and transparency in governance; and the voice of citizens in decisions affecting access to basic services and economic opportunities. IDA assistance helps build capable, transparent and accountable country institutions as key drivers of sustained and inclusive growth. In the context of IDA's country-driven business model, IDA's sustained engagement at the country level on the issues of governance and anti-corruption at both the core systems and specific sector levels is a key strength.[13] In IDA17, IDA assistance will continue to strengthen both core country systems of governance including for enhanced domestic resources mobilization and expenditure management, procurement, judicial reform, and corporate and regulatory governance, as well as sector institutions. IDA will also increasingly support initiatives that enable greater openness in governments and closer interaction among citizens, the private sector and the state. Furthermore, IDA will aim to more effectively manage, rather than avoid, the risks inherent in working in development contexts and expand its work on improving global governance by helping to embed governance dimensions into global programs. IDA will continue to ensure the highest fiduciary standards in IDA-financed operations by preventing opportunities for corruption through improved project design, greater disclosure and enhanced beneficiary participation.

IDA's Role at the Regional and Global Level

30. **IDA will strengthen and expand support for regional cooperation.** IDA helps countries address regional challenges – including the provision of regional public goods – through regional projects. Participants noted that IDA's regional projects are playing a critical role in tackling challenges and fostering opportunities that can only be achieved through coordination and cooperation at the regional level. This includes connecting landlocked countries and small domestic markets to regional and global markets; harnessing economies of scale in the provision of infrastructure; improving efficiency through regional harmonization; protecting shared natural resources and mitigating shared risks such as drought and communicable diseases. Participants noted that the IDA Regional Program has grown rapidly, reflecting a strong increase in demand (particularly among FCSs and small states). In view of the growing demand for regional solutions, Participants supported a further scale up of regional project funds during the IDA17 period to continue to advance the goal of regional integration and collaboration. On account of IDA's unique blend of financing, global knowledge and partnerships, Participants noted the importance of IDA's role in the preparation and implementation of regional transformational projects – namely projects with complex designs, that require financing and that have significant spillover benefits at the regional or continental level. Participants noted the IDA Regional Program's emphasis on partnerships (including with regional institutions, RDBs and the private sector, with over US$3 billion leveraged in co-financing and parallel financing). In this regard, they noted the continuation of the pilot program for grants-based support for regional organizations, including to selected institutions not linked to an IDA funded regional project but which support strategic regional priorities.

31. **IDA will continue to play an important role at the global level, drawing upon the World Bank Group's analytical capability, operational experience and partnerships to find**

[13] World Bank Country-Level Engagement on Governance and Anti-Corruption (World Bank/IEG: Washington, D.C., 2012).

solutions to global challenges. Towards enhanced aid effectiveness, IDA supports countries to integrate and mainstream global and regional public goods into national development strategies in many areas, including addressing communicable diseases such as HIV/AIDS and malaria, trade systems and climate change. IDA also participates in ongoing global and regional partnerships with the MDBs and thematic global funds, coordinates closely with the IMF, and is deepening partnerships with the UN, particularly in FCSs. IDA, other MDBs and global funds have developed solid mechanisms for collaboration to enhance the complementarity of their activities and to harmonize approaches where appropriate. For example, IDA works closely with the MDBs on critical technical issues including performance-based allocation, support for fragile and conflict-affected states, and promotion of debt sustainability and debt management. In addition, the MDBs prepare joint assistance strategies, increasingly co-finance development projects, share cross-country learning and best practices and typically co-lead post disaster needs assessments. Common approaches have also been established in critical areas such as financial management, strengthening supreme audit institutions, public sector procurement, managing for development results through the common performance assessment (COMPAS), and external evaluation through the Evaluation Cooperation Group. Equally, IDA's enhanced partnerships with the UN are helping to promote more coordinated support in FCSs. The Partnership Framework for Crisis and Post-Crisis Situations between the World Bank and the United Nations, for example, has made important contributions to facilitating and expediting crisis-related support since the framework's establishment in 2008, including in response to the drought emergency in the Horn of Africa in 2011. The framework has committed the two institutions to principles of engagement for more effective and sustainable responses that reflect their complementarity and the need for an integrated political, security and development approach to supporting stabilization and securing development efforts. IDA will continue to build on its commitment to strong partnership with the UN, MDBs and other development partners in FCSs going forward, including by stepping up joint IDA/UN efforts in collaboration with the African Development Bank at the regional level in the Sahel and the Great Lakes regions in Africa.

SECTION II: MAXIMIZING DEVELOPMENT IMPACT IN IDA17

32. **In response to evolving client needs and anchored in the WBG strategy, Participants selected "maximizing development impact" as the overarching theme for the IDA17 replenishment.** They noted that IDA17 could not be business as usual, and welcomed the focus on leveraging private investment, public resources and knowledge. Equally, they underscored the importance of taking the results agenda to the next level by strengthening IDA's value for money approach; strengthening accountability to shareholders and clients; and aligning the budget to the WBG goals and strategy. Annex 1 presents the full set of policy commitments and RMS indicators for IDA17.

33. **Recognizing that IDA will be the main instrument for supporting the poorest countries in achieving the WBG goals, Participants underscored the importance of aligning IDA17 with the WBG strategy**. IDA will use the lenses of alignment with the two goals, impact and comparative advantage to inform and adapt its business model. At the country level, IDA will establish a more evidence-based and selective country engagement model with three main elements, comprising systematic country diagnostic, a country partnership framework and performance and learning reviews to capture lessons from implementation. At the sector level,

IDA will deliver customized solutions to clients, by using knowledge more effectively to achieve results and more informed risk-taking. At the institution level, IDA will focus on optimizing synergies and developing joint approaches with IFC, MIGA and IBRD to leverage the strengths of each agency for transformative impact, including a special focus on FCSs, and to ensure a coordinated approach to countries as they transition from IDA-only to IBRD-only status. IDA will also enhance and scale-up partnerships, notably with the UN and MDBs, that are strategically aligned with the WBG goals, and crowd in public and private resources, expertise and ideas. Participants welcomed Management's commitment to develop indicators in the areas of alignment and cost effectiveness and efficiency as developed under the Corporate Scorecard, and to develop a methodology to assess how science of delivery is incorporated and supported with appropriate budget resources in line with the introduction of a new budget framework.

A. LEVERAGING PRIVATE RESOURCES

34. **Participants highlighted that the private sector is the key driver of growth and job creation needed for continued progress in poverty reduction.** They noted that strengthening the momentum for poverty reduction and shared prosperity in IDA countries will necessitate capturing the benefits of private investment for development. In particular, Participants asked that IDA and other MDBs play an important role as catalysts for increasing the flow of domestic and foreign private capital into investments, including by supporting projects in high-risk countries and sectors in which private investors would be reluctant to invest without the presence of official lenders.

35. **Participants underscored that the WBG can have the biggest impact when the strengths and comparative advantages of each of its entities can be leveraged in a synergistic manner.** Participants also highlighted that synergies between the World Bank's public sector focus and support for private sector development along with the private sector focus of IFC and MIGA are becoming *more valuable* as public-private roles in development are becoming more complementary over time. Participants welcomed more integrated WBG support for private sector development (PSD) in IDA countries. They noted the unique value-added of this integrated WBG approach to create an enabling environment, catalyze private resources and promote foreign and domestic private investment. This would enable clients to draw from a diverse range of instruments and lessons of experience reflecting the global reach and comparative advantages of each WBG entity. In this context, Participants emphasized the importance of a "four-for-one" approach to enhance synergies and welcomed the development of joint approaches and Joint Implementation Plans across IDA, IFC, MIGA and IBRD for potentially transformative impact in IDA countries in the context of IDA17. They suggested that the "four-for-one" approach would be particularly important for FCSs where public-private collaboration and participation by IFC is critical for unlocking barriers to business growth and in IDA blend and graduating countries where the further use of IBRD lending or guarantees, and IFC support could help leverage private investment, and where a coordinated approach is critical to ensure a smooth graduation transition. They noted that optimizing WBG synergies will also be fundamental for strengthening support for transformative projects in IDA countries.

36. **IDA17 Policy Commitments.** Participants endorsed Management's proposal to maximize enhanced IDA-IFC-MIGA synergy for clients as follows:

- ***Joint Implementation Plans in IDA countries.*** Participants welcomed Management's commitment to carry out WBG Joint Implementation Plans during IDA17 in at least 20 IDA countries (of which at least 10 are FCSs), including joint frameworks to measure results; and carry out a systematic assessment of implementation and results by the IDA17 Mid-Term Review and in the IDA17 Retrospective. The plans will focus on tackling constraints and catalyzing private sector financing for key sectors and industries in individual countries and are expected to generate spillovers in the form of knowledge transfer, job creation, revenue generation and market stimulus. Participants emphasized that the Joint Implementation Plans should be customized to reflect country priorities, opportunities and constraints and bring together the range of WBG instruments and approaches. While the sectoral focus of each plan will vary, they can cover a wide range of sector priorities, including: (i) support for sustainable cities/green buildings and climate change adaptation, including the planned expansion of the WB-IFC "Lighting Africa Program" across the African continent and into India; (ii) promotion of partnerships for sustainable use of natural resources; (iii) support for agribusiness and the food supply chain; and (iv) private sector engagement in the delivery of education and health care. Participants encouraged IDA to integrate support for women's economic empowerment. In addition, Participants welcomed the enhanced use of Output Based Aid (OBA) and joint Results Measurement Frameworks in the context of the Joint Implementation Plans to further strengthen the focus on delivering results during IDA17. Participants underscored that the plans in FCSs should emphasize reducing barriers to business growth related to access to power, finance and markets along with transparency and the rule of law. Participants noted that enhanced synergies across IDA, IFC and MIGA in FCSs would call for strong collaboration at the country level and with the World Bank Global Center for Conflict, Security and Development.

- ***Expanding the scope of IDA Guarantees to Attract and Leverage Private Resources***. During IDA17, the scope of instruments available to IDA countries would be expanded through the forthcoming introduction of IDA's Partial Credit Guarantees and Policy Based Guarantees, in addition to the existing Partial Risk Guarantees. Participants highlighted the importance of guarantee instruments in facilitating the participation of private investors in long-term financing, particularly for infrastructure.[14] Participants noted that implementation of the new instruments will benefit from ongoing efforts to improve alignment between guarantee policies and lending policies to facilitate the use of guarantees and encourage further leveraging of IDA's resources. They also noted that the alignment of environmental and social safeguards for private sector projects among WBG institutions will facilitate WBG collaboration for guarantees. Participants welcome efforts to increase awareness about the guarantee instruments and to step up support for public-private partnerships (PPPs) to fill critical gaps that cannot be fully met through public finances alone. In particular, Participants noted that there is strong strategic convergence across IDA, IFC, MIGA and IBRD related to addressing client demands for support for complex projects with transformational potential. To this end, enhanced WBG synergies in IDA17 will include (i) scaling up support for *project preparation* to promote the viability and bankability of projects with transformational potential; (ii) sharpened focus on support

[14] See Long-Term Investment Financing for Growth and Development: Umbrella Paper (February 2012), prepared for the meeting of the G-20 Ministers of Finance and Central Bank Governors.

for *regional solutions* through the IDA Regional Program; and (iii) integrating transparent economic governance and environmental sustainability in support of transformational projects.

B. LEVERAGING PUBLIC RESOURCES

37. **Participants endorsed the focus on leveraging public resources, emphasizing that the quality of public institutions and policies is a key determinant of inclusive and productive societies.** They noted that leveraging public resources entails strengthening public sector institutions and systems, thus multiplying IDA's financial impact beyond projects towards enhanced national expenditures and programs. Participants noted that as trade and investment partnerships grow and diversify, the payoff of managing public finances and investment flows to achieve national development goals in IDA countries will also multiply; by extension, the opportunity costs of weak public management will also increase. In this connection, Participants noted that natural resource discoveries in several IDA countries present expanded opportunities to harness natural resource wealth for poverty reduction and inclusive growth (an IDA17 special theme) and the development of new growth poles and resource corridors. More broadly, Participants underscored the importance of IDA support for enhanced domestic resource mobilization, transparency and public expenditure management, which are integral to the promotion of public accountability, economic growth and poverty reduction in IDA countries.

38. **IDA supports the strengthening of Public Financial Management (PFM) capacity based on countries' development priorities and institutional environment.** Participants acknowledged the importance of IDA-supported PFM diagnostics, policy and technical advice, and project assistance to partner countries along with facilitation of PFM learning and access to relevant global expertise. Looking forward, Participants highlighted the relevance of increasingly customized support for PFM and competitive procurement practices in IDA countries, spanning the entire range of IDA engagement, including direct lending and analytical support; monitoring key PFM indicators in implementation support missions; and in-depth reviews of projects with control weaknesses. Participants expressed strong support for continued IDA collaboration with other development partners, including bilateral donors, MDBs and UN agencies, to harmonize PFM requirements and practices for improving aid effectiveness and country capacity. They also highlighted the value of IDA's partnerships with international accounting and auditing bodies for promoting responsiveness to the needs of developing countries, building regional practices, and supporting the use of international standards and codes among low-income countries.

39. **Participants highlighted that strong support for public financial management goes beyond aid, promoting efficiency and effectiveness in public resource use in IDA countries.** They affirmed that enhancing PFM capacity is a key building block for deepening the use of country PFM and procurement systems in these countries. To adapt to the emerging needs of a diverse client base, Participants welcomed IDA's comprehensive review of its operational procurement policies. This process is being informed by stakeholder consultations, expert advice and benchmarking with other international organizations and recommended adjustments to policies and procedures are expected to be considered by the Board in 2014.

40. **Participants also welcomed IDA's use of beneficiary feedback to increase accountability, responsiveness, collaboration with other development partners and**

efficiency in public resource use. Participants noted the importance of client and beneficiary feedback to inform project design and implementation and to help take results to a higher level. They further emphasized that learning from beneficiary feedback happens not only in the context of Bank operations, but within broader client programs as well, allowing for mid-course corrections based on implementation data to promote effective delivery towards envisaged project results. Participants acknowledged that the Bank currently tracks investment lending operations that provide support to develop or use community-based monitoring systems/processes, community scorecards, or citizen scorecards to improve social accountability. They also welcomed ongoing efforts to better integrate beneficiary feedback in IDA-financed activities, and underscored the relevance of innovation and learning by doing in this connection. For example, World Bank collaboration with the Open Development Technology Alliance (ODTA) has been a key driver for building beneficiary feedback, which is generally obtained via SMS or the internet. In addition, Participants welcomed IDA's efforts to enhance partnerships with other development partners to strengthen the complementarity of their activities and harmonize approaches where appropriate.

41. **IDA17 Policy Commitments.** Management proposed four policy commitments to step up leveraging of public resources in IDA17:

- Strengthen country public financial management and procurement capacity and systems and expand their use by more effectively leveraging knowledge, capacity building and operational support for Bank financed operations through the pooling of PFM, procurement, governance, anti-corruption and social development expertise in the new Global Technical Practice on Governance.

- Expand use of beneficiary feedback in IDA–supported projects and report at the IDA17 Mid-Term Review on the impact of these mechanisms.

- Develop a system for tracking IDA project financing partnerships.

- Promote more effective response in FCSs by implementing the new strategic and results framework for the UN/WB partnership in FCSs to strengthen collaboration among the UN, WB, MDBs and other development partners, including through the New Deal.

42. **Participants noted that the proposed policy commitments for leveraging public resources are mutually reinforcing:** transparent use of domestic resources, for example, stimulates dialogue and accountability for results while improved data and beneficiary feedback enhance decision-making and service delivery. In addition, Participants highlighted that the policy commitments are strongly aligned with the IDA17 special themes, with particular relevance for inclusive growth.

C. LEVERAGING KNOWLEDGE

43. **Knowledge is a key ingredient of development effectiveness and progress towards the WBG goals.** Participants highlighted that development knowledge is multiplying across the public and private sectors, while new technologies are boosting availability and lowering the cost of access. They noted that expanded access to information and knowledge has the potential to be

of particular benefit for IDA countries to increase dialogue and accountability and to influence policy decisions. Together with long-term financing and strong convening power, knowledge is a core aspect of the unique value IDA brings to clients. Participants noted that IDA's client engagement integrates knowledge generation with partners; knowledge exchange across countries, including between IDA countries and MICs; and promotion of lessons learned, impact evaluation and beneficiary feedback to strengthen project design and execution. In the context of the WBG change process, they supported the Bank's enhanced focus on sharpening itself as a cutting-edge knowledge organization and furthering the science of delivery through more evidence-based policy making and project design. Participants noted that the science of delivery is about using a range of evidence-based approaches to deal with and solve development problems. Effective delivery ensures that services promised materialize in line with expected costs; evaluates implementation experience to determine whether the services benefit the targeted beneficiaries and result in the intended outcomes; and adapts iteratively the chosen interventions as needed until they achieve the desired impact. The WBG approach – including in IDA countries – entails interacting with clients and development partners to more systematically capture knowledge and generating evidence about what works in the delivery of better development results by means of observation, sharing of experience, experimentation and ultimately beneficiary feedback and evaluation. It aims at building practitioners' capacity – including Bank staff capacity, such as through the operationalization of the global practices – to learn faster, and change course when needed.

44. **Participants highlighted the need to make greater use of knowledge generated during project implementation to improve operational quality, promote mid-course corrections and adapt tools to varying country settings.** Participants noted that the science of delivery in IDA countries should incorporate support for statistical capacity building, stronger M&E, sharing of experiences, joint learning and systematic use of innovative and evidence-based methods during implementation, including through the use of beneficiary feedback and real-time data. Participants also highlighted the scope for scaling up the Bank's role as a knowledge connector, including through innovative approaches to promote South-South exchanges. They welcomed efforts to develop a system for tracking and reporting knowledge exchange activities in operations as well as for disseminating lessons to project teams. This will also involve supporting countries to build institutional capacity for capturing and sharing their development experiences along with engaging with development partners and knowledge hubs to harness the practical knowledge and experience across countries, including IDA graduates.

45. **Participants underscored that informed policy-making requires accurate and accessible statistics.** They welcomed IDA's commitment to deepen its support for statistical capacity building, also noting the importance of tailoring such support to the varying needs of individual countries. For some countries, next generation issues will emphasize improving the frequency and coverage of national surveys and improving the quality and use of statistical data in project monitoring and evaluation. Steps are also underway to help a number of IDA countries improve their gender statistics in two areas – women's economic opportunities and women's voice and agency. In addition, support will need to incorporate increased collection and use of beneficiary feedback and efforts to improve the cross-country comparability of national surveys to better identify poverty trends.

46. **Participants welcomed ongoing Bank support for knowledge exchange and encouraged expanded effort to strengthen IDA's role as a knowledge connector in IDA17.** Participants welcomed the prospect that knowledge exchange can help catalyze country-tailored solutions at relatively modest cost, offering value-for-money in strengthening and accelerating development effectiveness. In this connection, Participants agreed that building the Bank's knowledge connector role could make an important contribution towards strengthening the effectiveness of IDA operations. Participants proposed that IDA is uniquely positioned to identify opportunities, match clients in need of knowledge with those who have relevant development experiences, finance exchanges, document lessons and results, and facilitate the integration of lessons in project design as a result of IDA's global reach, country programs and global sector networks. They acknowledged that Sector Networks have also started to capture the incidence and lessons of knowledge exchange among their operations teams, and welcomed the development of tools to support frontline teams, including the deployment of the Art of Knowledge Exchange, a training module and systematic approach to knowledge exchange.

47. **IDA17 Policy Commitments.** Reflecting guidance from Participants, IDA will advance the science of delivery in IDA17 by improving statistical capacity and the more systematic use of evidence-based methods for policy making and project design and implementation; by better capturing, sharing and applying knowledge and development experiences; and by facilitating more effective knowledge exchange, including through the establishment of new WBG global practices.

- **Strengthen country statistical capacity through lending and technical assistance.** IDA will reinforce efforts in IDA17 to tailor support for statistical capacity building in line with national priorities across its diverse client base. To monitor and accelerate progress towards ending extreme poverty and boosting shared prosperity, the WBG is deepening its efforts to promote the availability of critical data across countries, including sex-disaggregated and gender-relevant data, through global engagements like the Open Data Initiative. Tracking progress will entail increasing support for country-level efforts to fill existing gaps in statistical capacity and results monitoring, and leveraging improvements in data collection and analysis for the benefit of national planning and policy-making. Innovative approaches to generate real-time statistics point the way for accelerating progress in the collection and analysis of poverty data in IDA countries during IDA17.

- **Ensure more systematic use of impact evaluations; develop and mainstream a wider range of evidence-based tools and approaches to strengthen Monitoring and Evaluation (M&E); and provide real-time data to support project mid-course corrections**. IDA will scale up efforts to systematically learn from the implementation of development programs to strengthen delivery of results. It will use evidence-based methods more systematically throughout the implementation of its projects. Specifically, building on the corporate strategic approach to impact evaluations introduced in IDA16, IDA will support their continued strong use along with development and mainstreaming of a wider variety of evidence-based tools (including beneficiary feedback mechanisms) for real-time data that can inform implementation and promote mid-course adjustments. Participants welcomed these proposed actions, also expressing support for increased

attention to documenting baseline conditions and monitoring changes and developments during implementation. Also, IDA will strengthen efforts to systematically capture, share and use the knowledge, experience and learning collected by project teams and country partners during implementation. This will require more consistent quality of M&E frameworks and baseline data across projects, with special attention to supporting M&E in low-capacity countries. This will also include the systematic development and use of case studies that will help gain more in-depth understanding of the nature of tough delivery challenges and promote deliberate learning during implementation.

- **Develop a new methodology to assess how the science of delivery is incorporated and supported** with appropriate budget resources in line with the introduction of a new budget framework. This would advance the science of delivery in IDA countries, including in fragile and conflict-affected states, to ensure quality and impact of IDA support.

- **Scale up IDA's knowledge connector role through more systematic integration of knowledge exchange in its client operations and strengthening in-country capacity, especially for South-South knowledge exchange.** First, IDA will develop a system for tracking and reporting on South-South knowledge exchange activities embedded in its operations, with dissemination of lessons for frontline teams. Second, in order to facilitate country-led approaches to knowledge exchange, IDA will support countries to build institutional capacity for capturing, packaging and sharing of South-South knowledge exchange activities.

- **Establish global practices within the WBG to facilitate a more effective transfer of knowledge and expertise**. In the context of the new strategy, the WBG will establish global practices to ensure that clients benefit from the findings of worldwide research and experience. Participants affirmed that accelerating progress toward the two WBG goals demands moving from a project mentality to a development solutions culture embedded in widely disseminated knowledge of what works and how to deliver it. Through the creation of global practices, the WBG will reorganize its technical staff to facilitate the generation, sharing and application of knowledge from inside and outside the Bank Group. The global practices will combine established strengths of local delivery support and the ability to deploy knowledge globally, facilitating more efficient responses to client demands.

D. IDA'S FOCUS ON RESULTS, EFFICIENCY AND EFFECTIVENESS

48. **Given the focus of the IDA17 Replenishment on maximizing development impact, Participants agreed on an ambitious package of policy measures and performance targets that underpin the Replenishment's financing framework**. This package, which encompasses policy commitments and a set of indicators under IDA's four-tier Results Measurement System, incorporates several important elements: (i) it explicitly aligns IDA's activities and results monitoring with the WBG strategy goals, including by adopting a more selective and evidence-based country engagement model, using knowledge more effectively and taking more informed risks, and expanding WBG synergies to achieve results; (ii) it enhances the focus on outcome and quality indicators, including to track IDA's operational effectiveness and organizational efficiency; (iii) it strengthens IDA's accountability to clients and shareholders, through greater use of beneficiary feedback and public disclosure; and (iv) it places greater attention to managing

and reporting the costs of delivering results. While recognizing that some indicators are still under development, Participants welcomed the enhanced strategic relevance and coverage of the RMS, which also involves closer links between tiers, as well as the increased links with IDA commitments. It is noteworthy that for the first time specific policy measures and performance indicators that track progress across the WBG in IDA countries have been integrated into the overall results framework. The new WBG strategy and renewed focus of IDA17 are expected to be reflected in the majority of tier 2 results materially exceeding the lower end of the range noted in the RMS. This will emerge as the reforms are rolled out and the full impact of IDA17 resources is brought to bear on increasingly selective and poverty-focused country programs.

49. **Participants emphasized the importance of the IDA RMS which has been a central pillar of IDA and has built a strong results culture in the institution**. Participants noted that the RMS has been continually refined since its launch in IDA13 to strengthen IDA's focus on results monitoring and measurement at the country, program and project levels. Participants recognized that IDA ramped up its ability to monitor and measure results during IDA16, including through the addition of the third and fourth tiers to measure IDA's operational and organizational effectiveness and the introduction of performance standards. They noted that Management has also strengthened staff incentives and accountability for results through Memoranda of Understandings with Senior Management and staff Results Agreements. They acknowledged that the strengthened results frameworks of the programs and projects funded by IDA have supported consistently high levels of satisfactory development outcomes.

50. **Participants welcomed Management's commitment to strengthen the strategic relevance and coverage of the IDA RMS**. In particular, they endorsed the introduction and/or revision of indicators to better measure progress towards the WBG strategic goals, capture progress on the IDA17 overarching and special themes, manage and report on the costs to deliver results, and strengthen transparency and accountability to shareholders and clients. They noted that these revisions will provide IDA with a more complete framework to support the achievement of development results in client countries, help to strengthen IDA's effectiveness, efficiency and accountability, and further clarify IDA's contribution to key results and outcomes. They also encouraged Management to continue enhancing communications on development results and to develop ways to capture the impact of IDA's integrated package of financing and knowledge services. The key elements of each tier of the IDA17 RMS are provided in the sub-sections below. Participants noted that Management will report on the status of the RMS indicators on an annual basis and provide a detailed update on the status of implementation of the policy measures at the IDA17 Mid-Term Review and in the IDA17 Retrospective. The specific indicators for the four tiers, including targets, projected outcomes and performance standards, are included in Table 2 of Annex 1. Table 1 of Annex 1 links the objectives of the overarching and special themes to monitorable actions and performance indicators.

Delivering Further Progress on Development Indicators (Tier 1 of the IDA17 RMS)

51. **Tier 1 captures country-level development outcomes to which IDA and others contribute**. The multidimensional development agenda to end extreme poverty and promote shared prosperity includes improving livelihoods through economic growth, inclusion and sustainability. The RMS Tier 1 monitors IDA countries' progress on these dimensions by tracking development indicators grouped under six categories: poverty eradication and shared

prosperity, inclusive growth and private sector development, governance and institutional development, infrastructure, gender equality and human development, and climate change and environment.

52. **Participants welcomed the inclusion of Tier 1 indicators to track progress on the WBG goals in IDA countries**. They endorsed the introduction of new indicators on shared prosperity, relative income inequality, employment, governance, access to financial services, gender equality, secondary education and gross capital formation. They supported Management's proposal to add several indicators on environmental sustainability and climate and disaster resilience in IDA countries. They welcomed the disaggregation of selected Tier 1 indicators by gender, youth, FCSs and countries with extractive industries. Participants also supported the introduction of an indicator to monitor progress in the level of statistical capacity of IDA countries during IDA17.

Supporting Development Results (Tier 2 of the IDA17 RMS)

53. **Tier 2 monitors IDA's contribution to country development outcomes**. Tier 2, which is now broadly structured along the same categories as Tier I, tracks indicators that measure the quality of development outcomes of IDA-financed operations, country assistance strategies and analytical and advisory services. Participants welcomed the use of ambitious IDA performance standards against which progress in these areas would be measured. Tier 2 also tracks aggregate project output and outcome indicators in sectors for which core indicators have been developed under five areas: governance and institutional development, gender equality and human development, vital infrastructure, inclusive growth and private sector development, and climate and disaster resilience. While IDA cannot set targets for these sectoral outputs and outcomes given its country-driven approach, Participants welcomed the use of indicative projections for the IDA17 period based on current trends.

54. **Participants noted Management's efforts to align IDA's country strategies and activities towards achieving the WBG goals in IDA countries and improve their quality and impact**. They welcomed the introduction of three indicators to track client feedback on the effectiveness of WBG engagements in IDA-countries (on WBG effectiveness overall, on the contribution of WBG knowledge work and activities to development results, and financial instruments that meet the needs of a client country). Participants noted IDA's efforts to ensure satisfactory achievement of development outcomes and welcomed Management actions to strengthen technical support to operations through an enhanced peer review system, improved knowledge products, harmonized operational guidelines and guidance with clear accountabilities, and more rigorous portfolio monitoring and reporting for early detection of and management attention to problem areas.

55. **Participants welcomed expanded reporting on IDA's sectoral outputs and outcomes in Tier 2, especially with reference to the IDA17 special themes**. On inclusive growth, several indicators have been added, in line with Tier 1, to track IDA's contribution to expand financial inclusion, provide irrigation and drainage services and support agriculture and rural development. On strengthening governance and institutional development, indicators have been added on strengthening tax policy and administration and public financial management, and building national statistical systems. On gender, three indicators have been added to monitor

IDA's contribution toward gender equality. On climate change, three indicators have been added with respect to IDA's contribution to energy efficiency, generation capacity of renewable energy and disaster risk reduction. An indicator to monitor the WBG's efforts to leverage private capital in IDA countries has also been added.

Increasing the Operational Effectiveness of IDA Products (Tier 3 of the IDA17 RMS)

56. **Tier 3 measures IDA's operational effectiveness of its products**, notably the quality of its portfolio, the results-orientation of its operations, the strengthening and use of country systems and the implementation of IDA17 special themes.

57. **Participants welcomed the inclusion of three indicators to strengthen accountability for Bank's performance in ensuring that the portfolio delivers the targeted outcomes:** (i) IEG ratings on Bank performance throughout the project cycle for *closed* operations (overall, at entry and during implementation); (ii) IDA's self-evaluation of implementation of *active* operations (including in FCSs); and (iii) ratings on implementation of joint and complementary IDA/IFC operations in IDA countries.

58. **Participants welcomed Management's efforts to track the use of evidence-based methods and beneficiary feedback** for policy making and impact evaluation and for strengthening feedback loops for project design and implementation. Given the importance of monitoring and evaluation (M&E) of IDA operations throughout the project cycle, they welcomed Management's continued emphasis on ensuring that IDA–funded operations draw lessons for design from impact and other evaluations, assessing the quality of Monitoring and Evaluation in IDA-financed operations (including in FCSs),[15] and the use of beneficiary feedback. They noted the progress made in introducing a corporate strategic approach to the use of impact evaluations[16] and other evaluative methodologies to enhance learning from IDA supported interventions on what worked well and what did not. Participants welcomed Management's plans to strengthen the use of M&E, beneficiary feedback and expanded reporting to enhance results and impact overall, and specifically on gender related issues and in FCSs.

59. **Participants emphasized the importance of further enhancing IDA's collaboration with other development partners.**[17] They noted that IDA plays an important role in aid coordination at the country level and in helping shape the international effectiveness agenda, including by facilitating partnerships on regional and global challenges to catalyze results. In this context, Participants welcomed the WBG efforts to enhance partnership with the United Nations agencies, including through closer interaction at the country level to address critical regional concerns such as the Sahel and the Great Lakes region, and on specific themes such as fragility, gender equality and climate change. They welcomed IDA efforts to build partnerships for knowledge exchange and joint operational engagement with MDBs and other development partners at the regional and country levels. They urged IDA to continue to monitor its

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[15] Management will set ambitious performance standards to create incentives for improved M&E practices, even if tangible improvements with this indicator are expected only in the medium term.

[16] See World Bank Group Impact Evaluations: Relevance and Effectiveness, Draft Management Response (World Bank: Washington, D.C., May 2012).

[17] For a detailed discussion see IDA16 Mid-Term Review papers: Implementation and Results Progress Report (November 2012), and Managing Crisis and Building Resilience: A Retrospective Review of IDA's Fifteenth Replenishment (October 2012).

performance in collaborating with other partners and provide guidance to staff, drawing from external and internal reviews. Participants also supported IDA's commitment to the strengthening and use of country systems, building on ongoing work in the areas of public financial management, procurement and safeguards. IDA will also continue to use donor mapping information and integrate activities financed through WB administered trust funds in Country Partnership Frameworks.

60. **Participants welcomed Management's efforts to enhance the RMS monitoring of progress on the IDA17 special themes**. These enhancements complement the actions outlined in the IDA17 policy measures by (i) strengthening monitoring and reporting of IDA resources used for climate change co-benefits and disaster risk management; (ii) tracking the percentage of operations that integrate gender equality into analysis, design and monitoring; and (iii) tracking IDA operations that effectively report on gender disaggregated data and gender monitoring indicators during implementation, including in FCSs.

Increasing Organizational Effectiveness (Tier 4 of the IDA17 RMS)

61. **Tier 4 measures how IDA is improving its organizational effectiveness to respond better to clients**. Specifically, Tier 4 captures indicators to track efficiency, effectiveness and value for money in achieving development results. Participants welcomed the additional Tier 4 indicators on speed and cost of operational delivery and administrative costs. They urged IDA to enhance its support for IDA countries' increased use of impact evaluation and other evidence-based approaches and increased statistical capacity and welcomed the additional indicator to track the amount of IDA resources dedicated to these activities. Participants also welcomed the addition of one indicator to monitor IDA countries' feedback on the WBG responsiveness and staff accessibility, and collaboration with others partners, including in FCSs.

62. **Participants noted that these additional indicators complement the IDA17 policy commitments to enhance IDA's organizational effectiveness and value for money. In addition to a strengthened RMS, these commitments include:** (i) implementing investment project financing policies with improved accountability frameworks to ensure quality and faster delivery; (ii) proposing a revised procurement policy for Board approval which would incorporate special considerations for situations of urgent need of assistance, or capacity constraints, including in FCSs; (iii) publicly disclosing IDA project preparation and implementation costs; (iv) piloting calculation of unit costs in three sectors; and (v) using a new budget process from FY15 to align resources with the WBG goals and strategy, including implementation of IDA17 commitments, and strengthen incentives for selectivity and cost-efficiency. Closely related to the commitments to cost-efficiency and value for money, WBG management is also conducting an expenditure review to achieve over US$400 million in savings across the WBG, to be implemented over three years.

SECTION III: SPECIAL THEMES

A. SPECIAL THEME 1: INCLUSIVE GROWTH

63. **Inclusive growth is central to achieving the WBG goals of ending extreme poverty and promoting shared prosperity**. The WBG will pursue these goals in an environmentally,

socially, and economically sustainable manner, making an important contribution to the post-2015 agenda. Participants noted that the special theme of inclusive growth, which was also the focus of an IDA16 Working Group, speaks to the need to maintain the growth momentum in IDA countries while ensuring that the opportunities and benefits of growth are shared broadly throughout the population, including by expanding economic opportunities for the poorest, women and disadvantaged groups (such as youth and the disabled). They noted that many IDA countries, especially those dependent on natural resources, have had relatively strong economic growth with slower impact on poverty reduction. Even among countries with successes in poverty reduction, rising inequality has detracted from the recent gains.

64. **Inclusive growth requires a broad agenda of improving incentives, resources and opportunities for investments in income-enhancing assets, as well as of facilitating the full productive use of these assets**. In this context, Participants indicated that IDA's global, sector and industry knowledge and financing provides an integrated package to help governments promote economic diversification and inclusive employment creation, raise the productivity and incomes of the working poor, enhance the efficiency and accountability of public expenditure management and support well-targeted safety nets for the most vulnerable segments of the population. Participants endorsed a two-track parallel approach on inclusive growth: the first track encompasses supporting IDA countries to make evidence-based design and implementation of inclusive growth policies central to their strategies by identifying and addressing constraints to and policy priorities for inclusive growth at the country level; the second track devotes special attention over IDA17 to four important channels for inclusive growth: (i) addressing country specific impediments to productive jobs; (ii) addressing impediments to financial inclusion; (iii) improving the quality and efficiency of public service delivery; and (iv) fostering good governance of natural resource wealth. Participants noted that this two-track approach would complement and reinforce IDA's wide-ranging support for inclusive growth across sectors, including infrastructure, education, health, agriculture, social protection and labor.

65. **Evidence-based design and implementation of inclusive growth policies.** Participants noted that country solutions to more inclusive growth must be based on understanding the micro-underpinnings of economic growth and how growth translates to welfare gains among the less well off in every IDA country. This will require assessing how income-enhancing assets and opportunities are distributed among different groups including the poor; understanding the constraints to productivity, investment and job creation; and designing and implementing inclusive growth policies reflective of country circumstances. In particular, country solutions for inclusive growth will be informed by micro-analysis of representative data about individuals, households, enterprises, and services provided by government to enhance the opportunities of citizens. In the absence of key microeconomic data, participants urged IDA to help countries develop statistical capacity, data platforms and analytical tools to monitor trends and identify constraints to inclusive growth. They also recommended that IDA country strategies be informed by discussions aimed at identifying the sources of (and barriers to) growth that enhances welfare of the less well off, and by monitoring progress in reducing the barriers.

66. **Productive jobs.** As noted in the 2013 World Development Report on Jobs (WDR2013), jobs are the most important determinant of living standards and contribute to economy-wide

productivity growth, women empowerment and social cohesion.[18] Creating jobs for a rapidly growing labor force is a critical development priority in IDA countries. Over the next 15 years, an additional 600 million new jobs will be needed to absorb burgeoning working age populations, mainly in Asia and sub-Saharan Africa; also, the next four decades will witness the greatest wave of young people ever to enter the labor market, most of them in IDA countries. But the nature of employment is also important. In many IDA countries, large portions of the labor force are engaged in low-productivity, poorly paid agriculture or informal sector activities. Ensuring that poor people, including the working poor, can transition to more productive, well paid activities is also key to shared prosperity.

67. Participants noted that the WDR advances a three-stage approach to help foster job creation and maximize the development impact of jobs. First, addressing policy fundamentals – notably macroeconomic stability, an enabling business environment (adequate infrastructure, access to finance and sound regulations), investments in human capital (good nutrition, health and education) and the rule of law (protection of property rights and rights at work). Second, designing labor policies that address labor market distortions and provide voice and protection for the most vulnerable, while not undermining efficiency. Third, aiming to identify which jobs do the most for development in their specific country context, and remove or offset market imperfections and institutional failures preventing the private sector from creating more of these jobs. Findings from the upcoming companion paper to the WDR2013 entitled "Gender at Work" will further guide IDA operations in expanding economic opportunities for women through engaging the private sector, promoting entrepreneurship, and removing constraints for women throughout their life-cycle.

68. Participants noted that inclusive growth requires strong jobs creation to ensure that poor people and other excluded groups can transition to more productive and well paid activities, complemented by well-developed social protection systems that help to prevent and buffer the impact of negative shocks. Like inclusive growth itself, the strategies for productive job creation differ from country to country and require an in-depth understanding of country's specific constraints. Participants recognized that despite the improvements in data, serious gaps about jobs and livelihoods – particularly those of the poor – in IDA countries limit the ability to diagnose problems and find solutions. They recommended that where data is weak, IDA continue to work in close collaboration with other partners – such as the IFC and the International Labour Organization (ILO) – to help countries build their capacity to undertake and improve the accessibility of surveys that provide the foundation of analysis and planning. They also supported the rolling out of a new, multi-disciplinary 'jobs diagnostic tool' which builds upon key micro level data tools and analysis of households, firms and farms, workers' salary levels, and government finance to identify constraints and policy priorities.

69. Participants stressed that the private sector is the key engine of job creation accounting for 90 percent of all jobs in the developing world and governments play a vital role by ensuring that the conditions are in place for strong-private sector led growth. This requires pursuing an agenda of physical, human and other knowledge-based capital accumulation and reallocation to more productive uses, on the one hand, and improving competitiveness and innovation for strong private sector job creation on the other. In addition, a thriving private sector contributes to

[18] World Bank (2012), World Development Report 2013: Jobs. Washington, DC.

public revenues, which increases the capacity for public spending to help address critical development needs. Participants acknowledged IDA's long-standing involvement in these areas and urged its continued support for private sector development.

70. **Financial inclusion.** Participants highlighted the critical role of financial inclusion in fostering income generation for the poor, through income-enhancing investments, entrepreneurship, employment and the growth of small businesses. They noted that about 2.5 billion people – 1.35 billion of them women – still do not have access to financial services, reinforcing and contributing to income inequality. For most poor households, moving away from poverty also requires access to services that help them smooth consumption over time and protect them against shocks, such as savings accounts, micro-insurance and pensions.

71. Participants noted the importance of expanding financial services and lowering the cost of these services in IDA countries, particularly for underserved groups. This includes programs in credit services (including housing finance), savings, payments services, remittance services, disaster insurance, micro insurance and pensions. They also acknowledged the importance of expanding financial inclusion prudently and safely, fully benefiting new lower income customers. In this context, effective financial consumer protection, such as regulation and self-regulation by the industry, along with raising the financial awareness of clients, can contribute to responsible delivery of financial services in IDA countries. Participants noted that data collection should continue to be enhanced to allow for identification of evidence-based policy priorities, better tracking of data by gender and to improve coverage of lower-income countries.

72. **Quality and efficiency of public service delivery**. Participants noted that inclusive growth requires continued progress in the quality and efficiency of public service delivery. As trade and investment flows partnerships grow and diversify in IDA countries, the payoff of managing public finances and investment flows towards the achievement of inclusive growth will also multiply. By extension, the opportunity costs of weak management will also increase. In this context, Participants welcomed IDA's focus on strengthening the capacity of public finance institutions, enhancing domestic resource mobilization and tax administration, and building efficient, transparent and accountable public expenditure systems. For IDA17, in addition to continued use of internationally recognized assessments of public expenditure and financial accountability like PEFA, they urged IDA to enhance its efforts to help build countries' own capacity to identify public resource allocation issues and inefficiencies for improved public service delivery.

73. **Natural resource wealth management.** Participants noted that recent mineral discoveries in a number of IDA countries, notably in sub-Saharan Africa, point to new opportunities to harness natural resource wealth for ending extreme poverty and boosting shared prosperity. They indicated that resource wealth comes with the complex responsibility of ensuring that exhaustive resources are adequately exploited and benefit the population at large. This includes decisions regarding the optimal rate of extraction, contractual terms with international companies with the expertise and the financing to extract the resource, and the rate of savings/investment/consumption of revenues from the resources. Participants noted that political pressures, incentives and behaviors change with expectations or the reality of natural resource wealth. The price volatility that characterizes mineral resources may also translate into more volatile budgetary revenues and spending. They recommended that governments focusing

on long-term development must seek to plan for the time when the natural resources are depleted by supporting the diversification of the economy. Inclusive growth is also supported by transparency in public financial management in natural resource based economies, allowing greater accountability in the use and distribution of public resources to the population.

74. Participants underscored the need for technical advice and financial assistance to establish the institutional capacity and design and implement policies needed to maximize the potential of natural resource wealth. They noted IDA's efforts to support the transparent and efficient development of Extractive Industry (EI) sectors, adequate fiscal policy and administration, revenue management and allocation, and policies and programs for sustainable development, including realizing the revenue potential of the resource sector, promoting good governance and greater transparency and accountability in the management of resource revenue and supporting economic diversification. Participants encouraged IDA to step up efforts in this direction, including by strengthening the institutional capacity needed to maximize the benefits of natural resource wealth and adopt best practices in the management of extractive industries, in coordination and complementarity with IBRD, IFC, MIGA and other partners.

75. **IDA17 Policy Commitments**. Participants welcomed IDA's strategy to focus its efforts to foster inclusive growth through six closely linked policy actions:

- **Make evidence-based design and implementation of inclusive growth policies central to country strategies**: Align *all* IDA Country Partnership Frameworks to the WBG goals by supporting countries to: (i) collect key data (or help fill gaps through appropriate surveys); (ii) use the Systematic Country Diagnostic to identify constraints and priorities; and (iii) align strategies to identified priorities. Also, introduce Bank procedure for the new Country Partnership Framework establishing requirements for the new approach for implementation starting in FY15.

- **Build the capacity for IDA countries to analyze and address constraints to productive jobs and develop evidence-based strategies for jobs**, through the roll out of a new 'job diagnostic tool' in at least 15 IDA countries (of which at least 5 are FCSs), using multi-disciplinary micro- and macro-level data. The jobs diagnostic tool will integrate various diagnostic tools into an overarching framework, and allow for international comparability of jobs analysis, gender sensitive analysis and increasing global knowledge of constraints and solutions.

- **Establish key strategic priorities on jobs and report on the priorities and targets.** This would be based on the work of the newly established cross-cutting solutions area on jobs.

- **Support IDA countries in addressing impediments to financial inclusion through adequate data, knowledge, innovations and capacity through:** (i) the expansion of coverage of the Global Financial Inclusion Database for IDA countries, and other WBG surveys, including to better measure innovative payments, mobile phone banking and financial literacy; and (ii) supporting at least 10 IDA countries to meet their financial inclusion targets and priorities through financing and technical assistance, including through the new Financial Inclusion Support Framework.

- **Promote greater transparency and accountability in public finance and help build country capacity to identify public resource allocation issues and inefficiencies for improved public service delivery** by rolling out the BOOST public finance analysis tool in at least 20 IDA countries (of which at least 5 are natural resource abundant economies). The public finance analysis tool will build capacity for IDA countries to quickly and continuously monitor and make public the analysis of public service delivery throughout segments of the population.

- **Foster good governance in natural resource wealth and adoption of best practices in extractive industries management through the development and use of innovative tools and building capacity to support government efforts to**: (i) improve the legal and regulatory framework for Extractive Industries; (ii) enhance revenue collection from Extractive Industries; (iii) increase the local content and positive impact of Extractive Industry investments, including through building capacity in SMEs and labor training and through agreements with Extractive Industries companies that benefit local communities; and (iv) support the implementation of the Extractive Industries Transparency Initiative (EITI) and increase transparency. IDA will report on the take-up and impact of these actions at the IDA17 Mid-Term Review.

B. SPECIAL THEME 2: GENDER EQUALITY

76. **The World Development Report 2012 on Gender Equality and Development (WDR2012) highlighted that equality between men and women is both smart economics and of intrinsic value.**[19] There is a strong correlation at the country level between gender inequality and both the share of the population in extreme poverty and the lack of country competitiveness, a key driver of increased prosperity. Closing gender gaps can raise productivity, improve other development outcomes, including prospects for the next generation, and contribute to more representative decision making in societies. Economies thrive when women, men, girls and boys have access to equal opportunities and communities prosper when women and men are equally empowered. IDA countries face particular challenges in closing the gender gaps which have constrained their economic and social development.

77. **Participants welcomed the progress made in supporting gender equality in IDA countries during the IDA16 period**. They noted IDA's key role in strengthening country policy dialogue, mainstreaming gender in country strategies, expanding gender diagnostics and critical analytical tools, integrating gender equality into IDA operations and systematically learning from operations on the ground.

78. **In recent years, IDA countries have made significant progress in advancing gender equality and improving gender-related outcomes, an important aspect of the inclusive growth agenda.** Yet, much remains to be done. Among the remaining challenges, four stand out as critical to achieving the WBG goals of ending extreme poverty and boosting shared prosperity. First is reducing gender gaps in human capital, especially those related to female health and education. Second is inequality at work: fewer than half of women globally hold paid jobs, compared with almost four-fifths of men, their jobs are often inferior to men's, they are

[19] World Bank (2011), World Development Report 2012: Gender, Equality and Development, Washington, DC.

likely to be paid less than male counterparts and are overrepresented as unpaid family workers. As entrepreneurs, women work in smaller farms and run smaller firms (WDR2012; WDR2013). Third is discrimination under the law: in 2013, only three IDA countries assessed[20] have no discriminatory law against women in any of the six areas of law reviewed (accessing institutions, accessing and using property, getting a job, providing incentives to work, accessing credit and accessing justice). Fourth is gender-based violence (GBV), which affects over 35 percent of all women worldwide.[21] These major structural challenges call for sustained long-term efforts.

79. **Going forward, Participants urged Management to intensify its support for the efforts IDA countries are making to promote gender equality**. IDA's long-term engagement with countries is critical to sustain progress on gender equality, which often requires tackling deep-seated structural inequalities. IDA's strengths are its ability to combine knowledge generated through country-level and global diagnostics with financing, convening power, and relationships at the country-level, which provide a strong platform for gender focused policy dialogue. Its increased efforts on gender equality have been widely welcomed by governments, civil societies and stakeholders.

80. **Sustaining the progress to date and expanding into new frontiers requires heightened efforts to address gender inequalities in human development, economic opportunities and access to services, especially for the poorest**. This includes intensified efforts to stimulate country demand, invest in data and knowledge, leverage partnerships and enhance the focus on implementation and results. Participants acknowledged synergies within the WBG in advancing women's role in the private sector and welcomed greater collaboration on gender issues, in particular between IDA and IFC and with other partners. Participants also welcomed Management's strong focus on enhancing the use of sex-disaggregated core sector indicators.

81. **Participants welcomed Management's actions to deepen gender integration into IDA strategies and operations through a stronger focus on implementation and results.** They noted that the next phase of intensifying a gender focus will require deepening gender integration in IDA strategies and operations and shifting the focus from design to ensuring implementation and outcomes. In this context, Participants welcomed Management's commitment to integrate gender considerations into the analysis, content of the program, and results framework of *all* IDA Country Partnership Frameworks. They also welcomed Management's emphasis on gender equality as one of the cross-cutting solution areas of the WBG strategy, and in this context, the commitment to develop by the 2014 Annual Meetings a renewed strategy for gender equality - with more ambitious targets, a new methodology for measuring progress, and an agenda for pushing ahead on new frontiers with transformational impacts. In addition, Participants welcomed Management's commitment to track the percentage of IDA operations that integrate gender into the analysis, design and monitoring. They also urged Management to deepen the treatment of gender issues at the project level, with a particular focus on lagging sectors.

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[20] IDA countries where the Women, Business, and the Law data were available. See wbl.worldbank.org/Data for more information.

[21] WHO (2012), Global and regional estimates of violence against women: Prevalence and health effects of intimate partner violence and non-partner sexual violence, Geneva, Switzerland. The figure refers to women who have experienced physical or sexual partner violence or non-partner sexual violence at least once in their lifetime.

82. **Participants emphasized the importance of data and feedback mechanisms to inform project design, implementation, and monitoring and evaluation.** Participants highlighted the lack of gender-relevant and sex-disaggregated data in key domains that constrains the design of policy actions and programs to advance gender equality. They noted that IDA has a unique capability to contribute and invest in gender data, including through investments in data collection as part of broader support for national statistical capacity and systems. Participants welcomed Management's commitment to strengthen knowledge on how to close gender gaps in IDA countries and expand the use of feedback mechanisms to better inform project design and implementation. They noted the need for continued efforts to monitor and report whether actions in gender-informed projects are being implemented as planned. Participants noted IDA's effort to enhance quality and results and welcomed the commitment of Management to introduce, by the time of the IDA17 Mid-Term Review, a mechanism to strengthen learning and results and capture the quality dimension through an assessment and rating of gender performance at project exit, building on the systematic tracking of Project Implementation Status and Results (ISR), enhanced efforts on impact evaluations and emerging architecture associated with the learning reviews.

83. **Participants welcomed IDA's push for transformative knowledge on gender equality.** An upcoming WB report on Women's Voice, Agency and Participation, which will be issued in the Spring of 2014, will build on the WDR2012's finding that women's voice and agency are central components of gender equality, yet progress has been lagging. The report will focus on freedom from the risk of violence alongside critical elements of voice and choice. It will inform IDA's work by exploring policy approaches and interventions across a range of cross-cutting issues, including changing social norms, reforming laws and legal institutions and enhancing social accountability. Participants noted that such interventions need to take into account cultural and religious considerations.

84. **Participants drew attention to the issue of sexual and gender-based violence, notably in the context of FCSs.** GBV cuts across the boundaries of age, race, culture, wealth and geography, and has strong links to other aspects of opportunities, including economic productivity. Patriarchal attitudes and deep-rooted gender stereotypes in relation to women's roles and responsibilities perpetuate inequality the world over. Participants pointed out that, while prevalent around the globe, this issue is the most pervasive in FCS settings, where – despite growing attention – data gaps are the largest.[22] They noted that intensifying IDA's efforts to promote voice and agency as well as to eliminate gender based-violence will be a long-term challenge, involving shifting norms and attitudes. They expressed support for IDA's efforts to help address gender based violence in FCSs and report on progress at the IDA17 Mid-Term Review. Participants welcomed the Management commitment to integrate a gender perspective in IDA's support to FCSs, including for addressing GBV issues as warranted by country context and to report on progress at the IDA17 Mid-Term Review.

85. **IDA17 Policy Commitments.** Participants welcomed ambitious efforts to scale up gender in IDA17. As part of broader efforts to promote transformational change, IDA will step up its gender-related commitments during IDA17 with six ambitious actions at the country, regional

[22] WHO (2012). Global and regional estimates of violence against women: Prevalence and health effects of intimate partner violence and non-partner sexual violence, Geneva, Switzerland.

and corporate levels, and a specific focus on gender-related commitments in FCSs (also see paragraph 104):

Deepen Integration of Gender Considerations

- **Deepen integration of gender considerations into country strategies.** *All* IDA Country Partnership Frameworks will incorporate gender considerations into the analysis, content of the program and the results framework.

- **Regional Gender Action Plans (RGAPs)**. All regions will implement and monitor the RGAP, which allows diverse regions of the Bank to tailor plans and corresponding indicators to regional and country gender context. The tailored treatment on gender also emphasizes cultural sensitivity and country specific solutions in addressing gender issues.

- **Renewed gender strategy.** Develop a renewed strategy for gender equality - with more ambitious targets, a new methodology for measuring progress, and an agenda for pushing ahead on new frontiers with transformational impacts.

Improve Accountability, Monitoring, Learning and Innovation

- **Enhance quality of delivering at exit**. Management will introduce a mechanism to strengthen learning and results through an assessment and rating of gender performance at project exit, building on the systematic tracking of project Implementation Status and Results Reports, enhanced efforts on impact evaluations and emerging architecture associated with the learning reviews.

- **Strengthen feedback loops to enhance results and impact on gender equality**. Efforts will be stepped up to strengthen knowledge of what does and does not work to close gender gaps in IDA countries through monitoring and evaluation, including impact evaluations on gender-related issues, more systematically tracking gender results of IDA operations using sex-disaggregated core sector indicators and the expanded use of beneficiary feedback mechanisms.

- **Improve sex-disaggregated and gender-relevant data**. IDA will roll out statistical activities to increase sex-disaggregated data and gender statistical capacity in at least 15 IDA countries.

C. SPECIAL THEME 3: CLIMATE CHANGE

86. **Climate change risks putting prosperity out of the reach of millions of people in IDA countries and threatens to roll back decades of development gains.** The changes in the climate system since the 1950s have been unprecedented when compared with changes observed over millennia. In addition, the frequency, intensity and duration of extreme weather-related events have increased. Participants noted that IDA countries will be among the most affected through, for example, changes in rainfall patterns, floods and droughts, increasing temperatures, storm surges, rising sea levels and changes in agricultural productivity.[23] Adverse impacts of

[23] Source: World Bank, Turn Down the Heat: Climate Extremes, Regional Impacts, and the Case for Resilience (2013).

climate change are particularly likely to affect climate sensitive sectors/areas such as agriculture, forestry, water resources, cities, drylands and coastal communities. Climate related impacts will be compounded by ongoing social, economic and environmental pressures. Specifically, current unsustainable growth patterns are leading to land degradation, loss of forests and biodiversity, air pollution, water scarcity and wasteful production and consumption patterns. Participants also highlighted that the agriculture sector will be central to climate change mitigation efforts in IDA countries given that agriculture is a primary means by which the impacts of climate change are transmitted to the poor. Settlements in urban coastal areas and flood plains face additional challenges as a result of poor urban planning, inadequate building standards and degraded rural and peri-urban protective ecosystems. Rapid urbanization in IDA countries requires climate smart urban planning. IDA is well placed to help its clients avoid lock-in effects that could impair the countries' long-term competitiveness. Where the poorest people are most dependent on natural resources and most exposed to environmental hazards, further advances in poverty reduction will require growth that is environmentally sustainable. Development planning that fails to take into account future stresses is leading to increased vulnerability of people, natural and physical capital to climate- and disaster-related risks. To meet the WBG goals, a transition towards inclusive growth that reconciles economic growth with social inclusion and environmental sustainability, while tackling climate and disaster risks, is necessary.

87. **Climate change is a complex development issue.** Participants acknowledged that addressing climate change requires tackling interlinked policy, technology and finance challenges to change human behavior and decisions. It also requires policies and programs that provide incentives for engagement of, and synergies between, the public and private sector to address climate change, and efficiently and effectively make use of environmental and social capital. Furthermore, they indicated that policies will need to remain flexible and responsive to changing climate signals. They also noted that scaled-up implementation of known policy and technology solutions, enhanced innovation, incentives for behavioral change and sustainable long-term finance will be essential. Participants underscored that combining a risk management approach with low carbon and resource efficient development pathways will contribute to present and future prosperity of people and the planet.

88. **Managing risks from more frequent and intense disasters and climate events will be essential to safeguarding development results and achieving the WBG goals of eradicating extreme poverty and improving shared prosperity.** Participants noted that the human impact of natural disasters is higher in poorer countries due to higher vulnerability and lower capacity to manage disaster risks. Rapid poorly planned urbanization and environmental degradation continue to drive growing disaster losses. Climate change is exacerbating this trend further. Participants emphasized the need to integrate actions to build disaster and climate resilience. This can be done using disaster risk information to inform policy and investment decisions. High-value investments can dramatically reduce the risk and impact of disasters, through land-use planning, enforcing disaster resistant building codes and developing protective infrastructure; increase financial protection, through risk financing solutions; and increase preparedness, by developing early warning systems, contingency plans and social protection.[24] When disasters do

[24] See World Bank, Sendai Report: Managing Disaster Risks for a Resilient Future (2012) and World Bank and United Nations, Natural Hazards, Unnatural Disasters: The Economics of Effective Prevention (2010).

happen, integrating risk management approaches into recovery and reconstruction is also essential.

89. **Enhancing resilience in IDA countries is estimated by the Bank to add about 25-30 percent to the costs of development, with the largest increase being in sub-Saharan Africa and small island states.** The increased cost is associated, among others, with climate proofing projects which may require additional design features and climate related specifications, multi-sector planning, strengthening of capacity and institutions, development and use of standards and codes for infrastructure that include the increased frequency and intensity of disaster and climate risks, increased maintenance of infrastructure, and/or providing communities with funds to help in recovery efforts. Participants noted that while the up-front costs may be higher, over the long-term these investments will be more resilient and will help achieve the WBG goals.

90. **Participants welcomed the progress made in supporting climate and disaster resilience in IDA countries during the IDA16 period.** This includes a discussion of risks from climate variability and change in all IDA country strategies, increased discussion on disaster risk management, the rolling out of a system to separately track adaptation and mitigation co-benefits for new projects, and increased IDA lending with adaptation and mitigation co-benefits and analytical work and technical assistance at the country, regional and global level. Also, a number of sector specific climate risk screening tools have been developed and are being tested. In the aftermath of natural disasters, post disaster needs assessments (PDNAs) have supported the formulation of long-term strategy, development planning and action plans for resilient recovery and reconstruction, delivering a coordinated system of international assistance to disaster-affected countries and helping mainstream disaster risk reduction in country development strategies (e.g., Haiti, Horn of Africa and Sahel regions).

91. **Participants recognized the urgent need and increasing demand from IDA countries to reduce the vulnerability of people, their assets, livelihoods and economies to climate and disaster-related risks**. They noted that this decade provides an opportunity for IDA countries to develop in a way that fully integrates the risks of climate change and disasters. They emphasized that in line with the WBG goals, IDA-supported development will need to be inclusive, resilient to vulnerabilities arising from climate change and other pressures, low carbon, and efficient in the use of natural capital.[25] They also underscored the importance of building on lessons learned in developing the climate resilient development agenda. Lessons should be drawn from implementation of climate actions in IDA countries, experiences in other countries, and experiences from other multilateral development banks, bilateral partners and the private sector. Deliberations and decisions of the United Nations Framework Convention on Climate Change (UNFCCC) should inform this work.

92. **Participants stressed that IDA is uniquely placed to play a critical role in helping countries shift towards a climate resilient path and access and blend finance from different sources**. They indicated that IDA offers a unique combination of tools and resources to promote climate and disaster resilience, low carbon and sustainable growth considerations in the national development processes of IDA countries and to deliver fast responses for post-disaster recovery efforts. IDA integrates state-of-the-art knowledge, investment, policy support and capacity to

[25] http://www.worldbank.org/content/dam/Worldbank/document/WB-goals2013.pdf

help establish mechanisms for effective implementation – all with a strong focus on results. Participants also underlined that IDA resources, investments and country dialogue should continue to be a platform to leverage and use climate change funding from various sources. They indicated that IDA provides a strong vehicle and an effective channel for leveraging the Green Climate Fund (GCF), the Global Environmental Facility (GEF) and other sources of climate finance as well as those dedicated to disaster risk management.

93. **Building on the progress made during IDA16, Participants urged IDA to redouble its efforts to help IDA countries address policy, technology and finance challenges to ensure development is climate resilient.** They underlined the importance of integrating climate and disaster risk management into IDA countries' development strategies, policies and investments. They also noted the need to help strengthen IDA countries' institutional and human resources to address the complex challenges of climate change and unsustainable growth to develop and implement country-led, multi-sectoral plans and investments for managing climate and disaster risks. A key objective of these plans is to support IDA clients in making their development environmentally sustainable. They supported the objective of achieving universal access to energy by 2030, in the context of the Sustainable Energy for All objectives (SE4ALL) and the WBG's approach to help reduce GHG emissions that "recognizes that each country determines its own path for achieving its energy aspirations,[26] and each country's transition to a sustainable energy sector involves a unique mix of resource opportunities and challenges, prompting a different emphasis on access, efficiency and renewable energy". In this regard, IDA will work with its partners to facilitate low carbon solutions for economic development based on country demand. Participants called for the expansion of the system to track climate co-benefits associated with financial commitments to include the climate co-benefits of analytical work and technical assistance in IDA countries, and the piloting of a system to measure the share of IDA investments with disaster risk management co-benefits. They recognized that there is no single indicator to measure and monitor progress on climate and disaster resilience. Management will propose an indicator(s) on climate and disaster resilience by the IDA17 Mid-Term Review. They remarked that enhanced synergies among IDA, IFC and MIGA will help engage the private sector, strengthen risk coverage and leverage funding for effective climate resilient and low carbon development. They noted that the World Bank is developing methodologies and tools for GHG accounting in select energy, transport and forestry sector projects, and anticipates, after testing the methodologies and tools, including for additional sectors, that they could be rolled out further.[27]

94. **IDA17 Policy Commitments.** Participants recognized the urgent need and increasing demand from IDA countries to reduce the vulnerability of their people, assets, livelihoods and economies to climate related risks. They underscored the importance of systematically addressing policy, technology and financial challenges to meet this demand and ensure development is climate resilient. Participants welcomed IDA's commitments for IDA17 to foster climate and disaster resilient development as follows:

Mainstreaming climate and disaster risk management in IDA countries' strategies, policies and investments

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[26] World Bank, Towards a Sustainable Energy Future for All: Directions for the World Bank Group's Energy Sector (2013).
[27] World Bank, Towards a Green, Clean and Resilient World for All, A World Bank Group Environment Strategy, 2012-2022.

- *All* IDA country partnership frameworks incorporate climate and disaster risk considerations into the analysis of the country's development challenges and priorities and, when agreed with the country, incorporate such considerations in the content of the programs and results framework;

- Screen all new IDA operations for short- and long-term climate change and disaster risks and, where risks exist, integrate appropriate resilience measures;

- Scale up support to IDA countries to develop and implement country-led, multi-sectoral plans and investments for managing climate and disaster risk in development in at least 25 additional IDA countries.

Supporting efforts to achieve the Sustainable Energy for All objectives

- Support IDA countries to develop national energy action plans and investment prospectuses to achieve the Sustainable Energy for All objective of universal access to energy by 2030.

Strengthening monitoring and reporting of IDA resources used for climate change mitigation and adaptation

- Enhance monitoring by (i) expanding climate finance coding system to cover tracking of ESW and non-lending TA that address climate change issues in IDA countries; and (ii) piloting a coding system to measure the share of IDA investments with disaster risk management co-benefits.

D. SPECIAL THEME 4: FRAGILE AND CONFLICT-AFFECTED STATES

95. **Participants noted that fragility is among the greatest development challenges of our time.** Fragile and conflict-affected states[28] face political, security, economic and environmental stresses that cannot be mitigated by their weak institutions. As a result, they experience repeated disruptions in their development progress with several of them seemingly caught in a "fragility trap." Addressing the causes of fragility and conflict can unlock significant development potential; but this is a complex process subject to many risks and the possibility of reversals. Participants welcomed the insights from recent research on fragility and conflict, including in the context of the 2011 WDR on Conflict, Security and Development (WDR2011).[29]

96. **Participants noted that breaking out of fragility and conflict requires sustained efforts by the national leadership to: (i) strengthen legitimate institutions and governance to provide security, justice and jobs; and (ii) seize opportunities for significant policy, institutional and social change.** They also noted that the international community has a key role to play in helping FCSs contain and manage the stresses that could derail this process and make the most out of opportunities for change. In that regard, Participants echoed the call for a paradigm shift in the modalities for engagement in FCSs of the international community by refocusing assistance on confidence building through timely and targeted support; reforming

[28] The term FCS in this document refers to a country that: (i) has a harmonized average Country Policy and Institutional Assessment (CPIA) rating of 3.2 or less (or no CPIA); or (ii) has or has had a UN and/or regional peace-keeping or peace-building mission during the past three years.

[29] World Bank (2011), World Development Report 2011: Conflict, Security and Development, Washington, DC.

procedures to respond more flexibly to the FCS' unique challenges and opportunities; and factoring the risks and long time frames involved in building resilience. Participants also welcomed the progress in WBG/UN collaboration and called for continued deepening of the dialogue with the UN and other stakeholders on partnerships and peace- and state-building issues, particularly at the operational level. Specifically, this enhanced partnership will (i) enhance field based cooperation in peacebuilding engagements at the country level, and (ii) strengthen collaboration on key themes that are a priority for both the UN and WB (priorities identified include jobs and livelihoods, strengthening public sector capacity in FCSs, and promoting justice sector reform).

97. **Addressing the development challenges in FCSs is at the core of the WBG strategy and a priority for IDA.** Participants noted that 32 out of the 35 countries currently classified as FCSs are IDA-eligible.[30] They underscored that the challenge represented by the FCSs is compounded by the fact that the destruction and slow development due to fragility and conflict have regional and global implications.[31] Consequently, progress in the FCSs will also enhance and protect the development gains in non-FCSs. In that context, Participants welcomed the focus of the WBG strategy on addressing the challenges of fragility. They stressed that, in the current landscape – where the FCSs are home to a growing share of the world's extreme poor – achieving the WBG goals of ending extreme poverty and boosting shared prosperity requires renewed efforts by IDA to enhance its strategic relevance and maximize its development impact in these challenging environments.

98. **Participants acknowledged that significant progress has been achieved by IDA in supporting FCSs in recent years**. They noted IDA's key role in enhancing the effectiveness of development assistance in FCSs and stressed the continued relevance of IDA's country-based business model and its unique role as a platform for coordination and knowledge sharing. Participants appreciated the reforms implemented in recent years to strengthen IDA's support to FCSs through greater decentralization of staff, increased Bank budget for operational work and operational flexibility, and enhanced financing.

99. **Participants welcomed the Bank's five-point agenda for further strengthening operational effectiveness in FCSs, which aims at enhancing risk management and responsiveness in these challenging environments.** They stressed that enhancements in IDA's financing arrangements for FCSs should be accompanied by improved operational effectiveness. In this context, Participants welcomed the five-point agenda which includes steps to: (i)improve the design of country strategies to better address the drivers of conflict and fragility and build on the synergies between IDA, IFC and MIGA; (ii) create more agile operational policies and risk management practices; (iii) increase knowledge sharing, particularly with and between clients through South-South learning; (iv) strengthen the level and quality of staffing of FCSs programs through improved career path management, better preparation and training, more strategic deployment of locally hired, cross-country national and international staff, and support to staff and families that is tailored to hardship in selected duty stations; and (v) enhance financing.

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[30] The share of the population in IDA countries living in FCSs at the beginning of the IDA17 period is estimated at 28 percent.

[31] The 2011 WDR estimates that poverty reduction in countries affected by major violence is, on average, about a percentage point lower per year than in countries not affected by violence. The cost of lost production due to civil wars and high levels of violent crime is estimated at 2 to 3 percent of a country's GDP. Countries are estimated to lose 0.7 percent of their annual GDP for each neighbor involved in civil war.

Participants recognized this agenda as a key step towards implementing the findings of the 2011 WDR and as an integral part of the WBG's engagement to deliver on the commitments under the New Deal for Engagement in fragile states through close engagement with the g7+, and participation in the International Dialogue on Peace-building and State-building, including in the development of state and peace-building indicators. Participants underscored that implementing the WBG strategy will be crucial in the context of FCSs, where the science of delivery and the new global practices will help ensure that results are maximized in these challenging environments.

100. **Significant progress has been achieved by FCSs in recent years, but much more needs to be done**. Participants noted that, despite serious challenges, 16 IDA FCSs have met one or more MDG targets and an additional six are on track to do so by 2015. They welcomed the improved outlook for FCSs to meet these internationally agreed development objectives. They also welcomed the improved performance of the FCS portfolio and noted that it now stands on par with that for non-FCSs. At the same time, Participants noted that the FCSs continue to lag behind the rest of the developing countries and underscored that these early signs of progress are themselves fragile and could be reversed by relapses into violence or conflict. They remarked that in a world where poverty will be increasingly concentrated in FCSs, addressing the challenge of fragility will require a paradigm shift to enhance the international community's and IDA's assistance to these countries.

101. **Addressing the drivers of fragility and building resilience.** Participants emphasized that identifying opportunities for change and designing policies for building resilience require a clear understanding of the underlying causes of fragility and conflict. In this context, Participants appreciated the increased integration of fragility analyses in country strategy products and instruments to help build resilience. Participants called on Management to step up efforts in this direction, including by drawing on cutting-edge global knowledge and operational skills in fragility-related areas. Participants underscored the importance of job creation, private sector development, institution building and gender equality in FCSs.[32] They stressed that these topics present challenges and opportunities that are specific to FCSs and called on Management to build the knowledge base and analytical tools in these areas, fully exploit the potential of synergies among the branches of the WBG and deepen collaboration with other development partners. As indicated in the gender section, Participants supported Management's commitment to integrate a gender perspective in IDA's support to FCSs, including for addressing gender based violence issues as warranted by country context and report on progress at the IDA17 Mid-Term Review.

102. **Delivering results in FCSs: knowledge, science of delivery and flexibility.** Participants stressed that maximizing IDA's development impact in FCSs will require applying the findings from research and experience and using evidence-based methods in project design as well as flexibility for project implementation. They also urged Management to ensure quality of operations in IDA FCSs, especially given increased FCS funding, through a focus on "within-project learning" including the expanded use of beneficiary feedback mechanisms, mid-course corrections and evaluations. Participants called on Management to step up efforts to strengthen

[32] As highlighted in the 2011 WDR, high unemployment – particularly youth unemployment – is a key economic stress contributing to violence in FCSs. In addition to the availability of jobs, the quality of jobs is also an important consideration as exploitative employment is also a risk factor in violence.

knowledge of what works and what does not work in fragile contexts. In this context, they urged IDA to step up its focus on monitoring and evaluation – including impact evaluation, the tracking of results of IDA-financed operations in FCSs and the use of beneficiary feedback. Participants welcomed the evaluation of the Bank's work in FCSs by the Independent Evaluation Group and the report on Women's Voice, Agency and Participation. They underscored that drawing out the implications for IDA's engagement in FCSs of the findings in these documents will be an important task during the IDA17 period. Participants also welcomed the streamlining of procedures for FCSs that is part of the Investment Lending reform and the efforts by Management to promote flexible operational practices in these countries and ensuring the allocation of sufficient resources to strengthen quality and effectiveness in FCSs. They underscored that flexibility will be crucial when addressing the complexities of working in FCSs, including the need for a rapid response and to work in collaboration with other development partners. At the same time, Participants indicated that this flexibility should be accompanied by feedback loops in project design and implementation that would allow for mid-course corrections to reflect changing country contexts, including unforeseen openings for change and challenges.

103. **Enhanced financing for FCSs**. Participants agreed to strengthen IDA's financing to FCSs to ensure enhanced financial engagement in the broader FCS group and a better targeting of IDA's exceptional support. In their discussion, Participants noted that the proposal preserves strong incentives for performance; builds on IDA's implementation experience, including the need for striking a balance between rules and flexibility; and reflects the new understanding on fragility and conflict. Participants endorsed the following changes to IDA's allocation system: (i) establishing an exceptional allocation regime for countries facing "turn-around" situations; (ii) reducing the Country Performance Rating exponent in the regular PBA formula from 5 to 4; and (iii) increasing the minimum base allocation from SDR3 million to SDR4 million per year. In addition, Participants recognized the need for ensuring a smooth transition of countries currently under the exceptional post-conflict and re-engaging regimes. To that effect, they endorsed: extending, on a case-by-case basis, the phasing out period for these countries for the duration of IDA17; and aligning the support to these countries with that under the exceptional "turn-around" regime.[33] Participants noted that the exceptional "turn-around" regime incorporates several new elements. In this context, they acknowledged that Management will have to adapt the framework as progress on these new elements unfolds. Participants requested Management to report its experience on implementing the exceptional "turn-around" regime at the time of the IDA17 Mid-Term Review.

104. **IDA17 Policy Commitments**. Participants welcomed the policy commitments proposed by Management for implementation during IDA17 which aim to capture the stepped-up efforts by IDA to enhance the delivery of assistance to FCSs.

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[33] The case by case extension of the phasing out period will be based on the criteria agreed in IDA16 as follows: (i) a limited economic status and financing options, measured by GNI per-capita lower than the IDA operational cutoff or lack of access to IBRD financing; (ii) the presence of clear factors slowing down the transition, most notably a resurgence or continuation of conflict in parts of the country, measured by the presence of UN Security Council mandates for peace-keeping forces (with the exclusion of border monitoring missions); and (iii) a Portfolio Performance Rating, averaged over the last three years, of at least 3.0. The decision rule is that the phase out period is extended if the country meets (i) and at least one among (ii) or (iii). The application of these criteria would entail the extension of the phasing out period through IDA17 for: Afghanistan, Burundi, Central African Republic, the Democratic Republic of Congo, Haiti and Togo. Côte d'Ivoire and Liberia have their original phasing out period ending in FY17.

Addressing the drivers of fragility and conflict and responding to opportunities to support turn-around countries and build resilience

- *All* Country Partnership Frameworks in IDA FCSs be informed by analysis of drivers of fragility and conflict;

- Enhance synergies through IDA-IFC-MIGA joint implementation plans in at least 10 IDA FCSs, including joint frameworks to measure results;

- Propose a revised procurement policy for Board approval which would incorporate special considerations for situations of urgent need of assistance or capacity constraints, including in FCSs.

- Undertake analytical work on job creation in FCSs, including by rolling out a "job diagnostic tool" in at least 5 FCSs (see details on the "job diagnostic tool" in the policy commitments for inclusive growth);

- Implement gender-related commitments on Country Partnership Frameworks and operations (see gender section);

- Support efforts for addressing gender-based violence issues and report on progress at the IDA17 Mid-Term Review.

Enhancing feedback from implementation experience and ensuring more agile operational policies and practices

- Implement Management's response to the recommendations of the IEG evaluation of WBG support to FCSs;

- Strengthen knowledge of what does and does not work in IDA FCSs through monitoring and evaluation, including impact evaluations, tracking of results of IDA operations and expanded use of beneficiary feedback mechanisms;

- Implement OP/BP 10.00 which incorporates a differentiated approach to investment lending in FCSs;[34]

- Promote more effective response in FCSs by implementing the new strategic and results framework for the UN/WB partnership in FCSs to strengthen collaboration among the UN, WB, MDBs and other development partners, including through the New Deal.

Enhancing Financing for FCSs

- Implement the revised IDA resource allocation framework for FCSs to enhance targeting of IDA's exceptional support and financial engagement in these countries.

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[34] The policy also envisages a differentiated approach for other countries with capacity constraints due to specific vulnerabilities (e.g., small states).

SECTION IV: ADJUSTMENTS TO VOLUMES AND TERMS OF IDA ASSISTANCE

105. Participants reviewed IDA's Performance Based Allocation (PBA) system and agreed that is has generally worked well; they noted however that exceptions should be limited. They agreed to the following adjustments:

106. ***Resource allocation framework for IDA17.*** As part of the replenishment discussions, Management undertook a review of IDA's resource allocation framework and proposed a comprehensive set of reforms to enhance it. In endorsing the Management proposal, Participants noted that its implementation would result in an allocation system that: (i) preserves a strong performance orientation; (ii) builds on IDA's implementation experience, including the need for striking a balance between rules and judgment; and (iii) reflects the new understanding on fragility and conflict. The allocation framework endorsed by Participants incorporates four revisions relative to IDA16 allocation framework, namely:

(i) *Creating an exceptional allocation regime for countries facing "turn-around" situations*. Starting in IDA17, this regime would cover all future cases warranting the provision of exceptional IDA support.

(ii) *Increasing the poverty-orientation of the regular Performance-Based Allocation system* by changing the Country Performance Rating exponent in the PBA formula from 5 to 4.

(iii) *Ensuring a meaningful engagement at the country level* by increasing the annual minimum base allocation from SDR3 million to SDR4 million.

(iv) *Ensuring a smooth transition for countries under the current exceptional Post-Conflict and Re-Engaging regimes*. To that effect: (i) the phasing out period for these countries would be extended on a case-by-case basis for the duration of IDA17, and (ii) the support to these countries would be aligned with that under the exceptional turn-around regime.

107. Altogether, the IDA17 allocation framework would allow IDA to better respond to the challenges and opportunities presented by IDA's diverse client base. Its increased poverty-orientation will realign IDA's financial support with the WBG goals and strategy. Regarding FCSs, which are home to a growing share of the world's poor, the allocation framework would ensure an enhanced financial engagement in the broad FCS group while – at the same time – improving the targeting of IDA's exceptional financing to respond to significant opportunities for building resilience. The allocation framework will also benefit small states, which confront specific development challenges. This realignment would be achieved in a way that preserves strong incentives for performance and keeps the associated trade-offs manageable.

108. Regarding the exceptional "turn-around" regime, Participants noted that it incorporates several new elements – some of which are currently under development. In this context, they acknowledged the need to adapt the framework as progress on these new elements unfolds. Participants requested Management to report its experience on implementing the exceptional

"turn-around" regime at the time of the IDA17 Mid-Term Review. Furthermore, Participants endorsed to continue to support countries that are likely to re-engage with IDA during the IDA17 period, including through exceptional support under IDA's systematic approach to arrears clearance as warranted by country context.

109. ***Graduation and Transitional Support.*** Participants noted that graduation from IDA represents an important milestone of progress in a country's development path. However, in some cases graduation could adversely impact a country's capacity to maintain development momentum if it leads to a significant drop in available financing for that country. Participants welcomed Management's proposed coordinated WBG approach to prospective graduates which would assist in ensuring readiness for the graduation process and a smoother transition to IBRD-only status. In this regard, a task force[35] will provide advice to country authorities and country teams when an IDA-only country becomes creditworthy for IBRD lending as well as for current blend countries that would graduate to IBRD-only status. Management will provide regular updates on the expected graduates in IDA18, and will provide a report on the work of the task force in ensuring a smooth transition, and on the use of the IDA17 transitional support at the IDA17 MTR.

110. Participants discussed options to provide transitional support for new IDA graduates in IDA17 where: (i) the country's GNI per capita is below the historical cutoff at the time of graduation; (ii) there is a significant reduction in new commitments/net flows from the World Bank after graduation from IDA; and (iii) there is a significant poverty agenda, as measured by poverty levels and other social indicators. Participants endorsed the provision of exceptional transitional support in the IDA17 period for India, which is constrained in its access to IBRD by the Single Borrower Limit, is below the projected historical cutoff line at the point of graduation, and still has a significant poverty agenda. They agreed that India will receive transitional support during IDA17 in the amount of 2/3 of the 11 percent of IDA17 resources that India would have received had it not graduated from IDA, also noting that exceptional transitional support would be provided for one three-year IDA replenishment cycle.[36] They welcomed the Government of India's commitment to further their poverty removal agenda with this exceptional

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[35] The WB internal task force will provide advice to country authorities and country teams when an IDA-only country becomes creditworthy for IBRD lending as well as to current blend countries. The task force membership will be country-specific, and will consist of staff from the Concessional Finance and Global Partnerships – IDA Resource Mobilization Department (CFPIR), Corporate Finance and Risk Management – Credit Risk Department (CROCR), Operations Policy and Country Services (OPCS), the country team, and other relevant World Bank Group units. The task force will provide advice and feedback to the country authorities and the country team at the time of creditworthiness, at the time of preparation of a new Country Partnership Framework, and ahead of impending changes in the country's lending status – outlining the implications of graduation to ensure that these countries are prepared for this milestone. Areas in which the task force would provide assistance are guidance on ensuring a smooth path from IDA to IBRD on the financing side, including with frontloading/backloading in the use of IDA/IBRD resources; support for enhancing the country's access to financial resources from other sources; and information on other implications of IDA graduations, such as the implementation of the IDA accelerated repayment clause.

[36] The financing for transitional support would be provided on terms that are harder than those for IDA hard term lending but below the fixed rate equivalent of an IBRD loan. The applicable fixed rate would be set on a quarterly basis at 100 basis points below the fixed rate equivalent of an IBRD loan, and would be applied to all transitional support credits approved within that quarter. In addition to a fixed interest charge, transitional support credits would also carry IDA's standard service charge (currently 0.75 percent), and a variable commitment charge (currently set between 0-0.5 percent) on an annual basis. Transitional support credit terms include a 25 year maturity, a 5 year grace period, an amortization schedule reflecting a straight line amortization (5 percent per annum), and, like IDA hardened term credits, will be exempt from the accelerated repayment provisions. All other terms applicable to credits offered on blend terms will apply to transitional support credits.

transitional support, noting the India Country Partnership Strategy's focus on low-income and special category states which combined are home to half of India's poor people.

111. Participants emphasized that this transitional, poverty-oriented support was being provided to respond to the unique situation of India, and where all partners - including India, IBRD and IDA – are stretching in order to ensure that India has access to sufficient WBG resources. India itself has agreed to the purchase of Special Private Placement Bonds that enable it to access higher levels of IBRD financing. Participants also called on Management to put forward, and on the IBRD Board to consider, a financial package that will provide India with increased access to IBRD funding to ensure that the WBG remains engaged in India in a significant manner in IDA17 and beyond.

112. ***Revision of IDA's lending terms.*** Participants welcomed the review of the terms of IDA's financial instruments, and noted that adjusting IDA's financing terms could strengthen IDA's finances and long-term financial capacity. They noted that significant improvements have taken place in the risk of debt distress ratings since the inception of the Debt Sustainability Framework (DSF) and that regular IDA-only credits remain among the most concessional forms of finance available from development organizations. Participants noted that simulated external public and publicly guaranteed debt burden trajectories demonstrate that revising IDA's lending terms (and possible future changes by other MDBs) are unlikely to have a material impact on the countries' debt sustainability risk ratings. In addition, participants noted that the Debt Sustainability Analyses (DSAs) that are regularly conducted for IDA countries would provide a regular mechanism to recalibrate the lending terms for countries in the event of a deterioration of their debt sustainability. Participants endorsed adjustments to the lending terms of IDA-only countries. Starting in IDA17, credits for IDA-only countries would have a maturity of 38 years with a 6-year grace period and move to a straight line amortization of principal (SLA).[37] The lending terms for small island countries would remain unchanged.

113. ***Accelerated repayments.*** The terms of IDA credits provide for accelerated repayments of credits for countries that have a per capita GNI level that exceeds a specific threshold and are IBRD creditworthy. IDA has included an accelerated repayment clause in legal agreements of regular and blend credits approved since 1987 that allows it to double the principal repayments of the credit or increase the interest rate, subject to the approval of IDA's Executive Directors after considering the borrower's economic development. The GNI per capita threshold was originally set as exceeding the historic cut-off for 5 consecutive years, but for agreements after 1996 it was lowered to exceed the operational cut-off for 3 consecutive years. Deputies noted that some IDA borrowers with outstanding IDA credits that include the acceleration clause have met these criteria and that their changed circumstances should be reflected in their repayment obligations to IDA. They endorsed the exercising of the acceleration clause for these borrowers that are IDA graduates, after considering the borrower's economic development and in accordance with the terms of the applicable legal agreements and noted that this would have a positive impact on IDA's financial capacity for the IDA17 period.

114. ***Enhancing IDA's Capacity to Respond to Crises.*** Participants emphasized that the dedicated CRW introduced in IDA16 was an important innovation to provide IDA the flexibility

[37] All other terms and charges would remain unchanged and be consistent with the current General Conditions for IDA credits and grants.

with which to respond rapidly to crises and emergencies and to do so in a manner that is timely, transparent and predictable. Participants agreed to the continuation of a dedicated CRW in IDA17 and agreed that partners would provide an amount of SDR0.6 billion, representing 2 percent of IDA17's envelope, to support IDA's capacity to respond to severe natural disasters and economic crises in IDA countries, and help build their crisis resilience. In the event of exceptional circumstances this amount could be exceeded subject to approval by IDA's Board of Executive Directors. The continuation of a dedicated CRW in IDA17 will enable IDA to continue to participate in global efforts to rapidly respond to severe crises in IDA17, in partnership with UN agencies, the IMF other MDBs and bilateral partners. Participants supported the continuation of the implementation arrangements governing access to the CRW resources as set out in the IDA16 replenishment[38] and asked that Management provide an update on the utilization of CRW resources at the IDA17 Mid-Term Review and propose any needed reallocations of unused CRW resources at that time, with priority consideration given to IDA core performance-based financing and regional projects.

115. ***Strengthening Support for Regional Projects.*** Participants supported the further scaling up of financing for the IDA regional program. Given that the current criteria can in exceptional cases constrain the ability of IDA to finance projects that could have a transformational impact on a region or sub-region, they agreed to: (i) introduce, on a case-by-case basis and subject to a two-step process of early consultation with and approval by Executive Directors, the ability to finance, with resources from the IDA regional program, projects that require financial participation of only one IDA country, where it can be clearly demonstrated that the project would have a transformational impact on the region, and that three or more countries (two, if one is an FCS) would receive substantial benefits from the project; and (ii) cap, on a case-by-case basis and subject to approval by IDA's Executive Directors, the amount that comes from a country's regular IDA allocation to 20 percent of that country's IDA17 allocation for regional projects where project costs are very large relative to the country's available IDA resources. In cases where exceptional approval is required, Management would consult with the Board early in the development of the project. Financing to support such exceptions would be limited to 20 percent of the overall IDA17 envelope for regional projects given the high demand for regional project financing. Participants also agreed to continue to extend access to grants under the IDA Regional Program, including to selected institutions not linked to an IDA funded regional project but which support strategic regional priorities.

SECTION V: MANAGING IDA'S FINANCIAL RESOURCES

116. Deputies endorsed a total replenishment of SDR34.6 billion (equivalent to US$52.1 billion)[39] during the IDA17 period, which would constitute the IDA17 commitment authority envelope.

A. COMMITMENT AUTHORITY

117. ***Sources of commitment authority***. IDA's commitment authority is backed by partner contributions (grants and concessional loans), internal resources of IDA, transfers[40] from the

[38] See Annex 3 of the IDA16 Deputies' Report.
[39] At the IDA17 foreign exchange reference rate of US$/SDR1.50718.

IBRD and the IFC, and by other resources, as available. Partner contributions supporting IDA17 commitment authority are provided as part of the IDA17 replenishment itself as well as under the MDRI replenishment. Deputies noted that Management will review IDA's commitment authority and report to the Board on an annual basis. This review will take into account the status of partner financing commitments to the IDA17 replenishment and the MDRI replenishment. In the event of a shortfall of partner commitments, the level of IDA17 commitment authority could be adjusted over the course of the IDA17 period. Deputies reiterated the commitment made under MDRI to fully finance the costs to IDA of providing MDRI debt relief, and that financing of these costs would be additional to regular IDA contributions. Deputies expressed their expectation that contributions to IDA are given due consideration in the next phase of Voice Reform

118. The volume for each source of funding is as follows:

- Deputies endorsed SDR17.3 billion (equivalent to US$26.1 billion) of total **partner grant contributions for the IDA17 replenishment**. IDA17 partner grant contributions comprise: (i) regular contributions of SDR14.5 billion (equivalent to US$21.9 billion), net of the structural gap; (ii) the grant element of SDR0.6 billion (equivalent to US$0.9 billion) from concessional partner loan contributions; (iii) contributions to cover IDA's debt relief costs under the HIPC Initiative during the IDA17 commitment period (FY15-17) of SDR1.5 billion (equivalent to US$2.2 billion); (iv) contributions to finance arrears clearance operations of SDR0.4 billion [41] (equivalent to US$0.6 billion); and (v) contributions to cover the forgone principal on grants provided of SDR0.3 billion (equivalent to US$0.4 billion).

- Deputies reaffirmed the need to provide additional **partner contributions for the MDRI replenishment** of SDR3.0 billion (equivalent to US$4.5 billion), so as to cover IDA's debt relief costs due to the MDRI during the IDA17 disbursement period (FY15-25) as agreed under the MDRI.

- Deputies acknowledged proposed commitments against IDA's **internal reflows** in the amount of SDR6.8 billion (equivalent to US$10.2 billion), subject to approval by IDA's Executive Directors. Internal reflows include credit repayments received from both current and past IDA borrowers, as well as resources from IDA's liquid assets including investment income.

- Deputies noted the approval by IDA's Executive Directors of Management's proposal to exercise **the contractual acceleration clause** in qualifying IDA credits and acknowledged that this would increase the internal resources available in IDA17 by SDR1.5 billion (equivalent to US$2.3 billion).[42] They recognized the significant efforts of nine IDA graduates whose repayments of qualifying outstanding IDA credits would be or have been accelerated under this proposal: Angola, Armenia, Azerbaijan, Bosnia and Herzegovina, Egypt, Georgia, India, Iraq, and the Philippines.

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[40] The IBRD transfers are made out of its net income. The IFC designates grants to IDA out of its retained earnings.

[41] Total estimated arrears clearance costs during IDA17 are SDR806 million, SDR424 million of which is covered by partners' pledges and SDR382 million of which comes from a carry-forward from IDA16.

[42] IDA (November 2013), IDA17 Acceleration of Credit Repayments to IDA, IDA/R2013-0284.

- Deputies welcomed the **additional voluntary prepayment** of outstanding IDA credits by Azerbaijan and Indonesia, which will increase the internal resources available in IDA17 by SDR378 million (equivalent to US$570 million).

- Deputies acknowledged that the proposed **adjustments to the lending terms of IDA-only borrowers** would increase the internal resources available in IDA17 by SDR0.8 billion (equivalent to US$1.2 billion). They noted that IDA-only borrowers would be making an important contribution to IDA's long term financial sustainability and, while the lending terms remain concessional, the shortened maturity and grace period combined with the move to straight line amortization would allow IDA to recycle resources more quickly and thus increase its internal resources available for commitment authority.

- Replenishment funding would also include expected **transfers** from IBRD net income in the amount of SDR1.38 billion (equivalent to US$2.08 billion) and grants from IFC in the amount of SDR0.71 billion (equivalent to US$1.07 billion), in each case based upon evaluations of the institutions' financial capacities and subject to availability of net income and annual approvals by the respective Boards of IBRD and IFC (equivalent to an aggregate World Bank Group contribution of SDR2.09 billion or US$3.15 billion). [43]

- Deputies noted the approval by IDA's Executive Directors of Management's proposal to use **concessional partner loans** in the IDA17 replenishment. They acknowledged that concessional loans would increase the resources available for commitment authority in IDA17 by SDR2.9 billion (equivalent to US$4.4 billion)[44] and acknowledged that SDR0.6 billion (equivalent to US$0.9 billion) of this amount would be recognized as grant equivalent contributions, as shown in Table 1a and Table 1b of Annex 5. Participants noted that the amount of concessional loans for IDA17 remains within a prudential debt limit setting the maximum volume of debt that could be sustainably incorporated into IDA's financing framework.

119. ***Partner grant contributions*** of SDR20.3 billion continue to be the primary source of IDA's commitment authority, accounting for some 59 percent of the total resources supporting IDA17. Partner grant commitments for the IDA17 replenishment (subscriptions and contributions) of SDR17.3 billion as shown in Table 1a of Annex 5 reflect the agreement reached among partners. Partner contributions for the MDRI replenishment of SDR3.0 billion are governed by the MDRI Resolution.[45] Under the terms of the MDRI Resolution, IDA has undertaken to reflect changes in actual and estimated costs of MDRI debt forgiveness by making adjustments to partner contributions to the MDRI every three years normally in conjunction with regular replenishments.[46] A revised Compensation Schedule and revised Partner Contribution tables to the MDRI Resolution have been provided to members, reflecting the updated cost estimates for the MDRI as of June 30, 2013. Corresponding adjustments to reflect these updated amounts are also required in the payment schedule attached to each member's Instrument of

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[43] This amount includes the additional investment income of US$134 million for IBRD and US$69 million for IFC, which IDA can potentially generate from a three year encashment schedule.

[44] IDA (November, 2013). IDA17 Concessional Partner Loans, IDA/R2013-0279.

[45] IDA (2006). *Additions to IDA's Resources: Financing the Multilateral Debt Relief Initiative: IDA Resolution No. 211* adopted by IDA's Board of Governors on April 21, 2006 (the "MDRI Resolution").

[46] Paragraphs 1(f), 2(c) and 2(d) of the MDRI Resolution.

Commitment for its MDRI subscription and contribution.[47] Section VI provides further information regarding partners' contributions to finance debt relief costs under the HIPC Initiative, the MDRI, arrears clearance operations and compensation for forgone principal on grants.

- *New and prospective partners*. Indonesia, Malaysia, and Thailand have pledged to become IDA contributing partners. In addition, Brunei Darussalam, as a non-member, intends to provide a one-off voluntary contribution in the amount of US$10 million. Participants noted that, in their view, there are still a number of countries that have the economic capability to contribute to IDA but have not yet done so. Participants acknowledged Management's efforts to reach out to these countries and agreed that efforts should continue to encourage them to become IDA partners.

- *Additional grant contributions*. Partners may, at any time, make additional grant contributions to the amounts shown in Table 1a of Annex 5. Such contributions would reduce the structural and financing gaps[48] and result in a corresponding increase in IDA's available commitment authority.

- *Voting rights*. Participants agreed that the existing IDA voting rights system continue for the IDA17 period and that the grant element of concessional partner loans be recognized in the voting rights allocation.

120. ***Internal resources***. Participants endorsed IDA's existing practice of using internal resources to complement partner resources. They reviewed the structure of IDA's liquid resources and discussed Management's projections regarding IDA's long-term financial capacity. In this context, they supported the analysis presented during the replenishment discussions demonstrating that IDA would have an adequate level of internal resources to continue to support future replenishments. Participants recognized the significant efforts of those IDA graduates whose repayment of qualifying IDA credits would be accelerated and of IDA-only countries that would receive new credits based on the adjusted terms. In both cases, these efforts increase the internal resources available for commitment authority during IDA17. In addition, Participants noted that credit repayments constitute an important component of internal resources and recognized the impact of the MDRI, the HIPC Initiative and IDA grants on credit reflows. Deputies confirmed their commitment to compensate IDA for these forgone reflows on a "dollar-for-dollar" basis.

121. ***IBRD and IFC contributions***. Participants welcomed the undertaking for a planned contribution of US$3.15 billion from World Bank Group resources in support of the IDA17 replenishment consistent with the approach discussed at the 2010 Spring Meetings.[49]

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[47] Members will be notified of the necessary amendments to their MDRI Instruments of Commitment and the payment schedule following adoption of the IDA17 Resolution by the Board of Governors.

[48] Over time, the partner burden shares used in prior replenishments have reflected changing partner circumstances. On a net basis, some partners have reduced their shares without a compensating increase by other partners. This has created a structural gap in the burden sharing scheme. Since the structural gap of basic contributions is not included in IDA's commitment authority, it does not create operational or financial risk. However, the structural gap for basic contributions to an IDA replenishment is different from the financing gap for IDA's grants and debt relief costs (HIPC, MDRI and compensation for grant principal foregone), which do create an operational and financial risk to IDA.

[49] The World Bank (2010), Synthesis Paper: New World, New World Bank Group, DC2010-002/1, Annex 1.

Participants noted that the ability of IDA to assist low-income countries over the next three years depends heavily on the agreed IDA17 funding package and that the IBRD and the IFC contribution is a critical component of this funding package. They noted that IDA would use IFC-provided resources in furtherance of private sector development, with emphasis on sectors such as finance, industry and trade, information and communication, energy and mining, and transportation. Such transfers are approved annually by the IBRD's Board of Governors and the IFC's Board of Directors based upon evaluations of the institutions' annual results and financial capacities.[50] Participants emphasized the importance they attach to continued and substantial transfers from the IBRD and the IFC to IDA. They urged the IBRD and the IFC to maintain their financial support to IDA, consistent with IBRD's and IFC's financial priorities.

122. ***Concessional partner loans***. Participants underscored that grant contributions remain at the core of IDA's financing framework. They noted, however, that exceptional circumstances have created a case for using a limited amount of concessional debt funding in IDA17 to ensure sufficient commitment authority of IDA17. These circumstances include the current low interest rate environment, unique resource constraints for a number of contributing partners, the transitional support, and declining internal resources. Concessional loan contributions to IDA17 do not imply their use in future replenishments. Participants recognized that concessional loan contributors would receive burden sharing recognition and allocation of voting rights based on the 'grant element' of the loan.[51] Participants also noted that loan funding will not be earmarked for any purpose and will be used as part of IDA's overall pool of funding. Participants endorsed the principles of ensuring transparency, equal treatment, additionality (i.e., no substitution) and expressed their commitment to protect IDA's long term financial sustainability. In this context, they underscored the importance of the limit on the overall share of financing provided in the form of concessional loans, and agreed that partners who are providing concessional loans to IDA17 should provide at least 80 percent of their IDA16 basic contribution amount in SDRs or IDA16 currency of pledge in the form of a core grant contribution and target at least their IDA16 basic contribution amount on a grant equivalent basis, consistent with the paper entitled "Updated IDA17 Financing Framework and Key Financial Variables".[52] Concessional loans do not alter the use of grants provided to IDA. In particular, Management assured Participants that all of the grant contributions received from partners will go directly to IDA recipients either in the form of grants or IDA credits. The concessional loans will be self-contained and will in effect be serviced via reflows from IDA blend and transitional support credits approved in IDA17. IDA grant providers will not bear costs or risks associated with concessional loans.

123. Participants noted the approval by IDA's Executive Directors of Management's proposed terms for the concessional partner loans in IDA17 as follows:

- *Maturity*: Maturities would be either 25 or 40 years to match the terms of IDA's credits.

- *Grace period*: The grace period would be 5 years for a 25 year loan or 10 years for a 40 year loan.

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[50] IFC's Board of Governors notes with approval the designation of retained earnings by IFC's Board of Directors.

[51] The grant element, or the portion of the loan that is considered a grant for burden sharing and voting rights purposes, would be calculated using a discount rate of 2.65 percent in SDR terms.

[52] Updated IDA17 Financing Framework and Key Financial Variables, World Bank, Washington, D.C., 2013.

- *Principal repayment*: Principal repayments of concessional loans would begin after the grace period. At that point, a straight-line amortizing repayment schedule would be applied, minimizing debt servicing costs to IDA and closely matching the repayment terms of the underlying IDA credits. For 25-year credits, principal would amortize at a rate of 5 percent per annum while for 40-year credits, principal would amortize at a rate of 3.3 percent per annum.

- *Coupon/Interest*: IDA concessional loans would have an all-in SDR equivalent coupon of up to 1 percent.[53]

- *Prepayments*: IDA may prepay some or the entire outstanding loan without penalty if the underlying credits are prepaid.

- *Effectiveness*: The loan shall become effective upon signature of a loan agreement by the parties.

- *Currencies*: IDA would accept concessional loans in SDR or any one of the SDR basket currencies, namely the US Dollar, Euro, Japanese Yen, and British Pound. IDA could also consider other currencies for concessional loans provided that there is a cost effective way to hedge the related currency risk.

- *Drawdown*: The concessional loans would be drawn-down in three equal installments over a maximum 3-year period to provide additional flexibility to IDA to manage liquidity. At its discretion and with the agreement of the loan provider, Management may draw down over shorter periods as it deems necessary.

124. Participants noted that voting rights associated with the grant element of concessional partner loans will be allocated from time to time following loan drawdown by IDA and that partners may, at any time, make additional concessional loan contributions to the amounts shown in Table 1a and Table 1b of Annex 5, according to the principles and terms described above. Such contributions would reduce the structural gap and result in a corresponding increase in IDA's available commitment authority.

125. ***IDA participations***. Participants noted the introduction on a pilot basis during the IDA17 period of IDA participations which would allow partners to finance IDA projects already under implementation that meet their specific interests. Participants recognized that IDA participations would help reduce aid fragmentation, promote the Paris Declaration on Aid Effectiveness and strengthen IDA's financial capacity by expanding the currently available funding sources. Under IDA participations, partners would either provide their funding as an outright grant or as a loan, replacing IDA as financier for a portion of IDA projects. Partner participations would be intra-replenishment supplementary contributions and would not be considered for burden sharing or voting rights purposes, nor convey preferred creditor status. Participation agreements would be negotiated outside of the replenishment process as one option for partners to provide additional contributions to an on-going replenishment. The proceeds from the participations would form part of IDA's commitment authority and be allocated to IDA recipients through the PBA system.

[53] The all-in cost may also be achieved through coupon equalization.

The terms and other details of the pilot participation program would be submitted for consideration and approval by IDA's Executive Directors during IDA17.

B. REPLENISHMENT EFFECTIVENESS

126. Deputies recommended that financing for IDA17 be made subject to an effectiveness condition similar to that used under previous IDA replenishments. The purpose of such a condition is to ensure that most partner financing, including contributions by major partners, is in place on time. Deputies recommended that IDA17 become effective when Instruments or Qualified Instruments of Commitment and concessional loan agreements accounting in the aggregate for 60 percent of the total of partner grant and concessional loan contributions as per Table 1a and Table 1b of Annex 5 have been received by IDA. They recommended a target effectiveness date for the replenishment of December 15, 2014.

127. Deputies noted the expected limited availability of commitment authority for making grants at the start of the IDA17 period, before the replenishment becomes effective. Principal reflows derived from credits extended in replenishments prior to IDA11 cannot be used for the financing of grants as the associated replenishment resolutions did not authorize the making of grants. Therefore, IDA would need to rely on partner contributions to back new grant commitments during IDA17. Since many IDA recipients receive their entire assistance in the form of grants, the timely availability of partner contributions to support commitment authority for grants is of particular concern.

128. In response to this concern, Deputies noted the importance of providing their Instruments of Commitment and concessional loan agreements as early as possible, so as to advance the date of reaching the threshold for replenishment effectiveness.[54] Deputies also noted two options to address the constraint associated with the provision of grants, both of which were used with success in recent past replenishments: (i) the continued use of the Advance Contribution Scheme; and (ii) the use of conditional grants and convertible credits.

- *Advance Contribution Scheme*. In recent past IDA replenishments, some partners agreed that a share of their contributions could be used before the replenishment becomes effective. Under this Advance Contribution Scheme, one-third of the amount specified in a contributing member's Instrument of Commitment would be released for commitment authority purposes. Consequently, unless stated otherwise by a partner, one third of that partner' grant contributions will be released for commitment immediately upon receipt of the partner's Instrument of Commitment by IDA. The second and third tranches of partners' grant contributions will be released at the beginning of each fiscal year, on July 1, 2015 and July 1, 2016, respectively.

- *Conditional grants and convertible credits*. Deputies noted two other ways to address constraints on commitment authority: (i) using conditional grants; and (ii) converting *credits* to grants. Grants during the first six months of IDA17 could be made conditional upon availability of sufficient commitment authority from partner contributions. Alternatively, IDA17 grant operations could be approved as credits in the first six months

[54] Some partners' budgetary and legislative timetables permit them to make their contributions at an early stage in the fiscal year.

of IDA17 with an automatic conversion to grant terms as and when sufficient partner resources become available. Upon conversion, any IDA service and commitment charges paid under the credit would be refunded to the borrower. To the extent required, Management would adopt a combination of conditional grants and conversion of credits into grants, as described above, following the same procedures that were used successfully in the recent past replenishments.

C. CONTRIBUTION PROCEDURES

129. ***Payments***. Deputies recommended that the contribution and payment arrangements for grant contributors continue as in previous replenishments. Partners will provide their grant contributions in the form of cash or notes in three equal annual installments. The first installment will be due 31 days after the replenishment becomes effective, which is expected by December 15, 2014, except for advance contributions which will be paid as specified by IDA. The second installment will be paid no later than January 15, 2016, and the third installment no later than January 15, 2017. IDA may agree to postpone any payment under the terms of the IDA17 Resolution. Partners will provide their concessional loans in the form of cash in three annual installments. The first installment will be due 31 days after the replenishment becomes effective, which is expected by December 15, 2014, except for advance contributions which will be paid as specified by IDA. The second installment will be paid no later than January 15, 2016, and the third installment no later than January 15, 2017. At its discretion and with the agreement of the loan provider, Management may draw down on different dates and over shorter periods as it deems necessary. IDA may agree to postpone or cancel any payment under the terms of the Loan Agreement.

130. Deputies recommended that subscription and payment arrangements for non-contributing members continue as in previous replenishments. Subscription payments of non-contributing members will be fully paid in one installment and in national currency, either in cash or notes.

131. ***Encashment***. Partner grant contributions will be encashed on an approximately *pro rata* basis among partners following the agreed regular encashment schedule (Attachment II of the IDA17 Resolution). Partners may, with the agreement of Management, adjust their grant encashments to reflect their legal and budgetary requirements. Deputies agreed to indicate any special preferences in this regard to Management when partners deposit their Instruments of Commitment. Deputies recognized that the timing of encashments affects IDA's resource base. They agreed that in exceptional cases, should unavoidable delays occur, IDA's grant encashment requests to the affected partner may be adjusted to take into account any past payment delays by that partner and any related lost income to IDA. IDA may also agree with any member on a revised grant encashment schedule that yields at least an equivalent value to IDA. Deputies agreed that the present value of partners' grant encashment schedules will be based on a 2.0 percent per annum discount rate.[55] Partners that accelerate their grant encashments can use the additional resources as a credit item, either to increase their own regular burden share, to cover a share of their costs under the MDRI replenishment, or to lower the overall structural gap in the replenishment. In each case, partners would receive additional subscription votes on account of

[55] Updated IDA17 Financing Framework and Key Financial Variables, World Bank, Washington, D.C., 2013.

the additional resources provided to IDA from accelerated grant encashment. Partners that use accelerated grant encashment can also benefit from a discount on the amounts encashed.

132. ***Valuation of contributions***. Deputies agreed to denominate their grant contributions in their respective national currencies if freely convertible, in SDRs, or, with the approval of IDA, in any convertible currency of another member country. They also agreed to determine the currency of denomination for each partner's grant contribution as of the date of conclusion of the IDA17 replenishment discussions. For the purpose of establishing the equivalence of value among different currencies and the SDR for grant contributions, partners agreed to use the average daily exchange rate for the period between March 1, 2013 and August 31, 2013. To help maintain the value of contributions from partners with high inflation rates, grant contributions from partners with domestic annual inflation of 10 percent or higher in 2010-2012 will be denominated in SDRs or in any currency used for valuation of the SDR and agreed with IDA.[56] Deputies noted that concessional loans would be denominated in SDRs or any other currencies as approved by IDA's Executive Directors and as defined in their respective loan agreements. They also agreed to determine the currency of denomination for each partner's concessional loan as of the date of conclusion of the IDA17 replenishment discussions. Currencies of denomination shall not be changed after the approval of the Deputies' Report by the Executive Directors of IDA.

133. ***IDA16 funds carried into the IDA17 replenishment***. Deputies agreed that the IDA16 funds carried over into the IDA17 period will be administered under the terms of the IDA16 replenishment with respect to financial management matters such as payment, encashment, and allocation of voting rights. For ongoing operational matters, such as commitment authority, IDA17 terms, conditions, and procedures will apply.

134. ***Reporting of contributions***. Participants requested Management to report regularly to the Executive Directors on the status of each partner's commitment and actual contributions to IDA and to include this information in the Annual Report of the World Bank and other publications as appropriate. This would include reporting regularly on the status of concessional loan contributions.

SECTION VI: FINANCING DEBT RELIEF, ARREARS CLEARANCE AND FORGONE PRINCIPAL ON GRANTS

135. Participants reiterated their strong support for the HIPC Initiative and MDRI, which provide debt relief to the world's poorest and most indebted countries. They reviewed updated cost estimates for IDA's lost credit reflows and the status of partner financing for the MDRI. In addition, Deputies discussed the financing arrangements for exceptional IDA allocations for arrears clearance in IDA17 and supported the continued use of the Debt Relief Trust Fund to accept resources from partners and IBRD net income transfers for this purpose. Participants noted that IDA17 will be the second replenishment for partners to compensate IDA for forgone

[56] Inflation is measured by the rate of change of the national Consumer Price Index (CPI), or the GDP deflator in case of contributing partner countries for which the CPI is not available.

principal repayments on grants. They recognized the need to close the financing gaps in partners' contributions for compensatory items.

A. THE HIPC INITIATIVE

136. ***Impact on IDA finances***. Participants reviewed the impact of HIPC debt relief on IDA's finances. They reaffirmed the basic HIPC principle that debt relief should not reduce IDA's capacity to support poverty reduction and development and should be additional to other IDA assistance. They noted that current resources available to finance IDA's HIPC debt relief costs will be fully utilized by the beginning of the IDA17 period. Therefore, IDA will need additional financing of about SDR1.6 billion during the IDA17 period to finance forgone credit reflows due to the HIPC Initiative.

137. ***Two mechanisms***. Deputies supported the continued use of the two mechanisms used in IDA16 for partners' HIPC-related contributions: (i) contributing to IDA directly; or (ii) channeling contributions through the Debt Relief Trust Fund.[57] The HIPC-related contributions will be recorded separately from regular IDA contributions in order to ensure that HIPC debt relief is additional to other IDA assistance. As in IDA16, each partner's share will be determined based on the agreed burden-sharing and shown as a separate column in Table 1a of the IDA17 Resolution.

138. Partner funds provided directly to IDA will be treated in the same manner as regular contributions, becoming part of IDA's general resources. Partners can choose to submit one Instrument of Commitment that would include the amount of the HIPC-related contribution, or separate Instruments of Commitment for regular IDA contributions and HIPC-related contributions. Partners can pay their HIPC contributions in cash or promissory notes. Since these additional contributions will reimburse IDA for its forgone reflows during FY15-17, they will be drawn down over this three-year period. Partners will receive voting rights for contributions upon payment to IDA17.

139. Partners can also make HIPC contributions directly to the Debt Relief Trust Fund. Partners would sign contribution agreements with IDA, as administrator of the Debt Relief Trust Fund, specifying the contribution amount and payment modalities – in cash or in promissory notes to be drawn down over a three-year period. Partners will deposit their contributions in the World Bank component of the Debt Relief Trust Fund, and contributions will be transferred to IDA to reimburse IDA for its forgone credit reflows. Since these funds become part of IDA's general resources at the time of transfer from the Debt Relief Trust Fund to IDA's cash accounts, partners will receive additional voting rights in IDA following such transfers. Management will report periodically to partners on the status of their contributions to the Debt Relief Trust Fund.

B. THE MDRI

140. ***Replacement of lost credit reflows***. In the spring of 2006, partners and shareholders approved IDA's participation in the MDRI, which provides 100 percent cancellation of eligible debt owed to IDA by countries reaching the HIPC completion point. Starting on July 1, 2006

[57] As amended by partners and the Executive Directors.

and over the next four decades of MDRI implementation, IDA is projected to cancel an estimated total amount of SDR23.6 billion (equivalent to US$35.5 billion) of credit reflows from eligible HIPC countries. Under the MDRI replenishment arrangements, partners have committed to compensate IDA's MDRI costs on a 'dollar-for-dollar' basis, over the duration of the cancelled credits. Participants reiterated the need for full replacement of the lost credit reflows due to the MDRI so as to ensure that the debt relief granted by IDA will be additional for recipient countries, providing further resources for their development efforts.

141. ***MDRI replenishment***. Partner contributions for IDA's MDRI costs are recorded under a separate replenishment and added to IDA's general resources, following established IDA procedures. Deputies reaffirmed the need for full replacement of lost credit reflows due to debt relief and their commitment "to fully finance the costs to IDA of providing MDRI debt relief over the 40-year time span of the MDRI".[58] To preserve IDA's advance commitment capacity – under which IDA uses its stream of available future credit reflows to back future disbursements on approved credits and grants – Deputies acknowledged the need to provide unqualified, firm MDRI financing commitments over the disbursement period of each future IDA replenishment. However, Participants also recognized that the ability to provide binding financial commitments for the entire duration of MDRI varies from partner to partner and committed themselves to make every effort possible to translate their full political commitment for outer as well as earlier years into as firm and far reaching financial pledges as allowed for by their legislative processes. Specifically, in the context of the MDRI replenishment, partners recognized that: "It will be critical to provide an Unqualified Commitment for subscriptions and contributions in FY07 and FY08".[59] For the remainder of the first decade of MDRI implementation (FY09-16), partners recognized that: "Firm, Unqualified Commitments are also needed over this period. Participants recognized that some partners would require periodic approval of their contributions over this period, resulting in the provision of some portion of Qualified Commitments. Participants encouraged IDA's partners to take all necessary steps in successive replenishments to provide firm financing on a rolling basis."[60] In order to avoid a financing shortfall, the MDRI replenishment resolution was amended in 2010 to allow a portion of qualified commitments to be counted towards IDA's commitment authority. This portion was set by IDA's Executive Directors at 85 percent of qualified commitments during IDA15 and IDA16, and the Executive Directors will set the level for IDA17 under the IDA17 commitment authority framework. Nevertheless, Participants stressed the need for partners to make every effort to provide firm, unqualified commitments up to FY25.

142. To back IDA17 commitment authority, Deputies reaffirmed the urgent need to provide additional partner contributions for the MDRI replenishment of SDR3.3 billion, so as to cover IDA's debt relief costs due to the MDRI during the IDA17 disbursement period (FY15-25) as agreed under the MDRI. The MDRI financing gap of SDR0.3 billion for FY23-25 is excluded from IDA17 commitment authority until IDA receives this amount from partners either through the scaling up of their burden shares or the contribution to MDRI by new partners. Participants noted with appreciation that the following partners have already provided unqualified MDRI

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[58] IDA (2006). Additions to IDA Resources: Financing the Multilateral Debt Relief Initiative, approved by IDA's Executive Directors on March 28, 2006. Paragraph 5.

[59] Paragraph 19 (a), ibid.

[60] Paragraph 19 (b), ibid.

financing commitments over 40 years: Canada, Ireland, Kuwait, Luxembourg, Portugal, Russia, and South Africa.

143. Participants noted that the value of IDA's lost credit reflows under the MDRI will continue to fluctuate over the 40-year period, and that the MDRI financing arrangements include a mechanism to adjust the compensatory amounts payable by partners in conjunction with every regular IDA replenishment. Participants reviewed the updated cost estimates for the MDRI under the IDA17 replenishment, which provide the basis for updates to the MDRI cost tables and partner payment schedule. Revised tables to the MDRI Resolution, reflecting the updated cost estimates, have been provided to members. Corresponding adjustments to reflect these updated amounts are also required in the payment schedule attached to each member's Instrument of Commitment for its MDRI subscription and contribution. Partners noted that each member had agreed to amend its Instrument of Commitment to reflect any such adjustment.

144. ***Monitoring partner contributions***. Participants reaffirmed that there should be continued monitoring of partner contributions to the MDRI. For transparency, partner contributions to the MDRI will continue to be recorded separately from regular IDA replenishment contributions as additional to partners' regular financial support to IDA. They noted that partner contributions to the MDRI have been reported in the annual report to IDA's Executive Directors and will continue to be reported annually during the IDA17 period. Such reporting will contain information on the volume of debt relief delivered by IDA under the MDRI and the amount of compensatory partner resources received.

C. FINANCING OF ARREARS CLEARANCE OPERATIONS

145. ***Burden shares***. During IDA15, partners agreed to establish a systematic approach to arrears clearance.[61] The cost of providing exceptional support for arrears clearance to countries eligible per the established criteria and which could be expected to clear arrears before the end of the IDA17 period is estimated to be SDR0.8 billion.[62] Partners agreed that this would be funded by the unused funding partners provided for arrears clearance in IDA16 of SDR0.4 billion, and the remaining SDR0.4 billion would be included as part of IDA's overall financing commitments during IDA17 based on fair burden shares. In general, therefore, partners supported the use of their HIPC burden shares to finance arrears clearance operations in IDA17.

146. ***Set aside of resources***. Participants agreed that the resources provided to finance arrears clearance operations would be released for commitment only when such arrears clearance actually takes place. They also agreed that if the resources requested for IDA17 would be insufficient to cover the full cost of the exceptional support, the shortfall would be made up in IDA18, in the same manner that HIPC costs are updated at each replenishment based on use and availability of resources. Participants requested Management to provide an update on the utilization of resources for arrears clearance operations at the IDA17 Mid-Term Review and to

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[61] IDA (2008). Additions to IDA Resources: Fifteenth Replenishment – IDA: The Platform for Achieving Results at the Country Level, See section IV.C, page 31. http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/73449-1172525976405/FinalreportMarch2008.pdf

[62] See also footnote 41.

indicate plans for the reallocation of any unused resources during the last year of the IDA17 period.

147. ***Debt Relief Trust Fund***. Participants noted that in IDA17 partners have the option of contributing directly to IDA or channeling their contribution for arrears clearance through the Debt Relief Trust Fund. They also noted that any partner making bilateral contributions towards coverage of arrears clearance costs into the arrears clearance window of the Debt Relief Trust Fund, ahead of IDA17, will have the option of having these contributions credited against the partner's burden-shared contributions for arrears clearance financing during IDA17.

148. ***IBRD debt***. In IDA countries with debt to the IBRD, Participants also agreed that IDA provide debt relief grants or credits where these would be necessary in order for the World Bank to deliver its share of debt relief under the HIPC Initiative. Such debt relief grants from IDA (for interim HIPC relief on IBRD debt service payments) and prepayment by IDA of remaining IBRD claims at the HIPC completion point are part of the implementation modalities for IDA's delivery of debt relief under the HIPC process.[63] These debt relief grants and prepayments are to be funded by resources other than IBRD net income transfers.

149. Participants noted that the IDA-financed clearance of arrears to IBRD would lead to an increase in IBRD's allocable income in the fiscal year in which the arrears clearance took place and expressed a desire for dollar-for-dollar compensation from IBRD, while acknowledging that any such compensation could be made only after meeting IBRD's general reserve allocation requirements and in line with IBRD's policies and practices. Participants also expressed the desire that any such additional contributions would be used to close the financing gap in the MDRI financing framework.

D. FINANCING OF FORGONE PRINCIPAL FROM GRANTS

150. Grant making began in earnest in IDA13. In IDA14, partners committed to replace forgone principal reflows due to the making of grants, on a pay-as-you-go basis. Given the grace period on regular IDA credits, IDA17 will include the financing of forgone principal reflows due the grants extended in IDA13 and IDA14.

151. ***Impact on IDA finances.*** Participants reviewed the impact of providing grants on IDA's finances. They reaffirmed the basic principle that grants provided should not reduce IDA's future capacity to support poverty reduction and development. They noted that IDA will need additional financing of about SDR0.3 million during the IDA17 period to finance forgone credit reflows due to grants.

152. ***Burden shares.*** Partners agreed that this amount is included as part of IDA's overall financing commitments during IDA17 based on fair burden shares.

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[63] IDA (2000), Heavily Indebted Poor Countries (HIPC) Initiative: Note on Modalities for Implementing HIPC Debt Relief under the Enhanced Framework, IDA/R 2000-4, approved by the Executive Directors on January 25, 2000.

SECTION VII: RECOMMENDATION

153. The Executive Directors recommend to the Board of Governors the adoption of the draft IDA17 Resolution attached in Annex 5.

ANNEXES

ANNEX 1:

RESULTS MEASUREMENT SYSTEM FOR IDA17

Table 1. Monitorable Actions for IDA17

Table 2a. Tier 1: IDA Countries Progress

Table 2b. Tier 2: IDA-Supported Development Results

Table 2c. Tier 3: IDA Operational Effectiveness

Table 2.d. Tier 4: IDA Organizational Effectiveness

Annotated Indicators by Tier

Annex 1

Table 1: Monitorable Actions for IDA17

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
MAXIMIZING DEVELOPMENT IMPACT			
ALIGN IDA ACTIVITIES TOWARD ACHIEVING THE WBG GOALS			
Establish a more evidence-based and selective country engagement model	- Align *all* IDA Country Partnership Frameworks (CFP) to the WBG goals by supporting countries to (i) collect key data (or help fill gaps through appropriate surveys); (ii) use the *Systematic Country Diagnostic* to identify constraints and priorities; and (iii) align strategies to identified priorities. - Introduce Bank procedure for the new Country Partnership Framework establishing requirements for the new approach for implementation starting in FY15.	Progress Report on Max. Dev. Impact for IDA17 MTR CODE/Board end-FY14	**Tier 1** ▪ Percent of population below US$1.25 a day, including in FCSs ▪ Median income growth rate of bottom 40% of population ▪ Indicators on sustainability (see under Climate Change Tier 1 indicators and other RMS indicators) **Tier 3** ▪ Indicator/s on alignment as developed under the Corporate Scorecard (by Annual Meetings 2014)

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
LEVERAGE PRIVATE RESOURCES			
Foster private sector led growth and job creation by expanding synergies within the WBG and the range of instruments to increase IDA countries' access to market funding	- Carry out WBG joint implementation plans in at least 20 IDA countries (of which at least 10 are FCSs), including joint frameworks to measure results; and carry out a systematic assessment of implementation and results - Expand scope of IDA guarantees beyond existing Partial Risk Guarantees (PRGs) and align guarantee policies with lending policies.	Progress Report on Max. Dev. Impact for IDA17 MTR Board paper (2013)	**Tier 1*** ▪ Gross Capital Formation ▪ Employment to population ratio **Tier 2*** ▪ Private capital mobilized by WBG in IDA countries **Tier 3** ▪ Satisfactory performance of joint and complementary IDA/IFC projects in IDA countries **See also indicators on infrastructure, growth and private sector development*
LEVERAGE PUBLIC RESOURCES			
Strengthen public sector capacity and institutions to respond to new opportunities and risks by supporting country financial management systems, client accountability for service delivery and effective partnerships	- Strengthen country Public Financial Management (PFM) and procurement capacity and systems, and expand their use by more effectively leveraging knowledge, capacity building and operational support for Bank financed operations through the pooling of PFM, procurement, governance, anti-corruption and social development expertise in the new Global Technical Practice on Governance. - Expand use of beneficiary feedback in IDA–supported projects and report at IDA17 Mid-Term Review on impact of these mechanisms.	Progress Report on Max. Dev. Impact for IDA17 MTR Progress Report on Max. Dev. Impact for	**Tier 1** ▪ Quality of budgetary and financial management **Tier 2** ▪ Countries with strengthened tax policy and administration ▪ Countries with strengthened public financial management

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
	- Develop a system for tracking IDA project financing partnerships - Promote more effective response in FCSs by implementing the new strategic and results framework for the UN/WB partnership in FCSs to strengthen collaboration among the UN, WB, MDBs and other development partners, including through the New Deal.	IDA17 MTR Progress Report on Max. Dev. Impact for IDA17 MTR Progress Report on Max. Dev. Impact for IDA17 MTR	**Tier 3** ▪ Use of country public financial management and procurement systems ▪ Projects using beneficiary feedback **Tier 4** ▪ Client feedback on WBG: (i) responsiveness and staff accessibility; and (ii) collaboration with other donors
LEVERAGE KNOWLEDGE			
Advance the science of delivery by improving statistical capacity and the more systematic use of evidence-based methods for policy-making and project design and implementation, and by facilitating South-South knowledge exchange	- Establish new global practices within the WBG to facilitate a more effective transfer of knowledge and expertise. - Report on progress to strengthen country statistical capacity through lending and technical assistance. - Ensure more systematic use of impact evaluations; develop and mainstream a wider range of evidence-based tools and approaches to strengthen M&E; and provide real-time data to support project mid-course corrections. - Develop a system to report on South-South knowledge exchange activities embedded in operations; support capacity building for South–South sharing of development experiences.	Progress Report on Max. Dev. Impact for IDA17 MTR Progress Report on Max. Dev. Impact for IDA17 MTR Progress Report on Max. Dev. Impact for IDA17 MTR Progress Report on Max. Dev. Impact for IDA17 MTR	**Tier 1** ▪ Level of statistical capacity **Tier 2** ▪ Countries supported in strengthening national statistical systems **Tier 3** ▪ Share of operations that draw lessons for design from impact or other evaluations ▪ Quality of Monitoring and Evaluation in IDA-financed operations (IEG rating). **Tier 4** ▪ IDA $ commitments dedicated to impact evaluation, other evidence-based approaches and statistical capacity

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
	- Develop a methodology to assess how the science of delivery is incorporated and supported with appropriate budget resources in line with the introduction of a new budget framework.	Progress Report on Max. Dev. Impact for IDA17 MTR	
STRENGTHEN IDA'S FOCUS ON RESULTS, EFFICIENCY AND EFFECTIVENESS			
Strengthen IDA's focus on results by giving priority to outcome indicators in the RMS, strengthening transparency and accountability to shareholders and clients, aligning planning and budgeting with WBG goals and strategy	- Enhance the focus of the IDA17 RMS on quality and outcomes, measuring progress on IDA17 special themes, and in reaching the WBG's strategic goals. - Use a new budget process from FY15 to align resources with the WBG goals and strategy, including implementation of IDA17 commitments, and strengthen incentives for selectivity and cost efficiency. - Implement investment project financing policies, with improved accountability frameworks to ensure quality and faster delivery. - Propose revised procurement policy for Board approval which would incorporate special considerations for situations of urgent need of assistance or capacity constraints, including in FCSs. - Publicly disclose IDA project preparation and implementation costs. - Pilot calculation of unit costs in three sectors.	Annual updates of RMS indicators and IDA17 Retrospective Progress Report on Max. Dev. Impact for IDA17 MTR Ongoing Board Paper (2014) Progress Report on Max. Dev. Impact for IDA17 MTR Identification of the 3 sectors by July 2014 and report as part of	**Tier 1*** ** See outcome indicators in various areas* **Tier 2** ▪ CAS Completion Reports (IEG ratings) ▪ Satisfactory achievement of development outcomes in operations in all IDA countries (IEG rating) ▪ Client feedback in IDA countries on (i) WBG effectiveness; (ii) contribution of WBG knowledge work and activities to development results; and (iii) financial instruments that meet the need of a client country **Tier 3** ▪ Disbursement ratio for projects ▪ Satisfactory Bank performance in IDA-financed operations: (i) overall; (ii) at entry; and (iii) during supervision (IEG ratings) ▪ Satisfactory implementation of active IDA operations **Tier 4** ▪ Time from project concept note to the first disbursement for investment project financing

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
		the Progress Report on Max. Dev. Impact for IDA17 MTR	▪ Support cost ratio ▪ Average project implementation support costs ▪ Client feedback on WBG: (i) responsiveness and staff accessibility; and (ii) collaboration with other donors ▪ Indicator/s on cost–effectiveness and efficiency as developed under the Corporate Scorecard (by June 2014)
INCLUSIVE GROWTH			
Make evidence based design and implementation of inclusive growth policies central to country strategies	- Align *all* IDA Country Partnership Frameworks to the WBG twin goals by supporting countries to (i) collect key data (or help fill gaps through appropriate surveys); (ii) use the *Systematic Country Diagnostic* to identify constraints and priorities; and (iii) align strategies to identified priorities. - Introduce Bank procedure for the new Country Partnership Framework establishing requirements for the new approach for implementation starting in FY15.	Progress Report on inclusive growth for IDA17 MTR CODE/Board end-FY14	**Tier 1*** ▪ Percent of population below US$1.25 a day, including in FCSs ▪ Median income growth rate of bottom 40% of population ▪ GDP per capita ▪ Percentage of IDA countries where growth in average income of the bottom 40% is positive and greater than growth in average income of the population ▪ Level of statistical capacity **Tier 2*** ▪ Countries supported on strengthening national statistical systems **See also indicators on gender, human development, infrastructure and agriculture*
Address country-specific impediments to productive	- Roll out a new "job diagnostic tool" in at least 15 IDA countries (of which at least 5 are FCSs), using	Progress Report on inclusive growth for	**Tier 1** ▪ Employment to population ratio (gender-

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
jobs	multi-disciplinary micro- and macro-level data. - Establish key strategic priorities on jobs and report on the priorities and targets.	IDA17 MTR Progress Report on inclusive growth for IDA17 MTR	disaggregated) ▪ Youth employment to population ratio (age 15-24) (gender disaggregated)
Address impediments to financial inclusion	• Expand coverage of the Global Financial Inclusion Database (Global FINDEX) and other WBG surveys, including to better measure innovative payments, mobile phone banking and financial literacy. • Support at least 10 IDA countries to meet their financial inclusion targets and priorities through financing and technical assistance, including through the new Financial Inclusion Support Framework (FISF).	Progress Report on inclusive growth for IDA17 MTR Progress Report on inclusive growth for IDA17 MTR	**Tier 1** ▪ Bank accounts per 1,000 adults (gender disaggregated) **Tier 2** ▪ Number of active microfinance loan accounts
Improve the quality and efficiency of public service delivery for inclusive growth by promoting greater transparency and accountability in public finance	- Roll out the BOOST public finance analysis tool in at least 20 IDA countries (of which at least 5 are natural resource abundant economies).	Progress Report on inclusive growth for IDA17 MTR	**Tier 1** ▪ Quality of budgetary and financial management **Tier 2** ▪ Countries with strengthened tax policy and administration ▪ Countries with strengthened public financial management

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
Foster good governance of natural resource wealth and adoption of best practices in extractive industries management	- Develop and use innovative tools and build capacity to support government efforts to: o improve the legal and regulatory frameworks for EIs; o enhance revenue collection from EIs; o increase the local content and positive impact of EI investments, including through building capacity in SMEs and labor training and through agreements with EI companies that benefit local communities; o support the implementation of EITI and increase transparency.	Progress Report on inclusive growth for IDA17 MTR (report on take-up and impact of these innovative tools and capacity building activities)	**Tier 1** ▪ Quality of budgetary and financial management in EITI implementing IDA countries ▪ Extractive industries tax revenue as percent of GDP in EITI implementing IDA countries
GENDER EQUALITY			
Deepen integration of gender equality considerations in country strategies and operations, including by focusing on follow-up actions and monitoring and evaluation as well as implementation of regional strategies incorporating specific commitments, milestones and accountabilities.	- *All* IDA Country Partnership Frameworks incorporate gender considerations into the analysis, content of the program and the results framework. - All regions implement and monitor the Regional Gender Action Plans, with plans and corresponding indicators tailored to regional and country gender context. - Develop a renewed strategy for gender equality – with more ambitious targets, a new methodology for measuring progress and an agenda for pushing ahead on new frontiers with transformational impacts.	Progress Report on gender equality for IDA17 MTR Progress Report on gender equality for IDA17 MTR 2014 Annual Meetings	**Tier 1** ▪ Employment to population ratio for women (15+) ▪ Bank account per 1,000 adult women ▪ Births attended by skilled health staff (% of total births) ▪ Ratio of girls to boys in secondary education ▪ Maternal mortality ratio ▪ Adolescent fertility rate ▪ Number of IDA countries without any discriminatory laws against women **Tier 2** ▪ Pregnant women receiving antenatal care during a visit to a health provider ▪ Female beneficiaries from agriculture and rural

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
			development projects ▪ Female beneficiaries covered by social safety net programs ▪ Active microfinance loan accounts for women **Tier 3** ▪ Percentage of IDA operations that integrate gender into analysis, design and monitoring ▪ For projects with gender monitoring in project design, the percentage of which report on such indicators during implementation ▪ Proportion of IDA operations with Core Sector Indicators that can be gender-disaggregated that report such data
Strengthen feedback loops and reporting to enhance results and impact on gender equality	- Introduce a mechanism to strengthen learning and results through an assessment and rating of gender performance at project exit, building on the systematic tracking of Implementation Status and Results Reports (ISRs), enhanced efforts on impact evaluations and emerging architecture associated with learning reviews. - Strengthen knowledge of what does and does not work to close gender gaps in IDA countries through monitoring and evaluation, including impact evaluations on gender related issues, more systematic tracking of gender results of IDA operations using sex-disaggregated core sector indicators and the expanded use of beneficiary feedback mechanisms.	By IDA17 MTR Progress Report on gender equality for IDA17 MTR Progress Report on gender equality for IDA17 MTR	**Tier 1** ▪ Level of statistical capacity **Tier 2** ▪ Countries supported on strengthening national statistical systems

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
	- Roll out statistical activities to increase sex-disaggregated data and gender statistical capacity in at least 15 IDA countries.		
CLIMATE CHANGE			
Fully integrate climate change and disaster risk management into Country Partnership Frameworks and lending and support development of planning and investment capacity .	- *All* IDA Country Partnership Frameworks incorporate climate and disaster risk considerations into the analysis of the country's development challenges and priorities and, when agreed with the country, incorporate such considerations in the content of the programs and the results framework. - Screen all new IDA operations for short- and long-term climate change and disaster risks and, where risks exist, integrate appropriate resilience measures. - Scale up support to IDA countries to develop and implement country-led, multi-sectoral plans and investments for managing climate and disaster risk in development in at least 25 additional IDA countries.	Progress Report on climate change for IDA17 MTR Progress Report on climate change for IDA17 MTR Progress Report on climate change for IDA17 MTR	**Tier 1** ▪ Change in wealth, including physical, human and natural capital ($, p.c.) ▪ CO_2 emissions (metric tons per capita) ▪ Deforestation rate (%,FAO data, country reported) ▪ Share of population living in areas under water stress (%) ▪ Exposure to PM2.5 concentrations (population weighted average micrograms per cubic meter) ▪ Number of IDA countries that have reported progress towards mainstreaming disaster risk management in their development policies and programs **Tier 2*** ▪ Number of IDA countries supported towards institutionalizing disaster risk reduction as a national priority with IDA support

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
			Tier 3 ▪ IDA $ commitments with climate change adaptation and mitigation co-benefits ▪ Proportion of IDA operations with climate change co-benefits implementing agreed climate actions ** Other indicators listed in Tier 2 of the RMS are relevant to climate and disaster resilience*
Support efforts to achieve the Sustainable Energy for All objectives	- Support IDA countries to develop national energy action plans and investment prospectuses to achieve the Sustainable Energy for All objective of universal access to energy by 2030.	Progress Report on climate change for IDA17 MTR	**Tier 1** ▪ Household electrification rate **Tier 2** ▪ Projected lifetime energy savings ▪ Generation capacity of renewable energy constructed and rehabilitated ▪ People with access to electricity
Strengthen monitoring and reporting of IDA resources used for climate change mitigation and adaptation	- Enhance monitoring by: (i) expanding climate finance coding system to cover tracking of ESW and non-lending TA that address climate change issues in IDA countries; and (ii) piloting a coding system to measure the share of IDA investments with disaster risk management co-benefits.	Progress Report on climate change for IDA17 MTR	**Tier 3** ▪ Number of completed ESW and non-lending TA that address climate change issues in IDA countries ▪ IDA $ commitments with disaster risk management co-benefits

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
FRAGILE AND CONFLICT-AFFECTED STATES			
Address drivers of fragility and conflict and respond to opportunities to support turn-around countries and build resilience in FCSs	- *All* Country Partnership Frameworks in IDA FCSs informed by analysis of drivers of fragility and conflict. - Enhance synergies through IDA-IFC-MIGA joint implementation plans in at least 10 IDA FCSs, including joint frameworks to measure results. - Undertake analytical work on job creation in FCSs, including by rolling out a "job diagnostic tool" in at least 5 FCSs (see details on the "job diagnostic tool" in the policy commitments for inclusive growth). - Propose revised procurement policy for Board approval which would incorporate special considerations for situations of urgent need of assistance, or capacity constraints, including in FCSs. - Implement gender-related commitments on Country Partnership Frameworks and operations (see gender section). - Support efforts for addressing gender-based violence issues and report on progress at the IDA17 Mid-Term Review.	Progress Report on FCSs for IDA17 MTR Progress Report on FCSs for IDA17 MTR Progress Report on FCSs for IDA17 MTR Progress Report on FCSs for IDA17 MTR Progress Report on FCSs for IDA17 MTR Progress Report on FCSs for IDA17 MTR	**Tier 1** ▪ Percent of population in FCSs below US$ 1.25 a day ▪ Employment to population ratio in FCSs (gender-disaggregated) ▪ Youth employment in FCSs (gender-disaggregated) **Tier 2** ▪ FCSs supported on strengthening national statistical systems (number) ▪ Satisfactory achievement of development objectives in IDA operations in IDA FCSs (IEG rating) **Tier 3** ▪ Satisfactory implementation of active IDA operations in FCSs ▪ Disbursement ratio for investment lending projects in FCSs ▪ Quality of Monitoring and Evaluation in IDA-financed operations in FCSs (IEG rating) ▪ IDA operations that integrate gender into analysis, design and monitoring in FCSs (%)

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
			▪ For projects with gender monitoring in project design, the percentage of which report on such indicators during implementation in FCSs ▪ Proportion of IDA operations in FCSs with Core Sector Indicators that can be gender-disaggregated that report such data **Tier 4** ▪ Average project implementation support costs for IDA FCSs
Enhance feedback from implementation experience and ensure more agile operational policies and practices	- Implement Management's response to the recommendations of the IEG evaluation of WBG support to FCSs. - Promote more effective response in FCSs by implementing the new strategic and results framework for the UN/WB partnership in FCSs to strengthen collaboration among the UN, WB, MDBs and other development partners, including through the New Deal. - Strengthen knowledge of what does and does not work in IDA FCSs through monitoring and evaluation, including impact evaluations, tracking of results of IDA operations and expanded use of beneficiary feedback mechanisms. - Implement OP/BP 10.00 which incorporates a differentiated approach to investment lending in	Progress Report on FCSs for IDA17 MTR Progress Report on FCSs for IDA17 MTR Progress Report on FCSs for IDA17 MTR Progress Report on	**Tier 4** ▪ Client feedback on WBG in IDA FCSs: (i) responsiveness and staff accessibility; and (ii) collaboration with other donors ▪ IDA $ commitments dedicated to impact evaluation, other evidence-based approaches and statistical capacity in FCSs

OBJECTIVES	RECOMMENDATIONS/PROPOSED ACTIONS	PRODUCT/TARGET DATE	RMS INDICATORS
	FCSs.	FCSs for IDA17 MTR	
Enhance FCSs financing by revising the allocation framework to enhance targeting of IDA's exceptional support and financial engagement in FCSs. Both would be achieved in a way that reflects the current understanding of fragility and conflict while preserving the principle of performance orientation	- Implement the revised IDA resource allocation framework for FCSs to enhance targeting of IDA's exceptional support and financial engagement in these countries as follows: - implement exceptional allocation regime for countries facing "turn-around" situations. - changing the Country Performance Rating exponent in the regular PBA formula from 5 to 4. - increase the minimum base allocation from SDR3 million to SDR4 million per year. - extend, on a case-by-case basis, the phasing out period for current post-conflict and re-engaging countries and align the support to these countries with that under the exceptional turnaround regime	Review implementation experience with new allocation regime for FCSs at IDA17 MTR and propose adjustments if necessary.	**Tier 2** ▪ Satisfactory achievement of development outcomes in operations in IDA FCSs (IEG rating)

Table 2a. Tier 1: IDA Countries Progress

Indicators	Unit	Latest Results	Target
Poverty Eradication and Shared Prosperity Goals			
Population below US$ 1.25 a day	%	36.0 (2010)	7% by 2030[1]
- in FCSs	%	50.5 (2010)	-
Median income growth rate of bottom 40% of population	-	New indicator; to be reported 2014	-
Inclusive Growth and Private Sector Development			
GDP per capita	constant 2005 US$	865 (2012)	
- FCSs		469 (2012)	
Percentage of IDA countries where growth in average income of the bottom 40% is positive and greater than growth in average income of the population	%	TBD	TBD
Employment to population ratio	%	59.3 (2011)	
- Women	%	41.5 (2011)	
- Men	%	76.8 (2011)	
Employment to population ratio in FCSs	%	65.6 (2011)	
- Women	%	57.4 (2011)	
- Men	%	74.7 (2011)	
Youth employment to population ratio (age 15-24)	%	41.9 (2011)	
- Women	%	31.2 (2011)	
- Men	%	52.1 (2011)	
Youth employment to population ratio in FCSs (age 15-24)	%	46.0 (2011)	
- Women	%	42.5 (2011)	
- Men	%	50.0 (2011)	

[1] Projections indicate that when the developing world as a whole reaches an aggregated poverty incidence of 3 percent, the corresponding poverty incidence for IDA countries would be 7 percent (World Bank staff estimates, 2013).

Indicators	Unit	Latest Results	Target
Bank accounts (age 15+)	%	28.9 (2011)	
- Women	%	22.7 (2011)	
- Men	%	34.9 (2011)	
Trade Logistics Performance Index	Average rating 1=low to 5=high for IDA countries	2.4 (2012)	
Gross capital formation Mobile cellular telephone subscriptions (per 100 people)	% of GDP Number	31.6 (2012) 66 (2012)	
Governance and Institutional Development			
Quality of budgetary and financial management - in EITI implementing IDA countries	Average rating: 1=low to 6=high for IDA countries	3.2 (2012) 3.2 (2012)	
Extractive industries tax revenues in EITI implementing IDA countries as a percentage of GDP	%	12 (2010)	
Level of statistical capacity	Scale from 0 to 100	63 (2012)	
Infrastructure			
Access to an improved water source	% of population	81 (2011)	Halve between 1990 and 2015
Access to improved sanitation	% of population	38 (2011)	Halve between 1990 and 2015
Electrification rate	% of population	61 (2010)	
Gender Equality and Human Development			
Under 5 mortality rate	per 1,000 live births	81 (2011)	Reduce by two-thirds between 1990 and 2015
Malnutrition prevalence, height for age	% of children under 5	37 (2012)	
Births attended by skilled health staff	% of total births	54 (2011)	
Secondary gross completion rate	%	47 (2011)	
- Girls completion rate	%	44 (2011)	

Indicators	Unit	Latest Results	Target
Ratio of girls to boys in secondary education	%	89 (2011)	100%
Prevalence of HIV/AIDS	% of population aged 15-49	1.2 (2011)	Half by 2015 and begin to reverse
Maternal mortality ratio	per 100,000 live births	340 (2010)	Reduce by three quarters between 1990 and 2015
Adolescent fertility rate	births per 1,000 women ages 15-19	76.4 (2012)	
Contraceptive prevalence	% of women ages 15-49	44.4 (2011)	
IDA countries without any discriminatory laws against women	Number	3 (2013)	
Climate Change and Environment			
Change in wealth, including physical, human and natural capital	US$ (per capita)	New indicator; to be reported 2014	-
CO_2 emissions	Metric tons per capita	1.05 (2010)	
Deforestation rate	%	0.43 (2010)	-
Share of population living in areas under water stress	%	New indicator; to be reported 2014	-
Exposure to PM2.5 concentrations	population weighted average (micrograms per cubic meter)	New indicator; to be reported 2014	-
IDA countries that have reported progress towards mainstreaming disaster risk management in their development policies and programs	Number	12 (2011)	-

Table 2b. Tier 2: IDA-Supported Development Results

Indicators	Unit	Latest Results	IDA17 Performance Standard
A. Satisfactory Achievement of Development Outcomes			
Country Assistance Strategies Completion Reports	% (IEG Ratings)	43 (FY13; four year rolling)	66
IDA Operations	% of US$ commitments (IEG Ratings)	73 (FY11; three year rolling)	75
- in FCSs	% of US$ commitments (IEG Ratings)	73 (FY11; three year rolling)	70
Client feedback in IDA countries on WBG effectiveness	Average rating 1=low to 10=high		
- WBG effectiveness (overall)		6.3 (FY13)	Monitored
- Contribution of the WBG knowledge work and activities to development results		6.9 (FY13)	Monitored
- Financial instruments meet the needs of a client country		6.0 (FY13)	Monitored

Indicators	Unit	Latest Results Based on 3-Year Average[2]	Projected Outputs by 2017[3]
B. Sectoral Outputs			
Strengthening Governance and Institutional Development			
Countries supported on strengthening national statistical systems - in FCSs	Number Number	21 (FY13) 5 (FY13)	Monitored Monitored
Countries that strengthened tax policy and administration with IDA support	Number	15 (FY13)	Monitored
Countries that strengthened public financial management with IDA support	Number	47 (FY13)	Monitored
Supporting Gender Equalityand Human Development			
Teachers recruited and/or trained	Number (millions)	0.8 (FY13)	0.4-0.8
Children immunized	Number (millions)	180 (FY13)	180-200
Pregnant women receiving antenatal care during a visit to a health provider	Number (millions)	59 (FY13)	53-55
People with access to a basic package of health, nutrition, or population services	Number (millions)	63 (FY13)	63-65
Female beneficiaries of agriculture and rural development projects	Number (millions)	4.5 (FY13)	8-11
Female beneficiaries covered by social safety net programs	Number (millions)	3.7 (FY13)	1.5-5
Active microfinance loan accounts for women	Number of active microfinance loan accounts (millions)	1.0 (FY13)	1.0-1.1
Building and Accessing Vital Infrastructure			
Roads constructed or rehabilitated	Kilometer	38,520 (FY13)	40,000-50,000
People with access to improved water sources	Number (millions)	32 (FY13)	21-32
People with access to improved sanitation facilities	Number (millions)	4.4 (FY13)	4.6-5.6
People in urban areas provided with access to improved urban services	Number (millions)	17 (FY13)	11-17
People with access to electricity	Number (millions)	8.8 (FY13)	15-20

[2] "Latest result" is an actual 3-year aggregate of results achieved in the last three fiscal years. This methodology is subject to potentially large annual fluctuations due to entry or exit of large projects.

[3] "Projected output" is estimated based on several factors and produced controlling for the effect of entry/exit of a large project. Thus, it may look lower than the latest results.

Indicators	Unit	Latest Results Based on 3-Year Average	Projected Outputs by 2017
Enhancing Inclusive Growth and Private Sector Development			
Area provided with irrigation and drainage services	Hectares	664,330 (FY13)	800,000-1,400,000
Private capital mobilized by WBG in IDA countries	US$ (millions)	New indicator; data available 2014	(being estimated)
Active micro finance loan accounts	Number of active microfinance loan accounts	1.6 (FY13)	1.6-1.7
Beneficiaries of agriculture and rural development projects	Number (millions)	13.5 (FY13)	19-23
Enhancing Climate and Disaster Resilience			
Countries supported towards institutionalizing disaster risk reduction as a national priority with IDA support	Number	10 (FY12)	Monitored
Projected lifetime energy savings	Megawatts-hours	New indicator; to be reported 2014	Monitored
Generation capacity of renewable energy constructed and rehabilitated	Megawatts	New indicator; to be reported 2014	Monitored

Table 2c. Tier 3: IDA Operational Effectiveness

Indicators	Unit	Current Performance	IDA17 Performance Standard[4]
Portfolio Performance			
Disbursement ratio for investment lending projects	%	23 (FY13)	23-24
- in FCSs	%	27 (FY13)	23-24
Satisfactory Bank performance in IDA-financed operations: (i) overall (ii) at entry (iii) during supervision	% of IDA commitments (IEG Ratings)	73 (FY11; three year rolling) 66 (FY11; three year rolling) 81 (FY11; three year rolling)	75 75 75
Satisfactory implementation of active operations	% (self-evaluation)	84 (FY13)	Monitored
- in FCSs	% (self-evaluation)	83 (FY13)	Monitored
Satisfactory performance of joint and complementary IDA/IFC projects in IDA countries	% (TBD)	New indicator; data available 2014	TBD
Indicator/s on alignment as developed under the Corporate Scorecard	TBD	New indicator available by Annual Meetings 2014	TBD
Monitoring and Evaluation			
Operations that draw lessons for design from impact or other evaluations	%	50 (FY13)	Monitored
Quality of Monitoring and Evaluation in IDA-financed operations	% of IDA commitments (IEG Rating)	37 (FY11; three year rolling)	75
- in FCSs	% of IDA commitments (IEG Rating)	13 (FY11; three year rolling)	50
Projects using beneficiary feedback	%	38 (FY13)	75

4 In the context of the preparation of the Corporate Scorecard which will be presented at the Spring Meetings in 2014, greater focus will be placed on going beyond monitoring to setting targets, to measure effectiveness and improved institutional performance to drive incentives and to maximize the impetus of reforms. These targets will be included in the IDA RMS and discussed at the time of the IDA17 Mid-Term Review.

Indicators	Unit	Current Performance	IDA17 Performance Standard[4]
Use of Country Systems			
Use of country public financial management and procurement systems	%	New indicator, data available 2014	TBD
Implementation of IDA Special Themes			
IDA operations that integrate gender into analysis, design and monitoring - in FCSs	% %	59 (FY13) 59 (FY13)	Monitored Monitored
For projects with gender monitoring in project design, the percentage of which report on such indicators during implementation - in FCSs	% %	53 (FY10) 68 (FY10)	Monitored Monitored
IDA operations with Core Sector Indicators that can be gender-disaggregated that report such data	% of IDA operations	New indicator; data available 2014	100
- in FCSs	% of IDA operations	New indicator; data available 2014	100
IDA operations with climate change co-benefits implementing agreed climate actions	US$ (billion)	New indicator; data available 2014	Monitored
Completed ESW and non-lending TA that address climate change issues	Number	New indicator; data available 2014	Monitored
IDA $ commitments with climate change co-benefits	US$ (billion)	3.5 (FY13)	Monitored
IDA $ commitments with disaster risk management co-benefits	US$ (million)	925 (FY11)	Monitored

Table 2d. Tier 4: IDA Organizational Effectiveness

Indicators	Unit	Current Performance	IDA17 Performance Standard[4]
Speed and Cost			
Indicator/s on cost-effectiveness and efficiency as developed under the Corporate Scorecard	TBD	New indicator available by June 2014	TBD
Time from project concept note to the first disbursement for investment project financing	Month	27 (FY13)	19
- in FCSs	Month	21 (FY13)	Monitored
Average project implementation support costs	US$ 1,000	147 (FY13)	Monitored
- in FCSs	US$ 1,000	137 (FY13)	Monitored
Support cost ratio	%	0.46 (FY13)	Monitored
IDA $ commitments dedicated to impact evaluation, other evidence-based approaches and statistical capacity	US$ (million)	1,537 (FY13)	Monitored
- in FCSs	US$ (million)	132 (FY13)	Monitored
Client feedback on WBG: (i) responsiveness and staff accessibility - in FCSs (ii) collaboration with other donors - in FCSs	Average rating 1=low to 10=high	5.9 (FY13) 5.5 (FY13) 7.1 (FY13) 7.1 (FY13)	Monitored Monitored

ANNOTATED INDICATORS BY TIER

Indicator	Unit of Measure	Data Source	Date of Latest Results
Tier 1: IDA Countries Progress			
Population below US$ 1.25 a day - in FCSs	% of population	WDI	2010 2010
Median income growth rate of bottom 40% of population	Median of income growth rate across IDA countries		
GDP per capita - FCSs	Constant 2005 US$	WDI	2012 2012
Percentage of IDA countries where growth in average income of the bottom 40% is positive and greater than growth in average income of the population	%	TBD	TBD
Employment to population ratio - Women - Men	% of population age 15+	WDI	2011
Employment to population ratio in FCSs - Women - Men	% of population age 15+	WDI	2011
Youth employment to population ratio (age 15-24) - Women - Men	% of population age 15-24	WDI	2011
Youth employment to population ratio in FCSs (age 15-24) - Women - Men	% of population age 15-24	WDI	2011
Bank accounts (age 15+)	% of population age 15+	WDI	2011
- Women - Men			

Indicator	Unit of Measure	Data Source	Date of Latest Results
Trade Logistics Performance Index	Average rating (1=low to 5=high) for IDA countries	WDI	2012
Gross capital formation	% of GDP	WDI	2012
Mobile cellular telephone subscriptions (per 100 people)	Number	WDI	2012
Quality of budgetary and financial management - in EITI (Extractive Industry Transparency Initiative) implementing IDA countries	Average rating: 1=low to 6=high for IDA countries	CPIA	2012
Extractive industries tax revenues in EITI implementing IDA countries as a percentage of GDP	% of GDP	EITI	2010
Level of statistical capacity	Score on a scale from 0 to 100	Bulletin Board on Statistical Capacity	2012
Access to an improved water source	% of population	WDI	2011
Access to improved sanitation	% of population	WDI	2011
Electrification rate	% of population	World Bank Global Electrification Database	2010
Under 5 mortality rate	Per 1,000 live births	WDI	2011
Malnutrition prevalence, height for age	% of children under age 5	WDI	2012
Births attended by skilled health staff	% of total births	WDI	2011
Secondary gross completion rate - Girls' completion rate	%	WDI	2011
Ratio of girls to boys in secondary education	%	WDI	2011
Prevalence of HIV/AIDS	% of population aged 15-49	WDI	2011
Maternal mortality ratio	Modeled estimate, per 100,000 live births	WDI	2010
Adolescent fertility rate	Births per 1,000 women ages 15-19	WDI	2012
Contraceptive prevalence	% of women aged 15-49	WDI	2011
IDA countries without any discriminatory laws against women	Number of countries	Women, Business and the Law	2013

Indicator	Unit of Measure	Data Source	Date of Latest Results
Change in wealth, including physical, human and natural capital	US$ per capita	Staff estimates based on WDI	TBD
CO2 emissions	Metric tons per capita	WDI	2010
Deforestation rate	%	WDI	2010
Share of population living in areas under water stress	% of population	Staff estimates	TBD
Exposure to PM2.5 concentrations	Population weighted average micrograms per cubic meter	Staff estimates	TBD
IDA countries that have reported progress towards mainstreaming disaster risk management in their development policies and programs	Number of IDA countries	Staff estimates	2011
Tier 2: IDA-Supported Development Results			
A. Satisfactory Achievement of Development Outcomes			
Country Assistance Strategies Completion Reports	% of CAS Completion Reports (CRs) for Results Based CASs rated Highly Satisfactory (HS), Satisfactory (S), and Moderately Satisfactory (MS)	IEG	Four year rolling FY10-13
IDA Operations - in FCSs	% of US$ commitments rated HS, S, MS on achievement of outcomes by IEG	BW	Three year rolling FY09-11
Client feedback in IDA countries - WBG effectiveness (overall) - Contribution of the World Bank Group knowledge work and activities to development results - Financial instruments meet the needs of a client country	Average rating 1=low to 10=high	Country Survey Review	FY13
B. Sectoral Outputs			
Countries supported on strengthening national statistical systems - in FCSs	Number of countries	World Bank Bulletin Board on Statistical Capacity	FY13

Indicator	Unit of Measure	Data Source	Date of Latest Results
Countries that strengthened tax policy and administration with IDA support	Number of countries	Staff estimates	FY13
Countries that strengthened public financial management with IDA support	Number of countries	Staff estimates	FY13
Teachers recruited and/or trained	Number of additional teachers recruited and/or trained (millions)	Staff estimates	FY13
Children immunized	Number of children receiving vaccines (millions)	Staff estimates	FY13
Pregnant women receiving antenatal care during a visit to a health provider	Number of pregnant women (millions)	Staff estimates	FY13
People with access to a basic package of health, nutrition, or population services	Number of people (millions)	Staff estimates	FY13
Female beneficiaries from agriculture and rural development projects	Number of female beneficiaries (millions)	Staff estimates	TBD
Active microfinance loan accounts for women	Number of active microfinance loan accounts for women	Staff estimates	FY13
Female beneficiaries covered by social safety net programs	Number of female beneficiaries (millions)	Staff estimates	FY13
Roads constructed or rehabilitated	Kilometers of all roads constructed, reopened to motorized traffic, rehabilitated, or upgraded	Staff estimates	FY13
People with access to improved water sources	Number of people who benefitted from improved water supply services (millions)	Staff estimates	FY13
People with access to improved sanitation facilities	Number of people who benefitted from improved sanitation facilities (millions)	Staff estimates	FY13
People in urban areas provided with access to improved urban services	Number of people living in urban areas provided with access to improved urban services (millions)	Staff estimates	FY13
People with access to electricity	Number of people provided with access to electricity (millions)	Staff estimates	FY13
Area provided with irrigation and drainage services	Hectares of land provided with irrigation and draining services	Staff estimates	FY13
Private capital mobilized by WBG in IDA countries	US$	Staff estimates	FY13

Indicator	Unit of Measure	Data Source	Date of Latest Results
Active microfinance loan accounts	Number of active microfinance loan accounts	Staff estimates	FY13
Beneficiaries of agriculture and rural development projects	Number of beneficiaries (millions)	Staff estimates	FY13
Countries supported towards institutionalizing disaster risk reduction as a national priority with IDA support	Number of countries	Staff estimates	FY12
Projected lifetime energy savings	Megawatt-hours	Staff estimates	TBD
Generation capacity of renewable energy constructed and rehabilitated	Megawatts of generation capacity of renewable energy	Staff estimates	TBD
Tier 3: IDA Operational Effectiveness			
Disbursement ratio for investment lending projects - in FCSs	Ratio of disbursements during the fiscal year to the undisbursed balance at the beginning of the fiscal year.	WB Business Warehouse (BW)	FY13
Satisfactory Bank performance in IDA-financed operations (i) overall (ii) at entry (iii) during supervision	% of IDA net commitments amount of projects rated HS, S and MS by IEG.	BW	3-year rolling (FY09-FY11)
Satisfactory implementation of active operations - in FCSs	% of active IDA operations rated HS, S and MS based on self-evaluation.	BW	FY13
Satisfactory performance of joint and complementary WB-IFC projects in IDA countries	%	TBD	TBD
Indicator/s on alignment as developed under the Corporate Scorecard	TBD	TBD	TBD
Operations that draw lessons for design from impact or other evaluations	%	Staff estimates	FY13
Quality of Monitoring and Evaluation in IDA-financed operations - in FCSs	% of IDA net commitments rated “Substantial” or “High” by IEG.	BW	3-year rolling (FY09-FY11)
Projects using beneficiary feedback	%	Staff estimates	FY13

Indicator	Unit of Measure	Data Source	Date of Latest Results
Use of country public financial management and procurement systems	%	Monitoring Framework for the Global Partnership for Effective Development Cooperation, Indicator #9 (b)	TBD
IDA operations that integrate gender into analysis, design, and monitoring - in FCSs	%	Staff estimates	FY13
For projects with gender monitoring in project, the percentage of which report on such indicators during implementation - in FCSs	%	Staff estimates	FY10
IDA operations with Core Sector Indicators that can be gender-disaggregated that report such data in FCSs	%	Staff estimates	TBD
IDA operations with climate change co-benefits implementing agreed climate actions	US$ (billion)	BW	TBD
Completed ESW and non-lending TA that address climate change issues	Number	BW	TBD
IDA $ commitments with climate change co-benefits	US$ commitments (billion)	BW	FY13
IDA $ commitments with disaster risk management co-benefits	US$ commitments (million)	BW	FY11
Tier 4: IDA Organizational Effectiveness			
Indicator/s on cost-effectiveness and efficiency as developed under the Corporate Scorecard	TBD	TBD	TBD
Time from project concept note to the first disbursement for investment project financing - in FCSs	Number of months	BW	FY13
Average project implementation support costs - in FCSs	US$'000 cost from Bank Budget including reimbursable	BW	FY13

Indicator	Unit of Measure	Data Source	Date of Latest Results
Support cost ratio	Spending on sustaining, support and indirect services for IDA countries as % of client services cost plus lending portfolio for the same countries	Staff Estimates	FY13
IDA $ commitments dedicated to impact evaluation, other evidence-based approaches and statistical capacity - in FCSs	US$ commitments (million)	Staff Estimates	FY13
Client feedback on WBG: (i) responsiveness and staff accessibility - in FCSs (ii) collaboration with other donors - in FCSs	Average of 3 ratings from the WBG annual country surveys on a scale from 1=low to 10=high.	Country Survey Review	FY13

ANNEX 2:

IDA'S PERFORMANCE-BASED ALLOCATION SYSTEM FOR IDA17

I. Introduction

1. IDA's performance-based allocation (PBA) system will continue to be the basis for the distribution of IDA resources during the IDA17 period. This annex provides an updated overview of the PBA system and highlights enhancements agreed during the IDA17 deliberations. As in IDA16, the PBA allocations will be subject to: (i) grant-related discounts and re-allocations; and (ii) MDRI netting out, capped to 30 percent of a country's gross PBA allocation, and reallocation of compensatory resources.

II. The PBA System for IDA17

2. The Country Performance Ratings of IDA countries are assessed annually using the Country Policy and Institutional Assessment (CPIA) ratings. The CPIA assesses each country's policy and institutional framework and consists of 16 criteria grouped into four equally weighted clusters: (i) economic management; (ii) structural policies; (iii) policies for social inclusion and equity; and (iv) public sector management and institutions (Box 1).[68] To ensure that the ratings are consistent with performance within and across regions: (i) detailed questions and definitions are provided to country teams for each of the rating levels for each of the 16 criteria; and (ii) a World Bank-wide process of rating and vetting a dozen "benchmark" countries is carried out to anchor the ratings in all IDA regions. This is followed by a process of institutional review of all country ratings before they are finalized.

Box 1: CPIA criteria

A. Economic Management
1. Monetary and Exchange Rate Policies
2. Fiscal Policy
3. Debt Policy and Management

B. Structural Policies
4. Trade
5. Financial Sector
6. Business Regulatory Environment

C. Policies for Social Inclusion
7. Gender Equality
8. Equity of Public Resource Use
9. Building Human Resources
10. Social Protection and Labor
11. Policies and Institutions for Environmental Sustainability

D. Public Sector Management and Institutions
12. Property Rights and Rule-based Governance
13. Quality of Budgetary and Financial Management
14. Efficiency of Revenue Mobilization
15. Quality of Public Administration
16. Transparency, Accountability and Corruption in the Public Sector

[68] For details on the CPIA Questionnaire, see: http://www.worldbank.org/ida/papers/CPIAcriteria2011final.pdf

3. The CPIA underpins IDA's Country Performance Rating (CPR) but is not its only determinant. In addition to the CPIA, the IDA Portfolio Performance Rating (PPR),[69] which captures the quality of management of IDA's projects and programs, enters the calculation of the CPR. As in IDA16, the CPR in IDA17 will be calculated as:

$$\textbf{Country Performance Rating} = (0.24 * CPIA_{A\text{-}C} + 0.68 * CPIA_{D} + 0.08 * PPR)$$

where $CPIA_{A\text{-}C}$ is the average of the ratings of CPIA clusters A to C, $CPIA_{D}$ is the rating of CPIA cluster D.

4. The formula underpinning the PBA system is presented below. Country performance (with an exponent of 4 in the allocation formula)[70] is the main determinant of IDA country allocations. Country needs are also taken into account through population size and GNI per capita. Population affects allocations positively (with an exponent of 1) while the level of GNI per capita is negatively related to allocations (with an exponent of -0.125). Specifically,

$$\textbf{IDA country allocation} = f(\textbf{Country Performance Rating}^{4}, \textbf{Population, GNI per capita}^{-0.125})$$

5. Starting in IDA17, the base allocation will be increased from SDR 3 million per year (SDR 9 per replenishment) to SDR 4 million per year (SDR 12 million per replenishment) in order to better meet the fixed costs of country engagement and maintain an effective country program. Since base allocations form an important share of allocations to small states, this will likely benefit mainly small states, several of which are fragile and conflict-affected states (FCSs).

6. Two additional steps are required to arrive at a country's "final" allocation. First, grant allocations are discounted by 20 percent. Of this discount, 13 percentage points are reallocated to all IDA-only countries, excluding gap and post-conflict countries, and 7 percentage points are made available on hard terms to creditworthy blend countries. Second, for countries eligible for debt cancellation under the MDRI initiative, the debt service due in the relevant fiscal year is netted out from that year's allocation. The amount deducted as foregone debt service from an eligible country's gross annual PBA allocation is capped at 30 percent of such gross PBA allocation. [71] This capped deduction will continue to apply during the IDA17 period. As before, the netted-out amounts are redistributed to all IDA-only countries, excluding gap countries.

7. Country allocations will be determined annually with changes reflecting, inter alia, the country's own performance and its performance relative to other countries, changes in eligibility for IDA resources and for IDA grants, and availability of IDA resources. The allocation norm is the basis for the financing scenario set out in CASs or ISNs.

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69 The PPR reflects the health of the IDA projects portfolio, as measured by the percentage of problem projects in each country.

70 The CPR exponent will be reduced from 5 in IDA16 to 4 in IDA17 to increase the poverty-orientation of the regular PBA system. This will allow an increased IDA engagement in the poorest countries, notably the broader group of FCSs, most of which have low per-capita Gross National Income (GNI) levels, while preserving the principle of performance orientation in the allocation system.

71 Refer to IDA (2010), A Mechanism for Mitigating the Allocation Impact of MDRI Netting Out.

III. Exceptional Regime for Countries Facing "Turn-around" Situations

8. A new exceptional regime for countries facing "turn-around" situations will be adopted in IDA17. Starting from IDA17, all new cases warranting the delivery of exceptional IDA support will be addressed within this new regime, including future post-conflict and re-engaging countries as well as countries that have not experienced significant levels of conflict or accumulated arrears but face a "turn-around" situation. The new regime aims at enhancing the targeting of IDA's exceptional support in a way that promotes improved policies and institutional reform and portfolio implementation.

9. To ensure a smooth transition for countries out of the existing exceptional post-conflict and re-engaging regimes, two interim measures have been implemented: (i) a case-by-case extension of their phasing out period for the duration of IDA17,[72] and (ii) the alignment of the level of support to these countries with the support to be provided under the exceptional "turn-around" regime, while reflecting the phasing-out period agreed for these countries.

IV. Other Exceptions

10. The following specific exceptions to the PBA formula will be in place during the IDA17 period.

- First, the allocation to Pakistan, a country with potential access to IBRD, will be "capped", and it will receive less than the allocation norms, due to its broader financing options.

- Second, IDA may provide exceptional allocations in the aftermath of severe natural disasters or economic crises from the Crisis Response Window, as per the implementation arrangements described in Annex 3 of the IDA16 Deputies' Report.

- Third, India will receive transitional support during IDA17 in the amount of SDR2.3 billion.

- Fourth, there is a special provision for selected regional integration projects. The IDA17 period envisages up to SDR686 million per year for such projects in topping up resources. These resources would be used to finance two-thirds of a country's share of the costs of a regional project, with the remaining one-third contribution from the country's IDA allocation.[73] There is a three-country requirement for accessing financing for regional projects, which is relaxed to <u>two</u> countries when at

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[72] This case by case extension of the phasing out period will be based on the criteria agreed in IDA16, namely: (i) limited economic status and financing options, measured by GNI per-capita lower than the IDA operational cutoff or lack of access to IBRD financing; (ii) presence of clear factors slowing down the transition, most notably a resurgence or continuation of conflict in parts of the country, measured by the presence of UN Security Council mandates for peace-keeping forces (with the exclusion of border monitoring missions); and (iii) PPR, averaged over the last three years, of at least 3.0. The decision rule is that the phase out period is extended if the country meets (i) and at least one among (ii) or (iii). Application of these criteria entails the extension of the phasing out for Afghanistan, Burundi, CAR, DRC, Haiti and Togo for the duration of IDA17. The original phasing out periods for Côte d'Ivoire and Liberia end in FY17.

[73] For small countries, a 20 percent ceiling will continue to be placed on their annual contributions to regional projects.

least one is an FCS.[74] In addition, IDA17 introduces the ability to: (i) finance, on a case-by-case basis and subject to a two-step process of early consultation with and approval by IDA's Executive Directors, with resources from the IDA regional program, projects that require financial participation of only one IDA country, where it can be clearly demonstrated that the project would have a transformational impact on the region, and that three or more countries (two, if one is an FCS) would receive substantial benefits from the project; and (ii) cap, on a case-by-case basis and subject to approval by IDA's Executive Directors, the amount that comes from a country's regular IDA allocation to 20 percent of that country's IDA17 allocation for regional projects where project costs are very large relative to the country's available IDA resources. Financing to support such exceptions would be limited to 20 percent of the overall IDA17 envelope for regional projects. Access to grants under the IDA Regional Program will be continued, including to selected institutions not linked to an IDA funded regional project but which support strategic regional priorities.

- Fifth, eligible countries can qualify for exceptional allocations to help finance the cost associated with the clearance of arrears to IBRD and/or IDA.[75]

V. Disclosure

11. IDA countries are informed of the performance assessment process, which is increasingly integrated into the country dialogue. Starting in IDA14, the numerical ratings for each of the CPIA and Country Performance Ratings criteria have been fully disclosed on IDA's external website. Starting in IDA15, the country allocations and commitments have been disclosed annually to the Executive Directors of IDA on an *ex post* basis (i.e., at the end of each fiscal year) to increase transparency. Starting in IDA16, the country allocations and commitments were disclosed on IDA's external website.

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[74] Refer to IDA (2010), IDA's Performance-Based Allocation System: Review of the Current System and Key Issues for IDA16, http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/73449-1271341193277/PBAIDA16.pdf

[75] IDA (2007), Further Elaboration of a Systematic Approach to Arrears Clearance, http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/73449-1172525976405/3492866-1172526109259/ArrearsClearanceMZ.pdf

ANNEX 3:

EXCEPTIONAL REGIME FOR COUNTRIES FACING TURN-AROUND SITUATIONS

IMPLEMENTATION ARRANGEMENTS

1. This annex sets out the implementation arrangements for the exceptional "turn-around" regime, including the definition of a turn-around situation, the application process and guidance on the level and duration of exceptional support.[76]

DEFINITION OF A "TURN-AROUND" SITUATION

2. A "turn-around" situation is a critical juncture in a country's development trajectory providing a significant opportunity for building stability and resilience to accelerate its transition out of fragility marked by:

(i) the cessation of an ongoing conflict (e.g., interstate warfare, civil war or other cycles of violence and/or partial state collapse that significantly disrupt a country's development prospects); or

(ii) the commitment to a major change in the policy environment following:

- a prolonged period of disengagement from IDA lending; or
- a major shift in a country's policy priorities addressing critical elements of fragility.

APPLICATION PROCESS

3. When Management determines that a country is facing a turn-around situation, it will inform the Executive Directors of its intention to provide exceptional support. The decision on a country's eligibility and the level and duration of support will be informed by: (i) a country eligibility note; (ii) the potential beneficiary country agreeing to and commencing implementation of a reform program endorsed by the Bank; and (iii) the feedback received during consultations with Executive Directors.[77]

4. The country eligibility note will apply a two-filter approach and will at a minimum:

(iii) Address the relevant aspects of country eligibility, including the drivers of fragility and conflict, the nature of the turn-around situation and related challenges and opportunities.

(iv) Propose the framework for monitoring the country's progress towards resilience.

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[76] For details on the country eligibility and process see Implementation Arrangements for Allocating IDA Resources to Countries Facing "Turn-around" Situations - Background note, September 2013.

[77] This process is similar to the one that Deputies specified for the allocation of resources from IDA's CRW.

(v) Indicate the level and duration of the exceptional support to the country, including the amount of the exceptional allocation for the first year of eligibility.[78]

LEVEL AND DURATION OF SUPPORT

5. Support under the exceptional turn-around situation regime will be based on country performance and be informed by country-specific factors detailed in the country-eligibility note. Country performance will be measured by the following performance index:[79]

$$Performance\ Index = (0.8)PCPI + (0.2)PPR$$

6. The notional maximum level of per-capita support to a given country is detailed in Table 1 below. In general, it will be expected that – subject to absorption capacity considerations – only countries in a Post-Conflict situation would have per-capita allocations close to the notional maximum levels. Per-capita allocations for other eligible countries would be expected to be lower (around half the levels in Table 1 below). This guidance will be implemented through the application of a country-specific scale factor "α".[80] For a country to benefit from the Post-Conflict consideration above, evidence of conflict intensity will be used as per the current exceptional Post-Conflict regime.[81]

Table 1: Exceptional Turn-around Situation Regime - Notional Maximum Per-capita Allocations

Performance Index	Notional Maximum Per-capita Allocation (US$ per annum)
2.0 to 2.5	5.4
2.5 to 3.0	9.6
3.0 to 3.5	13.6
3.5 to 4.0	19.0
4.0 to 4.5	23.0
Above 4.5	27.2

[78] There will be flexibility on the level of allocations for the first year of eligibility (i.e., allocations higher than the notional maximum per-capita allocations could be possible). Such flexibility would only be warranted in very special circumstances (e.g., in cases where the conflict has been extremely destructive, but where the government's capacity to implement a comprehensive recovery program has remained strong) and with due regard for absorption capacity considerations.

[79] Where PCPI and PPR are the Post-Conflict Performance Indicator and the Portfolio Performance Rating.

[80] For details see Implementation Arrangements for Allocating IDA Resources to Countries Facing "Turn-around" Situations - Background note, September 2013.

[81] Candidates for post-conflict considerations will have to fall into one of the following categories: (i) a country that has suffered from a severe and longstanding conflict which has led to extended inactivity as a borrower, or at least a substantial decline in the level of external assistance, including from IDA; (b) a country that has experienced a short but highly intensive conflict, leading to a disruption of IDA involvement; or (c) a newly sovereign state that has emerged through the violent break-up of a former entity. Furthermore, and as per the past practice under the existing PC regime, evidence of conflict intensity will be used to assess the level of support, with at least one of the following assessed as high: (a) extent of human casualties; (b) proportion of population that is internally displaced; and (c) extent of physical destruction.

7. Key considerations. Country allocations will be determined based on the formula and matrix set out in paragraph 5 and in Table 1 above. Adjustments may be made in cases where:

(i) *The PPR limits the level of exceptional support* (e.g., to Post-Conflict countries, inactive countries, or countries with poor portfolio implementation but where reforms undertaken as part of the turn-around situation would lead to a qualitative change in project implementation).

(ii) *Countries have already benefitted from exceptional IDA support*. The level and duration of the exceptional support already provided by IDA will be factored in when deciding on the level of per-capita allocations under the exceptional turn-around situation regime.

(iii) *There are changes in a country's absorptive capacity*. Absorption capacity will be a key consideration when determining the support level under the exceptional turn-around regime. In some cases, severe absorption capacity issues could limit the level of exceptional turn-around support. If warranted by context, consideration could be given to adjust the level of per-capita support to respond to a sharp change in a country's absorption capacity.

8. The exceptional turn-around regime would not involve a pre-established eligibility period but in most cases would be expected to be around two to three years. The eligibility for this support would be linked to the eligible country's national plan associated with the turn-around situation.

OTHER IMPLEMENTATION ASPECTS

9. **Exit mechanism**. A country's eligibility for exceptional turn-around support will be terminated (i.e., the country will return to the regular PBA system) under three circumstances. First, at the end of the eligibility period if the country is no longer in a turn-around situation.[82] Second, at the end of the eligibility period if the country's performance is not satisfactory as per the monitoring framework set out in the eligibility note. Third, during the eligibility period, if the country fails to implement the specific measures or reforms considered as critical by the timeline specified in the eligibility note. In the last circumstance, the return to the regular PBA system will take place at the beginning of the fiscal year immediately following the date set out in the eligibility note for the implementation of such critical measures or reforms.[83]

10. **Re-application**. At the end of the eligibility period, and if the "turn-around" process is successful (as demonstrated by the country's progress under the monitoring framework set out in the eligibility note), the country could reapply for continued support under the exceptional turn-around regime. The decision on renewing a country's eligibility for exceptional turn-around

[82] Note that the definition of a turn-around situation entails not only the notion of an opportunity for change but also evidence of commitment by the country and satisfactory early performance.

[83] At the same time, it is important to avoid on and off interventions –particularly in the FCSs context. In that regard, consideration could be given to continue providing exceptional turn-around support depending on the degree of reversal in a country's progress under its turn-around process. If deemed appropriate, the enhanced support could be continued with due consideration of the country implementing remedial actions and the recalibration of the level of exceptional support.

support will be on a case-by-case basis and it will involve the same decision process and use the same criteria and principles as for a newly eligible country.

11. **Phasing out from the exceptional turn-around regime**. Unlike the current exceptional post-conflict and re-engaging regimes, the exceptional turn-around regime does not entail a pre-established phasing out period. Instead, the return to the regular PBA system will have a flexible timing and the path for the allocation levels will be modulated as part of the re-application process. In that regard, as part of the re-application process two key elements to be factored in while deciding the level of exceptional turn-around support will be the level and duration of the exceptional support already provided by IDA to the country (this would also apply to current PC and RE countries – if and when they apply for the exceptional turn-around support).

12. **Other**. The level of exceptional turn-around support provided to any given country has a notional cap of 7 percent of IDA's total country-allocable envelope. Also, an indicative cap of 15 percent of the overall IDA core financing has been set for the overall support through the exceptional turn-around regime. Resources allocated under the exceptional turn-around regime but not committed will be re-allocated as part of the re-allocation exercise undertaken in the last year of a replenishment period.

13. **Reporting.** At the time of the IDA17 Mid-Term Review, Management will report its experience on implementing the exceptional turn-around regime and propose adjustments to the framework if needed. The proposed reporting by the IDA17 Mid-Term Review will elaborate – in light of implementation experience – on possible adjustments to the definition of a turn-around situation as well as on the process, criteria and other implementation arrangements underpinning the framework. It will also report on the modalities for incorporation of the elements currently in development under the New Deal and experience with the enhanced role of portfolio performance under the new exceptional regime.

ANNEX 4:

DOCUMENTS PROVIDED FOR THE IDA17 REPLENISHMENT

March 20 to 21, 2013 in Paris, France

Discussion Papers:

- Setting the Agenda for IDA17 (March 2013)
- IDA's Support to Fragile and Conflict-affected States (March 2013)
- IDA Support to Transformational Projects with Regional Impact (March 2013)
- IDA's Long Term Financial Capacity and Financial Instruments (March 2013)
- Effective Foreign Exchange Rates for Use in the IDA17 Replenishment (March 2013)
- Follow-Up on IDA's Graduation Policy and Proposal for Transitional Support for Graduating Countries (March 2013)
- Issues Remaining from the IDA16 Mid-Term Review Meeting (March 2013)

July 1 to 4, 2013 in Managua, Nicaragua

Discussion Papers:

- IDA17 Overarching Theme: Maximizing Development Impact (June 2013)
- Special Themes for IDA17 (June 2013)
- The Demand for IDA17 Resources and the Strategy for their Effective Use (June 2013)
- IDA17 Financing Framework (June 2013)

October 14 to 15, 2013 in Washington D.C., USA

- Draft of IDA17 Deputies' Report
- Updated IDA17 Financing Framework and Key Financial Variables
- Implementation Arrangements for Allocating IDA Resources to Countries Facing Turn-Around Situations
- Strengthening Support for Regional Projects: Background Note

December 16 to 17, 2013 in Moscow, Russia

- Draft of IDA17 Deputies' Report

ANNEX 5:

DRAFT IDA17 RESOLUTION

Board of Directors

Additions to Resources: Seventeenth Replenishment

WHEREAS:

(A) The Executive Directors of the International Development Association (the "Association") have considered the prospective financial requirements of the Association and have concluded that it is desirable to authorize a replenishment of the resources of the Association for new financing commitments for the period from July 1, 2014 to June 30, 2017 (the "Seventeenth Replenishment") in the amounts and on the basis set out in the report of the IDA Deputies, "Additions to Resources: Seventeenth Replenishment," (the "Report"), approved by the Executive Directors on March 25, 2014, and submitted to the Board of Governors;

(B) The members of the Association consider that an increase in the resources of the Association is required and intend to take all necessary governmental and legislative action to authorize and approve the allocation of additional resources to the Association in the amounts and on the conditions set out in this Resolution;

(C) Members of the Association that contribute resources to the Association in addition to their subscriptions as part of the Seventeenth Replenishment ("Contributing Members") are to make available their contributions pursuant to the Articles of Agreement of the Association (the "Articles") partly in the form of subscriptions carrying voting rights and partly as supplementary resources in the form of contributions not carrying voting rights;

(D) Additional subscriptions are to be authorized for Contributing Members in this Resolution on the basis of their agreement with respect to their preemptive rights under Article III, Section 1(c) of the Articles, and provision is made for the other members of the Association ("Subscribing Members") intending to exercise their rights pursuant to that provision to do so;

(E) It is desirable to provide for a portion of resources to be contributed by members to be paid to the Association as advance contributions;

(F) Additional subscriptions and contributions are to be authorized for Contributing Members to provide compensation for the Association's debt forgiveness commitments under the Heavily Indebted Poor Countries ("HIPC") Debt Initiative; to provide financing for arrears clearance operations by the Association; to provide compensation for forgone principal reflows from the making of grants; and to reflect the grant element of concessional loans made by Contributing Members to the Association;

(G) The Executive Directors of the Association have authorized the borrowing of concessional loans from Contributing Members (each a "Contributing Member Loan") in the currencies and on the terms and conditions as approved by the Executive Directors and it is intended that the grant element of the Contributing Member Loans will form part of the Contributing Member's subscriptions and contributions hereunder;

(H) It is desirable to authorize the Association to provide financing in the form of grants, guarantees and the intermediation of risk management products in addition to loans; and

(I) It is desirable to administer any remaining funds from the replenishment authorized by Resolution No. 227 of the Board of Governors of the Association (the "Sixteenth Replenishment") as part of the Seventeenth Replenishment.

NOW THEREFORE THE BOARD OF GOVERNORS HEREBY ACCEPTS the Report as approved by the Executive Directors, **ADOPTS** its conclusions and recommendations **AND RESOLVES THAT** a general increase in subscriptions of the Association is authorized on the following terms and conditions:

1. **Authorization of Subscriptions and Contributions**.

(a) The Association is authorized to accept additional resources from each Contributing Member in the amounts and in the currencies specified for each such member in Columns (2), (3), (4), (5), (9), (12) and (15) of Table 1a attached to this Resolution, and each such amount will be divided into a subscription carrying voting rights and a contribution not carrying voting rights as specified in Table 2 attached to this Resolution.

(i) As part of the resources described in paragraph 1(a) above, the Association is authorized to accept additional subscriptions and contributions from Contributing Members to compensate the Association for the Association's debt forgiveness commitments under the HIPC Debt Initiative in the amounts and as specified in Column (9) of Table 1a attached to this Resolution.

(ii) As part of the resources described in paragraph 1(a) above, the Association is authorized to accept additional subscriptions and contributions from Contributing Members to finance arrears clearance operations in the amounts and as specified in Column (12) of Table 1a attached to this Resolution.

(iii) As part of the resources described in paragraph 1(a) above, the Association is authorized to accept additional subscriptions and contributions from Contributing Members to finance forgone principal

reflows from the making of grants in the amounts and as specified in Column (15) of Table 1a attached to this Resolution.

(iv) As part of the resources described in paragraph 1(a) above, the Association is authorized to accept additional subscriptions and contributions from Contributing Members reflecting the grant element of a Contributing Member Loan in the amounts and currencies specified in Column (3) and (5) of Table 1a attached to this Resolution.

(b) The Association is authorized to accept additional resources from any member for which no contribution is specified in Table 2 and additional subscriptions and contributions from Contributing Members incremental to the amounts specified for each such member in Tables 1a and 1b.

(c) The Association is authorized to accept additional subscriptions from each Subscribing Member in the amount specified for each such member in Table 2.

(d) The rights and obligations of the Association and the Contributing Members in respect of the authorized subscriptions and contributions in paragraphs (a) and (b) above will be the same (except as otherwise provided in this Resolution) as those applicable to the ninety per cent portion of the initial subscriptions of original members payable under Article II, Section 2(d) of the Articles of Agreement (the "Articles") by members listed in Part I of Schedule A of the Articles.

2. **Agreement to Pay**.

(a) When a Contributing Member agrees to pay its subscription and contribution, or a Subscribing Member agrees to pay its subscription, it will deposit with the Association an Instrument of Commitment substantially in the form set out in Attachment I to this Resolution ("Instrument of Commitment") and with respect to:

i. its contribution for debt forgiveness under the HIPC Debt Initiative or for arrears clearance operations, a Contributing Member will either include such contribution in an Instrument of Commitment or make a Debt Relief Transfer Contribution, as defined and specified in paragraph 9(a) of this Resolution; and

ii. a Contributing Member Loan, a Contributing Member will enter into written agreement(s) in such form as may be acceptable to the Association.

(b) When a Contributing Member agrees to pay a part of its subscription and contribution without qualification and the remainder is subject to enactment by its legislature of the necessary appropriation legislation, it will deposit (other than in

respect of the grant element of a Contributing Member Loan) a qualified Instrument of Commitment in a form acceptable to the Association ("Qualified Instrument of Commitment") and such member:

(i) undertakes to exercise its best efforts to obtain legislative approval for the full amount of its subscription and contribution by the payment dates set out in paragraph 3(b) of this Resolution; and

(ii) agrees that, upon obtaining such approvals, it will notify the Association that any parts of its Qualified Instrument of Commitment have become unqualified.

3. **Payment**.

(a) Each Subscribing Member will pay to the Association the amount of its subscription in full within 31 days after the date of deposit of its Instrument of Commitment; provided that if the Seventeenth Replenishment shall not have become effective by December 15, 2014, payment may be postponed by the member for not more than 31 days after the Effective Date as defined in paragraph 6(a) of this Resolution.

(b) Each Contributing Member that deposits an Instrument of Commitment that is not a Qualified Instrument of Commitment will pay to the Association the amount of its subscription and contribution in three equal annual installments no later than 31 days after the Effective Date or as agreed with the Association, January 15, 2016, and January 15, 2017; provided that:

(i) the Association and each Contributing Member may agree to earlier payment;

(ii) if the Seventeenth Replenishment shall not have become effective by December 15, 2014, payment of the first such installment may be postponed by the member for not more than 31 days after the date on which the Seventeenth Replenishment becomes effective;

(iii) the Association may agree to the postponement of any installment, or part thereof, if the amount paid, together with any unused balance of previous payments by the Contributing Member concerned, is at least equal to the amount estimated by the Association to be required from that member up to the due date of the next installment for purposes of disbursements for financing committed under the Seventeenth Replenishment; and

(iv) if any Contributing Member deposits an Instrument of Commitment with the Association after the date when the first installment of the subscription

and contribution is due, payment of any installment, or part thereof, will be made to the Association within 31 days after the date of such deposit.

(c) If a Contributing Member has deposited a Qualified Instrument of Commitment and, upon enactment of appropriation legislation, notifies the Association that an installment, or part thereof, is unqualified after the date when it was due, then payment of such installment, or part thereof, will be made within 31 days after the date of such notification.

(d) Each Contributing Member that makes a contribution through the grant element of a Contributing Member Loan will pay to the Association the amount of the Loan in three equal annual installments no later than 31 days after the Effective Date, January 15, 2016, and January 15, 2017 or as agreed with the Association.

4. **Mode of Payment**.

(a) Payments pursuant to this Resolution will be made, at the option of the member:

(i) in cash, on terms agreed between the member and the Association; or

(ii) by the deposit of notes or similar obligations issued by the government of the member or the depository designated by such member, which shall be nonnegotiable, non-interest bearing and payable at their par value on demand to the account of the Association.

(b) The Association will encash notes or similar obligations of Contributing Members, on an approximately pro rata basis among donors, in accordance with the encashment schedule set out in Attachment II to this Resolution, or as agreed between a Contributing Member and the Association. With respect to a Contributing Member that is unable to comply with one or more encashment requests, the Association may agree with the member on a revised encashment schedule that yields at least an equivalent value to the Association.

(c) The provisions of Article IV, Section 1(a) of the Articles will apply to the use of a Subscribing Member's currency paid to the Association pursuant to this Resolution.

5. **Currency of Denomination and Payment**.

(a) Contributing Members will denominate the resources to be made available pursuant to this Resolution in SDRs, the currency of the member if freely convertible, or, with the agreement of the Association, in a freely convertible currency of another member, except that if a Contributing Member's economy experienced a rate of inflation in excess of ten percent per annum on average in

the period 2010-2012, as determined by the Association, its subscription and contribution will be denominated in SDRs or in any currency used for the valuation of the SDR and agreed with the Association. Subscribing Members will denominate the resources to be made available pursuant to this Resolution in the currency of the member or in a freely convertible currency with the agreement of the Association.

(b) Contributing Members will make payments pursuant to this Resolution in SDRs, a currency used for the valuation of the SDR, or, with the agreement of the Association, in another freely convertible currency, and the Association may freely exchange the amounts received as required for its operations. Subscribing Members will make payments in the currency of the member or in a freely convertible currency with the agreement of the Association.

(c) Each member will maintain, in respect of its currency paid by it under this Resolution, and the currency of such member derived therefrom as principal, interest or other charges, the same convertibility as existed on the effective date of this Resolution.

(d) The provisions of Article IV, Section 2 of the Articles with respect to maintenance of value will not be applicable.

(e) Notwithstanding the foregoing provisions of this paragraph, a Contributing Member that makes a contribution through the grant element of a Contributing Member Loan will denominate and make payment of such Contributing Member Loan in SDRs or any other currencies approved by the Executive Directors and as defined in their respective loan agreements.

6. **Effective Date**.

(a) The Seventeenth Replenishment will become effective and the resources to be contributed pursuant to this Resolution will become payable to the Association on the date (the "Effective Date") when Contributing Members whose subscriptions and contributions aggregate not less than SDR 11,660 million shall have deposited with the Association Instruments of Commitment, Qualified Instruments of Commitment, Debt Relief Transfer Notifications (as defined in paragraph 9 (b) of this Resolution) or duly executed concessional loan agreements to provide the Contributing Member Loans, provided that this date shall be not later than December 15, 2014, or such later date as the Executive Directors of the Association may determine.

(b) If the Association determines that the availability of additional resources pursuant to this Resolution is likely to be unduly delayed, it shall convene promptly a

meeting of the Contributing Members to review the situation and to consider the steps to be taken to prevent a suspension of financing to eligible recipients by the Association.

7. **Advance Contributions**.

(a) In order to avoid an interruption in the Association's ability to commit financing to eligible recipients pending the effectiveness of the Seventeenth Replenishment, the Association may deem, prior to the Effective Date, one third of the total amount of each subscription and contribution for which

(i) an Instrument of Commitment has been deposited with the Association;

(ii) a Debt Relief Transfer Notification (as defined in paragraph 9(b) of this Resolution) has been received by the Association; or

(iii) a duly executed concessional loan agreement for a Contributing Member Loan has been received by the Association;

as an "Advance Contribution", unless the Contributing Member specifies otherwise in its Instrument of Commitment, Debt Relief Transfer Notification or concessional loan agreement for a Contributing Member Loan.

(b) The Association shall specify when Advance Contributions pursuant to subparagraph (a) are to be paid to the Association.

(c) The terms and conditions applicable to contributions to the Seventeenth Replenishment shall apply also to Advance Contributions until the Effective Date, when such contributions shall be deemed to constitute payment towards the amount due from each Contributing Member for its subscription and contribution.

(d) In the event that the Seventeenth Replenishment shall not become effective pursuant to paragraph 6(a) of this Resolution, (i) voting rights will be allocated to each member for the Advance Contribution as if it had been made as a subscription and contribution under this Resolution, and (ii) each member not making an Advance Contribution will have the opportunity to exercise its preemptive rights under Article III, Section 1(c) of the Articles with respect to such subscription as the Association shall specify.

8. **Commitment Authority**.

(a) Subscriptions and contributions will become available for commitment by the Association for financing to eligible recipients in three equal annual installments: (i) the first installment will become available to the Association for commitment from the Effective Date, provided that advance contributions may become

available earlier under paragraph 7(a) of this Resolution; (ii) the second installment will become available from July 1, 2015; and (iii) the third installment will become available from July 1, 2016.

(b) Any qualified part of a subscription and contribution notified under a Qualified Instrument of Commitment will become available for commitment by the Association for financing when the Association has been notified, pursuant to paragraph 2(b) (ii) of this Resolution, that such parts have become unqualified.

(c) The Association may enter into financing commitments with eligible recipients conditional on such commitments becoming effective and binding on the Association when resources under the Seventeenth Replenishment become available for commitment by the Association.

9. **HIPC and Arrears Clearance Contributions**.

(a) Contributing Members making an additional subscription and contribution to compensate the Association for forgiveness of debt under the HIPC Debt Relief Initiative or to finance arrears clearance operations, will do so either: (i) through an additional subscription and contribution to the Association's regular resources (a "Debt Relief Additional Contribution") or (ii) through a creditor-specific contribution for the benefit of the Association to the HIPC window of the Debt Relief Trust Fund or a contribution to the arrears clearance window of the Debt Relief Trust Fund (each a "Debt Relief Transfer Contribution").

(b) Contributing Members making a Debt Relief Transfer Contribution will either (i) enter into a Contribution Agreement with the Association as administrator of the Debt Relief Trust Fund; or (ii) for Contributing Members that are already current contributors to the Debt Relief Trust Fund, send to the Association a notice of additional contribution or allocation to the appropriate window of the Debt Relief Trust Fund (each a "Debt Relief Transfer Notification"). Such Debt Relief Transfer Notification will provide for a contribution to be made to the appropriate window of the Debt Relief Trust Fund in the amounts set forth in Columns (-) and (-) of Table 1a to this Resolution, each to be payable in three equal annual installments no later than 31 days after the Effective Date, January 15, 2016, and January 15, 2017; provided that the Association and each Contributing Member may agree to earlier payment.

(c) When any amount of a Debt Relief Transfer Contribution is paid to compensate the Association for forgiveness of debt under the HIPC Debt Initiative or to finance arrears clearance operations, such amount of the Debt Relief Transfer Contribution will be treated as a subscription and contribution under the Seventeenth Replenishment.

10. **Compensation for Forgone Principal Reflows**. Contributing Members making an additional subscription and contribution to finance forgone principal reflows from the making of grants will do so through an additional subscription and contribution to the Association's regular resources (a "Grant Compensation Additional Contribution").

11. **Authorization of Grants, Guarantees and Risk Intermediation**. The Association is hereby authorized to provide financing under the Seventeenth Replenishment in the form of grants and guarantees and through the intermediation of risk management products.

12. **Administration of IDA16 Funds under the Seventeenth Replenishment**.

    (a) On the Effective Date, any funds, receipts, assets and liabilities held by the Association under the Sixteenth Replenishment will be administered under the Seventeenth Replenishment, subject, as appropriate, to the terms and conditions applicable to the Sixteenth Replenishment.

    (b) Pursuant to Article V, Section 2(a)(i) of the Articles of Agreement of the Association, the Association is authorized to use the funds referred to in paragraph 11(a) above, and funds derived therefrom as principal, interest or other charges, to provide financing in the forms of grants and guarantees under the terms, conditions and policies applicable under the Seventeenth Replenishment.

13. **Allocation of Voting Rights under Seventeenth Replenishment**. Voting rights calculated on the basis of the current voting rights system will be allocated to members for subscriptions under the Seventeenth Replenishment as follows:

    (a) Each Subscribing Member that has deposited with the Association an Instrument of Commitment will be allocated the subscription votes specified for each such member in Table 2 on the effective payment date pursuant to paragraph 3(a) of this Resolution. Each Subscribing Member will be allocated the additional membership votes specified in Column c-3 of Table 2 on the date such member is allocated its subscription votes.

    (b) Each Contributing Member that has deposited with the Association an Instrument of Commitment (other than in respect of the grant element of a Concessional Member Loan) will be allocated one third of the subscription votes specified for each such member in Table 2 on each effective payment date pursuant to paragraph 3(b) of this Resolution. Each Contributing Member will be allocated the additional membership votes specified in Column b-4 of Table 2 for its subscription on the date such member is allocated the first one third of its subscription votes.

(c) Each Contributing Member that has made a Debt Relief Transfer Contribution will be allocated a proportionate share of the subscription votes specified for such member in Column b-3 of Table 2 from time to time and at least semi-annually following payment of any amount of its Debt Relief Transfer Contribution to compensate the Association for forgiveness of debt under the HIPC Debt Initiative or to finance arrears clearance operations.

(d) Each Contributing Member that has provided a Contributing Member Loan in the amount provided in Table 1b will be notified by the Association of the grant element determined by the Association with respect to the Contributing Member Loan and will be allocated, in respect of such grant element, a proportionate share of the subscription votes specified for such member in Column b-3 of Table 2 from time to time following payment to the Association of the Contributing Member Loan.

(e) Each member that has deposited with the Association a Qualified Instrument of Commitment will be allocated subscription votes at the time and to the extent of payments made in respect of its subscription and contribution.

(f) Any member that deposits its Instrument of Commitment after any of these dates will be allocated, within 31 days of the date of such deposit, the subscription votes to which such member is entitled on account of such deposit.

(g) If a member fails to pay any amount of its subscription or subscription and contribution when due, the number of subscription votes allocated from time to time to such member under this Resolution in respect of the Seventeenth Replenishment will be reduced in proportion to the shortfall in such payments, but any such votes will be reallocated when the shortfall in payments causing such adjustment is subsequently made up.

Table 1a – Grant and Grant Equivalent Contributions to the Seventeenth Replenishment

Table 1a: Grant and Grant Equivalent Contributions to the Seventeenth Replenishment

		Basic Contributions			Supplemental		**Sub-total Contributions**		HIPC Costs			Arrears Clearance			Grant Compensation			**Total Donor Contributions**			Acceleration Credit and Grant Element of Concessional Loan	FX Rates	Currency of Grant Denomination
			Grant	Grant Element of Concessional Loan	Grant	Grant Element of Concessional Loan																	
Contributing Members		Share (1)	SDR Million (2)	SDR Million (3)	SDR Million (4)	SDR Million (5)	SDR Million (6)	NC Million[6/] (7)	Share (8)	SDR Million (9)	NC Million[6/] (10)	Share (11)	SDR Million (12)	NC Million[6/] (13)	Share (14)	SDR Million (15)	NC Million[6/] (16)	**Share (17)**	**SDR Million (18)**	**NC Million[6/] (19)**	NC Million (20)	(NC/SDR) (21)	(22)
Argentina	1/3/	0.00%	0.09	-	-	-	0.09	0.14	0.20%	3.13	4.72	0.20%	0.85	1.28	0.20%	0.57	0.86	0.02%	4.64	7.00	-	1.50718	USD
Australia		1.80%	374.22	-	-	-	374.22	582.82	1.61%	25.17	39.20	1.61%	6.83	10.64	1.61%	4.59	7.15	1.78%	410.81	639.81	-	1.55744	AUD
Austria	3/	1.56%	324.61	-	-	-	324.61	373.76	0.86%	13.44	15.48	0.86%	3.65	4.20	0.86%	2.45	2.82	1.49%	344.15	396.26	-	1.15142	EUR
Bahamas, The		0.01%	2.44	-	-	-	2.44	3.68	0.01%	0.18	0.27	0.01%	0.05	0.07	0.01%	0.03	0.05	0.01%	2.70	4.07	-	1.50718	USD
Belgium	3/	1.55%	322.56	-	-	-	322.56	371.40	1.71%	26.73	30.78	1.71%	7.25	8.35	1.71%	4.86	5.60	1.57%	361.41	416.13	-	1.15142	EUR
Brazil	3/	0.25%	51.13	-	-	-	51.13	164.19	0.67%	10.47	33.63	0.67%	2.84	9.13	0.67%	1.91	6.12	0.29%	66.35	213.07	-	3.21133	BRL
Canada	3/	3.89%	809.92	-	-	-	809.92	1,256.68	4.14%	64.72	100.42	4.14%	17.57	27.26	4.14%	11.77	18.27	3.92%	903.98	1,402.63	-	1.55161	CAD
China	7/	0.95%	196.77	-	-	-	196.77	296.57	0.10%	1.57	2.36	0.10%	0.42	0.64	0.10%	0.29	0.43	0.86%	199.05	300.00	-	1.50718	USD
Czech Republic	5/	0.05%	10.40	-	0.69	-	11.10	309.21	0.06%	0.94	27.88	0.06%	0.25	7.57	0.06%	0.17	5.07	0.05%	12.46	349.73	20.53	29.71830	CZK
Denmark	3/	1.08%	224.75	-	-	-	224.75	1,929.55	1.21%	18.92	162.40	1.21%	5.13	44.08	1.21%	3.44	29.54	1.09%	252.24	2,165.57	-	8.58530	DKK
Egypt	1/	0.007%	1.39	-	-	-	1.39	2.09	0.01%	0.16	0.24	0.01%	0.04	0.06	0.01%	0.03	0.04	0.007%	1.61	2.43	-	1.50718	USD
Estonia	4/	0.01%	3.10	-	-	-	3.10	3.57	0.01%	0.16	0.18	0.01%	0.04	0.05	0.01%	0.04	0.05	0.01%	3.34	3.85	-	1.15142	EUR
Finland	3/	1.02%	212.54	-	-	-	212.54	238.74	0.66%	10.32	11.88	0.66%	2.80	3.22	0.66%	1.88	2.16	0.99%	227.53	256.00	5.98	1.15142	EUR
France	3/8/	4.73%	863.79	119.97	-	-	983.75	1,301.88	6.62%	103.49	155.98	6.62%	28.09	42.34	6.62%	18.82	28.37	4.91%	1,134.16	1,528.57	*180.82*	1.50718	USD
Germany	3/	5.48%	1,141.17	-	-	-	1,141.17	1,313.97	11.37%	177.75	204.67	11.37%	48.24	55.55	10.30%	29.29	33.73	6.05%	1,396.47	1,607.92	-	1.15142	EUR
Hungary	3/	0.06%	12.14	-	-	-	12.14	4,156.93	0.06%	0.94	321.19	0.06%	0.25	87.18	0.06%	0.17	58.42	0.06%	13.50	4,623.72	-	342.41512	HUF
Iceland		0.03%	6.24	-	-	-	6.24	1,142.52	0.03%	0.47	85.83	0.03%	0.13	23.30	0.03%	0.09	15.61	0.03%	6.92	1,267.26	-	183.00628	ISK
Indonesia		0.05%	10.89	-	-	-	10.89	16.42	0.05%	0.82	1.23	0.05%	0.22	0.33	0.05%	0.15	0.22	0.05%	12.08	18.20	-	1.50718	USD
Ireland		0.35%	73.62	-	-	-	73.62	84.77	0.20%	3.13	3.60	0.20%	0.85	0.98	0.20%	0.56	0.65	0.34%	78.16	90.00	-	1.15142	EUR
Italy	3/	1.96%	408.70	-	-	-	408.70	470.59	3.80%	59.40	68.40	3.80%	16.13	18.57	3.80%	10.80	12.44	2.14%	495.04	570.00	-	1.15142	EUR
Japan	3/	9.35%	1,746.69	199.88	-	-	1,946.57	258,219.45	16.00%	250.13	36,978.18	16.00%	67.89	10,036.58	16.00%	45.50	6,726.30	10.01%	2,310.10	311,960.51	*29,548.47*	147.83326	JPY
Korea		1.10%	228.91	-	-	-	228.91	386,076.33	1.10%	17.20	29,003.51	1.10%	4.67	7,872.10	1.10%	3.13	5,275.71	1.10%	253.90	428,227.65	-	1,686.57027	KRW
Kuwait		0.18%	37.46	-	-	-	37.46	16.09	0.00%	-	-	0.00%	0.00	-	0.00%	-	-	0.16%	37.46	16.09	-	0.42950	KWD
Latvia		0.01%	2.08	-	-	-	2.08	2.40	0.01%	0.16	0.18	0.01%	0.04	0.05	0.01%	0.03	0.03	0.01%	2.31	2.66	-	1.15142	EUR
Lithuania	3/4/	0.01%	2.07	-	-	-	2.07	2.24	0.01%	0.14	0.16	0.01%	0.03	0.04	0.01%	0.03	0.03	0.01%	2.27	2.47	0.14	1.15142	EUR
Luxembourg	3/	0.19%	39.37	-	-	-	39.37	45.33	0.19%	2.97	3.42	0.21%	0.89	1.03	0.19%	0.54	0.62	0.19%	43.77	50.40	-	1.15142	EUR
Malaysia		0.08%	16.15	-	-	-	16.15	24.34	0.08%	1.21	1.83	0.08%	0.33	0.50	0.08%	0.22	0.33	0.08%	17.91	27.00	-	1.50718	USD
Mexico	3/	0.32%	65.65	-	-	-	65.65	1,246.86	0.06%	0.94	17.82	0.06%	0.25	4.84	0.06%	0.17	3.24	0.29%	67.01	1,272.76	-	18.99291	MXN
Netherlands	4/	2.81%	584.07	-	-	-	584.07	651.89	2.87%	44.87	51.66	2.87%	12.18	14.02	2.87%	8.16	9.40	2.81%	649.28	726.97	20.62	1.15142	EUR
New Zealand		0.12%	24.97	-	-	-	24.97	46.39	0.13%	2.03	3.78	0.13%	0.55	1.02	0.13%	0.37	0.69	0.12%	27.93	51.88	-	1.85758	NZD
Norway	3/	1.50%	311.20	-	-	-	311.20	2,748.00	1.68%	26.26	232.66	1.68%	7.13	63.15	1.68%	4.78	42.32	1.51%	349.37	3,086.13	8.83	8.85860	NOK
Poland		0.03%	6.23	-	-	-	6.23	6.23	0.03%	0.47	0.47	0.03%	0.13	0.13	0.03%	0.09	0.09	0.03%	6.92	6.92	-	1.00000	SDR
Portugal	3/	0.04%	7.83	-	-	-	7.83	9.02	0.04%	0.59	0.68	0.04%	0.16	0.18	0.04%	0.10	0.12	0.04%	8.68	10.00	-	1.15142	EUR
Russia		0.40%	83.24	-	35.80	-	119.04	119.04	0.35%	5.47	5.47	0.35%	1.49	1.49	0.35%	1.00	1.00	0.55%	127.00	127.00	-	1.00000	SDR
Saudi Arabia	3/	0.22%	45.21	-	-	22.61	67.82	68.14	0.43%	6.72	10.13	0.43%	1.82	2.75	0.43%	1.22	1.84	0.34%	77.58	82.86	*34.07*	1.50718	USD
Singapore		0.15%	31.21	-	-	-	31.21	47.04	0.14%	2.26	3.41	0.14%	0.62	0.93	0.14%	0.41	0.62	0.15%	34.50	52.00	-	1.50718	USD
Slovak Republic		0.01%	2.08	-	-	-	2.08	2.40	0.01%	0.16	0.18	0.01%	0.04	0.05	0.01%	0.03	0.03	0.01%	2.31	2.66	-	1.15142	EUR
Slovenia		0.01%	2.36	-	-	-	2.36	2.72	0.03%	0.47	0.54	0.03%	0.13	0.15	0.03%	0.08	0.09	0.01%	3.04	3.50	-	1.15142	EUR
South Africa	4/	0.09%	17.85	-	-	-	17.85	242.40	0.09%	1.41	20.37	0.09%	0.38	5.53	0.09%	0.26	3.70	0.09%	19.89	272.00	15.97	14.47500	ZAR
Spain	3/	1.00%	208.10	-	-	-	208.10	239.61	1.99%	31.11	35.82	1.99%	8.44	9.72	1.99%	5.66	6.52	1.10%	253.31	291.67	-	1.15142	EUR
Sweden		3.52%	732.19	-	-	-	732.19	7,223.17	2.89%	45.18	445.71	2.89%	12.26	120.97	2.89%	8.22	81.07	3.46%	797.85	7,870.92	-	9.86511	SEK
Switzerland	3/	2.30%	478.64	-	-	-	478.64	678.66	2.30%	35.95	50.98	2.30%	9.76	13.84	2.30%	6.54	9.27	2.30%	530.89	752.75	-	1.41790	CHF
Thailand	3/	0.01%	2.96	-	-	-	2.96	135.23	0.01%	0.22	10.16	0.01%	0.06	2.76	0.01%	0.04	1.85	0.01%	3.28	150.00	-	45.69240	THB
Turkey		0.13%	26.95	-	-	-	26.95	76.00	0.00%	-	-	0.00%	0.00	-	0.00%	-	-	0.12%	26.95	76.00	-	2.82026	TRY
United Kingdom	3/	13.20%	2,603.61	142.95	-	-	2,746.56	2,563.67	11.19%	174.93	172.25	11.19%	47.48	46.75	11.19%	31.82	31.33	13.00%	3,000.79	2,814.00	*140.76*	0.98466	GBP
United States	3/	10.15%	2,111.51	-	-	-	2,111.51	3,182.43	20.12%	314.54	474.07	20.12%	85.37	128.67	20.12%	57.21	86.23	11.13%	2,568.64	3,871.40	-	1.50718	USD
Sub-total		71.75%	14,469.09	462.80	36.49	22.61	14,990.99		95.14%	1,487.30		95.16%	403.77		94.07%	267.51		**74.30%**	**17,149.58**				
Additional financing[2/]		0.76%	158.81				158.81											**0.69%**	**158.81**				
Sub-total		**72.52%**	**14,627.90**	**462.80** [9/]	**36.49**	**22.61**	**15,149.80**		**95.14%**	**1,487.30**		**95.16%**	**403.77**		**94.07%**	**267.51**		**74.30%**	**17,308.39**				
Structural financing gap		27.48%		5,719.49			5,660.39		4.86%	76.04		4.84%	20.55		5.93%	16.86		**25.01%**	**5,773.83**				
Total		100.00%		20,810.19			20,810.19		100.00%	1,563.34		100.00%	424.32		100.00%	284.37		**100.00%**	**23,082.22**				

1/ Contributions of countries with an average inflation rate exceeding 10% over the 2010-2012 period would be denominated in SDRs or in any currency used for the valuation of the SDR and agreed with the association.
2/ Represents the investment income generated by using a regular encashment profile of 9 years.
3/ Indicative contribution, subject to government and/or parliamentary approval.
4/ Includes an increase in basic share achieved through accelerated encashments.
5/ Supplemental contributions provided through accelerated encashments.
6/ The amounts in national currency ('NC') exclude individual acceleration credits (when applicable) and grant elements of concessional loan (when applicable), both of which are included in the SDR amounts. The equivalent NC amount of any individual acceleration credit or grant element of concessional loan is shown separately in column 20.
7/ Part of the grant contribution will be used to support the concessional loan.
8/ The grant contribution is denominated in USD and the concessional loan is denominated in EUR. The amount in column 20 is in the currency of USD.
9/ This excludes the part of the grant contribution from China that will be used to support the concessional loan.

Table 1b – Concessional Loan Contributions to the Seventeenth Replenishment

Countributing members	Loan amount				Loan terms			Grant contribution plus loan
	SDR Million	Currency	FX	NC Million	Maturity	All-in-cost coupon rate in SDR terms[1/]	Coupon rate in NC terms	SDR Million
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
China[2/]	663.49	USD	1.50718	1,000.00	5-25	1.00%	TBD	743.84
France	373.45	EUR	1.15142	430.00	5-25	0.00%	0.00%	1,387.64
Japan[3/]	1,287.85	JPY	147.83326	190,386.45	10-40	1.00%	0.55%	3,398.06
Saudi Arabia[3/]	78.05	USD	1.50718	117.63	5-25	0.00%	0.61%	133.02
United Kingdom	493.57	GBP	0.98466	486.00	5-25	0.00%	0.14%	3,351.41

1/ All-in cost may also include the impact of the coupon equalization.
2/ Subject to necessary approvals. The grant contribution from China will be partially used to support the concessional loan.
3/ Subject to government approval.

Table 2 – Subscriptions, Contributions, and Votes
(Amounts in US$ Equivalents)

Part I	*Current Status (before IDA17)*						*Additional Votes Stemming from IDA17*			*Status Including IDA17*				*Adjusted Voting Power*				
Member	Subscriptions Carrying Votes ($) (a-1)	Contributions ($) (a-2)	Total Cumulative Resources ($) (a-3)	Subscription Votes (a-4)	Membership Votes (a-5)	Total Voting Power % (a-6)	Total Resources ($) (b-1)	Total Subscription Votes (b-2)	Membership Votes (b-3)	Total Cumulative Resources ($) (d-1)	as % of Part I (d-2)	Subscription Carrying Votes ($) (d-3)	Contributions ($) (d-4)	Subscription Votes (f-1)	as % of Part I. (f-2)	Membership Votes (f-3)	Total Votes (f-4)	Total Voting Power % (f-5)
AUSTRALIA	31,292,277	4,312,363,638	4,343,655,915	261,101	48,400	1.12%	625,220,644	37,635	5,800	4,968,876,559	2.06%	32,233,152	4,936,643,407	298,736	2.06%	54,200	352,936	1.14%
AUSTRIA	10,064,838	2,528,756,678	2,538,821,516	153,325	48,400	0.73%	523,769,345	30,802	5,800	3,062,590,861	1.27%	10,834,888	3,051,755,973	184,127	1.27%	54,200	238,327	0.77%
BELGIUM	16,201,107	3,874,438,106	3,890,639,213	233,873	48,400	1.02%	549,736,672	33,089	5,800	4,440,375,885	1.84%	17,028,332	4,423,347,553	266,962	1.84%	54,200	321,162	1.04%
CANADA	62,699,991	10,316,387,872	10,379,087,863	623,906	48,400	2.43%	1,375,057,081	82,770	5,800	11,754,144,944	4.88%	64,769,241	11,689,375,703	706,676	4.88%	54,200	760,876	2.46%
DENMARK	15,830,389	3,273,177,344	3,289,007,733	197,709	48,400	0.89%	383,801,497	23,106	5,800	3,672,809,230	1.52%	16,408,039	3,656,401,191	220,815	1.52%	54,200	275,015	0.89%
ESTONIA	260,452	8,255,902	8,516,354	516	41,700	0.15%	5,086,171	302	5,800	13,602,525	0.01%	268,002	13,334,523	818	0.01%	47,500	48,318	0.16%
FINLAND	7,384,201	1,772,024,373	1,779,408,574	106,971	48,400	0.56%	346,203,869	20,824	5,800	2,125,612,443	0.88%	7,904,801	2,117,707,642	127,795	0.88%	54,200	181,995	0.59%
FRANCE	89,188,678	15,688,185,719	15,777,374,397	948,405	48,400	3.60%	1,723,510,779	103,774	5,800	17,500,885,176	7.26%	91,783,028	17,409,102,148	1,052,179	7.26%	54,200	1,106,379	3.57%
GERMANY	101,603,030	23,384,937,960	23,486,540,990	1,411,828	48,400	5.28%	2,125,319,753	127,994	5,800	25,611,860,743	10.63%	104,802,880	25,507,057,863	1,539,822	10.63%	54,200	1,594,022	5.15%
GREECE	4,008,015	208,180,733	212,188,748	12,757	42,600	0.20%	-	-	-	212,188,748	0.09%	4,008,015	208,180,733	12,757	0.09%	42,600	55,357	0.18%
ICELAND	249,750	84,260,893	84,510,643	5,082	48,400	0.19%	10,534,138	632	5,800	95,044,781	0.04%	265,550	94,779,231	5,714	0.04%	54,200	59,914	0.19%
IRELAND	4,690,275	607,569,785	612,260,060	36,684	48,400	0.31%	118,960,382	7,278	5,800	731,220,442	0.30%	4,872,225	726,348,217	43,962	0.30%	54,200	98,162	0.32%
ITALY	37,609,073	9,716,596,615	9,754,205,688	586,346	48,400	2.29%	753,415,754	45,387	5,800	10,507,621,442	4.36%	38,743,748	10,468,877,694	631,733	4.36%	54,200	685,933	2.22%
JAPAN	96,150,658	35,982,883,581	36,079,034,239	2,168,757	48,400	8.01%	3,510,570,916	211,427	5,800	39,589,605,155	16.43%	101,436,333	39,488,168,822	2,380,184	16.43%	54,200	2,434,384	7.86%
KUWAIT	5,582,740	943,745,391	949,328,131	57,061	47,500	0.38%	57,014,653	3,442	5,800	1,006,342,784	0.42%	5,668,790	1,000,673,994	60,503	0.42%	53,300	113,803	0.37%
LATVIA	235,519	10,671,470	10,906,989	660	48,400	0.18%	3,515,940	207	5,800	14,422,929	0.01%	240,694	14,182,235	867	0.01%	54,200	55,067	0.18%
LITHUANIA	530,073	7,748,544	8,278,617	498	47,500	0.17%	3,448,058	207	5,800	11,726,675	0.00%	535,248	11,191,427	705	0.00%	53,300	54,005	0.17%
LUXEMBOURG	877,205	277,524,567	278,401,772	16,737	48,400	0.24%	66,617,814	4,006	5,800	345,019,586	0.14%	977,355	344,042,231	20,743	0.14%	54,200	74,943	0.24%
NETHERLANDS	45,362,127	7,550,666,819	7,596,028,946	456,608	48,400	1.83%	987,884,961	59,469	5,800	8,583,913,907	3.56%	46,848,852	8,537,065,055	516,077	3.56%	54,200	570,277	1.84%
NEW ZEALAND	474,102	315,007,460	315,481,562	18,964	48,400	0.24%	42,505,590	2,559	5,800	357,987,152	0.15%	538,077	357,449,075	21,523	0.15%	54,200	75,723	0.24%
NORWAY	13,846,312	3,654,486,749	3,668,333,061	220,504	48,400	0.97%	531,705,990	32,008	5,800	4,200,039,051	1.74%	14,646,512	4,185,392,539	252,512	1.74%	54,200	306,712	0.99%
PORTUGAL	4,751,628	310,052,959	314,804,587	18,930	48,400	0.24%	13,217,820	791	5,800	328,022,407	0.14%	4,771,403	323,251,004	19,721	0.14%	54,200	73,921	0.24%
RUSSIA	2,701,941	567,586,893	570,288,834	34,280	48,400	0.30%	193,284,635	11,627	5,800	763,573,469	0.32%	2,992,616	760,580,853	45,907	0.32%	54,200	100,107	0.32%
SLOVENIA	13,040,837	34,458,307	47,499,144	2,854	48,400	0.19%	4,626,237	280	5,800	52,125,381	0.02%	13,047,837	39,077,544	3,134	0.02%	54,200	57,334	0.19%
SOUTH AFRICA	12,494,322	235,077,834	247,572,156	14,882	48,400	0.23%	30,261,389	1,822	5,800	277,833,545	0.12%	12,539,872	265,293,673	16,704	0.12%	54,200	70,904	0.23%
SPAIN	21,301,348	4,227,021,622	4,248,322,970	256,139	48,400	1.10%	385,524,163	22,455	5,800	4,633,847,133	1.92%	21,862,723	4,611,984,410	278,594	1.92%	54,200	332,794	1.08%
SWEDEN	24,758,585	7,491,134,993	7,515,893,578	451,790	48,400	1.81%	1,214,275,343	73,080	5,800	8,730,168,921	3.62%	26,585,585	8,703,583,336	524,870	3.62%	54,200	579,070	1.87%
SWITZERLAND	16,102,014	4,525,512,863	4,541,614,877	273,014	48,400	1.16%	807,976,579	48,611	5,800	5,349,591,456	2.22%	17,317,289	5,332,274,167	321,625	2.22%	54,200	375,825	1.21%
UNITED ARAB EMIRATES	10,729	5,189,119	5,199,848	619	748	0.00%	-	-	-	5,199,848	0.00%	10,729	5,189,119	619	0.00%	748	1,367	0.00%
UNITED KINGDOM	200,586,166	26,351,809,412	26,552,395,578	1,596,146	48,400	5.94%	4,564,878,557	274,669	5,800	31,117,274,135	12.91%	207,452,891	30,909,821,244	1,870,815	12.91%	54,200	1,925,015	6.22%
UNITED STATES	465,786,712	46,532,883,176	46,998,669,888	2,825,165	47,500	10.38%	3,909,277,803	235,494	5,800	50,907,947,691	21.13%	471,674,062	50,436,273,629	3,060,659	21.13%	53,300	3,113,959	10.06%
Subtotal Part I	1,305,675,094	214,798,597,377	216,104,272,471	12,992,111	1,437,548	52.16%	24,867,202,533	1,495,747	168,200	240,971,475,004	100.00%	1,343,068,769	239,628,406,235	14,487,858	100%	1,605,748	16,093,606	51.99%
Subtotal Part II	632,341,428	6,484,931,779	7,117,273,207	6,371,953	6,864,700	47.84%								7,171,603	100%	7,688,300	14,859,903	48.01%
Grand Total	1,938,016,522	221,283,529,156	223,221,545,678	19,364,064	8,302,248	100.00%								21,659,461	100%	9,294,048	30,953,509	100.00%

Notes:

Current Status (a-1) to (a-6): It is assumed that the members that have outstanding commitments to subscribe or contribute to any previous Replenishment will fulfill their obligations. Amounts have been calculated, for purposes of the voting rights adjustment, by multiplying the subscriptions and contributions up to and including the Third Replenishment (which were expressed in terms of U.S. dollars of the weight and fineness in effect on January 1, 1960) by 1.20635 and adding thereto the dollar equivalents of the subscriptions and contributions under the Fourth through Sixteenth Replenishments at the agreed exchange rates.

Allocation of Additional Votes with respect to Encashment: Subscription votes have been allocated on the inputed value of these contributions based on the related encashment schedule rather than the nominal amounts shown in contribution tables. For the Seventeenth Replenishment, this is included in column (b-1) for Part I countries, and for Part II contributing countries in column (e-4).

Table 2 – Subscriptions, Contributions, and Votes
(Amounts in US$ Equivalents)

Part II	*Current Status (before IDA17)*						*Allocation for Exercise of Preemptive Rights to Maintain Part II Voting Power*				*Additional Resources Provided under IDA17 in SDRs or Freely Convertible Currencies*				*Adjusted Voting power*				
Member	Subscriptions Carrying Votes ($) (a-1)	Contributions ($) (a-2)	Total Cumulative Resources ($) (a-3)	Subscription Votes (a-4)	Membership Votes (a-5)	Total Voting Power % (a-6)	Subscription Carrying Votes ($) (c-1)	Subscription Votes (c-2)	Membership Votes (c-3)	Total Voting Power % (c-4)	Subscription Carrying Votes ($) (e-1)	Total Subscription Votes (e-2)	Contributions ($) (e-3)	Total Additional Resources ($) (e-4)	Subscription Votes (f-1)	as % of part II (f-2)	Membership Votes (f-3)	Total Votes (f-4)	Total Voting Power % (f-5)
AFGHANISTAN	1,635,946	0	1,635,946	15,515	48,400	0.23%	44,200	1,768	5,800	0.23%	0	0	0	0	17,283	0.24%	54,200	71,483	0.23%
ALBANIA	380,396	0	380,396	3,843	48,400	0.19%	10,950	438	5,800	0.19%	0	0	0	0	4,281	0.06%	54,200	58,481	0.19%
ALGERIA	6,513,210	0	6,513,210	61,282	48,400	0.40%	174,625	6,985	5,800	0.40%	0	0	0	0	68,267	0.95%	54,200	122,467	0.40%
ANGOLA	10,194,956	0	10,194,956	95,811	48,400	0.52%	273,000	10,920	5,800	0.52%	0	0	0	0	106,731	1.49%	54,200	160,931	0.52%
ARGENTINA	30,886,496	112,704,931	143,591,427	312,175	48,400	1.30%	889,500	35,580	5,800	1.30%	9,275	371	6,169,713	7,068,488	348,126	4.85%	54,200	402,326	1.30%
ARMENIA	687,731	0	687,731	6,742	48,400	0.20%	19,200	768	5,800	0.20%	0	0	0	0	7,510	0.10%	54,200	61,710	0.20%
AZERBAIJAN	1,172,774	0	1,172,774	11,311	48,400	0.22%	32,225	1,289	5,800	0.22%	0	0	0	0	12,600	0.18%	54,200	66,800	0.22%
BAHAMAS, THE	617,467	3,916,643	4,534,110	5,909	47,500	0.19%	16,825	673	5,800	0.20%	6,150	246	4,086,846	4,109,821	6,828	0.10%	53,300	60,128	0.19%
BANGLADESH	8,694,675	0	8,694,675	81,768	48,400	0.47%	233,000	9,320	5,800	0.47%	0	0	0	0	91,088	1.27%	54,200	145,288	0.47%
BARBADOS	488,943	1,892,596	2,381,539	4,724	48,400	0.19%	13,450	538	5,800	0.19%	0	0	0	0	5,262	0.07%	54,200	59,462	0.19%
BELIZE	330,871	0	330,871	3,346	48,400	0.19%	9,525	381	5,800	0.19%	0	0	0	0	3,727	0.05%	54,200	57,927	0.19%
BENIN	815,751	0	815,751	7,908	48,400	0.20%	22,525	901	5,800	0.20%	0	0	0	0	8,809	0.12%	54,200	63,009	0.20%
BHUTAN	88,929	0	88,929	1,086	48,400	0.18%	3,100	124	5,800	0.18%	0	0	0	0	1,210	0.02%	54,200	55,410	0.18%
BOLIVIA	1,717,626	0	1,717,626	16,306	48,400	0.23%	46,450	1,858	5,800	0.23%	0	0	0	0	18,164	0.25%	54,200	72,364	0.23%
BOSNIA & HERZEGOVINA	10,195,914	0	10,195,914	11,771	48,400	0.22%	33,550	1,342	5,800	0.22%	0	0	0	0	13,113	0.18%	54,200	67,313	0.22%
BOTSWANA	272,296	1,515,927	1,788,223	2,982	48,400	0.19%	8,500	340	5,800	0.19%	0	0	0	0	3,322	0.05%	54,200	57,522	0.19%
BRAZIL	32,976,501	837,681,028	870,657,529	387,999	48,400	1.58%	1,105,550	44,222	5,800	1.57%	150,125	6,005	99,723,305	100,978,980	438,226	6.11%	54,200	492,426	1.59%
BURKINA FASO	815,727	0	815,727	7,907	48,400	0.20%	22,525	901	5,800	0.20%	0	0	0	0	8,808	0.12%	54,200	63,008	0.20%
BURUNDI	1,235,210	0	1,235,210	11,826	48,400	0.22%	33,700	1,348	5,800	0.22%	0	0	0	0	13,174	0.18%	54,200	67,374	0.22%
CABO VERDE	137,728	0	137,728	1,553	48,400	0.18%	4,425	177	5,800	0.18%	0	0	0	0	1,730	0.02%	54,200	55,930	0.18%
CAMBODIA	1,657,188	0	1,657,188	15,848	48,400	0.23%	45,150	1,806	5,800	0.23%	0	0	0	0	17,654	0.25%	54,200	71,854	0.23%
CAMEROON	1,635,896	0	1,635,896	15,514	48,400	0.23%	44,200	1,768	5,800	0.23%	0	0	0	0	17,282	0.24%	54,200	71,482	0.23%
CENTRAL AFRICAN REP.	815,727	0	815,727	7,907	48,400	0.20%	22,525	901	5,800	0.20%	0	0	0	0	8,808	0.12%	54,200	63,008	0.20%
CHAD	815,727	0	815,727	7,907	48,400	0.20%	22,525	901	5,800	0.20%	0	0	0	0	8,808	0.12%	54,200	63,008	0.20%
CHILE	5,761,175	34,746,972	40,508,147	55,919	48,400	0.38%	159,325	6,373	5,800	0.38%	0	0	0	0	62,292	0.87%	54,200	116,492	0.38%
CHINA	49,497,254	191,176,650	240,673,904	483,726	48,400	1.92%	1,378,325	55,133	5,800	1.92%	450,625	18,025	299,355,893	301,184,843	556,884	7.77%	54,200	611,084	1.97%
COLOMBIA	5,923,031	26,659,256	32,582,287	62,379	48,400	0.40%	177,750	7,110	5,800	0.40%	0	0	0	0	69,489	0.97%	54,200	123,689	0.40%
COMOROS	137,728	0	137,728	1,553	48,400	0.18%	4,425	177	5,800	0.18%	0	0	0	0	1,730	0.02%	54,200	55,930	0.18%
CONGO, DEM. REP. OF	4,885,811	0	4,885,811	46,108	48,400	0.34%	131,375	5,255	5,800	0.34%	0	0	0	0	51,363	0.72%	54,200	105,563	0.34%
CONGO, REP. OF	815,727	0	815,727	7,907	48,400	0.20%	22,525	901	5,800	0.20%	0	0	0	0	8,808	0.12%	54,200	63,008	0.20%
COSTA RICA	330,231	0	330,231	3,307	48,400	0.19%	9,425	377	5,800	0.19%	0	0	0	0	3,684	0.05%	54,200	57,884	0.19%
COTE D'IVOIRE	1,635,896	0	1,635,896	15,514	48,400	0.23%	44,200	1,768	5,800	0.23%	0	0	0	0	17,282	0.24%	54,200	71,482	0.23%
CROATIA	23,969,188	0	23,969,188	27,221	48,400	0.27%	77,575	3,103	5,800	0.27%	0	0	0	0	30,324	0.42%	54,200	84,524	0.27%
CYPRUS	1,255,898	19,909,600	21,165,498	12,654	48,400	0.22%	36,050	1,442	5,800	0.22%	0	0	0	0	14,096	0.20%	54,200	68,296	0.22%
CZECH REPUBLIC	6,026,281	100,969,613	106,995,894	62,953	48,400	0.40%	179,375	7,175	5,800	0.40%	28,225	1,129	18,743,877	18,951,477	71,257	0.99%	54,200	125,457	0.41%
DJIBOUTI	267,130	0	267,130	2,776	48,400	0.18%	7,900	316	5,800	0.19%	0	0	0	0	3,092	0.04%	54,200	57,292	0.19%
DOMINICA	137,728	0	137,728	1,553	48,400	0.18%	4,425	177	5,800	0.18%	0	0	0	0	1,730	0.02%	54,200	55,930	0.18%
DOMINICAN REPUBLIC	656,363	68,614	724,977	6,478	48,400	0.20%	18,450	738	5,800	0.20%	0	0	0	0	7,216	0.10%	54,200	61,416	0.20%
ECUADOR	1,058,442	0	1,058,442	10,187	48,400	0.21%	29,025	1,161	5,800	0.21%	0	0	0	0	11,348	0.16%	54,200	65,548	0.21%
EGYPT, ARAB REP. OF	8,260,633	4,049,831	12,310,464	79,261	48,400	0.46%	225,850	9,034	5,800	0.46%	3,350	134	2,224,575	2,453,775	88,429	1.23%	54,200	142,629	0.46%
EL SALVADOR	491,689	23,707	515,396	4,842	48,400	0.19%	13,800	552	5,800	0.19%	0	0	0	0	5,394	0.08%	54,200	59,594	0.19%
EQUATORIAL GUINEA	525,508	0	525,508	5,205	48,400	0.19%	14,825	593	5,800	0.19%	0	0	0	0	5,798	0.08%	54,200	59,998	0.19%
ERITREA	154,143	0	154,143	1,715	48,400	0.18%	4,875	195	5,800	0.18%	0	0	0	0	1,910	0.03%	54,200	56,110	0.18%
ETHIOPIA	816,248	23,707	839,955	7,922	48,400	0.20%	22,575	903	5,800	0.20%	0	0	0	0	8,825	0.12%	54,200	63,025	0.20%
FIJI	913,277	0	913,277	8,854	48,400	0.21%	25,225	1,009	5,800	0.21%	0	0	0	0	9,863	0.14%	54,200	64,063	0.21%
GABON	815,727	0	815,727	7,907	48,400	0.20%	22,525	901	5,800	0.20%	0	0	0	0	8,808	0.12%	54,200	63,008	0.20%
GAMBIA, THE	439,822	0	439,822	4,396	48,400	0.19%	12,525	501	5,800	0.19%	0	0	0	0	4,897	0.07%	54,200	59,097	0.19%
GEORGIA	1,124,137	0	1,124,137	10,850	48,400	0.21%	30,925	1,237	5,800	0.21%	0	0	0	0	12,087	0.17%	54,200	66,287	0.21%
GHANA	3,817,567	0	3,817,567	36,006	48,400	0.31%	102,600	4,104	5,800	0.31%	0	0	0	0	40,110	0.56%	54,200	94,310	0.30%
GRENADA	152,017	0	152,017	1,630	48,400	0.18%	4,650	186	5,800	0.18%	0	0	0	0	1,816	0.03%	54,200	56,016	0.18%
GUATEMALA	654,907	0	654,907	6,425	48,400	0.20%	18,300	732	5,800	0.20%	0	0	0	0	7,157	0.10%	54,200	61,357	0.20%
GUINEA	1,635,896	0	1,635,896	15,514	48,400	0.23%	44,200	1,768	5,800	0.23%	0	0	0	0	17,282	0.24%	54,200	71,482	0.23%
GUINEA-BISSAU	232,261	0	232,261	2,380	48,400	0.18%	6,775	271	5,800	0.18%	0	0	0	0	2,651	0.04%	54,200	56,851	0.18%
GUYANA	1,316,950	0	1,316,950	12,622	48,400	0.22%	35,975	1,439	5,800	0.22%	0	0	0	0	14,061	0.20%	54,200	68,261	0.22%
HAITI	1,235,210	0	1,235,210	11,826	48,400	0.22%	33,700	1,348	5,800	0.22%	0	0	0	0	13,174	0.18%	54,200	67,374	0.22%

Table 2 – Subscriptions, Contributions, and Votes
(Amounts in US$ Equivalents)

Part II	*Current Status (before IDA17)*						*Allocation for Exercise of Preemptive Rights to Maintain Part II Voting Power*				*Additional Resources Provided under IDA17 in SDRs or Freely Convertible Currencies*				*Adjusted Voting power*				
Member	Subscriptions Carrying Votes ($) (a-1)	Contributions ($) (a-2)	Total Cumulative Resources ($) (a-3)	Subscription Votes (a-4)	Membership Votes (a-5)	Total Voting Power % (a-6)	Subscription Carrying Votes ($) (c-1)	Subscription Votes (c-2)	Membership Votes (c-3)	Total Voting Power % (c-4)	Subscription Carrying Votes ($) (e-1)	Total Subscription Votes (e-2)	Contributions ($) (e-3)	Total Additional Resources ($) (e-4)	Subscription Votes (f-1)	as % of part II (f-2)	Membership Votes (f-3)	Total Votes (f-4)	Total Voting Power % (f-5)
HONDURAS	491,325	0	491,325	4,833	48,400	0.19%	13,775	551	5,800	0.19%	0	0	0	0	5,384	0.08%	54,200	59,584	0.19%
HUNGARY	12,484,084	134,983,518	147,467,602	129,272	48,400	0.64%	368,350	14,734	5,800	0.64%	30,325	1,213	20,152,289	20,550,964	145,219	2.02%	54,200	199,419	0.64%
INDIA	66,515,470	0	66,515,470	665,560	48,400	2.58%	1,896,425	75,857	5,800	2.58%	0	0	0	0	741,417	10.34%	54,200	795,617	2.57%
INDONESIA	17,929,771	0	17,929,771	168,374	48,400	0.78%	479,750	19,190	5,800	0.78%	26,900	1,076	17,871,419	18,378,069	188,640	2.63%	54,200	242,840	0.78%
IRAN, ISLAMIC REP. OF	7,366,761	18,414,096	25,780,857	70,184	48,400	0.43%	199,975	7,999	5,800	0.43%	0	0	0	0	78,183	1.09%	54,200	132,383	0.43%
IRAQ	1,235,210	0	1,235,210	11,826	48,400	0.22%	33,700	1,348	5,800	0.22%	0	0	0	0	13,174	0.18%	54,200	67,374	0.22%
ISRAEL	2,935,528	91,655,626	94,591,154	34,273	48,400	0.30%	97,650	3,906	5,800	0.30%	0	0	0	0	38,179	0.53%	54,200	92,379	0.30%
JORDAN	491,325	0	491,325	4,833	48,400	0.19%	13,775	551	5,800	0.19%	0	0	0	0	5,384	0.08%	54,200	59,584	0.19%
KAZAKHSTAN	2,485,571	3,161,938	5,647,509	23,775	48,400	0.26%	67,750	2,710	5,800	0.26%	0	0	0	0	26,485	0.37%	54,200	80,685	0.26%
KENYA	2,720,274	0	2,720,274	25,740	48,400	0.27%	73,350	2,934	5,800	0.27%	0	0	0	0	28,674	0.40%	54,200	82,874	0.27%
KIRIBATI	105,229	0	105,229	1,243	48,400	0.18%	3,550	142	5,800	0.18%	0	0	0	0	1,385	0.02%	54,200	55,585	0.18%
KOREA	5,768,849	1,601,149,764	1,606,918,613	170,364	48,400	0.79%	485,425	19,417	5,800	0.79%	580,075	23,203	385,358,308	386,423,808	212,984	2.97%	54,200	267,184	0.86%
KOSOVO	900,756	0	900,756	8,342	47,500	0.20%	23,775	951	5,800	0.21%	0	0	0	0	9,293	0.13%	53,300	62,593	0.20%
KYRGYZ REPUBLIC	654,713	0	654,713	6,412	48,400	0.20%	18,275	731	5,800	0.20%	0	0	0	0	7,143	0.10%	54,200	61,343	0.20%
LAO PEOPLE'S DEM. REP.	815,727	0	815,727	7,907	48,400	0.20%	22,525	901	5,800	0.20%	0	0	0	0	8,808	0.12%	54,200	63,008	0.20%
LEBANON	736,639	0	736,639	7,221	48,400	0.20%	20,575	823	5,800	0.20%	0	0	0	0	8,044	0.11%	54,200	62,244	0.20%
LESOTHO	267,130	0	267,130	2,776	48,400	0.18%	7,900	316	5,800	0.19%	0	0	0	0	3,092	0.04%	54,200	57,292	0.19%
LIBERIA	1,235,210	0	1,235,210	11,826	48,400	0.22%	33,700	1,348	5,800	0.22%	0	0	0	0	13,174	0.18%	54,200	67,374	0.22%
LIBYA	1,635,896	0	1,635,896	15,514	48,400	0.23%	44,200	1,768	5,800	0.23%	0	0	0	0	17,282	0.24%	54,200	71,482	0.23%
MACEDONIA, FYR	4,490,952	0	4,490,952	5,368	48,400	0.19%	15,300	612	5,800	0.19%	0	0	0	0	5,980	0.08%	54,200	60,180	0.19%
MADAGASCAR	1,635,896	0	1,635,896	15,514	48,400	0.23%	44,200	1,768	5,800	0.23%	0	0	0	0	17,282	0.24%	54,200	71,482	0.23%
MALAWI	1,235,210	0	1,235,210	11,826	48,400	0.22%	33,700	1,348	5,800	0.22%	0	0	0	0	13,174	0.18%	54,200	67,374	0.22%
MALAYSIA	4,079,387	2,080,753	6,160,140	38,573	48,400	0.31%	109,900	4,396	5,800	0.31%	40,825	1,633	27,113,443	27,264,168	44,602	0.62%	54,200	98,802	0.32%
MALDIVES	56,726	0	56,726	787	48,400	0.18%	2,250	90	5,800	0.18%	0	0	0	0	877	0.01%	54,200	55,077	0.18%
MALI	1,411,930	0	1,411,930	13,463	48,400	0.22%	38,350	1,534	5,800	0.22%	0	0	0	0	14,997	0.21%	54,200	69,197	0.22%
MARSHALL ISLANDS	24,722	0	24,722	494	48,400	0.18%	1,400	56	5,800	0.18%	0	0	0	0	550	0.01%	54,200	54,750	0.18%
MAURITANIA	815,727	0	815,727	7,907	48,400	0.20%	22,525	901	5,800	0.20%	0	0	0	0	8,808	0.12%	54,200	63,008	0.20%
MAURITIUS	1,399,376	35,560	1,434,936	13,433	48,400	0.22%	38,275	1,531	5,800	0.22%	0	0	0	0	14,964	0.21%	54,200	69,164	0.22%
MEXICO	14,993,708	278,705,009	293,698,717	174,236	48,400	0.80%	496,475	19,859	5,800	0.80%	152,550	6,102	101,338,868	101,987,893	200,197	2.79%	54,200	254,397	0.82%
MICRONESIA, FED. ST. OF	40,992	0	40,992	650	48,400	0.18%	1,850	74	5,800	0.18%	0	0	0	0	724	0.01%	54,200	54,924	0.18%
MOLDOVA	914,106	0	914,106	8,876	48,400	0.21%	25,300	1,012	5,800	0.21%	0	0	0	0	9,888	0.14%	54,200	64,088	0.21%
MONGOLIA	380,395	0	380,395	3,843	48,400	0.19%	10,950	438	5,800	0.19%	0	0	0	0	4,281	0.06%	54,200	58,481	0.19%
MONTENEGRO	747,839	0	747,839	6,676	47,500	0.20%	19,025	761	5,800	0.20%	0	0	0	0	7,437	0.10%	53,300	60,737	0.20%
MOROCCO	5,708,875	0	5,708,875	53,827	48,400	0.37%	153,375	6,135	5,800	0.37%	0	0	0	0	59,962	0.84%	54,200	114,162	0.37%
MOZAMBIQUE	2,218,770	0	2,218,770	21,012	48,400	0.25%	59,875	2,395	5,800	0.25%	0	0	0	0	23,407	0.33%	54,200	77,607	0.25%
MYANMAR	3,271,617	0	3,271,617	30,981	48,400	0.29%	88,275	3,531	5,800	0.29%	0	0	0	0	34,512	0.48%	54,200	88,712	0.29%
NEPAL	815,727	0	815,727	7,907	48,400	0.20%	22,525	901	5,800	0.20%	0	0	0	0	8,808	0.12%	54,200	63,008	0.20%
NICARAGUA	491,325	0	491,325	4,833	48,400	0.19%	13,775	551	5,800	0.19%	0	0	0	0	5,384	0.08%	54,200	59,584	0.19%
NIGER	815,727	0	815,727	7,907	48,400	0.20%	22,525	901	5,800	0.20%	0	0	0	0	8,808	0.12%	54,200	63,008	0.20%
NIGERIA	5,431,819	0	5,431,819	51,135	48,400	0.36%	145,700	5,828	5,800	0.36%	0	0	0	0	56,963	0.79%	54,200	111,163	0.36%
OMAN	495,302	1,031,875	1,527,177	4,987	48,400	0.19%	14,200	568	5,800	0.19%	0	0	0	0	5,555	0.08%	54,200	59,755	0.19%
PAKISTAN	16,422,453	118,533	16,540,986	157,975	48,400	0.75%	450,125	18,005	5,800	0.75%	17,025	681	11,310,048	0	176,661	2.46%	54,200	230,861	0.75%
PALAU	37,750	0	37,750	520	48,400	0.18%	1,475	59	5,800	0.18%	0	0	0	0	579	0.01%	54,200	54,779	0.18%
PANAMA	42,912	0	42,912	718	48,400	0.18%	2,050	82	5,800	0.18%	0	0	0	0	800	0.01%	54,200	55,000	0.18%
PAPUA NEW GUINEA	1,398,678	0	1,398,678	13,414	48,400	0.22%	38,225	1,529	5,800	0.22%	0	0	0	0	14,943	0.21%	54,200	69,143	0.22%
PARAGUAY	491,325	0	491,325	4,833	48,400	0.19%	13,775	551	5,800	0.19%	0	0	0	0	5,384	0.08%	54,200	59,584	0.19%
PERU	2,891,527	15,602,676	18,494,203	28,157	48,400	0.28%	80,225	3,209	5,800	0.28%	0	0	0	0	31,366	0.44%	54,200	85,566	0.28%
PHILIPPINES	8,169,657	11,375,809	19,545,466	77,560	48,400	0.46%	221,000	8,840	5,800	0.46%	0	0	0	0	86,400	1.20%	54,200	140,600	0.45%
POLAND	49,488,316	65,913,037	115,401,353	474,258	48,400	1.89%	1,351,350	54,054	5,800	1.89%	13,800	552	9,166,580	10,531,730	528,864	7.37%	54,200	583,064	1.88%
ROMANIA	5,452,451	0	5,452,451	50,484	47,500	0.35%	143,850	5,754	5,800	0.36%	0	0	0	0	56,238	0.78%	53,300	109,538	0.35%
RWANDA	1,235,210	0	1,235,210	11,826	48,400	0.22%	33,700	1,348	5,800	0.22%	0	0	0	0	13,174	0.18%	54,200	67,374	0.22%
SAMOA	152,017	0	152,017	1,630	48,400	0.18%	4,650	186	5,800	0.18%	0	0	0	0	1,816	0.03%	54,200	56,016	0.18%
SAO TOME & PRINCIPE	121,586	0	121,586	1,402	48,400	0.18%	4,000	160	5,800	0.18%	0	0	0	0	1,562	0.02%	54,200	55,762	0.18%
SAUDI ARABIA	23,997,524	2,572,407,405	2,596,404,929	811,290	48,400	3.11%	2,311,675	92,467	5,800	3.10%	173,500	6,940	115,255,528	117,740,703	910,697	12.70%	54,200	964,897	3.12%
SENEGAL	2,720,274	0	2,720,274	25,740	48,400	0.27%	73,350	2,934	5,800	0.27%	0	0	0	0	28,674	0.40%	54,200	82,874	0.27%

Table 2 – Subscriptions, Contributions, and Votes
(Amounts in US$ Equivalents)

Part II	*Current Status (before IDA17)*						*Allocation for Exercise of Preemptive Rights to Maintain Part II Voting Power*				*Additional Resources Provided under IDA17 in SDRs or Freely Convertible Currencies*				*Adjusted Voting power*				
Member	Subscriptions Carrying Votes ($) (a-1)	Contributions ($) (a-2)	Total Cumulative Resources ($) (a-3)	Subscription Votes (a-4)	Membership Votes (a-5)	Total Voting Power % (a-6)	Subscription Carrying Votes ($) (c-1)	Subscription Votes (c-2)	Membership Votes (c-3)	Total Voting Power % (c-4)	Subscription Carrying Votes ($) (e-1)	Total Subscription Votes (e-2)	Contributions ($) (e-3)	Total Additional Resources ($) (e-4)	Subscription Votes (f-1)	as % of part II (f-2)	Membership Votes (f-3)	Total Votes (f-4)	Total Voting Power % (f-5)
SERBIA	29,755,668	0	29,755,668	33,714	48,400	0.30%	96,075	3,843	5,800	0.30%	0	0	0	0	37,557	0.52%	54,200	91,757	0.30%
SIERRA LEONE	1,235,210	0	1,235,210	11,826	48,400	0.22%	33,700	1,348	5,800	0.22%	0	0	0	0	13,174	0.18%	54,200	67,374	0.22%
SINGAPORE	865,792	160,864,049	161,729,841	17,821	47,500	0.24%	50,775	2,031	5,800	0.24%	78,850	3,154	52,379,143	52,508,768	23,006	0.32%	53,300	76,306	0.25%
SLOVAK REPUBLIC	3,026,016	24,549,593	27,575,609	30,944	48,400	0.29%	88,175	3,527	5,800	0.29%	5,150	206	3,420,054	3,513,379	34,677	0.48%	54,200	88,877	0.29%
SOLOMON ISLANDS	152,017	0	152,017	1,630	48,400	0.18%	4,650	186	5,800	0.18%	0	0	0	0	1,816	0.03%	54,200	56,016	0.18%
SOMALIA	1,235,210	0	1,235,210	11,826	48,400	0.22%	33,700	1,348	5,800	0.22%	0	0	0	0	13,174	0.18%	54,200	67,374	0.22%
SOUTH SUDAN	579,175	0	579,175	5,367	47,500	0.19%	15,300	612	5,800	0.19%	0	0	0	0	5,979	0.08%	53,300	59,279	0.19%
SRI LANKA	4,898,982	0	4,898,982	46,154	48,400	0.34%	131,500	5,260	5,800	0.34%	0	0	0	0	51,414	0.72%	54,200	105,614	0.34%
ST. KITTS & NEVIS	218,296	0	218,296	2,305	48,400	0.18%	6,575	263	5,800	0.18%	0	0	0	0	2,568	0.04%	54,200	56,768	0.18%
ST. LUCIA	250,444	0	250,444	2,601	48,400	0.18%	7,400	296	5,800	0.18%	0	0	0	0	2,897	0.04%	54,200	57,097	0.18%
ST. VINCENT & GRENADINES	121,429	0	121,429	1,396	48,400	0.18%	3,975	159	5,800	0.18%	0	0	0	0	1,555	0.02%	54,200	55,755	0.18%
SUDAN	1,635,896	0	1,635,896	15,514	48,400	0.23%	44,200	1,768	5,800	0.23%	0	0	0	0	17,282	0.24%	54,200	71,482	0.23%
SWAZILAND	525,686	0	525,686	5,209	48,400	0.19%	14,850	594	5,800	0.19%	0	0	0	0	5,803	0.08%	54,200	60,003	0.19%
SYRIAN ARAB REP.	1,540,743	0	1,540,743	14,663	48,400	0.23%	41,775	1,671	5,800	0.23%	0	0	0	0	16,334	0.23%	54,200	70,534	0.23%
TAJIKISTAN	607,021	0	607,021	5,986	48,400	0.20%	17,050	682	5,800	0.20%	0	0	0	0	6,668	0.09%	54,200	60,868	0.20%
TANZANIA	2,720,274	0	2,720,274	25,740	48,400	0.27%	73,350	2,934	5,800	0.27%	0	0	0	0	28,674	0.40%	54,200	82,874	0.27%
THAILAND	4,898,982	0	4,898,982	46,154	48,400	0.34%	131,500	5,260	5,800	0.34%	7,300	292	4,857,412	4,996,212	51,706	0.72%	54,200	105,906	0.34%
TIMOR-LESTE	465,675	0	465,675	4,288	47,500	0.19%	12,225	489	5,800	0.19%	0	0	0	0	4,777	0.07%	53,300	58,077	0.19%
TOGO	1,235,210	0	1,235,210	11,826	48,400	0.22%	33,700	1,348	5,800	0.22%	0	0	0	0	13,174	0.18%	54,200	67,374	0.22%
TONGA	121,429	0	121,429	1,396	48,400	0.18%	3,975	159	5,800	0.18%	0	0	0	0	1,555	0.02%	54,200	55,755	0.18%
TRINIDAD & TOBAGO	2,188,214	0	2,188,214	20,779	48,400	0.25%	59,200	2,368	5,800	0.25%	0	0	0	0	23,147	0.32%	54,200	77,347	0.25%
TUNISIA	2,448,655	0	2,448,655	23,265	48,400	0.26%	66,300	2,652	5,800	0.26%	0	0	0	0	25,917	0.36%	54,200	80,117	0.26%
TURKEY	9,832,805	167,543,463	177,376,268	110,666	48,400	0.57%	315,325	12,613	5,800	0.57%	61,175	2,447	40,636,171	41,012,671	125,726	1.75%	54,200	179,926	0.58%
TUVALU	32,267	0	32,267	301	47,500	0.17%	850	34	5,800	0.18%	0	0	0	0	335	0.00%	53,300	53,635	0.17%
UGANDA	2,720,274	0	2,720,274	25,740	48,400	0.27%	73,350	2,934	5,800	0.27%	0	0	0	0	28,674	0.40%	54,200	82,874	0.27%
UKRAINE	10,113,616	0	10,113,616	92,557	47,500	0.51%	263,725	10,549	5,800	0.51%	0	0	0	0	103,106	1.44%	53,300	156,406	0.51%
UZBEKISTAN	1,996,773	0	1,996,773	19,054	48,400	0.24%	54,300	2,172	5,800	0.24%	0	0	0	0	21,226	0.30%	54,200	75,426	0.24%
VANUATU	314,781	0	314,781	3,198	48,400	0.19%	9,100	364	5,800	0.19%	0	0	0	0	3,562	0.05%	54,200	57,762	0.19%
VIETNAM	2,448,655	0	2,448,655	23,265	48,400	0.26%	66,300	2,652	5,800	0.26%	0	0	0	0	25,917	0.36%	54,200	80,117	0.26%
YEMEN, REPUBLIC OF	2,547,967	0	2,547,967	22,322	48,400	0.26%	63,600	2,544	5,800	0.26%	0	0	0	0	24,866	0.35%	54,200	79,066	0.26%
ZAMBIA	4,353,112	0	4,353,112	41,132	48,400	0.32%	117,200	4,688	5,800	0.32%	0	0	0	0	45,820	0.64%	54,200	100,020	0.32%
ZIMBABWE	6,654,318	0	6,654,318	62,467	48,400	0.40%	178,000	7,120	5,800	0.40%	0	0	0	0	69,587	0.97%	54,200	123,787	0.40%
Subtotal Part II	632,341,428	6,484,931,779	7,117,273,207	6,371,953	6,864,700	47.84%	18,156,025	726,241	823,600	47.90%	1,835,225	73,409	1,219,163,472	1,219,655,749	7,171,603	100%	7,688,300	14,859,903	48.01%
Subtotal Part I	1,305,675,094	214,798,597,377	216,104,272,471	12,992,111	1,437,548	52.16%									14,487,858	100%	1,605,748	16,093,606	51.99%
Grand Total	1,938,016,522	221,283,529,156	223,221,545,678	19,364,064	8,302,248	100.00%									21,659,461	100%	9,294,048	30,953,509	100.00%

Notes:

Current Status (a-1) to (a-6): It is assumed that the members that have outstanding commitments to subscribe or contribute to any previous Replenishment will fulfill their obligations. Amounts have been calculated, for purposes of the voting rights adjustment, by multiplying the subscriptions and contributions up to and including the Third Replenishment (which were expressed in terms of U.S. dollars of the weight and fineness in effect on January 1, 1960) by 1.20635 and adding thereto the dollar equivalents of the subscriptions and contributions under the Fourth through Sixteenth Replenishments at the agreed exchange rates.

Allocation of Additional Votes with respect to Encashment: Subscription votes have been allocated on the inputed value of these contributions based on the related encashment schedule rather than the nominal amounts shown in contribution tables. For the Seventeenth Replenishment, this is included in column (b-1) for Part I countries, and for Part II contributing countries in column (e-4).

Additional Resources Provided under IDA17 in SDRs or Freely Convertible Currencies: The amounts shown in column (e-4) represent the additional resources provided under IDA17 by Part II members in SDRs or freely convertible currencies, as set out in Table 1A. The U.S. Dollar equivalent has been obtained by converting the SDR amount using the average exchange rates for the U.S. Dollar against the SDR over the period March 1 to August 31, 2013 (SDR1=USD1.50718). These amounts are divided into subscriptions carrying votes (columns (c-1) and (e-1)) and contributions (column (e-3)).

Update of Part II members: The table has been updated to reflect the expected membership status of Part II members. New IDA members such as Romania and South Sudan have been added to the list, with necessary adjustments made.

Attachment I

INTERNATIONAL DEVELOPMENT ASSOCIATION

Addition to Resources: Seventeenth Replenishment

Instrument of Commitment

Reference is made to Resolution No. ____ of the Board of Governors of the International Development Association entitled "Additions to Resources: Seventeenth Replenishment", which was adopted on _____, 2014 ("the Resolution").

The Government of _____ HEREBY NOTIFIES the Association pursuant to paragraph 2 of the Resolution that it will make the _____[84] authorized for it in accordance with the terms of the Resolution in the amount of _____ [of which_____ amount represents the grant element of a Concessional Member Loan].[85]

_____ _____

(Date) (Name and Office) [86]

[84] This form of Instrument of Commitment may be used for a Contributing Member's regular contribution, any Debt Relief Additional Contribution, and any Grant Compensation Additional Contribution either under separate instruments or combined. Contributing Members fill in the words "subscription and contribution" for both regular contributions and Debt Relief Additional Contributions; and Subscribing Members fill in the word "subscription" only.

[85] Pursuant to paragraph 5(a) of the Seventeenth Replenishment Resolution, members are required to denominate their subscription and contribution, or subscription only, as the case may be, in SDRs, in the currency of the member if freely convertible, or with the agreement of the Association in a freely convertible currency of another member. Payment will be made as provided in paragraph 5(b) of the Resolution.

[86] The instrument is to be signed on behalf of the Government by a duly authorized representative.

Attachment II

Encashment Schedule for IDA17 Contributions
(Percent of Total Contributions)

Fiscal Year	Standard Schedule
2015	6.7
2016	11.7
2017	15.6
2018	12.3
2019	11.9
2020	11.9
2021	11.3
2022	10.4
2023	8.2
Total	100.0

ANNEX 6

IFC IN IDA COUNTRIES[87]

For the FY14-16 period, IFC plans to deliver greater impact through increased support of private sector-led growth and job creation. IFC works towards the WBG goals by harnessing investment and advisory services and its Asset Management Company (AMC), to provide solutions that contribute to shared prosperity and benefit the poor both indirectly, through broad-based growth and through more direct approaches. IFC's work to create a strong and sustainable private sector in developing countries, acknowledged as a critical driver of growth and poverty reduction, complements the World Bank's work with the public sector.

IFC's five Strategic Focus Areas constitute the framework for prioritizing its activities across Investment Services (IS), Advisory Services (AS) and the AMC. **Strengthening the focus on frontier markets – IDA countries, Fragile and Conflict Situations (FCSs)** and frontier regions in non-IDA countries is the first of such areas.

IDA. Over recent years IFC has consistently met its target of having 45-50 percent of projects in IDA countries.[88] In addition to having maintained its IDA project count, non-blend IDA countries have consistently accounted for over half of IDA projects.[89] IFC will continue its priority focus on frontier markets, where there is significant poverty and perceived riskiness deters the private sector from investing to support inclusive and sustainable growth.

IFC is also expecting that its advisory services program in IDA countries will be sustained at over 60 percent of the total advisory services program. There will be a strong focus on Sub-Saharan Africa and South Asia, which are projected to increase to around half of the total advisory services program by FY16. In MENA, the program is foreseen to increase to 10 percent of total by FY16.

Emphasis in FCSs. IFC aims to significantly increase its operations in FCSs[90] with a main focus on access to infrastructure (especially power), access to finance and access to markets (especially for agribusiness). In most cases, these countries' and territories' already acute development challenges have been exacerbated by asset destruction, business disruption, low government capacity and political instability. Alleviating the barriers to business growth – specifically access to power, access to finance, access to markets, enabling environments for business and transparency/rule of law – will underpin IFC's approach in FCSs.

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[87] This Annex is provided for information purposes only and as a complement to the FY17 IDA Deputies' Report. It describes IFC's activities and strategy in IDA countries, with an emphasis on FCSs. The information provided is based on IFC Road Map FY14-FY16 "Leveraging the Private Sector to Eradicate Extreme Poverty and Pursue Shared Prosperity," as discussed and approved by IFC's Board on April 9, 2013 and available on IFC's website. The activities described in this annex should be distinguished from the activities conducted by IDA pursuant to IFC's contributions to IDA which are administered in accordance with the IFC/IDA Grant Agreement and IDA's policies and procedures.

[88] In FY13, IFC committed 288 investment projects in IDA countries (47 percent of total project count), with an increase from US$5.8 billion in FY12 to US$6.6 billion in FY13 volume (own-account) for a share of 36 percent of total IFC own account investment volume. IFC's AS program in IDA countries in FY13 grew to US$142.2 million or 65 percent of the total program, compared to US$121.9 million in FY12 (65 percent).

[89] See Annex V of Road Map FY14-16 for IFC growth in IDA countries and other frontier markets.

[90] In FY13, IFC committed 44 investment projects in FCSs, including non-IDA countries for US$577 million (7 percent of total IFC project count and 3 percent of own account investment volume). The AS program in FCSs grew to US$39 million (18 percent of total AS program), up from US$33.1 million in FY12 (18 percent).

The advisory services program in FCSs is foreseen to grow to around 20 percent of the total by FY16, with emphasis on helping to open the power sector to private investment, to strengthen financial infrastructure and the capacity of Financial Intermediaries (FIs), and to build access to markets through engagement at the firm-level as well as the investment climate.

As FCSs include different country types with different challenges and needs, IFC has now developed a differentiated engagement strategy depending on context. This approach to FCSs – which will be implemented in coordination with the World Bank and MIGA – could also apply to certain countries which face similar challenges, but which are not currently on the official FCS list.

The greater emphasis will be implemented through a critical mass of investment staff dedicated to FCSs, placed closer to where the needs are. To address the special challenges that investments in FCSs face such as higher risks, longer gestation periods, and more complex due diligences process, in early FY14 IFC approved a new program to facilitate small investments of US$10 million or less in FCSs. The new program provides for greater operational flexibility and more expedited processing for these projects.

Close cooperation within the WBG to **support, leverage and complement private sector activity is essential to achieve the overarching goals.** Ongoing and planned WBG collaboration for FY14-16 includes more concerted efforts to develop and implement joint approaches for potentially transformational impact. This will happen across all five of IFC's strategic focus areas, and at regional and country levels.

The rapid growth of IFC involvement in IDA countries, in both investment and advisory services, has been supported by enhanced joint work with other members of the WBG, IFIs, development partners and strategic clients. Going forward, WBG collaboration in IDA countries will continue to grow, supporting increased impact through private sector development. Below are a couple of examples of collaboration in IDA countries and FCSs.

In the agribusiness and food supply chain space, there is ample opportunity for WBG collaboration towards potentially transformative impact. Beyond the Agribusiness in Africa Special Initiative – AGASI,[91] the Global Agriculture and Food Security Program (GAFSP) is an integrated global response to food security challenges in the poorest countries, with overall program coordination provided by the World Bank and IFC providing leadership on private sector investment activities. The IFC-managed private sector window aims to support and scale up inclusive business models and innovative private sector solutions with a focus on improving livelihoods of smallholder and SME farmers. GAFSP is also looking to provide US$20 million in risk mitigation instruments to IFC's Global Warehouse Finance Program (GWFP) to support projects in IDA countries.

Achieving an increase in FCS activities will require a joint WBG approach. One such avenue is through joint implementation plans at the country level. These will outline a joint World Bank-IFC-MIGA approach to promoting private sector investment in-country, and will involve either single- or multi-sector approaches, depending on the country context. Several are currently in preparation, including Burundi, Côte d'Ivoire, Myanmar, and Nepal. In Nepal, the WBG will support the energy sector, particularly in hydro-power. In Côte d'Ivoire, the focus of the joint implementation plan is agribusiness. In addition, IDA, IFC and MIGA have collaborated on critical power sector improvements, notably the Azito

[91] The Agribusiness in Africa Special Initiative will be an important element of IFC's commitment to this focus area. Sub-Saharan Africa holds great scope for expansion of food production, but faces several deep-seated challenges such as policy issues, access to infrastructure and finance, and land tenure and degradation. This calls for intensified WBG collaboration, which will include a joint priority country focus through deep dives to address public and private constraints to investment along the value chain.

Independent Power Plant (IPP) which was financed earlier in FY13. In Myanmar, the WBG will collaborate on institutional and regulatory reform, transforming the power sector, and supporting the growth of microfinance and SME banking.

In addition, enhanced coordination between the IFC office and the World Bank Global Center for Conflict, Security and Development in Nairobi, as well as WBG co-location at country level, will reinforce opportunities for greater impact.

The joint WBG Infrastructure Strategy provided the framework for joint approaches such as joint IFC/IDA/MIGA power sector projects in Africa in FY12 (KPLC and the Thika IPP in Kenya, Kribi IPP in Cameroon). Joint projects in other sectors include Simandou in Guinea, where IFC is supporting – in conjunction with IDA efforts to improve governance and the regulatory framework – the development of the country's iron ore resources that will generate substantial benefits in the form of infrastructure, jobs, community programs and government revenues.