



IDA16

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

Additions to IDA Resources: Sixteenth Replenishment

IDA16: Delivering Development Results

**Approved by the Executive Directors of IDA
on February 15, 2011 (and modified on March 18, 2011)**

ACRONYMS AND ABBREVIATIONS

Fiscal year (FY) = July 1 to June 30

AAA	Analytical and Advisory Activities		Association
BP	Bank Procedures	IEG	Independent Evaluation Group
BW	Business Warehouse	IFC	International Finance Corporation
CAS	Country Assistance Strategy	INCAF	International Network for Conflict and Fragility
CIF	Climate Investment Fund		
CPI	Consumer Price Index	IMF	International Monetary Fund
CPIA	Country Policy and Institutional Assessment	IoC	Instruments of Commitment
		ISR	Implementation Status and Results Report
CRW	Crisis Response Window		
CSO	Civil Society Organization	IT	Information Technology
CTF	Clean Technology Fund	M & E	Monitoring and Evaluation
DaLA	Damage and Loss Assessment	MDBs	Multilateral Development Banks
DIME	Development Impact Evaluation Initiative	MDGs	Millennium Development Goals
		MDRI	Multilateral Debt Relief Initiative
DPL	Development Policy Lending	MDTF	Multi-Donor Trust Fund
DPO	Development Policy Operation	MICs	Middle Income Countries
DSA	Debt Sustainability Analysis	MIGA	Multilateral Investment Guarantee Agency
DSF	Debt Sustainability Framework		
EACC	Economics of Adaptation to Climate Change	MMR	Maternal Mortality Rate
		MOPAN	Multilateral Organizations Performance Assessments Network
EFA-FTI	Education for All-Fast Track Initiative	MSMEs	Micro, Small, and Medium Enterprises
EITI	Extractive Industry Transparency Initiative	NCBP	Non-Concessional Borrowing Policy
FCC	Fragile and Conflict Affected Country	OBA	Output-Based Aid
FDI	Foreign Direct Investment	ODA	Official Development Assistance
FIP	Forest Investment Program	OCHA	Office for the Coordination of Humanitarian Affairs
GAC	Governance and Anti-Corruption Strategy	OECD-DAC	Organization for Economic Cooperation and Development – Development Assistance Committee
GAFFSP	Global Agriculture and Food Security Program		
GAP	Gender Action Plan	OP	Operational Policy
GDP	Gross Domestic Product	PBA	Performance-Based Allocation
GET	Global Expert Team	PCD	Post Crisis Directions Paper
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria	PCPI	Post-Conflict Performance Indicators
GFRP	Global Food Crisis Response Program	PDNA	Post Disaster Needs Assessment
GHG	Greenhouse Gas	PDO	Project Development Objectives
GMR	Global Monitoring Report	PPCR	Pilot Program for Climate Resilience
HIPC	Heavily Indebted Poor Country		
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome	PPP	Purchasing Power Parity
		PPR	Portfolio Performance Rating
HLF	High Level Forum	PREM	Poverty Reduction and Economic Management
IBRD	International Bank for Reconstruction and Development	PRSP	Poverty Reduction Strategy Paper
		PSD	Private Sector Development
ICR	Implementation Completion and Result Report	PSIA	Poverty and social impact analysis
		QALP	Quality Assessment of Lending Portfolio
ICT	Information and Communication Technologies		
		RBF	Results-Based Financing
IDA	International 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
SREP	Program for Scaling-Up Renewable Energy in Low Income Countries
StAR	Stolen Assets Recovery Initiative
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCAC	United Nations Convention against Corruption
UNFCCC	United Nations Framework Convention on Climate Change
WBG	World Bank Group
WDR	World Development Report
WEO	World Economic Outlook
WHO	World Health Organization
WP-EFF	Working Party on Aid Effectiveness and Donor Practices

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EXECUTIVE SUMMARY

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

ii. ***In this context, Participants selected delivering development results as the overarching theme for the IDA16 Replenishment discussions, with crisis response, gender, climate change, and fragile and conflict affected countries as “special themes”.*** Participants urged IDA to remain a leader in driving the results and effectiveness agenda through its convening power both at the global and country level, as well as through more efficient internal operations and more comprehensive results measurement. Participants noted that the special themes are “frontier” issues in the development agenda and that IDA’s efforts to better understand and translate research findings and lessons learned into new operational tools and policies are critical to accelerate progress in achieving development results, including the MDGs.

iii. ***IDA16 forms an integral part of the overall World Bank Group’s long-term strategy as set out in the recent Post-Crisis Directions paper (PCD).*** The PCD strategy supports an inclusive and sustainable globalization – to overcome poverty, enhance sustainable growth and create individual opportunity and hope. Projects and programs will be developed on the basis of country led priorities and consistent with IDA’s strategic selectivity and comparative advantage. Cross-cutting issues – climate change adaptation and mitigation, gender, and work in fragile and conflict affected countries – will be mainstreamed into IDA’s core operations in an innovative and results focused manner. While IDA’s poverty focus implies continuing support for all low-income countries, IDA will continue to place a special emphasis on Sub-Saharan Africa aiming to direct more than half of its financial assistance to Sub-Saharan African countries, if warranted by performance, to help address the exceptional development challenges confronting the region.

iv. ***Managing for development results will be the driving force behind IDA’s work in IDA16.*** To ensure that IDA delivers “value for money” to both recipients and donors, IDA will further improve its results focus, effectiveness and efficiency through the implementation of

comprehensive internal reforms and new enhancements of IDA's results monitoring system. Investment lending reform will improve risk management and implementation support, and better align services with government priorities and the efforts of development partners. The World Bank is also developing a proposal for a Results-Based Lending (RBL) instrument. Knowledge services are also being enhanced to create incentives for capturing, sharing and disseminating knowledge quickly to IDA's clients. Progress is continuing with respect to decentralizing staff and decision making authority to IDA's country offices, particularly in fragile and conflict affected countries. Complementary efforts are ongoing to develop human resources and diversity, revamp the IT systems to support knowledge sharing and connectivity for country offices, and reform the budget process to strengthen the focus on results and cost efficiency. IDA is also leading progress on the transparency agenda through the recent launch of a new Access to Information policy and through the Open Data initiative which make data on development publicly available, and the ongoing geo-coding of IDA supported operations.

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

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

vii. ***Participants endorsed the establishment of a dedicated Crisis Response Window (CRW).*** The CRW would provide IDA countries with timely access to additional resources to respond to the impact of severe economic crises or natural disasters, and would strengthen IDA's capacity to rapidly respond to such crises in collaboration with other agencies, development banks and donors.

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

ix. ***Participants welcomed the review of IDA's lending terms and supported adjusting the terms of IDA lending to better reflect the economic circumstances of different categories of IDA countries.*** They also supported the acceleration of payments on qualifying credits of eligible IDA graduates.

x. ***IDA has been broadening its donor membership, a clear indication of the commitment of the international community to support the lowest income countries in achieving the MDGs and sustained improvements in their standards of living.*** The successful broadening of the IDA donor membership also poses challenges on how to best enhance the dialogue on development issues. Towards this end, the Participants decided to create informal working groups that will be the fora for consultations and brainstorming on selected development issues. It was decided that for IDA16 four working groups would be created on (i) development results; (ii) IDA's long-term financial sustainability; (iii) inclusive growth; and (iv) fragile and conflict-affected countries. In addition, IDA Management has offered to organize periodic IDA fora at the margins of the Spring and Annual Meetings that would provide a further opportunity to debate development issues.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Participants agree on a series of operational, policy and financial recommendations that reinforce IDA's capacity to assist IDA countries in their efforts to resume economic growth and make further progress towards the Millennium Development Goals (MDGs). They note that the focus on results and special themes selected for the IDA16 replenishment are consistent with the overall vision for the World Bank Group set out in the Post-Crisis Directions Paper.¹

A. Delivering Development Results

- Participants urge IDA Management to implement the IDA16 Results Measurement System (RMS) that includes a new "IDA Report Card" to track indicators of IDA's operational and organizational effectiveness against agreed IDA16 performance standards, new indicators, the reporting on sectoral outputs and outcomes and a matrix of monitorable actions. They requested that a report on progress be presented at the IDA16 Mid-Term Review.
- Participants request a report on the progress made in ensuring that development policy lending (DPL) support country-owned policy and institutional reforms and development results, and in using poverty and social impact analysis to inform them in conjunction with the next DPL Retrospective.

B. Enhancing IDA's Capacity to Respond to Crises

- Participants recommend the establishment of a dedicated Crisis Response Window (CRW) within the IDA framework. The CRW would be accessed to address the impact of severe economic crises and natural disasters.
- Participants request that a comprehensive review, including of both the pilot-CRW and the results to date of the new CRW, be prepared for the IDA16 Mid-Term Review. For the IDA16 Mid-Term Review, Participants also request that Management provide plans for the reallocation of unused resources from the CRW during the last year of the IDA16 period.
- Participants agree that resources for the CRW should be capped at 5 percent of total IDA16 resources, and that an amount of SDR 1,335 million would be set aside to finance expenditures under the CRW. This amount would include an exceptional allocation of SDR 329 million for Haiti to support reconstruction after the earthquake in January 2010.

C. Accelerating Progress on Gender-Related MDGs

- Participants urge IDA to intensify its support for the efforts IDA countries are making to promote gender equality, including by strengthening: (i) gender mainstreaming in its operations and analytical work; and (ii) the monitoring of these efforts.

¹ The World Bank (2010). "New World, New World Bank Group: (1) Post Crisis Directions."
[http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22555128/DC2010-0003\(E\)PostCrisis.pdf](http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22555128/DC2010-0003(E)PostCrisis.pdf).

- Participants urge Management to make rapid progress on the implementation of the Action Plan on Gender Mainstreaming and Gender-Related MDGs. This Action Plan includes: (i) drawing on and discussing the findings of gender assessments in 100 percent of IDA Country Assistance Strategies (CASs); (ii) increasing gender-informed investments and monitoring progress; (iii) tracking indicators to measure IDA's support to gender-based country outcomes; (iv) preparing Regional Gender Action Plans; (v) implementing the Reproductive Health Action Plan with a focus on 52 priority countries with high maternal mortality and total fertility rates, including 25 countries in the Africa Region; and (vi) completing the forthcoming Education Sector Strategy and the subsequent implementation of a program of action targeting gender issues in high priority countries. They request that Management provide a review of progress at the IDA16 Mid-Term Review.
- Participants welcome Management's decision to focus the World Development Report (WDR) for 2012 on gender which is a unique opportunity to identify obstacles to mainstreaming gender, articulate and disseminate the case for gender equality and hence help generate partner country demand.

D. Achieving Climate Resilient Development

- Participants urge Management to discuss climate change vulnerabilities in 100 percent of IDA CASs, and to include activities in climate change adaptation and mitigation when requested by the recipient country.
- Participants recommend that IDA scale up Analytic and Advisory Activities (AAA) on adaptation and mitigation and report back on progress at the IDA16 Mid-Term Review.
- Participants request IDA to establish a system for monitoring, assessing and reporting on the contribution of the IDA portfolio to climate adaptation and mitigation co-benefits. They request IDA to report on climate co-benefits at the IDA16 Mid-Term Review.
- Participants request IDA to analyze the potential climate impacts to projects in climate sensitive sectors.

E. Supporting Fragile and Conflict Affected Countries

- Participants urge IDA to draw out the implications of the findings of the forthcoming WDR for 2011 on Conflict, Security and Development, which could have implications for future support to fragile and conflict affected countries (FCCs) from the international community and IDA. They request that specific proposals regarding IDA's support to these countries be developed for consideration at the IDA16 Mid-Term Review. They welcome the evaluation of IDA's work in these countries, which the Independent Evaluation Group (IEG) plans to undertake in 2012-2013.

- Participants call for IDA to deepen its collaboration with partners to improve the effectiveness of development assistance to FCCs and to enhance IDA's platform role and catalytic impact. They welcome Management's intention to revise the World Bank's Operational Policy on Development Cooperation and Conflict (OP/BP 2.30) by the end of calendar year 2011, and to include partnership agreements.
- Participants call for a deeper collaboration with partners on Multi-Donor Trust Funds (MDTFs) administered by the World Bank and request Management to report on progress at the IDA16 Mid-Term Review.
- Participants urge further progress to speed up project implementation in FCCs, including with respect to procurement. They request a review of procurement, fiduciary and legal inputs in FCCs by the time of the IDA16 Mid-Term Review.
- Participants urge Management to complete the revision and testing of the Post-Conflict Performance Indicators (PCPIs), and to publicly disclose the country scores in June 2011 before the start of IDA16. Participants also call for specific mechanisms to monitor efforts in the broader set of FCCs, and welcome ongoing joint efforts with other agencies and bilateral partners to develop one harmonized approach to measuring progress in these countries.

F. Adjustments to the Volumes and Terms of IDA Assistance

- Participants agree to the following changes to IDA's Performance Based Allocation (PBA) system: (i) introduction of a case-by-case approach to extending the phase-out for post-conflict and re-engaging countries; (ii) modification of the requirements for participation by three countries in IDA's regional program to allow projects with only two countries when at least one is an FCC; and (iii) in order to benefit small states, elimination of the maximum per capita allocation ceiling and raising base allocations to SDR 3.0 million per year from the current SDR 1.5 million per year.
- Participants endorse a continuation of the change introduced in FY11 to the MDRI netting out mechanism whereby 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. Management agrees to provide a review of implementation experience at the time of the IDA16 Mid-Term Review.
- Participants agree that the lending terms of IDA's blend, gap and small island exception countries be adjusted. Starting in IDA16, IDA's blend credits and hardened term credits would be harmonized into one instrument with a final credit maturity of 25 years with a 5-year grace period, and instituting a 1.25 percent per annum interest rate. Hard term credits would also be harmonized with a maturity of 25 years and a 5-year grace period and continue to feature an interest rate based on the IBRD fixed rate equivalent minus 200 basis points. In addition, the terms for the small island country exception would be changed from blend credit terms to regular credit terms. Access to

hard term credits would be expanded to all blend countries in proportion to their performance-based allocation.

- 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 IDA16 donor contributions of SDR 17.6 billion (equivalent to US\$ 26.4 billion) be provided so as to achieve a total replenishment of SDR 32.8 billion (equivalent to US\$ 49.3 billion) during the IDA16 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 IDA16 period be covered under the IDA16 replenishment. Deputies noted that IDA16 will be the first 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 IDA16 period be covered under the IDA16 replenishment.
- 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 IDA16 period.
- Deputies agree to treat resources for financing of arrears clearance operations as a set-aside and requested Management to provide an update on utilization of such resources at the time of the IDA16 Mid-Term Review. Any financing shortfall during the IDA16 period would be made up in IDA17.
- Deputies recognize the importance for donors to continue firming up their financing commitments to the separate Multilateral Debt Relief Initiative (MDRI) replenishment in order to support the total volume of IDA16 commitment authority.

INTRODUCTION

1. ***IDA is a key provider of development assistance.*** IDA is the largest single source of concessional financing to developing countries where people earn less than two dollars a day. IDA resources finance close to 20 percent of all development programs that help government in IDA countries develop the policies, infrastructure, institutions and human capital that are the foundation for sustained improvements in their standard of living. IDA operates with a unique set of principles and strengths that enables it to support development results effectively and efficiently and to maximize the impact of all development aid: (i) it is based on a demand driven, country-based model – countries determine the priorities for their IDA financing; (ii) it provides a vital platform to help countries coordinate and target their various bilateral and multilateral resources; (iii) it supports capacity building and the development of essential systems and institutions for more effective delivery of issue-specific aid; (iv) it promotes global priorities within national development programs; (v) it leverages aid across multiple sectors; (vi) its safeguards and accountability mechanisms promote sustainability and good governance; and (vii) it generates and shares knowledge on best practices and results across the globe.

2. ***IDA supports key development outcomes.*** Over the last ten years, IDA has transformed the lives of millions of people by improving their access to basic services. Through IDA support 105 million children have benefitted from improvements in the quality of teaching and facilities for learning; 47 million people have benefitted from basic health, nutrition, and population services; 310 million children were immunized; 26 million people gained access to an all-season road and 113 million people to an improved water source; and 5.8 million were provided with access to improved sanitation facilities. In addition, over the last five years, IDA has helped to improve public sector management and Government procurement systems in over half of IDA eligible countries as well as enhanced financial management and access to information in about a third of IDA countries.

3. ***IDA's sources of funding.*** IDA is a revolving fund that relies on contributions from governments of donor countries for over 60 percent of its funding. The number of donors to IDA has grown considerably over time, and includes both developed and middle-income developing countries, some of which were once IDA recipients. IDA also relies on repayments on outstanding credits, including from 27 countries that have graduated from IDA. In addition, other members of the World Bank Group (WBG), i.e., the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC), support IDA with contributions from their net income.

4. ***Context for the IDA16 discussions.*** The IDA16 replenishment discussions took place at a critical time for IDA countries and the international community.

- First, as highlighted by the Replenishment's participants, opinion leaders and representatives of civil society organizations (CSOs), there are only a few years until 2015 – the target date for reaching the Millennium Development Goals (MDGs) – and IDA recipients' longer term growth and progress towards reaching the MDGs have been negatively affected by the impact of recent food, fuel, and global economic crises. IDA responded rapidly and effectively to these crises, including by

frontloading of IDA resources and providing additional funding through the pilot-Crisis Response Window (CRW). IDA countries' recovery from these crises remains fragile and they need significant resources to regain their momentum of growth and progress towards the MDGs. They also face additional challenges related to managing recurrent severe crises that threaten to reverse progress in development outcomes, as well as adapting to global warming and climate volatility, which would require additional resources. In this context, Participants highlighted the important role IDA has played in supporting the poorest and most vulnerable countries of the world make progress towards the MDGs and sustainable economic growth. They called for IDA to play an even bigger role during the IDA16 period (July 1, 2011 to June 30, 2014) in supporting countries in their development efforts and highlighted the urgency of scaling up IDA resources, continuing to improve IDA's operational and organizational effectiveness, further enhancing its emphasis on achieving results and deepening the collaboration and coordination between IDA, MIGA and IFC and other development partners.

- Second, many donors indicated that they are facing significant fiscal challenges that require adjustments in their domestic and international programs, including in official development assistance (ODA). These circumstances challenge donors, recipient countries and IDA to make the best use of limited resources in the face of escalating and competing demands.
- Third, the evolution in the overall governance of international financial institutions with an increasing role and voice for developing countries² is also reflected in the IDA16 replenishment discussions. There is an emerging global compact with contributions being made by all interested parties: traditional donors, new and emerging donors, IDA graduates and IDA blend countries, and the World Bank Group.
- Fourth, IDA recipient countries continue to remain central to the achievement of results. In addition to their central role in priority setting through the country-based development model, they are increasingly involved in the IDA replenishment process: as borrower representatives, through the involvement of Government Representatives as keynote speakers and opinion leaders in IDA16 replenishment meetings and through working groups which will be fora for consultation and brainstorming on selected development topics during the IDA16 period.

² The World Bank (2010). "World Bank Group Voice Reform: Enhancing Voice and Participation of Developing and Transition Countries in 2010 and Beyond." [http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22556148/DC2010-0006-1\(E\)Voice.pdf](http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22556148/DC2010-0006-1(E)Voice.pdf).

Box 1. Participation by Recipient Country Representatives in the IDA16 Replenishment Process

Following calls from the international community for greater voice and participation by developing countries in international organizations, the IDA replenishment process now includes borrower views in several different ways.

- First, twelve representatives selected by borrower governments participate in all the IDA replenishment meetings.
- Second, Presidents from Mali, Senegal and Liberia and a number of Ministers, including from Sierra Leone, Afghanistan, Haiti, Mongolia, Yemen and Togo have participated as keynote speakers.
- Third, at the second meeting of the IDA16 replenishment round, which was held in Bamako, Mali in June of 2010, African opinion leaders participated in a consultation with the IDA Deputies and borrower representatives.
- Fourth, the draft IDA16 report was posted on IDA's external website and comments were invited from civil society of both donor and recipient nations.

This participation enriched the discussions with insights into development challenges (both long-term and due to the impact of the global financial crisis), IDA's role in the aid architecture, and IDA's strengths and areas for improvement. Going forward, IDA is also establishing working groups to serve as fora for discussion of select development topics, with participation from recipient countries, donors and Bank staff.

5. ***IDA16's Focus on Results.*** Participants selected the achievement, enhanced monitoring and communication of "development results" as the overarching theme and main focus for the IDA16 Replenishment discussions. They endorsed the expansion of IDA's Results Measurement System (RMS) from a two-tier to a four-tier system for IDA16, which will also track IDA's operational and organizational effectiveness against performance standards (the "IDA Report Card") and report on outputs and outcomes for selected core sector indicators. They welcomed the use of the IDA16 RMS as a management tool, and noted that it provides added incentives to focus on results. They encouraged Management to continue enhancing communications on development results, and to develop ways to capture the impact of IDA's support for institutional development and public sector governance.

6. ***Special Themes for IDA16.*** Participants agreed on the following four special themes for IDA16: crisis response, gender, climate change and fragile and conflict affected countries. While acknowledging the significant progress achieved in the last years, Participants urged IDA to continue in its leadership role through its convening power at the global level and coordination and collaboration at the country level, to enhance its effectiveness and efficiency through its internal reforms agenda and to strengthen its results measurement system. Participants noted that the special themes are "frontier" issues and that IDA's efforts to better understand these challenges and to translate research findings and lessons learned into new operational tools and policies, and ultimately results on the ground, are critical to achieve development results, including the MDGs.

7. ***Process for the IDA Sixteenth Replenishment Round.*** Representatives of donor governments ("the IDA Deputies") and representatives of borrower countries (collectively referred to in this report as the "Participants") negotiated the Sixteenth Replenishment of IDA's resources over a series of four meetings during the course of 2010. The meetings were chaired

by Ms. Ngozi Okonjo-Iweala, Managing Director of the WBG. The IDA16 Replenishment consultations included observers from international development institutions and management and staff of the WBG. Participants sought the views of African opinion leaders in Bamako, Mali in June 2010. In addition, comments on the draft IDA Deputies' Report were invited from civil society. The policy papers discussed at the replenishment meetings were posted on IDA's external website, as were summaries of the discussions at each of the meetings. This report contains the Participants' guidance on the policy and financial framework that underpins IDA's support for economic development and poverty reduction in eligible countries during the IDA16 period. Progress on the implementation of the IDA16 replenishment arrangements will be reviewed by IDA Deputies and borrower representatives at the IDA16 Mid-Term Review, which would take place in the second quarter of fiscal year 2013. Deliverables for the IDA16 Mid-Term Review are specified in Table 5 of Annex 1.

8. ***Organization of the IDA16 report.*** The report is organized in seven sections. Section I provides the backdrop against which the IDA16 Replenishment discussions took place. Section II sets out how IDA is meeting the implementation challenge including by strengthening its focus on results, enhancing its operational and organizational effectiveness and leveraging its role in the international community. Section III covers the four special themes – crisis response, gender, climate change and fragile and conflict affected countries. These two sections describe in detail the totality of the IDA16 policy package (both on the overall thematic focus of the replenishment on development results as well as specific actions in the special themes). Section IV summarizes adjustments to the volume and terms of IDA's assistance. Section V contains a discussion on the management of IDA's financial resources. Section VI discusses financing of debt relief, arrears clearance and forgone grant principal. Finally, Section VII sets forth the recommendation of the Executive Directors to the Board of Governors to adopt the draft IDA16 Resolution (see Annex 5).

SECTION I: MEETING THE GROWTH AND MDG CHALLENGES IN IDA COUNTRIES

A. Supporting a Pro-Poor Growth Agenda in the Context of Crisis

9. ***Impact of the crisis on growth.*** During the IDA15 period, IDA countries witnessed a rapid succession of crises – in the form of global food and fuel price shocks, and more recently the global economic crisis. In addition, a number of IDA countries were severely impacted by natural disasters, including earthquakes, hurricanes and floods. The financial crisis in particular has sharply reduced growth in IDA countries – through reductions in export revenues, remittances, tourism, and foreign direct investment (FDI), among others. The average growth of gross domestic product (GDP) in developing countries decreased from 8.1 percent in the pre-crisis period (2006–07) to 3.4 percent during the crisis (2008-09). Growth in Sub-Saharan Africa and South Asia – two of the regions with the largest concentration of poverty – similarly decelerated from 6.7 percent and 8.7 percent in the pre-crisis period to 3.1 percent and 5.1 percent during the crisis, which is below the growth rates needed to make significant reductions in poverty.

10. ***Impact of the crisis on MDG progress.*** Developing countries made considerable progress towards the MDGs in the pre-crisis period. Progress towards reaching the targets on

poverty reduction was particularly strong. Significant advances were also made on achieving gender parity in primary and secondary education and on reliable access to improved water, where several countries were on track to meet the targets by 2015. Yet, concerns remain about the human development goals as progress on most of them – especially child and maternal mortality, universal access to reproductive health, nutrition, sanitation and full and productive employment – was lagging in most IDA countries. Progress was also less encouraging on gender parity in tertiary education and other targets for the empowerment of women.

11. ***The crisis impacted two key drivers of social and economic progress: faster economic growth and service delivery.*** The Global Monitoring Report (GMR) for 2010³ indicates that while the goal of halving the poverty headcount by 2015 will likely be achieved, 53 million more people globally would have been lifted out of poverty if there had been no crisis. The analysis also points towards a severe deterioration of human development indicators: for example, by 2015, globally 55,000 more infants would die, 350,000 more students will fail to complete primary school, and 100 million more people will lose access to safe drinking water. Evidence from past crises indicates that human development indicators deteriorate significantly during growth downturns and that such deteriorations tend to exceed improvements during booms. This, coupled with the sharp contraction of the global economy, suggests that a long period of strong economic growth will be needed to undo the damage inflicted on development outcomes.

12. ***While the global economic recovery is underway, it remains fragile and uneven.*** IDA countries are particularly vulnerable to a weak and uneven global recovery as they remain heavily dependent on commodity exports, remittances, foreign direct investment and official development assistance, and their ability to maintain or scale up development spending is uncertain as fiscal buffers have been drawn down over the last two years. A scarcity of resources to finance development programs can jeopardize years of progress in accelerating growth and combating poverty.

13. ***Supporting IDA countries' recovery and long-term broad based growth represents the most effective means to help lift tens of millions of people in IDA countries out of poverty.*** Better policies have improved growth performance and opportunities in many IDA countries over the last decade, including in Sub-Saharan Africa, which experienced robust growth in the five years preceding the global crisis and significant progress towards the MDGs. Moreover, promotion of growth in IDA countries through more support for investment that removes bottlenecks is a global win-win. Promoting multiple growth poles in developing countries can make an important contribution to the structural rebalancing of growth so necessary for its sustainability. Developing countries offer abundant opportunities for high-return investments (such as in critical infrastructure to remove bottlenecks to growth) that can create new sources of sustainable and diversified growth in global demand. Developing countries now contribute about half of global growth. South-South trade is also expanding, now accounting for one-third of global trade.

14. ***Key requirements for accelerated progress towards regaining momentum of strong growth and achievement of the MDGs.*** The likelihood of attaining the MDGs will depend on

³ The World Bank (2010). *Global Monitoring Report, 2010*.
<http://web.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTGLOBALMONITOR/EXTGLOMONREP2010/0,,contentMDK:22519784~pagePK:64168427~piPK:64168435~theSitePK:6911226,00.html>.

the capacity of developing countries to maintain good policies and provide effective service delivery. Resumption and acceleration of economic growth will play a particularly crucial role: not only will it help with income generation for the millions of poor people but the resulting increases in domestic resource mobilization will help with increased resources for public service delivery. While growth and job creation will primarily result from the private sector, Governments will need to provide supporting macro-economic frameworks and policy reform efforts to bolster growth. Improvements in basic physical infrastructure as well as in “soft infrastructure” – in governance and institutions – in IDA countries will also be needed, as are sustained investments in human capital and safety nets. Stronger results orientation and improved strategic allocation and management of resources are essential. Development outcomes will also hinge critically on the speed at which the global economic recovery supports increases in developing countries’ financial resources through the multiple channels through which IDA countries are affected (i.e., trade, remittances, tourism, FDI and ODA).

15. ***ODA commitments and development effectiveness.*** While IDA countries need to increase domestic resource mobilization, increased and more effective aid remains critical. In Monterrey in 2002, the international community pledged to support the efforts of developing countries in achieving internationally agreed development goals, including the MDGs. Since that time ODA has increased significantly. Between 2004 and 2010 (projected), ODA from members of the Development Assistance Committee of the Organization for Economic Development and Cooperation (OECD-DAC) grew by 36 percent in real terms, excluding the large increases in debt relief to IDA countries during 2005-07. The significant need for supporting the recovery and redoubling efforts on the MDGs in IDA countries calls for sustained growth in ODA, including through the IDA16 replenishment, while recognizing the fiscal pressures that many donors currently face. At the same time, increased ODA must be accompanied by increased efforts to enhance the relevance, effectiveness and accountability of aid resources. For over a decade, donors and partner countries, working together, have made progress on strengthening the efficiency and effectiveness of development assistance. Participants agreed that these efforts need to be redoubled with a clear focus on strengthening the results orientation of aid programs.

B. How IDA Will Support Countries During the IDA16 Period

16. ***Broad strategic directions.*** IDA will operate within the WBG’s long-term strategy set out in the recent Post-Crisis Directions Paper (PCD) that supports an inclusive and sustainable globalization – to overcome poverty, enhance sustainable growth and create individual opportunity and hope.⁴ This long-term vision is being implemented in a changing global landscape where progress in achieving development outcomes has stalled or reversed and millions have been pushed back into extreme poverty by the global crisis; economic power configurations have changed; and the global aid architecture has become broader and more complex.

⁴ The World Bank (2010). “Synthesis Paper: New World, New World Bank Group.” http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22555916/DC2010-0002-1_E_SynthesisPaperRevised.pdf.

17. The PCD strategy notes that the global development community faces five key development challenges, both old and new, in the new decade: (i) redoubling efforts to meet the MDGs before the 2015 deadline; (ii) fostering multi-polar growth in developing countries and integrating rising economic powers; (iii) responding effectively to complex global interactions in the global public goods arena, particularly in climate change; (iv) promoting an environmentally and socially sustainable development process through effective institutions and policy environments; and (v) managing risks and anticipating potential shocks and new crises. Responding to these challenges requires more agile and stronger multilateral institutions, including a stronger WBG.

18. The WBG is responding to these challenges by establishing strategic priority areas of engagement; reforming its business model; and improving governance, transparency, and voice and participation. In particular, the PCD strategy sets out five key priority areas for the WBG going forward:

- (i) Targeting the poor and vulnerable in Africa, the “bottom billion” located in fragile and post-conflict states, and the 70 percent of the world’s poor living in middle income countries (MICs);
- (ii) Creating opportunities for growth through promoting agriculture and food security, addressing pressing infrastructure needs, fostering an investment climate and private sector that encourages innovation and competitiveness, engaging on critical public finance issues, and offering knowledge and policy expertise to help policymakers manage choices and tradeoffs within an increasingly global economy;
- (iii) Providing cooperative models/promoting global collective action to deal with global challenges through helping Governments to integrate regional and global interests and goals in national development strategies; participating in partnerships including with the private sector and in developing innovative financial mechanisms; and undertaking constructive advocacy on behalf of developing countries;
- (iv) Strengthening governance in fragile and conflict affected states; improving results and capacity-building for effective service delivery in critical sectors; and mainstreaming the Governance and Anti-Corruption (GAC) strategy and understanding its impact; and
- (v) Managing risk and preparing for crises by developing global approaches to disaster and post-conflict needs assessments and helping design counter-cyclical policies, risk sharing mechanisms and institutions for the public and private sectors.

19. These priorities are consistent with the broad thrust of the IDA16 Replenishment discussions. In particular, the broad agreement among Participants that “development results” should be the over-arching theme for IDA16 reflects the emphasis on meeting the core challenge of poverty reduction and accelerating progress towards the MDGs. Furthermore, the special themes for the IDA Replenishment discussions – crisis response, gender, climate change and fragile and conflict affected countries – mirror these priorities.

20. ***Support at the country level.*** These overall priorities are translated into assistance for each country which is customized on the basis of a Country Assistance Strategy (CAS) in line with IDA's country-based approach. With the complexity of the aid architecture and the risks of proliferation and fragmentation, IDA's country-based development model helps countries align aid to their national development priorities. The CAS provides the strategic basis for IDA's support to a country. It supports a country's development strategy as outlined in its Poverty Reduction Strategy Paper (PRSP). The CAS also enables IDA to help countries address global and regional development challenges at the country level and serves as a vehicle for other WBG activities and other donors' assistance. IDA's support is provided flexibly through a range of financing and knowledge services.

21. Country strategies are the basis for regional management strategies and identify opportunities for cross-border solutions to sub-regional development challenges which can be addressed through regional projects involving several countries.⁵ Common themes across the regional strategies include supporting countries in their efforts to close the MDG gaps; addressing the challenges posed by climate change; strengthening regional integration; mainstreaming gender issues; and strengthening governance. As in previous replenishments, Participants urged IDA to direct more than half of its assistance to countries in Sub-Saharan Africa, if warranted by performance, to help address the exceptional development challenges confronting the region.

22. ***IDA's sectoral and thematic focus.*** Over the last years, IDA-supported government programs have intensified investment in human and infrastructure capital, strengthened policies and institutions and have helped transform the lives of hundreds of millions of people. During the IDA16 period, IDA will continue to assist countries in key sectoral and thematic areas while also addressing regional and global issues. While the choice of sectors is determined at the country level, the World Bank's sector strategies help shape the sectoral focus at the country, regional and global levels, as follows:⁶

- **Infrastructure.** Many IDA recipients still have major gaps in infrastructure which plays a critical role in growth and poverty reduction and achieving the MDGs. The investments needed for new infrastructure and maintenance are estimated at 7 to 9 percent of the GDP per year for developing countries, while only about half this amount is being currently financed. IDA has consistently supported basic infrastructure services, notably energy, transport, water and sanitation, and information and communication technologies.⁷ IDA will continue to help countries implement the access agenda by supporting policy and institutional reforms and sustainable investments. In doing so, IDA will focus on: cross-sectoral approaches to address climate change mitigation and adaptation; private public partnerships; rural-urban integration; and addressing social and environmental objectives. Cross-

⁵ IDA (2010). "The Demand for IDA16 Resources and the Strategy for their Effective Use."
http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/73449-1271341193277/ASK_Paper.pdf.

⁶ Information on other sectors not included in this section can be found in the "IDA at Work" website:
<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:21205382~menuPK:83993~pagePK:51236175~piPK:437394~theSitePK:73154,00.html>.

⁷ The World Bank (2008). *World Bank Group Sustainable Infrastructure Plan for FY09-11*.
<http://siteresources.worldbank.org/INTSDNETWORK/Resources/SIAPbooklet.pdf>.

cutting objectives will include ensuring economic/financial viability and affordability through strong governance, and leveraging additional financing, particularly from the private sector. IDA will also continue to support cross-border regional infrastructure as a means to foster regional integration.

- Agriculture accounts for the highest share of GDP and the largest number of people employed in many IDA countries. In the wake of the recent global food price increases, there has been a renewed attention and strategic cooperation in the international community to supporting agricultural development. IDA is one of the largest providers of resources for agriculture and supports both long-term development programs and emergency responses, e.g., through the Global Food Crisis Response Program (GFRP)⁸ and the Global Agriculture and Food Security Program (GAFSP).⁹ Long term investments are particularly targeted to smallholder farmers, with the aim of strengthening property rights and access to technology, to improving land and water-use efficiency and productivity and changing agricultural practices to adapt to, and mitigate the effects of climate change. IDA's funding increased substantially following the food price crisis – the greatest beneficiaries were countries in the Sub-Saharan Africa and South Asia regions. IDA will continue to support countries to: increase productivity through the use of new technologies; link farmers to markets – including by supporting the Doha round of global trade negotiations; invest in rural roads; strengthen producer organizations; improve market information and access to finance; reduce risk and vulnerability including safety nets; enhance non-farm income by improving rural investment climates; upgrade skills and expand rural infrastructure; and enhance environmental services and sustainability including better management of livestock, rangeland, ecosystems and overcoming barriers to entry in carbon markets.¹⁰ IDA will also continue to play an important role in coordination and investing in key international public goods, including cross-border infrastructure development and systems and shared resources such as rivers and lakes. IDA will further strengthen the gender mainstreaming and women's economic empowerment in the agricultural sector.
- Private Sector Development (PSD) is central to sustained economic growth and poverty reduction in IDA countries. IDA promotes improvements in the investment climate through diagnostic work that allows IDA recipients to better address barriers to business formation and to healthy competition in their economies. Through policy dialogue and provision of lending and advisory services, IDA helps governments implement regulatory and structural reforms that reduce the costs associated with building and running a business, as well as better measuring the results of reform

⁸ The GFRP was initiated in 2008 to provide rapid financing to countries with the greatest needs arising from the food crisis. In addition to IDA resources, the GFRP was supported by IBRD net income, Australia, Russia, Spain and the European Union.

⁹ GAFSP is a multilateral trust fund managed by the World Bank that aims to provide additional funding to public and private entities to support national and regional strategic plans for agriculture and food security in poor countries.

¹⁰ The World Bank (2008). *World Development Report: Agriculture for Development*. http://siteresources.worldbank.org/INTWDR2008/Resources/WDR_00_book.pdf.

programs.¹¹ IDA also helps to assess constraints to employment creation and earnings growth and supports related policy priorities aimed at fostering more and better jobs. In fragile and conflict affected countries, IDA is supporting efforts to stabilize income generation and employment creation, notably for the unemployed youth, and link short-term job creation with longer term actions that lay the foundations for sustainable jobs and development. IFC complements IDA's support and Management has continued efforts to improve coordination between the two organizations. In particular, efforts have been made to develop more effective ways to leverage the WBG's instruments, resources and skills in support of private sector development in IDA recipients by increasing joint advisory activities and jointly financed projects.¹² For example, a joint program delivers integrated packages including reforms of secured lending and financial information infrastructure frameworks to broaden micro, small and medium enterprise (MSME) access to finance. Other efforts include coordination at the strategy level through preparation of joint CASs with IFC and other specific strategies, and harmonization of guidelines¹³ and coordinated field level presence.¹⁴ A new WBG PSD strategy is expected to be prepared in 2012, by which time recovery from the crises will be clearer and further progress made in defining global approaches to new challenges. IFC Management will make every effort to ensure that IDA Deputies are kept informed of the outcomes of IFC's work in IDA countries, as an integral component of WBG support.

- Education. IDA is one of the largest sources of assistance for education sector investments in IDA countries. About half its education funds supports primary education, thereby helping countries work towards achieving universal primary education, reaching under-served populations, and eliminating gender disparities. IDA support has focused on laying a foundation through training teachers, updating curricula, building schools, delivering textbooks and improving education governance and school management. The World Bank also hosts the Education for All Fast Track Initiative (EFA-FTI) and manages the US\$ 1.72 billion FTI Catalytic Fund and the US\$ 115 million Education Program Fund which supports 35 countries.¹⁵ The FTI is a results-based partnership focused on delivering basic and primary education to children in developing countries based on country commitment, increased aid, improved aid effectiveness and donor coordination. As primary access, enrollment and completion increase and the labor market demands a better skilled workforce, IDA will increase its efforts to help countries meet the growing demand for secondary

¹¹ The World Bank (2002). *Private Sector Development Strategy. Directions for the World Bank Group*. <http://rru.worldbank.org/Documents/PapersLinks/699.pdf>.

¹² IDA-IFC Secretariat (2010). "World Bank-International Finance Corporation Collaboration in IDA Recipients: Second Progress Report". <http://intresources.worldbank.org/IDAIFCSEC/Resources/CompleteReportfinal.pdf>.

¹³ These includes investment processing procedures, procurement policy and Purchasing Power Parity (PPP) procurement guidelines, increasing alignment of Bank and IFC trust fund policies, and social and environment guidelines for jointly financed projects.

¹⁴ Country offices are now co-located in 71 percent of locations where both organizations are present.

¹⁵ Fourteen of the countries have either achieved or are on track to meet the universal primary completion goal, while 21 countries – mainly in Sub-Saharan Africa – face major obstacles and require increased and sustained donor support to speed up progress towards the MDG goal.

and tertiary education. Increasingly, IDA will support countries' efforts to strengthen their education systems and, as a global development partner, help build a high-quality knowledge base in education to underpin sound policy, promising innovations and effective instruments. Financing will therefore increasingly be based on the achievements of improvement in the education systems that will lead to higher student retention and improved learning outcomes. Some countries will also need support to reach gender parity at secondary and tertiary levels. An updated education sector strategy for the World Bank is under preparation.

- **Health.** IDA financing in the health sector is focused on providing strategic funding for health system strengthening to enable countries make effective use of aid from other sources, as well as funding critical areas of health programs not covered by other donors.¹⁶ IDA will support country-driven programs that demonstrate results on the ground with a focus on IDA's areas of comparative advantage which include: health system strengthening and governance; health finance reform (including with respect to user fees); and targeted assistance and insurance mechanisms to protect the poor from health risks and economic shocks such as the recent global economic crisis.¹⁷ As part of this effort, IDA will support countries in establishing and/or expanding results based financing (RBF) mechanisms to explicitly link investments to achieving desired health outcomes. IDA will also provide selective support to major disease programs with the aim of complementing the funding from governments and donors for HIV/AIDS and malaria through the World Bank's Malaria Booster Program. It will also support countries' efforts to address two key areas critical for health related MDGs: nutrition, and reproductive health with a focus on high priority countries, as outlined in the World Bank's Reproductive Health Action Plan.¹⁸ IDA will also continue to use its convening role, knowledge and lending to provide leadership in international health partnerships, as well as work to strengthen partnerships at the regional and country level.¹⁹
- **Social Protection.** IDA activities aim to improve earning opportunities and the quality of jobs; improve security for households and communities through better management of risks; and provide assistance for vulnerable groups to improve equity and reduce extreme poverty. In support of these objectives, IDA focuses on labor markets (including eliminating harmful child labor, promoting gender equity, and advancing other

¹⁶ The World Bank (2007). *The World Bank Strategy for Health, Nutrition, and Population Results*. <http://siteresources.worldbank.org/HEALTHNUTRITIONANDPOPULATION/Resources/281627-1154048816360/HNPStrategyFINALApril302007.pdf>. IEG (2009), *Improving Effectiveness and Outcomes for the Poor in Health, Nutrition, and Population. An Evaluation of World Bank Group Support Since 1997*. <http://web.worldbank.org/WBSITE/EXTERNAL/EXTOED/EXTWBASSHEANUTPOP/0,,contentMDK:22153992~menuPK:6080533~pagePK:64829573~piPK:64829550~theSitePK:4422776~isCURL:Y,00.html>.

¹⁷ IDA at Work. *Health: Supporting Country Health Systems in a New Global Context*. p. 2. http://siteresources.worldbank.org/IDA/Resources/73153-1285271432420/IDA_AT_WORK_Health_2010.pdf.

¹⁸ The World Bank (2010). *The World Bank's Reproductive Health Action Plan 2010-2014*. <http://siteresources.worldbank.org/INTPRH/Resources/376374-1261312056980/RHActionPlanFinalMay112010.pdf>.

¹⁹ These partnerships include UNAIDS where the Bank is a co-sponsoring agency; the Global Fund for AIDS, Tuberculosis and Malaria (GFATM) where the Bank is a board member and trustee; the International Health Partnership; the Global Alliance for Vaccines and Immunization; Roll Back Malaria; the Partnership for Maternal and Newborn Child Health; the Advanced Market Commitments; and the Affordable Medicines Facility for Malaria.

internationally agreed workers' rights) and job creation; expanding pensions and old-age income support; strengthening social safety nets; using social funds as community-based mechanisms to improve access to social services for the poor and other vulnerable groups; and encouraging governments to integrate disabled people into their poverty alleviation efforts. In response to the financial crisis, IDA support for social protection programs expanded, particularly for public works and cash-for-work programs that generate temporary jobs and income for low-skilled workers through labor-intensive infrastructure projects. Other activities that IDA supports include cash transfers or food stamps; conditional cash transfers; in-kind transfers (e.g., school feeding programs); and temporary price subsidies. The recent food and economic crises have underscored the need to have well functioning safety nets in place to mitigate the impact of crises on the poor and vulnerable. Effective targeting, payment systems, monitoring and evaluation, and program governance are key ingredients to the success or failure of a safety net system. During the IDA16 period, IDA will continue to provide instruments and financing that enable the poor to minimize the impact of exposure to risk and help them exit poverty and lower their vulnerability. The World Bank is also preparing a new social protection strategy which is scheduled for completion in 2012.

23. ***Cross-cutting themes and issues.*** IDA will continue its focus on cross-cutting themes that complement its sectoral strategies. These include the IDA16 special themes of gender, climate change and fragile and conflict affected countries (which are covered in detail in Sections III.B, III.C and III.D) as well as governance and debt sustainability. All of them are critical for IDA recipients' potential to achieve the MDGs.

- **Gender.** Addressing gender issues, especially empowering women, is critical for making progress on all the MDGs. Through the World Bank's Gender Policy and Gender Action Plan (GAP) IDA is on the forefront of supporting the efforts that IDA countries are making to address gender issues. IDA has worked to ensure that gender concerns are mainstreamed in country strategies, sector work and IDA-financed operations. Building on the work of the GAP, IDA will continue to promote women's economic empowerment in line with its comparative advantage. Further efforts to strengthen gender mainstreaming and to make progress on gender-related MDGs are described in Section III. B.
- **Climate change** presents an urgent challenge to the well-being of all countries and particularly to the poorest countries as it adds to the cost of achieving the MDGs. Deputies took note of the outcome of the Cancun Conference of Parties at which a number of relevant and important agreements were made under the UN Framework Convention on Climate Change (UNFCCC) that will likely influence the ability of IDA countries to eventually access additional resources to address climate risks and shift towards low carbon growth. Of particular relevance to IDA are: (i) financing, where formalized, including provisions of fast track financing, with priority given to adaptation funding for the most vulnerable countries; and (ii) a process was agreed to establish a Green Climate Fund with the World Bank as the interim trustee. The Cancun Agreement recognizes that the most effective way to assist IDA countries is to support them in their efforts to build resilience to climate change in their social and

economic development programs through mainstreaming climate change in country strategies and by analyzing the impacts of climate change on its projects. IDA's support is guided by the World Bank Group's Strategic Framework for Development and Climate Change (SFDC). The SFDC and the various regional and sectoral strategies tied to it stress the role of IDA as the main platform for funding and mainstreaming climate change into development, through sector operations. While IDA cannot provide all the necessary funding for adaptation, it is well suited to be at the center of a coherent and integrated system for supporting adaptation and mitigation efforts, consistent with global agreements on climate change financing that are expected to emerge. IDA also plays a growing role as a conduit for climate financing such as Climate Investment Funds (CIFs) and the Pilot Program for Climate Resilience (PPCR). Additional areas of emphasis on climate change are outlined in Section III. C.

- Fragile and Conflict Affected Countries (FCCs) pose a special challenge for IDA as they have higher levels of poverty and lag behind other IDA countries in their progress towards the MDGs. The poor development outcomes in fragile states result from weak institutions, poor governance, unstable political environments, and in some cases, ongoing violence or lingering effects of past severe conflicts. While these factors undermine the effectiveness of aid, IDA has in recent replenishments significantly strengthened its capacity to support state-building and peace-building in FCCs. Recent reforms include both enhancements of IDA's financial capacity to support FCCs, as well as operational reforms aimed at increasing IDA's effectiveness in FCCs and as a partner with other agencies involved in these countries. IDA's work in FCCs is evolving in line with the latest findings regarding operational effectiveness; the forthcoming World Development Report (WDR) for 2011 on Conflict, Security and Development will further add to IDA's and the development community's understanding of the complex set of issues that need to be addressed in FCCs. Additional areas of emphasis in FCCs are outlined in Section III. D.
- Governance. Strengthening governance and fighting corruption are critical for poverty reduction, better management of risks, and effectiveness of development interventions. The World Bank Group's Governance and Anti-Corruption (GAC) Strategy supports these goals by strengthening GAC elements across country and sector programs and projects and at the global level, including through support to the implementation of international conventions and initiatives.²⁰ The WBG is currently preparing a strategic plan for the second phase of the implementation of the GAC Strategy. During the IDA16 period, IDA will continue to support recipients to improve their governance environments and reduce corruption for better service delivery and development outcomes. At the country level, IDA will help strengthen state capacity and accountability (through improving public financial management, procurement, auditing, judicial and legal systems and civil service and transparency reforms); public management and governance in sectors (infrastructure, extractive industries, education and health, among others); transparency in decision making; private sector reforms; and involvement of beneficiaries and other stakeholders in

²⁰ For example, the OECD Anti-bribery convention, the United Nations Convention against Corruption (UNCAC), the Extractive Industry Transparency Initiative (EITI) and the Stolen Asset Recovery Initiative (StAR).

policy-making and oversight (including Parliamentarians, civil society and local government bodies). IDA will also ensure the highest fiduciary standards in its operations by preventing opportunities for corruption through improved project design, greater disclosure, enhanced participation and strengthened monitoring and supervision. Lastly, to enhance accountability and ownership, IDA will strengthen its contacts in recipient countries with parliaments and Civil Society Organizations as well as continue to work through international organizations such as the Parliamentary Network on the World Bank.²¹

- **Debt Sustainability.** IDA has been a leader in supporting low income countries' (LICs) efforts to achieve debt sustainability. IDA has delivered support in the form of debt relief under the HIPC and MDRI initiatives with commitments for financial support from its donors, which has reduced substantially the debt vulnerabilities of many HIPCs. Achieving debt sustainability, however, remains a challenge for many IDA recipients, in particular in light of the global economic crisis. In this regard, IDA has taken steps to help countries in their efforts to preserve the gains from debt relief and better manage their debt profile and associated financial risks. These include: developing the joint World Bank-International Monetary Fund (IMF) Low-Income Countries Debt Sustainability Framework (DSF); operationalizing the DSF by linking it to IDA's grant allocation framework; formulating a Non-Concessional Borrowing Policy (NCBP) to help countries avoid a rapid re-accumulation of debt; and developing tools designed to help countries strengthen their debt management capacity and institutions. In this context, Participants noted their strong support for the joint World Bank and IMF outreach activities to encourage other creditors – both multilateral and bilateral – to harmonize their lending practices broadly along the lines suggested by the risk assessments contained in joint Bank-Fund Debt Sustainability Analyses (DSAs). During the IDA16 period, IDA will continue to assist countries in these areas. This would be supported by an active outreach program, as the effectiveness of these policies and tools hinges on their broader understanding by both creditors and borrowers alike.

24. **IDA's role at the regional level.** IDA helps countries jointly address regional challenges – including the provision of regional public goods – through regional projects. Participants noted that IDA's regional projects have, since IDA13, supported three critical areas: management of shared natural resources, integrated or harmonized treatment of trans-boundary issues, and achievement of common national objectives such as regional integration. They underscored that IDA regional projects have played a critical role in interconnecting the electricity grids of neighboring countries and developing regional power pools and energy markets; facilitating transport connectivity and trade corridors for land-locked countries and creating conditions for improved trade between countries; preventing the spread of communicable diseases (e.g., HIV/AIDS) across borders; and supporting regional payment systems and capital market development. Participants recognized that IDA's pipeline of regional projects has grown rapidly, reflecting an increase in demand, particularly in Africa as well as in the other regions, with a total commitment of about SDR 400 million per year during the IDA15

²¹ The importance of Civil Society Organizations (CSOs) in the development process was recognized in the Accra Agenda for Action.

period. They urged Management to strengthen efforts to implement the ongoing regional IDA portfolio. In view of the growing demand for regional solutions, Participants recognized that a further scale up of regional projects funds during the IDA16 period (including the grant-based support for regional organizations) is needed to enable IDA to continue supporting the goal of regional integration and collaboration, which is an important element in the overall IDA mandate of growth and poverty reduction. In pursuing this goal, Participants noted the importance of working closely with regional entities, including the regional development banks (RDBs). In this regard, they noted the continuation of the pilot program for grants-based support for regional organizations and requested that Management report on progress under this pilot at the IDA16 Mid-Term Review.

25. ***IDA's role at the global level.*** IDA will continue to play an important role at the global level, drawing upon the entire World Bank Group analytical capacity and operational experience to find solutions to global and regional development challenges. IDA participates in ongoing global and regional partnerships working closely with agencies of the United Nations (UN) and regional multi-lateral development banks, and also coordinates closely with the IMF. IDA supports countries with integrating and mainstreaming global and regional public goods into national development strategies in many areas including addressing communicable diseases such as HIV/AIDS and malaria; international trade systems; and climate change.

26. ***IDA working groups.*** In keeping with IDA's leadership role in generating knowledge on development, Participants supported the creation of four informal working groups to facilitate in-depth discussions of selected topics of interest: (i) development results; (ii) IDA's long-term financial sustainability; (iii) inclusive growth; and (iv) fragile and conflict-affected countries. Participants endorsed broad principles to guide the operation of the working groups, notably that they should be consultative rather than decision making, transparent, cost-efficient, and membership should be voluntary and inclusive (with participation from donors, recipient countries, and Bank staff). They also agreed that the working groups could schedule events to share ideas and feedback on their work on the margins of the Spring or Annual World Bank-IMF meetings. In addition, IDA Management has offered to organize periodic IDA fora at the margins of the Spring and Annual Meetings that would provide a further opportunity to debate development issues.

SECTION II: DELIVERING DEVELOPMENT RESULTS

27. IDA has a strong track record in delivering results, including by playing a platform role for other donors, and is an effective partner to help poor countries achieve their long term development objectives. IDA has also been at the forefront of developing results concepts and frameworks for monitoring and assessing the impact of its efforts and continues to strive to strengthen its results focus to increase efficiency and accountability. Participants noted that the accountability for results is part of a robust World Bank Group evaluation and accountability mechanism which includes: the Board of Executive Directors, an Independent Evaluation Group and an Inspection Panel. Within the WBG, there is also a comprehensive internal accountability framework which includes self evaluation of every activity, development results monitoring systems (including IDA's Results Measurement System) and other fiduciary accountability mechanisms (including the Institutional Integrity and Internal Audit Departments).

28. Participants emphasized the importance of improving communication of IDA's results to donors, clients and other external audiences, particularly from the perspective of strengthening social accountability in recipient and donor countries and demonstrating the difference IDA makes on the ground. Participants welcomed the *IDA at Work* stories and briefs, and noted Management's efforts to enhance ways of providing web-based access to quantitative and qualitative data on IDA results at the country level. They welcomed Management's ongoing efforts to build a "Results Mapping Platform" based on the Open Data Initiative and Management's commitment to geo-code 100 percent of IDA supported operations during the IDA16 period.²² This is expected to provide country-specific visualization of IDA projects and the capability to overlay them with MDG and other indicators and conduct associated analysis. It should also increase transparency and social accountability and strengthen country dialogue and civic engagement.

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

30. Participants reiterated the importance of the IDA Results Measurement System which has been a central pillar of IDA and has built a strong results culture in the institution. 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 and ensure that managing for development results remains the driving force behind all IDA work. Participants recognized that during IDA15, IDA ramped up its ability to monitor and measure development results and improved the quality of its operational work, and Management has continued to track results performance through the RMS. They looked at recently collected data on development results as measured by the IDA15 RMS and noted that the strengthened results frameworks of the programs and projects funded by IDA have supported consistently high levels of satisfactory development outcomes.

31. Participants urged Management to further strengthen the RMS for the IDA16 period, building on the extensive effort over the last decade to foster a results orientation in IDA. In particular, they endorsed the expansion of the RMS from a two-tier system in IDA15, to a four tier system in IDA16. They noted that this expansion will provide IDA with a more complete framework to support the achievement of development results with client countries, and should help to strengthen IDA's effectiveness and efficiency. They also noted that the expansion and restructuring of the RMS will allow for a clearer distinction between development results achieved by IDA countries, including sectoral outputs and outcomes (in the enhanced Tiers 1 and 2) and the operational and organizational effectiveness of IDA (in the new "IDA Report Card" – Tiers 3 and 4). The new RMS will allow for greater consistency with the approaches that other

²² Operations will be geo-coded at least to the sub-national level.

Multilateral Development Banks (MDBs) are adopting. Details of each tier of the RMS are provided in sub-sections B through E below, and the revised RMS tables are presented in Annex 1. Participants also welcomed IDA's efforts to capture the impact of IDA's support to long-term development outcomes and actions designed to strengthen IDA's capacity to deliver results, including with respect to the role IDA plays in the international community, and the corporate internal reforms agenda. Participants also welcomed several actions associated with developing and refining monitoring indicators (included in the Matrix of Monitorable Actions, Table 5 of Annex 1) that would constitute the building blocks for the further strengthening of the RMS over the course of IDA16 and beyond.

A. Review of Results

32. **Progress on IDA country outcomes (Tier 1 of the IDA15 RMS).** Participants noted that while progress in country outcomes cannot be attributed to IDA alone, IDA has been at the forefront of supporting these results through financing, policy dialogue, and knowledge and analytical work. They welcomed the progress made, including on:

- **Poverty:** IDA countries have achieved significant progress in reducing poverty. The proportion of people in IDA countries living on less than US\$ 1.25/day²³ declined to 42.4 percent in 2005, the last year for which aggregate estimates of poverty rates are available (compared to 51.4 percent in 1990 and 46.4 percent in 2002). Poverty reduction has been underpinned by faster growth: between 2005 and 2008, the average annual GDP per capita in IDA countries grew by 5.8 percent, more than double the average rate of growth of the same countries between 1990 and 2005.
- **Regulatory reform:** Improvements have also been solid with respect to the reduction of regulatory obstacles to private sector development and access to basic infrastructure. The cost required to register a start-up has dropped by about one-quarter between 2006 and 2009, and the time required has dropped by about one-fifth, making it cheaper and faster to register a new business in IDA countries.
- **Access to services:** In 2007, almost 62 percent of IDA households had electricity, up from 55 percent in 2004. In 2006, 77 percent of the population in IDA countries had access to an improved water source, nearly 14 percentage points higher than in 1990. Most IDA countries have seen progress in the number of phone subscribers per 100 people, and four-fifths have experienced an annual growth rate of greater than 25 percent.
- **Human development:** Progress has been slower on human development goals, particularly maternal and child mortality, and universal access to reproductive health. There have been some encouraging gains in halting and beginning to reverse the spread of major communicable diseases such as HIV/AIDS and malaria, but progress must be accelerated if the MDG targets are to be met. Even though maternal mortality has dropped by 34 percent, the annual rate of decline is less than half of

²³ The extreme poverty line was updated following the availability of the 2005 benchmark Purchasing Power Parity (PPP) estimates in 2005, as were the poverty headcount estimates at country and global level.

what is needed to achieve the MDG5a target. And target 5b, achieving universal access to reproductive health, is widely acknowledged as the furthest off-track of all MDGs. Still, the primary school completion rate increased by 4 percentage points and 80.4 percent of children of graduation age were able to complete their primary education. The ratio of girls' primary and secondary enrollment to boys' increased from 88.6 percent to 90.7 percent.

33. **IDA's contribution to country outcomes (Tier 2 of the IDA15 RMS).** Participants also reviewed the impact of the assistance that IDA is providing and noted steady improvements in IDA's contributions to development outcomes.²⁴ They also noted that the results of both Tier 1 and Tier 2 of the RMS are underpinned by IDA's financing, policy advice, analytical work, and its unique capacity for cross-sectoral knowledge and integration. They welcomed progress made, including:

- **Progress at the project level.** Over three quarters of IDA-financed projects achieve their development objectives. IEG evaluations indicate that satisfactory project outcomes at exit steadily improved from 64 percent during IDA11 to 74 percent currently.
- **In terms of IDA-financed project outputs and outcomes, significant progress has been achieved over the past 10 years.** In education, IDA-funded activities helped train and/or recruit 3.2 million teachers, construct or rehabilitate 2.2 million classrooms, and purchase and distribute 279 million textbooks, benefitting over 100 million children. In the health sector, IDA assistance helped provide 47 million people with access to a basic package of health, nutrition or population services. In addition, 2.5 million pregnant women received antenatal care during a visit to a health provider, and 310 million children were immunized and 98 million received targeted interventions to improve nutrition, including Vitamin A doses and deworming. In infrastructure, IDA-funded projects helped construct or rehabilitate 118,000 kilometers of roads. Furthermore, 113.5 million people were provided with access to improved water sources and 5.8 million received access to improved sanitation facilities.

B. Delivering Further Progress on Development Indicators (Tier 1 of the IDA16 RMS)

34. Participants noted that Tier 1 of the RMS will continue to measure key development indicators in IDA countries, in the broad areas of growth and poverty reduction, governance, PSD and infrastructure, and gender and human development. This tier thus captures the efforts of IDA countries and the broader community of donors supporting these countries, to which IDA contributes. Participants welcomed the introduction of three new indicators on gender: (i) the ratio of female to male labor force participation; (ii) the maternal mortality ratio; and (iii) the adolescent fertility rate. They also welcomed a revised public financial management indicator

²⁴ IEG (2008). *Annual Review of Development Effectiveness*, <http://web.worldbank.org/WBSITE/EXTERNAL/EXTOED/EXTANNREVDEVEFFE/EXT2008ANNREVDEVEFFE/0,,contentMDK:21652456~menuPK:4683631~pagePK:64829573~piPK:64829550~theSitePK:4683541,00.html>. IEG (2009). *Annual Review of Development Effectiveness 2009: Achieving Sustainable Development* <http://www.worldbank.org/ieg/arde09/>.

that would measure the quality of public financial management on a scale from 1 (low) to 6 (high) and new indicators on the prevalence of malnutrition and on CO2 emissions.

C. Supporting Development Results (Tier 2 of the IDA16 RMS)

35. Tier 2 of the RMS measures how IDA is supporting country development results. First, Tier 2 tracks indicators that measure the overall outcomes of IDA's CASs, operations and analytical and advisory activities (AAA). Participants welcomed the introduction 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. They also welcomed the introduction of estimates of projected outputs by 2015 for the seven indicators for which data is available.

36. **Results-based CASs.** Participants noted IDA's continued efforts to improve CASs to ensure that IDA programs are aligned with country priorities and serve as a platform for partners at the country level. They welcomed the mainstreaming of results-based CAS so that all CASs now have results frameworks to monitor the results of all IDA resources and programs and donor mapping information.

37. **Enhancing achievement of IDA products' development outcomes.** Participants noted IDA's efforts to ensure satisfactory achievement of operations' development outcomes and welcomed efforts to help enhance those of operations in fragile and conflict affected countries. They also noted Management's intention to improve the impact of analytical and advisory activities. In addition, Participants welcomed Management's plans to expand reporting on indicators from the current four sectors (education, health, infrastructure and water) to seven sectors during IDA16.²⁵ While IDA cannot set targets for these sectoral outputs and outcomes given its country-driven approach, Participants welcomed the inclusion of indicative projections for the IDA16 period based on current sectoral trends.

38. Participants also welcomed Management's commitment to better capture the impact of IDA's support on long-term development outcomes such as institutional development and public sector governance. They noted Management's plans to develop and pilot a self assessment methodology to better capture and monitor across countries the quality of IDA's country engagement. This self-assessment will complement the quantitative data on IDA's support to outputs and outcomes and IDA results briefs, enabling IDA to present a more comprehensive view of IDA's support to development results.

D. Increasing the Operational Effectiveness of IDA Products (Tier 3 of the IDA16 RMS)

39. Participants noted the addition of a third tier to measure how IDA is increasing the operational effectiveness of its products, notably overall quality, the results-orientation of operations (including through the use of impact evaluations), the strengthening and use of country systems and the performance of IDA's portfolio. They welcomed the inclusion of

²⁵ Additional indicators would be developed for the urban, information and communication technologies (ICT) and micro, small and medium enterprise (MSME) sectors.

“performance standards” indicators which define the norms of operational effectiveness that IDA should maintain to be considered performing in a satisfactory fashion. They also welcomed the introduction of indicators to monitor progress on IDA16 Special Themes.

40. Participants noted the importance of monitoring and evaluation (M&E) of IDA operations throughout the project cycle including the preparation, implementation, and completion phases. They welcomed Management’s continued emphasis on ensuring that: (i) IDA operations have appropriate results frameworks and monitoring and evaluation systems as part of project design; (ii) adequate baseline information is included in the Implementation Status and Results (ISR) Report at the start of project implementation; and (iii) the information on the results achieved through the project are adequately captured in the Implementation Completion and Results (ICR) Report.

41. **Impact evaluation.** Participants welcomed Management’s adoption of a corporate strategic approach to the use of impact evaluations²⁶ to enhance learning from IDA supported interventions on what worked well and what did not. A key element of this will be to increase the number of projects with appropriate evaluation frameworks, continue efforts to improve their quality, and enhance the learning stemming from the evaluation process in IDA projects to strengthen feedback loops for project design. There will be several elements to this approach. First, IDA will work to improve monitoring systems of all projects, and strengthen evaluation designs in all new IDA projects. Second, Management will outline the range of monitoring and evaluation techniques and map out which approaches are appropriate for each category of IDA projects. Finally, IDA will strengthen its program of impact evaluation by deploying a more strategic approach to selecting projects for impact evaluation. Participants noted that the World Bank is already engaged in a widespread program of impact evaluations in IDA countries to strengthen the evidence base for IDA’s assistance. This program includes impact evaluations that are directly linked to IDA-supported operations and activities, as well as those that help to strengthen government analysis and programs. In total, the number of impact evaluations that are currently undertaken in IDA countries is about 37 per year under the Development Impact Evaluation (DIME) initiative. The annual average over the last three years for IDA operations is about 14 per year. Participants welcomed Management’s plans to increase the number of impact evaluations directly associated with IDA operations by 20 percent to at least 17 per year during the IDA16 period, and to improve the process for selecting projects for impact evaluation.

42. Participants noted that Management will convene a panel of experts to make recommendations on how to strengthen the Bank’s program of impact evaluation, including the selection framework and associated issues of financing and implementation. The panel’s work will include defining the appropriate criteria and process for selecting projects and incentivizing evaluability across all projects. This work will be based on an assessment of the benefits and shortcomings of different selection methods, potentially including some combination of the random selection of projects and the use of criteria related to knowledge gaps, cost-benefit, and technical feasibility and country program buy-in. Based on the findings of the panel of experts, Management will finalize the strategic selection framework and associated financing and

²⁶ Impact evaluations are defined as any quantitative assessment of the outputs, outcomes or impact of a project intervention relative to a well-specified (and measurable) counterfactual. The counterfactual could be specified in different ways, ranging from randomized assignments with a control and treatment group to propensity score matching techniques or other methods that isolate cause and effect in a credible and measurable way.

implementation plans by April 2011, to be applied at the outset of the IDA16 period. Management will also inform the Board about the strategic selection framework and associated financing and implementation plans before the end of FY11 and update IDA Deputies at the IDA16 Mid-Term Review on progress in implementing this framework. The findings from impact evaluations, including data, results and lessons learned, would be used to further improve the development effectiveness of IDA operations. They would be widely disseminated outside the World Bank to allow others to benefit from IDA's experience.

43. *Aid effectiveness.* IDA's shareholders have been keen proponents of the aid effectiveness agenda, and included this as a main component of IDA15. IDA has demonstrated its support for this agenda by meeting its IDA15 commitments and by making significant progress toward meeting the Paris Declaration monitoring targets. IDA has been in the forefront among development partners in holding itself accountable for the broader aid effectiveness principles of the Accra Agenda for Action, and works behind the scenes to support numerous initiatives related to aid effectiveness.

44. Participants underscored the importance of IDA's collaboration and coordination with other donors, either in a leadership role or following the lead of others to help align donor programs with country priorities. Participants urged IDA to continue to monitor its performance and provide guidance to staff in this area, drawing from findings of external reviews (e.g., the Multilateral Organization Performance Assessment Network – MOPAN) as well as internal reviews of aid coordination processes at the country-level. They also supported the strengthening and use of country systems, building on ongoing work in areas of public financial management, procurement and safeguards. As a vehicle to identify partner relationships at the country level, IDA continues to improve donor mapping information in CASs and integrate activities financed through World Bank administered trust funds into CASs.

45. To signal the importance of IDA's aid effectiveness commitments, key aid effectiveness indicators – on the use of country financial management and procurement systems, coordinated analytical and advisory activities, and the predictability of IDA's lending – are included in the RMS and will be refined in light of experience.²⁷

46. Participants also acknowledged the work since 2005 to reform the World Bank's policy-based lending instrument (development policy lending, DPL).²⁸ They welcomed the progress made in ensuring that DPLs support country-owned policies and institutional reforms and development results, and in using poverty and social impact analysis to inform them. Participants strongly encouraged IDA to support the use of poverty and social impact analysis in order to help inform the development programs of IDA countries, as well as IDA-financed

²⁷ These four indicators will be measured initially in conjunction with the Paris Declaration Survey process, using the DAC definitions and measures and the sample of countries responding to the Survey. IDA performance standards for collaborative AAA and aid predictability will remain as defined by DAC targets (66 percent and 71 percent respectively). Performance standards for use of country systems (financial management and procurement) will be increased to 65 percent (financial management) and 55 percent (procurement) from the current DAC target of 50 percent, to provide an appropriate reach for IDA relative to the measure of current performance. After the 2011 Paris Declaration Survey, the definitions and measurement of these indicators will be revisited – to reflect best practice measurement – and incorporated into the RMS prior to the IDA16 Mid-Term Review.

²⁸ If the projected share of IDA commitments for development policy operations exceeds 30 percent for any future year, it was agreed that Management would seek additional guidance from IDA's Executive Directors.

operations. They further asked IDA to encourage the routine use of poverty and social impact analysis in macroeconomic policies. Participants urged the continuation of efforts to improve the use of poverty and social impact analysis in DPLs, and asked Management to report on this, as well as on collaborative DPLs, in the next DPL Retrospective. Recognizing the centrality of country ownership and policy space, Participants underscored the importance of robust country systems and a continued focus on capacity building. In this context they welcomed and urged continued progress under the Good Practice Principles on conditionality. Participants also welcomed the forthcoming proposal for a Results-Based Lending (RBL) instrument, which will be presented to the Board for approval during 2011.

47. During the IDA15 period, IDA completed a comprehensive assessment of internal controls over IDA operations and has implemented a robust plan of actions to address identified gaps. Participants encouraged Management to finalize actions on IDA's controls by year end. Following this, the process will revert to monitoring and evaluation through regular channels, including the new Integrated Risk Management Report, IDA reviews and IEG evaluations.

E. Increasing Organizational Effectiveness (Tier 4 of the IDA16 RMS)

48. Participants welcomed the addition of a fourth tier to the RMS, with indicators that measure how IDA is improving its organizational effectiveness to respond better to clients. They noted that the fourth tier reflects the comprehensive internal reform effort that the World Bank is undertaking to further enhance efficiency, effectiveness, and value for money in achieving development results, notably in IDA countries:

- to *modernize services*, Participants welcomed the overhaul of the investment lending instrument to focus on results, increase speed of delivery, improve risk management and implementation support, and better align services with Government priorities and the efforts of partners in the field. Participants also noted that design of a results-based instrument is underway, building on the earlier use of result-based approaches, which would strengthen the linkages of IDA disbursements and results. At the same time, knowledge services are being enhanced to create incentives for capturing, sharing, and disseminating knowledge quickly to staff and clients; revitalize knowledge products; and strengthen technical teams.
- to *support the reforms*, Participants noted the implementation of complementary reforms to foster human resource development and diversity; revamp information technology systems to support knowledge sharing and improve connectivity for country offices and staff; and reform the budget process to strengthen the focus on results, expand planning and budget discussions to trust funds, and streamline and simplify budgeting, planning, and performance systems, while continuing to focus on cost efficiency.
- to *enhance transparency*, Participants noted that the World Bank has also pioneered numerous transparency efforts, moving from an era of publishing select information to broad institutional transparency through its new Access to Information Policy and the Open Data initiative which have made valuable Bank information and data readily

available to the public, as well as the ongoing geo-coding of IDA supported operations. It also works extensively to further transparency and accountability among a variety of constituencies in partner countries.

- to ***increase the effectiveness of its internal operation***, Participants welcomed recent efforts made to reduce lending costs and increase speed of delivery. They also noted that the World Bank operated in a flat real net administrative budget environment under IDA15, while scaling up its commitments and disbursements, continuing to serve as a platform for the donor community and increasingly doing analytical and advocacy work on global issues.

49. Participants urged the World Bank to accelerate the implementation of these reforms during IDA16. They welcomed the additional indicators included in the RMS which measure IDA's organizational and operational effectiveness – to ensure that IDA achieves “value for money”, notably indicators on speed and cost of operational delivery and the numbers and levels of staff and responsibilities located in the field. These indicators reflect areas where Management is currently focusing attention; as such these areas will be monitored closely during the IDA16 period to review progress against performance standards. They also noted Management commitment to continue to operate the World Bank on a flat real net administrative budget during the FY11-13 planning cycle and to continue to pursue cost savings measures.

50. Participants supported the implementation of near-term measures to further strengthen IDA's field presence and move decision making authority to country offices, especially in fragile states. They supported Management's plans to review decentralization over the medium term in consultation with the Board, focusing on issues of cost effectiveness, efficiency and the incentives for moving highly skilled staff to the field and ensuring an appropriate skills mix in field offices. The goal is to combine close-to-the-client service, the ability for the client to tap top-flight global expertise quickly and easily, and strong central capabilities to guide a unified effort.

51. With the inclusion of these and other new indicators, the IDA RMS will contain robust information to monitor IDA's performance throughout the cycle from strategy formulation, to design to completion. The information from this monitoring system supports Management's efforts to monitor the overall quality of IDA products, as well as the effectiveness of the processes that are in place across the institution to maintain high quality in: (i) design (where systems are in place to ensure that good practices from research, evaluations and other analysis, and monitoring systems are incorporated into project and program design); (ii) implementation (where supervision reports are now disclosed in keeping with the Access to Information Policy and monitored regularly for outcome data); (iii) completion (where results data from ICRs are assessed, and all products are scrutinized through self- and independent evaluations); and finally (iv) ex-post in-depth evaluations (which are undertaken for a sample of products by the DIME Initiative, by IEG and by IDA project and country teams) to complete the learning and feedback loop for the next generation of new/restructured products.

F. IDA's Role in the International Community

52. Beyond the many measures which will be monitored through the RMS, Participants underscored the importance of IDA's continuing role as a platform for the effective delivery of aid, particularly given the increasingly complex global aid architecture. This role includes: convening and collaborating with other development partners at the global, regional, and at the country level, working with development partners to support country leadership of its own development agenda. The nature of IDA's role will vary across countries and depend on government demand for IDA services, government capacity and the comparative advantage of donors and partners.

53. **Global leadership.** Participants welcomed the leadership role that IDA has been playing among the MDBs and other multilaterals in terms of developing and disseminating policies and practices for aid effectiveness (e.g., on conditionality). Participants also noted IDA as having a unique global role, especially as a convener of development partners and a connector of South-South experience, promoting international initiatives (e.g., International Aid Transparency Initiative), and leading MDB Groups (COMPAS, MDB working groups on Results, Aid Effectiveness, Public Financial Management, Procurement, and Safeguards). IDA has supported efforts to bring broader perspectives to the agenda, notably by playing a key role to engage partner countries at the third High Level Forum (HLF3) in Accra in 2008, by working with emerging donors on the South-South cooperation agenda, and by supporting the preparation for HLF4 in Korea in 2011.

54. **Leadership on issues.** Participants acknowledged that the World Bank is called upon to lead by example, implementing cutting-edge policies to make the institution more effective. For instance, the World Bank is considered to be a front-runner in its Access to Information Policy, Open Data Initiative, its good practices on conditionality, its results frameworks, and its standards setting on fiduciary policies and debarment. Participants noted the World Bank's leading efforts in the area of aid predictability and aid on budget are particularly important for IDA countries, which are more heavily dependent on relatively fragmented and unpredictable aid. As Co-Chair of the Task Team on Predictability and Transparency under the auspices of the Working Party on Aid Effectiveness and Donor Practices (WP-EFF), the Bank is leading the work to examine ways to improve aid predictability for all development partners. Participants welcomed this work as well as work on IDA's own practices with "putting aid on budget" to further improve its good performance in these areas.

55. **Strengthening country ownership and institutional capacity over development strategies.** IDA's work to spearhead and mainstream PRSPs, and monitor their implementation by clients, has benefited all development partners. In addition, IDA is continuing to develop standards for country systems and diagnostic tools to assess the adequacy of these systems, and is working with other donors to agree on common frameworks for analysis and capacity building to move countries toward greater reliance on their own systems. Also, IDA has increasingly used and will continue to use the analytical tools available, together with other donors where possible. IDA has also increasingly worked and will continue to strengthen its dialogue and engagement with Parliaments, civil society and local government bodies to foster broader ownership of the development process.

SECTION III: SPECIAL THEMES

56. At the first IDA16 replenishment meeting held in March 2010, Participants agreed that development results should be the overarching theme for IDA16. Within this overarching theme Participants selected crises response, gender, climate change, and fragile and conflict affected countries as the “special themes” for IDA16. Participants discussed these themes during the second and third IDA meetings and their findings and recommendations on each special theme are summarized below. These special themes recommendations are an integral part of the IDA16 results package and complement the specific improvements to the RMS described in the preceding section.

A. Special Theme 1: Enhancing IDA’s Capacity to Respond to Crises

57. **IDA countries and crises.** IDA countries are subject to a variety of crises and emergencies that can undermine their social and economic development efforts. These include natural disasters – such as earthquakes, floods, droughts, tsunamis and storms – and economic shocks such as the recent global food, fuel, and financial crises. Participants noted that IDA countries have limited capacity to address the impact of such crises given their limited resources, environmental vulnerabilities, infrastructure limitations, lack of economic diversification, and often poorly developed formal safety nets. The long-term effects of severe crises often include lower growth, destruction of public and private assets, and declines in government revenues. Furthermore, revenue decline can reduce resources for core development spending, including resources to mitigate the poverty, social and economic impact of the crisis.

58. **IDA’s role.** Participants noted IDA’s long-standing involvement in various aspects of crises response, including the provision of exceptional financial support. Such support has been provided in the aftermath of both major natural disasters and when countries are hit by severe exogenous economic shocks such as in the recent global economic crisis. IDA’s comparative advantages in crisis response have included its ability to work closely and collaboratively with other organizations (including the UN and IMF), to build on previous analytical work and operational portfolio, its flexibility and global reach, and its ability to link short-term crisis mitigation and long-term development objectives. Participants also noted that in the absence of a dedicated funding mechanism, this assistance has been provided through an *ad hoc* approach, generally by restructuring existing projects or reallocating resources within country portfolios, thus diverting resources from long-term development activities, or through trust funds which may be slow to set up, or, in the case of natural disasters, exceptional IDA allocations.

59. **Establishment of the Crisis Response Window.** Participants supported the establishment of a dedicated Crisis Response Window (CRW) within IDA. They noted that the primary purpose of IDA resources is to support long term development in low income countries, which includes building resilience so that they are less prone to being affected by crises and are better able to handle the impact of those that do occur. The CRW, and its resources deployed for severe economic crises and natural disasters, are a necessary complement to this primary mission that will help countries return to their long-term development paths. Increasing globalization, the threats arising from climate change and environmental degradation, and population pressures that force people to live in areas exposed to natural disasters are all contributing to the need for IDA to be able to support and reinforce a strong international response when emergencies do

occur. The creation of the CRW will provide an important additional tool for the international community to respond to severe natural disasters, or the re-occurrence of severe economic crises.

60. As in all of IDA's work in responding to crises, coordination both with the affected countries' governments and with other agencies is critical. IDA will continue to work closely with all its partners and focus its interventions on areas where it has an existing role and key comparative advantages. This means that in the case of severe natural disasters, IDA would aim to complement the primary mandate of the UN for providing emergency relief, with IDA's efforts aimed at supporting safety nets for affected groups and restoring basic physical assets destroyed by the disaster. In the case of severe economic crises, IDA's role would be to help mitigate the impact on vulnerable groups and protect core development spending at risk in health, education and infrastructure. The CRW would thus complement IMF's role as the first responder to the macro-economic effects of severe economic shocks with balance of payments implications.

61. **Objectives of the CRW.** Participants noted that establishing a dedicated crisis response mechanism, as opposed to *ad hoc* funding arrangements, would not only address the issues of timeliness and additionality, but would also give IDA added flexibility with which to respond to crises and emergencies, and to do so in a manner that is both transparent and predictable. They asked that the new mechanism should strengthen IDA's capacity to participate in global efforts to rapidly respond to severe crises, in partnership with UN agencies, the IMF, other MDBs and bilateral donors. Furthermore, the CRW would provide resources that are additional to the regular IDA allocations of countries severely impacted by crises.

62. **Design of the CRW.** Participants agreed that, to meet these objectives, CRW resources should only be accessed after an exogenous shock such as a major natural disaster or a severe economic shock. Financing from the CRW would form part of a concerted international response and would only be accessed as a last resort.²⁹ Participants noted that while all IDA countries could potentially be eligible for CRW support, actual access to CRW resources would be linked to country-specific circumstances (e.g., magnitude of crisis impact, access to alternative sources of financing, etc.).

63. **Responding to natural disasters.** In the case of natural disasters, the CRW would target events that are exceptionally severe. The proposed procedures for responding to such events build on the authority already provided under IDA replenishments to allocate resources on an exceptional basis but would also add guidance regarding the amount of resources that would be made available. However, this guidance would not rely on a simple formula, due to large differences between IDA recipients and how they can be affected by crises. Management would consult with the IDA Board shortly after the disaster occurs, and indicate to the Board that access to CRW resources would form an appropriate part of the response from the World Bank Group. Participants urged coordination and complementarity with the UN, in particular with the Office for the Coordination of Humanitarian Affairs (OCHA). Management would subsequently seek Board approval for the crisis response operations and funding levels (see Annex 3 for additional details on CRW processes).

²⁹ The terms of assistance from the CRW are identical to those under which IDA assistance is provided to a particular country.

64. ***Responding to economic crises.*** In the case of economic crises, the CRW would target severe economic crises caused by exogenous shocks that affect a significant number of countries, thus reducing the potential for moral hazard. Specifically, Participants asked that the crisis be expected to result in a widespread or a regional year-on-year projected decline of GDP growth of at least 3 percentage points in a significant number of IDA countries.³⁰ The 3 percentage point decline in growth would be the threshold to identify countries that could be eligible for CRW support. This preliminary ring-fencing would be vetted by an analysis of available fiscal and other relevant data in line with the CRW objective to protect core spending in the short-term and avoid derailing long-term development objectives. As a result, countries where the crisis did not have a significant fiscal impact could be excluded from access to CRW resources, even if they did experience the 3 percentage point decline in projected GDP growth.

65. Participants also agreed that in the event of a severe price shock that did not result in a GDP growth decline in line with this trigger, CRW support could be considered on an exceptional basis if: (i) the shock is broad based and deemed severe in terms of fiscal impact (i.e., additional spending for targeted interventions to protect vulnerable groups); (ii) there is consensus that a concerted international response is needed; and (iii) the existing IDA allocations of affected countries are deemed insufficient to provide an adequate response.

66. Participants requested that the Board be involved in the entire process of determining the country eligibility and all stages of resource allocation. Management would present for approval by Executive Directors its analysis of the nature of the shock and of the severity of the impact on IDA countries and its recommendation to trigger access to the CRW resources. Where an economic crisis has significant balance-of-payments implications for multiple countries, Management would also reflect the views of IMF staff on the overall extent and nature of the shock in a distinct section of the Board paper and, to the extent possible, the impact on individual countries and relevant information regarding their macroeconomic policy frameworks, drawing on IMF staff analysis including existing publicly available IMF report(s). In addition, the paper would be made available to IMF Management, and IMF Management would be invited to the Board discussion of this paper so that Executive Directors could seek such clarifications from the IMF as they may need. Individual operations would be submitted for Board approval on an accelerated basis and in accordance with existing World Bank policies and procedures.³¹ As is current practice, the staffs of the Bank and IMF would collaborate closely on individual country cases.

67. Participants supported a robust process for triggering access to CRW resources for economic crises through an initial note submitted for approval to IDA's Executive Directors. Specifically, this note would:

- Demonstrate that responding to a specific economic crisis is in line with CRW objectives and its guiding principles. In particular, the note would demonstrate the

³⁰ The projected year-on-year GDP growth decline will be assessed using projections from the IMF's World Economic Outlook (WEO).

³¹ For development policy operations, a Fund Relations Note (in the form of a Public Information Notice of an Article IV review or a Chairman's Statement after a decision on the use of Fund resources or a Policy Support Instrument, or in their absence, an IMF assessment letter of the country's macroeconomic framework) reflecting analysis of the shock would be required.

severe impact of the crisis on a significant number of IDA countries and that this impact has been caused by exogenous factors.

- Propose the overall volume of CRW resources to be allocated in response to the event and present its rationale. The proposal will need to factor in the nature and scope of the crisis as well as the resources available in the CRW.
- Propose the framework and rationale for allocating the approved resources across countries. The framework will be based primarily on the fiscal analysis aimed at estimating the “core development spending at risk”. Core development spending at risk would be defined as the amount needed to maintain the pre-existing path of spending on education, health and operations and maintenance of existing infrastructure, and to maintain, or potentially increase (depending on the nature of the crisis) spending on safety nets. Countries with the greatest impact as measured by core development spending at risk would receive proportionately more resources than those with a lower impact. While designing the allocation framework, Management will also consider including: (i) a base allocation to ensure a meaningful response, particularly for small states; and (ii) a cap to the resources allocated to any one country or group of countries (in the case of the pilot-CRW the cap for any country was set at 5 percent of total CRW resources); such a cap could be particularly relevant in cases where the same event affects countries or groups of countries with different lags to avoid the risk of a first-come first-served approach that leads to depletion of finite resources. Participants noted that CRW resources would be allocated in two stages: in the first stage of this process the bulk (at least 75 percent) of the resources would be allocated, with those countries that have been most severely impacted receiving the highest levels of support. In the second stage, allocations would be adjusted (using the share of resources not allocated in the first round) in light of additional country specific information related to crisis impact, resource requirements and capacity to mobilize an effective response through the use of additional resources. The allocation framework would calculate allocations on a per capita basis (to take account of country-size). Management would submit a separate note to the Board with details of second stage allocations in advance of the presentation of projects financed from second stage allocations.

68. **Resources.** Participants agreed that total CRW resources be capped at 5 percent of the total IDA16 replenishment resources. Towards this cap, donors would provide an amount of SDR 1,335 million, representing 4.1 percent of IDA16’s envelope.³² This amount would include an exceptional allocation of SDR 329 million for Haiti for the purpose of supporting reconstruction after the earthquake in 2010. Should additional resources prove necessary, up to the 5 percent maximum cap, additional donor contributions may be sought or credit reflows may be advanced on an exceptional basis from the subsequent replenishment period subject to approval by the Board of Executive Directors. IDA will keep the ex-post bridge financing option in reserve should IDA Deputies decide it appropriate to make use of it in the future.

³² This amounts to approximately 4.2 percent of the preferred scenario for IDA16. Data will be updated pending finalization of the replenishment discussions.

69. Participants asked that the CRW be the primary channel for the World Bank's crisis response in IDA countries. With respect to the future creation of trust funds for crisis and emergencies that are eligible for CRW financing, Management will encourage donors that would like to provide additional resources for such crises and emergencies to do so through the IDA CRW. Such contributions to the CRW would take the form of additional contributions which can be made at any time during the replenishment period. These contributions can have a "soft" earmark for a specific crisis or emergency and would be additional to the allocation determined by IDA. Participants agree that this is an important, powerful and flexible element of design to reduce the need for trust funds and the fragmentation of donor responses to crises.

70. **Review.** Participants requested that a comprehensive review, including both the pilot-CRW and the results to date of the new CRW, be prepared for discussion at the IDA16 Mid-Term Review with the expectation that the results of these reviews will be used to inform the policies and procedures that would govern its use. This review will include an assessment of the timeliness and effectiveness of the pilot-CRW, as well as of its allocation methodology (including stage 2 allocations). At that time, Management would also provide an update on the implementation of the dedicated CRW so far in the IDA16 period, and indicate plans for the reallocation of any unused resources during the last year of the IDA16 period. As financing for the CRW would cover only the IDA16 period, continued funding including the possibility of ex-post financing would be reviewed within the context of subsequent replenishments and be contingent upon positive reviews of both the IDA15 pilot CRW and the IDA16 CRW.

B. Special Theme 2: Accelerating Progress on Gender Mainstreaming and Gender-Related MDGs

71. The Millennium Declaration endorsed by the world's governments in 2000 identifies gender equality and the empowerment of women and girls as among the most effective ways to "combat poverty, hunger and disease and to stimulate development that is truly sustainable."³³ Participants noted that IDA, as the largest source of concessional finance for low-income countries, can play a critical role in investing in women's health, education and access to economic opportunities. They also noted that gender inequalities can best be addressed when both women and men are actively engaged in policy dialogue. During the IDA16 period, they called on IDA to strengthen gender mainstreaming in its operations and analytical work, introduce a robust results framework and implement an action plan to accelerate progress on the gender-related MDGs.³⁴

³³ UN General Assembly. 2000. United Nations Millennium Declaration, para. 20. <http://www.un.org/millennium/declaration/ares552e.pdf>.

³⁴ See IDA (2010). "Special Themes for IDA16," <http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/73449-1271341193277/SpecialThemesIDA16.pdf>. The World Bank (2010), "Applying GAP Lessons: a Three-year Road Map to Gender Mainstreaming," http://siteresources.worldbank.org/INTGENDER/Resources/336003-1241561860207/GAPtransitionplan_may25.pdf. IEG (2010), *Gender and Development: An Evaluation of World Bank Support, 2002-2008*, <http://www.worldbank.org/ieg/gender/>. The World Bank (2010), *Gender Equality as Smart Economics: World Bank Group Gender Action Plan – Third Year Progress Report (January 2007- January 2010)*, http://siteresources.worldbank.org/EXTGENDER/Resources/GAP-Progress-Report_May-25-2010.pdf. The World Bank (2010), *Reproductive Health Action Plan 2010-2015*, <http://siteresources.worldbank.org/INTPRH/Resources/376374-1261312056980/RHActionPlanFinalMay112010.pdf>. Education Sector Strategy for the World Bank (forthcoming 2011).

72. **Role of IDA.** Participants noted that IDA is uniquely suited to support gender equality outcomes at the country level which requires working across multiple sectors and sustaining efforts of long periods. They agreed that the multi-sector nature of gender issues requires assistance across sectors since progress on key gender indicators – such as girls’ enrollment and completion rates, universal access to reproductive health including family planning, maternal mortality, labor force participation, and asset ownership – also depends on investments in water, sanitation, transport, and access to financial and other economic services. While many agencies cover gender issues in education and health, few can match IDA’s effectiveness in sectors that are essential to expanding women’s economic opportunities, such as infrastructure, private sector development, agriculture, and financial service delivery. IDA’s work on women’s economic empowerment will build on that of the Gender Action Plan (GAP). IDA can also apply lessons from different cultural contexts and sustain activities through its lending instruments and analytical and advisory services. These comparative advantages are important because changing attitudes, traditions, and behaviors related to gender requires long-term engagement and supportive country leadership reflecting agreed national development goals.

73. **Gender and the MDGs.** Achieving gender equality matters for equity and efficiency: gender inequalities in access to public services and economic opportunities are associated with increased poverty and lower economic growth. Participant reviewed the progress of IDA countries towards MDG gender goals and found that this has been uneven and has differed significantly across countries, regions, income groups or institutional status – with FCCs lagging behind on all counts.

- MDG1: Participants noted that expanding women’s economic opportunities is central to the eradication of extreme poverty and hunger. While women in IDA countries are increasingly better placed to enter the labor market, important barriers remain. Participants called for investments in support of women’s entry into the labor force and to improve women farmers’ access to land, agricultural markets, financial services and infrastructure investments. Furthermore, labor market policies should encourage entrepreneurship and employment. Reporting on IDA’s results in these areas will be done in the annual gender monitoring reports and at the IDA16 Mid-Term Review. Participants also noted the important role of women in meeting the target of halving the proportion of people who suffer from hunger.
- MDG3: Participants noted that achieving MDG3, which targets the elimination of gender disparities in education and is the most explicit gender equality goal, will have a positive and speedy impact on most MDGs, including those that do not directly target gender equality. They noted that while progress had been good overall for primary education, many IDA countries are still off track. In addition, large gender gaps in schooling persist among disadvantaged groups and at the secondary level, especially in Sub-Saharan Africa and South Asia.
- MDG5: Achieving MDG5a on reducing the maternal mortality rate (MMR) has been especially challenging in most IDA countries, and the MMR had increased in some countries. Participants noted that progress in reducing MMR is linked to factors such as lower fertility rates, rising income per-capita, greater education attainment among mothers, access to good medical care during childbirth and reducing HIV/AIDS.

MDG5b, achieving universal access to reproductive health by 2015, is off track in most IDA countries although it is a critical element in reducing the MMR, economically empowering women and curbing the spread of diseases such as HIV/AIDS.

74. **Scaling up gender mainstreaming.** Participants also reviewed progress on the treatment of gender issues in IDA Country Assistance Strategies (CASs), as well as in analytical work and in IDA financed projects and programs.³⁵ They welcomed the efforts made to increase gender coverage in the economic sectors where progress was lagging through the GAP.³⁶ They also noted a recent IEG evaluation of the World Bank's support for gender which found that the levels of gender mainstreaming are lower than expected even though the trend is positive.³⁷ They urged Management to move quickly to implement commitments made in response to the IEG report. In order to make progress visible, gender mainstreaming in CASs will be reported in Tier 3 of the IDA16 RMS.

75. **Key commitments for IDA16.** During IDA16, Participants urged IDA to intensify its support for the efforts IDA countries are making to promote gender equality. They welcomed the introduction of the Action Plan on Gender Mainstreaming and Gender-Related MDGs and urged Management to make rapid progress on its implementation. This Action Plan includes:

- A commitment that 100 percent of IDA CASs would draw on and discuss the findings of a gender assessment. Implementation of this commitment would be supported through the issuance of a guidance note on the World Bank gender policy, training for staff on how to mainstream gender issues in CASs, and more robust corporate review of gender analysis of CASs by the PREM network.
- Increasing gender-informed investments in line with President Zoellick's commitment, and monitoring progress through the addition of an indicator and a performance standard in the IDA16 RMS.
- Tracking indicators to measure IDA's support to gender-based country outcomes.
- The preparation and implementation of Regional Gender Action Plans.
- Implementation of the Reproductive Health Action Plan³⁸ with a focus on 52 priority countries with high maternal mortality and total fertility rates, including 25 countries in the Africa Region.

³⁵ In 2003, the Bank introduced a new operational policy (OP/BP 4.20) on Gender and Development <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTOPMANUAL/0,,contentMDK:20064559~pagePK:64141683~piPK:64141620~theSitePK:502184,00.html>.

³⁶ The GAP was developed to advance women's empowerment in economic sectors. See IDA (2009). "World Bank Group Gender Action Plan: Implementation Status Report" http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/73449-1257448780237/IDA15MTR_Gender_Action_Plan.pdf.

³⁷ IEG (2010). *Gender and Development: An Evaluation of World Bank Support, 2002-2008*; <http://www.worldbank.org/ieg/gender/>.

³⁸ The World Bank (2010). *Reproductive Health Action Plan 2010-2015* <http://siteresources.worldbank.org/INTPRH/Resources/376374-1261312056980/RHActionPlanFinalMay112010.pdf>.

- The completion of the forthcoming Education Sector Strategy and the subsequent implementation of a program of action targeting gender issues in high priority countries.
- Progress on the Action Plan would be reviewed during the IDA16 Mid-Term Review.

76. Participants also welcomed Management's efforts to strengthen the RMS for gender activities, including through the addition of three country-level outcome indicators and two indicators of IDA's operations effectiveness (see Annex 1 for details). They noted that, where feasible, beneficiary indicators for all IDA investment operations in the education, health, roads and social protection sectors will also be gender-disaggregated, and urged Management to disaggregate additional indicators in preparing relevant reports for the IDA16 Mid-Term Review. During the IDA16 replenishment period, IDA management will track IDA's support to gender-based country outcomes through the Annual Gender Monitoring Report. This report will *inter alia* track: (i) the percentage of IDA CASs drawing on and discussing a gender assessment; (ii) the increase in gender-informed IDA investments; and (iii) three indicators to measure IDA's support to gender-based country outcomes, including the percentage of safety nets projects designed to mitigate risk and vulnerability for women and girls, the percentage of agriculture and rural development operations that target women, and the percentage of health projects that address high fertility and maternal mortality.

77. Participants requested that IDA intensify capacity building of staff and country counterparts by: (i) scaling-up innovative models of capacity building developed under the GAP; (ii) providing technical assistance to sectors for developing new indicators on gender and rolling out gender-informed results frameworks; and (iii) facilitating South-South dialogue and extending capacity building efforts to civil society in client countries. As noted in the IEG evaluation, low demand for gender mainstreaming interventions in client countries has been a serious constraint, therefore Participants asked IDA to step up efforts to highlight the importance of gender for country development prospects; and intensify efforts in economic sectors. They requested that the strategy outlined for the IDA16 replenishment be synchronized with the GAP transition plan and that it draw lessons from the IEG report.

78. Lastly, Participants welcomed Management's decision to focus the World Development Report for 2012 on gender. The WDR will examine links and tensions that exist between development objectives and gender-related institutions, and the role of policies in resolving them. It will build on and synthesize the growing body of multi-disciplinary analysis, evidence and data on development and gender equality while identifying key knowledge gaps. Participants noted that the WDR presents a unique opportunity to identify obstacles to mainstreaming gender, and articulate and disseminate the case for gender equality and hence help generate partner country demand. It is also a vehicle to convey policy options and innovative approaches to reduce gender inequalities and increase women's empowerment.

C. Special Theme 3: Achieving Climate Resilient Development

79. ***Impact of climate change.*** Participants noted that climate change presents an urgent challenge to the well-being of all countries and particularly to the poorest. Even if efforts to reduce greenhouse gas (GHG) emissions are successful, it is no longer possible to avoid the

impact of climate change. The primary direct effects of climate change will be increased variability and uncertainty in weather patterns, including an increase in droughts and floods, more seasonal peaks in river flow, sea level rise and a higher probability of stronger tropical storms. The poorest countries and communities are likely to suffer the most because of their geographical location, low incomes, weaker infrastructure, and limited public and private institutional capacity, as well as their greater reliance on climate-sensitive sectors such as agriculture. IDA is working with affected countries and communities to develop and implement a growing range of activities and instruments that support climate resilient development and adaptation.

80. ***Cost of climate change adaptation.*** Participants reviewed the substantial effort that the World Bank made during the IDA15 period to better understand and address adaptation to climate change and its implications for development efforts. Adaptation and development are two sides of the same coin: efforts on one reinforce those on the other. Participants agreed that achieving planned development outcomes such as meeting the MDGs in the context of climate change will require an effort to increase financial resources available to IDA recipients. The Economics of Adaptation to Climate Change study (EACC) estimates that the total cost for currently IDA-eligible (including blend) countries will be around US\$ 24-26 billion per year over the next ten years.³⁹ Costs will increase over time: EACC estimates that costs will rise to US\$ 40 billion by 2050. The steepest increases in cost will be in Sub-Saharan Africa (over a twofold increase). Part of the cost will fall on IDA's development assistance, as IDA must climate proof projects in climate-sensitive sectors⁴⁰ by factoring in the additional costs associated with climate change.

81. ***Building climate resilience.*** Participants stressed the importance of building climate resilience in IDA countries as part of the country-based development efforts. They requested that IDA projects in climate-sensitive sectors take climate risks into account. They noted that the share of IDA financing providing climate co-benefits should be better captured. Ensuring climate resilience will also require research and strategic planning. IDA will support climate resilience activities through financing as well as enhancing the effectiveness of investments by other development partners. Of particular importance is to ensure that potential climate impacts for all IDA projects in sensitive sectors are analyzed to ensure that they are consistent with the country's adaptation and mitigation strategies. IDA's financing can complement the Climate Investment Funds (CIFs), most notably the Pilot Program for Climate Resilience (PPCR), which supports IDA recipients in integrating adaptation and resilience into their development programs. Nine IDA recipients – Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen and Zambia – and two regions (Caribbean and South Pacific) have been selected to participate in the PPCR, which currently has an envelope of US\$ 967 million.

82. ***Financing for low-carbon growth.*** Participants noted that building low carbon economies is also important for IDA recipients, given that much of their current development efforts include long term infrastructure. IDA has been a crucial source of finance for energy, water and transport projects and will continue to support investments in these sectors, including

³⁹ The World Bank (2010). *Economics of Adaptation to Climate Change: Global Study*. <http://beta.worldbank.org/content/economics-adaptation-climate-change-study-homepage>.

⁴⁰ Climate-sensitive sectors include *inter alia* agriculture, water supply, health, and infrastructure.

renewable energy projects in the energy sector. As various other sources of climate finance channeled through the World Bank are also beginning to play an important role in mitigation, Participants urged IDA to promote and increasingly support ambitious low carbon investments, including increased investments in renewable energy and energy efficiency, and to further leverage sources of additional climate finance for IDA countries. For example, IDA recipients are in the process of submitting expressions of interest to the Program for Scaling-Up Renewable Energy in Low Income Countries (SREP), which has a current envelope of US\$ 292 million. Furthermore, Burkina Faso, Ghana and Lao PDR were selected as pilot countries for the Forest Investment Program (FIP), which has a current envelope of US\$ 558 million. Finally, the Clean Technology Fund (CTF) investment plan for Vietnam proposes co-financing of US\$ 250 million to support the country's climate related goals. IDA's ability to leverage new and additional climate finance would help ensure that actions needed to build resilience would not reduce finance available for other development efforts.

83. **Key commitments for IDA16.** Participants welcomed IDA's strategy to focus its efforts to address climate change in five closely linked areas: (i) discussing in 100 percent of IDA CASs climate change vulnerabilities as part of the country's development challenges and priorities and including activities in climate change mitigation and adaptation areas when requested by the recipient country; (ii) scaling up IDA Analytic and Advisory Activities on adaptation and mitigation from the IDA15 level and reporting back on progress at the IDA16 Mid-Term Review; (iii) establishing a system for the monitoring, assessment and reporting of the contribution of the IDA portfolio to climate adaptation and mitigation co-benefits and reporting on the number of projects and amount of associated IDA financing that aim at climate co-benefits in their design by the IDA16 Mid-Term Review; (iv) analyzing in all projects in climate change sensitive sectors the potential climate impact of project activities to ensure that they are consistent with the climate change mitigation and adaptation strategies of the country; and (v) providing expertise to and continuing dialogue with development partners (including OECD/DAC and MDBs) on Rio-Markers with the objective of developing and agreeing on quantitative measures of global financing for climate adaptation and mitigation actions. Monitoring the climate co-benefits of IDA funds, establishing and applying outcome measures of climate support, and tracking global financing for climate change, are all necessary to measure progress in the global efforts to achieve climate resilience and low carbon growth in the poorest countries. Policy advice at the country level will continue to be informed by IDA's analytical work on the links between adaptation and development.

D. Special Theme 4: Supporting Fragile and Conflict Affected Countries

84. Participants welcomed the progress made by IDA in assisting fragile and conflict-affected countries. IDA's approach to the challenges of FCCs has evolved over the last decade, with successive IDA replenishments seeking to respond to the specific needs of these countries. Eligible post-conflict and re-engaging countries receive exceptional allocations from IDA, and some have also benefited from exceptional pre-arrears clearance grants and allocations to help clear arrears. Furthermore, FCCs have benefited from IDA's policies on debt relief (through the HIPC and MDRI initiatives) and from grants allocated through IDA's grant allocation framework. Lastly, IDA has enhanced its institutional capacity to provide rapid, effective and

coordinated assistance to FCCs, including through increased presence, operational reforms, comprehensive analytical work on fragility, and deeper partnerships with international actors.⁴¹

85. ***World Development Report 2011.*** Participants emphasized the importance of the upcoming WDR 2011 on Conflict, Security and Development in improving the understanding of FCCs, particularly in terms of their heterogeneity. They underscored that drawing out the implications of WDR findings will be an important task during the IDA16 period and noted that this work could have implications for future support to FCCs from the international community and IDA, including with respect to the: (i) application of approaches for conflict prevention and regional action, notably by increasing support for difficult reforms, improving linkages between political, security and economic assistance, and supporting regional initiatives; (ii) timing and sequencing of reforms in fragile and conflict-affected countries; (iii) investment in under-resourced sectors, e.g., in the justice sector, promoting public-private partnerships, and reaching insecure areas; and (iv) monitoring success through measures of actual levels of violence and popular perceptions of progress, in order to track progress alongside the MDGs, which do not capture the special challenges faced by FCCs. The need for gender sensitive analyses and an integrated gender perspective was emphasized. Participants also welcomed the evaluation of the World Bank's work in FCCs, which IEG plans to undertake in 2012-2013.

86. ***Analytical progress.*** For the IDA16 Mid-Term Review, Participants requested Management to undertake analytical work on the types and heterogeneity of fragility that could lead to a stronger differentiation of fragile countries and their respective needs and circumstances. In addition, Management should examine: (i) if targeted development assistance to non-post conflict fragile countries could help support the mitigation of the risks of conflict escalation; (ii) the needs and absorptive capacity of FCCs; (iii) review IDA's effectiveness and results in FCCs and evaluate if more differentiated approaches to fragility and risk-taking in the design of interventions and choice of partners would improve effectiveness; (iv) the multi-faceted impact of development assistance (ODA) on fragile and conflict-affected countries; (v) if volatility in IDA allocations due to small changes in governance ratings misses opportunities to maintain human and institutional capital and pursue long-term strengthening; and (vi) the potential to simplify and adjust the framework for allocating IDA resources to FCCs to enhance IDA's ability to respond to the different needs and circumstances of FCCs. IDA should draw on existing research on peace- and state-building, the WDR 2011, and also build on the results of ongoing international processes such as the OECD-DAC, the International Network for Conflict and Fragility (INCAF), and the International Dialogue on Peace-building and State-building. Based on the above-mentioned analytical work, Participants requested that proposals on IDA's support to FCCs be developed for consideration at the IDA16 Mid-Term Review.

87. ***Improving partnerships and aid coordination.*** Participants called for IDA to deepen its collaboration with partners to improve the effectiveness of foreign assistance in FCCs and to enhance IDA's coordination platform role and catalytic impact. Moving forward, Participants urged IDA to focus on: (i) the importance of achieving results through coherent, coordinated and complementary approaches to development, peace-building and state-building; (ii) the need for the work of all partners to be driven by the country context and preferences

⁴¹ For further details see IDA (2009). "IDA's Support to Fragile and Conflict-Affected Countries: Progress Report 2007-2009", http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/73449-1257448780237/Fragile_States_MTR.pdf.

while ensuring a predictable and coherent response to fragility and conflict in terms of early engagement and communication among all partners; (iii) the centrality of the partner-country government in the development process; and (iv) the need to build institutional capacity and support and actively strengthen country systems to the extent possible and avoid parallel aid and service delivery mechanisms. Participants noted ongoing efforts to coordinate with the UN and other agencies including through partnership agreements. Participants welcomed efforts of the UN and the World Bank to work together to better leverage their respective strengths. Specifically, they noted the semi-annual UN-WB High Level meetings that review the UN-World Bank Partnership Framework for Crisis and Post-Conflict Situations (signed in October 2008), discuss institutional arrangements, identify emerging opportunities and constraints, and work to improve the effectiveness of the crisis and post-crisis response. Participants also called for additional collective efforts to improve effectiveness and results in FCCs and welcomed the Bank's ongoing efforts to enhance implementation of UN/Bank partnership agreements in an initial set of pilot countries. They welcomed Management's intention to revise the World Bank's Operational Policy on Development Cooperation and Conflict (OP/BP 2.30) by the end of calendar year 2011, and to include partnership agreements.

88. ***Increasing the effectiveness of Multi-Donor Trust Funds.*** Participants called for a deeper collaboration with partners on Multi-Donor Trust Funds (MDTFs) administered by the World Bank. They pointed out that several challenges need to be addressed to enhance the strategic effectiveness of MDTFs in FCCs, including ensuring that (i) the mandates of MDTFs are conflict-sensitive and are adapted to the complex environments found in FCCs; (ii) MDTFs are managed inclusively, with knowledge shared among all participants; (iii) MDTFs are mainstreamed into the regular work of IDA, with administrative budgets that take account of the higher costs of delivering programs in FCCs; (iv) demands on reporting and measurement are adequately balanced against the goal of improving the flexibility and effectiveness of MDTFs in FCCs; and (vi) adequate human and financial resources are provided for fund management. Actions addressing some of these challenges are already underway. Participants requested Management to report on progress at the IDA16 Mid-Term Review.

89. ***Enhancing IDA's effectiveness through staffing and decentralization initiatives.*** Participants welcomed progress on the decentralization of experienced staff to FCCs and noted that IDA now has country offices in virtually all FCCs. They welcomed the increase from 11 to 15 country departments in the Africa Region, and noted that this would help to sharpen the focus on the many FCCs in that region. They also welcomed the establishment of a Hub for FCCs in the Africa Region, and the continued efforts of the Global Expert Team (GET) for Fragility and Conflict to provide operational and policy advice to FCC country teams. Management should continue to enhance the skills mix in FCCs including through adequate incentives to encourage staff to work in these countries.

90. ***Compliance with fiduciary principles: balance of risks and speed in implementation.*** Participants called for enhanced effectiveness in FCCs, including the ability to respond rapidly to emergency situations. They noted that the Framework for Rapid Response to Crises and Emergencies has resulted in faster *preparation* of emergency operations, but not yet in faster

*implementation.*⁴² They welcomed Management's commitment to reduce the number of projects (prepared under OP 8.00) with disbursement delays from 35 percent at the end of FY09 to 25 percent by the end of FY11.

91. Participants noted that while a robust procurement policy is important in order to mitigate fiduciary risks, it can result in longer processes if firms in FCCs do not have access to information, capacity, and security. They welcomed Management's efforts to simplify procurement guidelines for FCCs, including through the use of simplified technical proposals for low-risk and low-value contracts, simplified short-listing processes, and increasing thresholds for prior review. They urged quick dissemination of the Procurement and Consultant Guidelines for the World Bank, once approved, which seek to harmonize procurement policies across MDBs and include the "Framework Agreements" procurement method to facilitate speedier implementation. Lastly, they welcomed the plans to: (i) establish integrated task teams that include seasoned procurement staff; (ii) address high staff turnover through better succession planning; (iii) seek early assessments of market conditions; (iv) use of UN agencies where appropriate; and (v) establish and maintain a database of best practices and templates. They looked forward to a review of procurement, fiduciary and legal inputs in FCCs by the time of the IDA16 Mid-Term Review.

92. ***Measurement of progress in FCCs.*** Participants welcomed IDA's efforts to refine its approach to performance measurement in countries currently receiving exceptional allocations. For these countries, IDA uses Post-Conflict Performance Indicators (PCPI) tailored to the specifics of countries emerging from conflict. They noted that an external panel had recommended streamlining the criteria and strengthening the review process used to determine the PCPI country scores. They urged Management to complete the revision and testing of the PCPI criteria, and to publicly disclose the country scores in June 2011 before the start of IDA16. Participants also called for specific mechanisms to monitor efforts in the broader set of FCCs, and welcomed ongoing joint efforts with other agencies and bilateral partners to develop one harmonized approach to measuring progress in these countries.

SECTION IV: ADJUSTMENTS TO THE VOLUMES AND TERMS OF IDA ASSISTANCE

93. Participants reviewed IDA's Performance Based Allocation (PBA) system and agreed that it has generally worked well; they noted however that exceptions should be limited going forward.

94. ***Strengthening financial support for fragile and conflict affected countries.*** Participants welcomed Management's proposals for strengthening financing for FCCs during IDA16 and endorsed the following changes to the PBA: (i) introduction of a flexible and case-by-case approach to extending the phase-out for post-conflict and re-engaging countries for the IDA16 period;⁴³ and (ii) modifying the requirements for IDA's regional program to allow projects with

⁴² The World Bank (2010). "Rapid Response to Crises and Emergencies (OP 8.00): Progress Report" (SecM2009-0200).

⁴³ The eligibility criteria for the case by case extension are: (i) GNI per capita and country financing options; (ii) the presence of exogenous factors slowing down transitions; and (iii) portfolio performance. This approach may be modified in the context of subsequent discussions on financing for FCCs.

only two countries when at least one is an FCC. Furthermore, Participants endorsed Management's proposal to continue to support, including through arrears clearance operations and special allocations as warranted, countries that are likely to re-engage with IDA during the IDA16 period. These measures will strengthen financing for post-conflict and re-engaging countries during IDA16.

95. ***Strengthening financing for small states.*** Participants noted that small states, particularly those with populations of less than 1.5 million, face a number of challenges owing to their higher vulnerability to economic shocks and natural disasters. In light of these challenges, they endorsed Management's proposals to strengthen financing for small states during IDA16 by: (i) eliminating the maximum per capita allocation ceiling, which has constrained the allocations of several small states; and (ii) raising the base allocation from the current SDR 1.5 million per year to SDR 3 million per year.

96. ***MDRI netting out.*** Participants discussed the Multilateral Debt Relief Initiative (MDRI) netting out mechanism, whereby the debt relief that eligible countries receive under the MDRI is deducted from their gross PBA allocation. They noted that the "netting out" system ensures more resources are allocated on performance, rather than on the basis of historic debt levels. However, the mechanism has led to significant reductions in new allocations to a few countries, which has implications for IDA's operational engagement in these countries. Participants emphasized the importance of maintaining the underlying principles of MDRI and considered several options for ensuring that IDA can work effectively in these countries. Participants endorsed a change to the MDRI netting out mechanism with effect from FY11, whereby 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. This mechanism will reduce the impact on those countries most affected by the MDRI netting out while at the same time limiting the adverse impact on IDA's equity-of-treatment principle for eligible countries. Finally, Management agreed to provide a review of implementation experience at the time of the IDA16 Mid-Term Review.

97. ***Review of IDA's financial instruments.*** Participants welcomed a review of the terms of IDA's financial instruments and noted that adjusting these terms could strengthen IDA's finances and long-term financial capacity. They noted that IDA currently has relatively undifferentiated financing terms between IDA-only and blend countries despite very different borrower circumstances in terms of income levels, economic prospects and levels of external debt. They supported aligning the terms for IDA blend countries with those of other institutions while allowing for an exceptional treatment for small island countries. Participants further agreed that this would recognize the stronger financial capacity of blend countries while still ensuring sufficient concessionality and also result in a smoother transition from IDA to IBRD financing terms.

98. Participants endorsed adjustments to the lending terms of IDA's blend, gap and small island exception countries. This included adjusting the terms of IDA's blend, hardened and hard term credits. Starting in IDA16, IDA's blend credits and hardened term credits would be harmonized into one instrument with a final credit maturity of 25 years with a 5-year grace

period, and instituting a 1.25 percent per annum interest rate.⁴⁴ Hard term credits would also be harmonized with a maturity of 25 years and a 5-year grace period and continue to feature an interest rate based on the IBRD fixed rate equivalent minus 200 basis points. In addition, the terms for the small island country exception would be changed from blend credit terms to regular credit terms. Access to hard term credits would be expanded to all blend countries in proportion to their performance-based allocation.

99. ***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 a few IDA borrowers with outstanding IDA credits that include the acceleration clause have met these criteria. Deputies indicated that these countries 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 noted that this would have a positive impact on IDA's financial capacity for the IDA16 period.

100. ***IDA's long term financial sustainability.*** Participants welcomed Management's review of IDA's long term financial capacity, and looked forward to further discussions of IDA's long-term financial sustainability in the context of the working group established for this purpose. Participants reviewed the growth of IDA over its history. They noted that donor contributions have been the main source of funding of IDA replenishment. Participants welcomed the increase in the number of donors to the IDA replenishments. While recognizing the value of debt relief in freeing up fiscal space in IDA countries' budgets, Participants noted that without the compensation mechanisms agreed by donors, debt relief under the HIPC Initiative and MDRI would have altered IDA's long-term financing by lowering credit reflows that would have become available to support future replenishments. Participants also noted that country graduations could free up resources for other IDA recipients over time and that future graduations should be encouraged. Participants recommended that future analysis be explored for innovative ideas to increase IDA's financial sustainability and requested that in cooperation with IBRD a review of IDA's graduation policy be presented for discussion at the IDA16 Mid-Term Review.

SECTION V: MANAGING IDA'S FINANCIAL RESOURCES

101. Deputies recognized that the IDA16 replenishment period (FY12-14) is the last full replenishment before the MDGs 2015 target and will be a critical time for the donor community to provide assistance to IDA countries to help them in their efforts to reach the MDGs by 2015. Towards this end, they endorsed a total replenishment of SDR 32.8 billion (equivalent to US\$

⁴⁴ All other terms and charges would remain consistent with the current General Conditions for IDA credits and grants.

49.3 billion)⁴⁵ during the IDA16 period, which would constitute the IDA16 commitment authority envelope.

A. Commitment Authority

102. *Sources of commitment authority.* IDA's commitment authority is backed by donor contributions, internal resources of IDA, transfers⁴⁶ from IBRD and IFC, and by other resources, as available. Donor contributions supporting IDA16 commitment authority are provided as part of the IDA16 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, as per current practice. This review will take into account the status of donor financing commitments to the IDA16 replenishment and the MDRI replenishment. In the event of a shortfall of donor commitments, the level of IDA16 commitment authority could be adjusted over the course of the IDA16 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.

103. *Sources.* The volume for each source of funding is as follows:

- Deputies endorsed SDR 17.6 billion (equivalent to US\$ 26.4 billion) of total **donor contributions for the IDA16 replenishment**. IDA16 donor contributions comprise: (i) regular contributions of SDR 15.8 billion (equivalent to US\$ 23.7 billion), net of the structural financing gap; (ii) contributions to cover IDA's debt relief costs under the HIPC Initiative during the IDA16 commitment period (FY12-14) of SDR 1.3 billion (equivalent to US\$ 2.0 billion); (iii) contributions to finance arrears clearance operations of SDR 0.4 billion⁴⁷ (equivalent to US\$ 0.6 billion); and (iv) contribution to cover the forgone principal on grants provided of SDR 0.1 billion (equivalent to US\$ 0.1 billion).
- Deputies reaffirmed the need to provide additional **donor contributions for the MDRI replenishment** of SDR 3.5 billion (equivalent to US\$ 5.3 billion), so as to cover IDA's debt relief costs due to the MDRI during the IDA16 disbursement period (FY12-22) as agreed under MDRI.
- Deputies acknowledged proposed commitments against IDA's **internal resources** in the amount of SDR 6.6 billion (equivalent to US\$ 9.9 billion), subject to approval by IDA's Executive Directors. Internal resources 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 IDA16 by

⁴⁵ At the IDA16 foreign exchange reference rate of US\$/SDR1.50233.

⁴⁶ IBRD transfers are made out of its net income. IFC designates grants to IDA out of its retained earnings.

⁴⁷ Total estimated arrears clearance costs during IDA16 are SDR400 million, of which donors pledged to cover SDR381 million.

SDR 1.2 billion (equivalent to US\$ 1.8 billion).⁴⁸ They recognized the significant efforts of seven IDA graduates whose repayments of qualifying outstanding IDA credits would be accelerated under this proposal: Albania, China, Arab Republic of Egypt, Equatorial Guinea, Indonesia, FYR Macedonia and St. Kitts and Nevis.

- Deputies welcomed the **additional voluntary prepayment** of outstanding IDA credits by China of US\$ 1.0 billion. In accordance with the new policy framework for voluntary prepayments China received a discount of US\$ 110.78 million on these credit repayments. China is passing the entire discount on to IDA as a donor contribution to IDA16. The remaining US\$ 889 million (SDR 592 million) will increase the internal resources available in IDA16.
- Deputies acknowledged that the proposed **adjustments to the lending terms of IDA's blend and gap borrowers** would increase the internal resources available in IDA16 by SDR 1.3 billion (equivalent to US\$ 2.0 billion). They noted that IDA blend and gap borrowers would be making an important contribution to IDA's long term financial sustainability and, although the lending terms remain concessional, the shortened maturity and grace period would allow IDA to recycle resources more quickly and the interest paid would increase IDA's internal resources available for commitment authority.
- Replenishment funding would also comprise expected **transfers** from IBRD net income in the amount of SDR 1.3 billion and grants from IFC in the amount of SDR 0.7 billion, in each case based upon evaluations of the institutions' financial capacities and subject to availability of net income and annual approvals by the IBRD and IFC (equivalent to an aggregate World Bank Group contribution of US\$ 3.0 billion).

104. **Donor contributions** of SDR 21.1 billion continue to be the primary source of IDA's commitment authority, accounting for some 64 percent of the total resources supporting IDA16. Donor commitments for the IDA16 replenishment (subscriptions and contributions) of SDR 17.6 billion as shown in Table 1 of Annex 5 reflect the agreement reached among donors. Donor contributions for the MDRI replenishment of SDR 3.5 billion are governed by the MDRI Resolution.⁴⁹ 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 donor contributions to the MDRI every three years normally in conjunction with regular replenishments.⁵⁰ A revised Compensation Schedule and revised Donor Contribution tables to the MDRI Resolution will be provided to members reflecting the updated cost estimates for the MDRI as of June 30, 2010. 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.⁵¹ Section VI provides further information regarding

⁴⁸ IDA (2010). "Acceleration of Credit Repayments to IDA and New Policy Framework for Voluntary Prepayments". IDA R02010-0351. The new policy was approved on December 7, 2010.

⁴⁹ 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").

⁵⁰ Paragraphs 1(f), 2(c) and 2(d) of the MDRI Resolution.

⁵¹ Members will be notified of the necessary amendments to their MDRI Instruments of Commitment and the payment schedule following adoption of the IDA16 Resolution by the Board of Governors.

donors' 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 donors.* Argentina, The Bahamas, Chile, the Islamic Republic of Iran, Kazakhstan, Peru, and the Philippines have pledged to become IDA donors. 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 donors.
- *Burden Shares.* Participants acknowledged the dual challenge of securing an adequate replenishment size while achieving an acceptable burden sharing framework. They acknowledged the large structural gap of 20.2 percent in donors' basic contributions during the fifteenth replenishment of IDA and that this gap has continued to grow in recent IDA replenishments. Participants noted that the increasing structural gap leads to underfunding relative to the donor consensus regarding the financial needs of IDA countries in the coming replenishment period and that it leads to under-reporting of each donor's "effective or real burden share" of total contributions. They also noted that rescaling basic burden shares could have unintended consequences and that further discussion was needed during the IDA16 Mid-Term Review.
- *Additional contributions.* Donors may, at any time, make additional contributions to the amounts shown in Table 1 of Annex 5. Such contributions would reduce the financing gap 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 IDA16 period.

105. **Internal resources.** Participants welcomed the record internal resource mobilization efforts for IDA16, particularly given that many donors face serious fiscal constraints. They recognized the significant efforts of IDA graduates whose repayment of qualifying IDA credits would be accelerated and blend 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 IDA16. Participants endorsed IDA's existing practice of using internal resources to complement donor resources. 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 noted that credit repayments constitute an important component of internal resources and recognized the impact of the MDRI, 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. Participants reviewed the structure of IDA's liquid resources and discussed Management's projections regarding IDA's long-term financial capacity.

106. ***IBRD and IFC contributions.*** Participants welcomed the undertaking for a planned contribution of US\$ 2.8 billion⁵² from World Bank Group resources in support of the IDA16 replenishment consistent with the approach discussed at the 2010 Spring Meetings.⁵³ Participants noted that the ability of IDA to assist low-income countries over the next three years depends heavily on the agreed IDA16 funding package and that a critical component of this funding package was the continued ability of IBRD and IFC to contribute financial resources to IDA. They noted that IDA would use IFC-provided resources in furtherance of IFC's purposes, with emphasis on sectors such as finance, industry and trade, information and communication, energy and mining and transportation. Such transfers are approved annually by IBRD's Board of Governors and IFC's Board of Directors based upon evaluations of the institutions' annual results and financial capacities.⁵⁴ Participants emphasized the importance they attach to continued and substantial transfers from IBRD and IFC to IDA. They urged IBRD and IFC to maintain their financial support to IDA, consistent with IBRD's and IFC's financial priorities.

B. Replenishment Effectiveness

107. Deputies recommended that financing for IDA16 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 donor financing, including contributions by major donors, is in place on time. Deputies recommended that IDA16 become effective when Instruments or Qualified Instruments of Commitment accounting for 60 percent of the total donor contributions have been received by IDA. They recommended a target effectiveness date for the replenishment of December 15, 2011.

108. Deputies noted the expected limited availability of commitment authority for making grants at the start of the IDA16 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. IDA would, therefore, need to rely on donor contributions to back new grant commitments during IDA16. Since many IDA recipients receive their entire assistance in the form of grants, the timely availability of donor contributions to support commitment authority for grants is of particular concern.

109. In response to this concern, Deputies noted the importance of providing their Instruments of Commitment as early as possible, so as to advance the date of reaching the threshold for replenishment effectiveness.⁵⁵ Deputies also noted two options to address the constraint associated with the provision of grants, both of which were used with success in IDA15: (i) the continued use of the Advance Contribution Scheme; and (ii) the use of conditional grants and convertible credits.

⁵² This amount is expected to generate additional investment income of US\$ 222 million and provide total financing for IDA16 of US\$3.0 billion, equivalent to SDR 2.0 billion.

⁵³ The World Bank (2010). "Synthesis Paper: New World, New World Bank Group", DC2010-002/1. Annex 1. http://siteresources.worldbank.org/DEVCOMMIT/Documentation/22555916/DC2010-0002-1_E_SynthesisPaperRevised.pdf.

⁵⁴ IFC's Board of Governors notes with approval the designation of retained earnings by IFC's Board of Directors.

⁵⁵ Some donors' budgetary and legislative timetables permit them to make their contributions at an early stage in the fiscal year.

- *Advance Contribution Scheme.* In past IDA replenishments, some donors 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, provided that at least a defined minimum threshold volume of total donor Instruments of Commitment has been received. In view of the limited availability of commitment authority for grants during the first six months of IDA16, Deputies agreed to eliminate the threshold for the Advance Contribution Scheme, following the same procedure as in IDA15. Consequently, unless stated otherwise by the donor, one third of that donor's contributions will be released for commitment immediately upon receipt of the donor's Instrument of Commitment by IDA. The second and third tranches of donor contributions will be released at the beginning of each fiscal year, on July 1, 2012 and July 1, 2013, respectively.
- *Conditional grants and convertible credits.* Deputies noted two other options to address constraints on commitment authority: (a) using conditional grants; and (b) converting credits to grants. Grants during the first six months of IDA16 could be made conditional upon availability of sufficient commitment authority from donor contributions. Alternatively, IDA16 grant operations could be approved as credits in the first six months of IDA16 with an automatic conversion to grant terms as and when sufficient donor 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 IDA15.

C. Contribution Procedures

110. **Payments.** Deputies recommended that the contribution and payment arrangements for donors continue as in previous replenishments. Donors will provide their 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, 2011, except for advance contributions which will be paid as specified by IDA. The second installment will be paid no later than January 15, 2013, and the third installment no later than January 15, 2014. IDA may agree to postpone any payment under the terms of the IDA16 Resolution.

111. Deputies recommended that subscription and payment arrangements for non-donors 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.

112. **Encashment.** Donor contributions will be encashed on an approximately *pro rata* basis among donors following the agreed regular encashment schedule (Attachment II of the IDA16 Resolution). Donors may, with the agreement of Management, adjust their encashments to reflect their legal and budgetary requirements. Deputies agreed to indicate any special preferences in this regard to Management when donors 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 encashment requests to the affected donor be expected to be adjusted to take into account any past payment delays by that donor and any related lost income to IDA. IDA may also agree with any member on a revised encashment schedule that yields at least an equivalent value to IDA. Deputies agreed that the present value of donors' encashment schedules will be based on a 2.5 percent per annum discount rate.⁵⁶ Donors that accelerate their 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, donors would receive additional subscription votes on account of the additional resources provided to IDA from accelerated encashment. Donors that use accelerated encashment can also benefit from a discount on the amounts encashed.

113. **Valuation of contributions.** Deputies agreed to denominate their 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 donor contribution as of the date of conclusion of the IDA16 replenishment discussions. For the purpose of establishing the equivalence of value among different currencies and the SDR, donors agreed to use the average daily exchange rate for the period April 1, 2010, through September 30, 2010. To help maintain the value of contributions from donors with high inflation rates, contributions from donors with domestic annual inflation of 10 percent or higher in 2007-2009 will be denominated in SDRs or in any currency used for valuation of the SDR and agreed with IDA.⁵⁷

114. **IDA15 funds carried into the IDA16 replenishment.** Deputies agreed that the IDA15 funds carried over into the IDA16 period will be administered under the terms of the IDA15 replenishment with respect to financial management matters such as payment, encashment and allocation of voting rights. For ongoing operational matters, such as commitment authority, IDA16 terms, conditions and procedures will apply.

115. **Reporting of contributions.** Participants requested Management to report regularly to the Executive Directors on the status of each donor'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.

⁵⁶ IDA (2010). "Updated IDA16 Financing Framework and Key Financial Variables." http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/73449-1271341193277/FinancingFramework_October2010.pdf.

⁵⁷ Inflation is measured by the rate of change of the national Consumer Price Index (CPI), or the GDP deflator in case of donor countries for which the CPI is not available.

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

116. 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 donor financing for the MDRI. In addition, Deputies discussed the financing arrangements for exceptional IDA allocations for arrears clearance in IDA16 and supported the continued use of the Debt Relief Trust Fund to accept resources from donors and IBRD net income transfers for this purpose. Participants noted that IDA16 will be the first replenishment for donors to compensate IDA for forgone principal repayments on grants. Participants recognized that further discussions were needed on the question of financing gaps in donors' contribution for compensatory items.

A. The HIPC Initiative

117. *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 IDA16 period. IDA will, therefore, need additional financing of about SDR 1.4 billion during the IDA16 period to finance forgone credit reflows due to the HIPC Initiative.

118. *Two mechanisms.* Deputies supported the continued use of the two mechanisms used in IDA15 for donors' HIPC-related contributions: (a) contributing to IDA directly; or (b) channeling contributions through the Debt Relief Trust Fund.⁵⁸ 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 IDA15, each donor's share will be determined based on the agreed burden-sharing and shown as a separate column in Table 1 of the IDA16 Resolution.

119. Donor funds provided directly to IDA will be treated in the same manner as regular contributions, becoming part of IDA's general resources. Donors 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. Donors can pay their HIPC contributions in cash or promissory notes. Since these additional contributions will reimburse IDA for its forgone reflows during FY12-14, they will be drawn down over this three-year period. Donors will receive voting rights for contributions upon payment to IDA16.

120. Donors can also make HIPC contributions directly to the Debt Relief Trust Fund. Donors 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. Donors will deposit their contributions in the World

⁵⁸ As amended by donors and the Executive Directors.

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, donors will receive additional voting rights in IDA following such transfers. Management will report periodically to donors on the status of their contributions to the Debt Relief Trust Fund.

B. The MDRI

121. ***Replacement of lost credit reflows.*** In the spring of 2006, donors 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 and over the next four decades of MDRI implementation, IDA is projected to cancel an estimated total amount of SDR 23.7 billion (equivalent to US\$ 35.5 billion) of credit reflows from eligible HIPC countries. Under the MDRI replenishment arrangements, donors 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.

122. ***MDRI replenishment.*** Donor 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".⁵⁹ 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 donor to donor 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, donors recognized that: "It will be critical to provide an Unqualified Commitment for subscriptions and contributions in FY07 and FY08".⁶⁰ For the remainder of the first decade of MDRI implementation (FY09-16), donors recognized that: "Firm, Unqualified Commitments are also needed over this period. Participants recognized that some donors would require periodic approval of their contributions over this period, resulting in the provision of some portion of Qualified Commitments. Participants encouraged IDA's donors to take all necessary steps in successive replenishments to provide firm financing on a rolling basis."⁶¹ In order to avoid a financing shortfall, the MDRI replenishment resolution was amended in 2010⁶² to allow a portion of qualified commitments to be counted towards IDA's commitment authority. This portion was set by IDA's Executive

⁵⁹ IDA (2006). *Additions to IDA Resources: Financing the Multilateral Debt Relief Initiative*, approved by IDA's Executive Directors on March 28, 2006. Paragraph 5.

⁶⁰ Paragraph 19 (a), *ibid.*

⁶¹ Paragraph 19 (b), *ibid.*

⁶² IDA (2010) "Amendment to Resolution No. 211 – Additions to Resources: Financing the Multilateral Debt Relief Initiative", Resolution 224, IDA/R2010-0054.

Directors at 85 percent of qualified commitments during IDA15, and the Executive Directors will set the level for IDA16 under the IDA16 commitment authority framework. Nevertheless, Participants stressed the need for donors to make every effort to provide firm, unqualified commitments up to FY22.

123. To back IDA16 commitment authority, Deputies reaffirmed the urgent need to provide additional donor contributions for the MDRI replenishment of SDR 3.5 billion, so as to cover IDA's debt relief costs due to the MDRI during the IDA16 disbursement period (FY12-22) as agreed under the MDRI. In that context, Participants noted with appreciation that a number of donors have already provided unqualified MDRI financing commitments over 40 years, including Ireland, Kuwait, Luxembourg, Portugal, Russia and South Africa.

124. 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 donors in conjunction with every regular IDA replenishment. Participants reviewed the updated cost estimates for the MDRI, as of June 30, 2010, which provide the basis for updates to the MDRI cost tables and donor payment schedule. Revised tables to the MDRI Resolution reflecting the updated cost estimates will be 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. Donors noted that, in the Instrument of Commitment, each member had agreed to amend its Instrument of Commitment to reflect any such adjustment.

125. **Monitoring donor contributions.** Participants reaffirmed that there should be continued monitoring of donor contributions to the MDRI. For transparency, donor contributions to the MDRI will continue to be recorded separately from regular IDA replenishment contributions, as additional to donors' regular financial support to IDA. They noted that donor contributions to the MDRI have been reported in the annual report to IDA Deputies and IDA's Executive Directors and will continue to be reported annually during the IDA16 period. Such reporting will contain information on the volume of debt relief delivered by IDA under the MDRI and the amount of compensatory donor resources received.

C. Financing of Arrears Clearance Operations

126. **Burden shares.** During IDA15, donors agreed to establish a systematic approach to arrears clearance.⁶³ 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 IDA16 period is estimated to be SDR 0.4 billion.⁶⁴ Donors agreed that this amount be included as part of IDA's overall financing commitments during IDA16 based on fair burden shares. In general, therefore, donors supported the use of their HIPC burden shares to finance arrears clearance operations in IDA15.

⁶³ 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>.

⁶⁴ See also footnote 47.

127. ***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 IDA16 would be insufficient to cover the full cost of the exceptional support, the shortfall would be made up in IDA17, 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 IDA16 Mid-Term Review and to indicate plans for the reallocation of any unused resources during the last year of the IDA16 period.

128. ***Redeployment of unused resources from IDA15.*** Deputies agreed during the IDA15 Mid-term Review to the redeployment of SDR 243 million (US\$ 370 million) from the unused set-aside for arrears clearance operations to provide resources for the pilot-Crisis Response Window (pilot-CRW).⁶⁵ However, the IDA15 Deputies' Report and Board of Governors' resolution limited the use of these funds to arrears clearance operations. Therefore, pending the approval for the repurposing of these funds, the Executive Directors approved – in November 2009 – the use of an equivalent amount of IDA16 internal resources to bridge the immediate financing need. This additional amount of internal resources was included in the internal resources used for IDA15 and was deducted from the internal resources available in IDA16. Given the above Deputies' agreement, the funds can be carried forward into IDA16 to reimburse the use of internal resources.

129. ***Debt Relief Trust Fund.*** Participants noted that the continued use of the Debt Relief Trust Fund to allow it to receive donor contributions for arrears clearance provided an additional avenue for donors to finance the cost associated with arrears clearance. They also noted that any donor making bilateral contributions towards coverage of arrears clearance costs into the arrears clearance window of the Debt Relief Trust Fund, ahead of IDA16, will have the option of having these contributions credited against the donor's burden-shared contributions for arrears clearance financing during IDA16. Similarly, in IDA16, donors have the option of contributing directly to IDA or channeling their contribution for arrears clearance through the Debt Relief Trust Fund. In addition, in the event that IBRD has additional income, the Debt Relief Trust Fund could be able to receive contributions from IBRD net income, which could be used to address any remaining structural gap in the financing of IDA's debt relief costs, including HIPC and MDRI.

130. ***IBRD debt.*** In IDA countries with debt to 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.⁶⁶ These debt relief grants and prepayments are to be funded by resources other than IBRD net income transfers.

⁶⁵ IDA (2009). "Proposal for a Pilot IDA Crisis Response Window," IDA/R2009-0293.

⁶⁶ 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.

131. 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 structural gap in the MDRI financing framework.

D. Financing of Forgone Principal from Grants

132. Grant making began in earnest in IDA13. In IDA14, donors committed to replace forgone principal reflows due to the making of grants, on a pay-as-you-go basis. Given the 10-year grace period on regular IDA credits, IDA16 will be the first replenishment for the financing of forgone principal reflows due the grants extended in IDA13.

133. *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 SDR 60 million during the IDA16 period to finance forgone credit reflows due to grants.

134. *Burden shares.* Donors agreed that this amount is included as part of IDA's overall financing commitments during IDA16 based on fair burden shares.

SECTION VII: RECOMMENDATION

135. The Executive Directors recommend to the Board of Governors the adoption of the draft IDA16 Resolution attached in Annex 5.

ANNEXES

RESULTS MEASUREMENT SYSTEM FOR IDA16

Table 1. Tier 1: IDA Countries Progress⁶⁷

INDICATOR	LATEST RESULTS	2015 MDG TARGET
Growth and Poverty Reduction		
GDP per capita (<i>constant 2000 US\$</i>)	618	
Percent of population below US\$ 1.25 a day	42.4	Halve between 1990 and 2015
Governance		
Quality of budgetary and financial management (<i>average rating: 1=low to 6=high for IDA countries</i>)	3.36	
Private Sector Development		
Trade Logistics Performance Index (<i>average rating 1=low to 5=high for IDA countries</i>)	2.5	
Time required for business start-up (<i>average number of days</i>)	35	
Fixed line and mobile phone subscribers (<i>average number per 100 people</i>)	37	
Infrastructure		
Access to an improved water source (<i>% of population</i>)	77.4	Halve between 1990 and 2015
Access to improved sanitation (<i>% of population</i>)	37.2	Halve between 1990 and 2015
Access to an all-season road (<i>% of the rural population</i>)	61	
Household electrification rate (<i>% of households</i>)	61.5	
Gender and Human Development		
Under 5 mortality rate (<i># per 1,000 people</i>)	104	Reduce by two-thirds between 1990 and 2015
Prevalence of HIV/AIDS (<i>% of population aged 15-49</i>)	1.4	Halt by 2015 and begun to reverse

⁶⁷

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:20189503~menuPK:2607492~pagePK:51236175~piPK:437394~theSitePK:73154,00.html>

INDICATOR	LATEST RESULTS	2015 MDG TARGET
Births attended by skilled health staff (<i>% of total births</i>)	45.5	
Primary completion rate (<i>% of children of primary school age</i>)	80.4	100%
Girls	74.8	
Boys	81.4	
Ratio of girls to boys in primary and secondary education (%)	90.7	100%
Ratio of female to male labor force participation	56.9	
Adolescent fertility rate (births per 1,000 women ages 15-19)	76.3	
Maternal mortality rate (modeled estimate, per 100,000 live births)	430	Reduce by two-thirds between 1990 and 2015
Malnutrition prevalence, weight for age (% of children under 5)	33.2	
Climate Change		
CO2 emissions, metric tons per capita	1.0	

Table 2. Tier 2: IDA-Supported Development Results

A. Satisfactory Achievement of Development Outcomes (percentage)

INDICATOR	LATEST RESULTS	IDA16 PERFORMANCE STANDARDS
Country Assistance Strategies Completion Reports (<i>IEG Ratings</i>)	44	66
Operations in all IDA Countries (<i>IEG Ratings</i>)	74	75
Operations in IDA Countries in Fragile Situations (<i>IEG Ratings</i>)	69	70
Analytical and Advisory Activities (<i>Economic and Sector Work and non-lending Technical Assistance</i>)	68	75

B. Sectoral Outputs⁶⁸

INDICATOR	LATEST RESULTS BASED ON 3-YEAR AVERAGE	PROJECTED OUTPUTS BY 2015
EDUCATING CHILDREN		
Teachers recruited and/or trained	0.9 million	1.0 – 1.2 million
PROTECTING AND SAVING LIVES		
Children immunized	85 million	99 – 116 million
Pregnant women receiving antenatal care during a visit to a health provider	0.7 million	0.8 – 1.0 million

⁶⁸ The sector outputs and outcomes in Tier 2B are tentative and assume continued and/or increased country demand for IDA support for interventions that would result in these outputs, a continuation of the current distribution of IDA resources across sectors, and an increase in IDA's commitment authority based on the preferred IDA16 financing scenario.

INDICATOR	LATEST RESULTS BASED ON 3-YEAR AVERAGE	PROJECTED OUTPUTS BY 2015
People with access to a basic package of health, nutrition, or population services	13 million	15 – 18 million
BUILDING AND ACCESSING VITAL INFRASTRUCTURE		
Roads constructed or rehabilitated (km)	32 thousand	37 – 44 thousand
People with access to improved water sources	31 million	36 – 42 million
People with access to improved sanitation facilities	1.6 million	1.8 – 2.2 million

IDA REPORT CARD

Table 3. Tier 3: IDA Operational Effectiveness

INDICATOR	CURRENT PERFORMANCE	IDA16 PERFORMANCE STANDARDS
Portfolio Performance		
Quality of design (%)	69	75
Disbursement ratio for investment lending projects (%)	25	25
Disbursement ratio for investment lending projects in FCCs (%) ⁶⁹	27	25
Aid predictability (%) ⁷⁰	65	71
Monitoring and Evaluation		
Investment lending projects that have appropriate results frameworks (%)	99	100
First Implementation Status and Results Reports with adequate baselines for at least one key outcome indicator (%)	91	95
IDA Implementation Completion and Results Reports that report on key results (%)	92	100
Impact Evaluations (#) ⁷¹	14	17

⁶⁹ Note that the disbursement ratio for FCCs is subject to substantial fluctuations, including because of rapid shifts in country conditions and because of changes to countries classified as FCCs.

⁷⁰ See footnote 27.

⁷¹ Impact evaluation is defined as any quantitative assessment of the outputs, outcomes or impact of a project intervention relative to a well-specified (and measurable) counterfactual. The counterfactual could be specified in different ways, ranging from randomized assignments with a control and treatment group to propensity score matching techniques or other methods that isolate cause and effect in a credible and measurable way. In addition to these impact evaluations, IEG undertakes two to three evaluations per annum. This number of evaluations is expected to continue during the IDA16 period.

INDICATOR	CURRENT PERFORMANCE	IDA16 PERFORMANCE STANDARDS
Use of Country Systems⁷²		
Use of country Monitoring and Evaluation systems (%)	73	75
Use of country systems for Financial Management (%)	62	65
Use of country systems for Procurement (%)	52	55
Collaborative Analytical and Advisory Activities (%)	59	66
Implementation of IDA16 Special Themes		
Proportion of IDA CASs drawing on and discussing the findings of gender assessments	NA	Full implementation of policy
Proportion of IDA projects that are gender-informed (%)	46	60
Proportion of IDA CASs that discuss climate change vulnerabilities (%).	NA	100

⁷² See footnote 27.

Table 4. Tier 4: IDA Organizational Effectiveness

INDICATOR	CURRENT PERFORMANCE	IDA16 PERFORMANCE STANDARDS
Speed and Cost		
Time from project concept note to approval for Investment Lending (months) (%)	15.1	12
Time from project concept note to approval for Investment Lending in FCCs (months) (%)	12.6	12
Problem projects restored to "satisfactory" status within 12 months (%)	70	80
Average project preparation costs (\$)	332	325 thousand
Average project implementation support costs (\$)	131	135 thousand
Decentralization⁷³		
Decentralization of higher level staff to the field (%)	27	30
Decentralization of task management to staff in the field working on (%)		
Fragile Situations ⁷⁴	30	35
Non - Fragile Situations	38	45
Mapping for Results		
IDA projects that are geo-coded (%)	45	100

⁷³ The future direction of decentralization in IDA countries and the proposed targets will depend on a final Management decision on decentralization and will be discussed in due course with the Board.

⁷⁴ Attainment of this performance standard may be affected by deterioration in fragile situations, in which case the performance standard would be revised accordingly to exclude data from such countries.

TABLE 5. MONITORABLE ACTIONS FOR IDA16

Objectives	Recommendations/Actions	Product	Target date
DELIVERING DEVELOPMENT RESULTS			
• IDA’S FOCUS ON RESULTS			
IDA RMS and Results	<ul style="list-style-type: none"> • Implement the new IDA RMS framework and report on indicators. 	<ul style="list-style-type: none"> • RMS Report • IDA16 Retrospective 	<ul style="list-style-type: none"> • IDA16 MTR and at completion of IDA16 period. • Annual updates of all indicators (as available) on IDA website
	<ul style="list-style-type: none"> • Develop country program self-assessment methodology and report on findings. 	<ul style="list-style-type: none"> • Methodology and Assessment 	<ul style="list-style-type: none"> • Report on progress at IDA16 MTR
	<ul style="list-style-type: none"> • Propose for Board approval a Results Based Lending (RBL) instrument. 	<ul style="list-style-type: none"> • Board paper 	<ul style="list-style-type: none"> • End FY11
	<ul style="list-style-type: none"> • Expand reporting on core indicators from four to seven sectors and include selected indicators in Tier 2b. 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> • IDA16 MTR
	<ul style="list-style-type: none"> • Map evaluation tools appropriate for different IDA operations. 	<ul style="list-style-type: none"> • CODE paper 	<ul style="list-style-type: none"> • CODE, end FY11
	<ul style="list-style-type: none"> • Convene panel of experts to make recommendations on how to strengthen the Bank’s program of impact evaluation. 	<ul style="list-style-type: none"> • Panel established 	<ul style="list-style-type: none"> • Report at IDA16 MTR
Country statistical capacity to measure results	<ul style="list-style-type: none"> • Continue efforts to support country statistical capacity via lending, TA, Statistics for Results Facility, Trust Fund for Statistical Capacity Building and South-South networks and report on progress. 	<ul style="list-style-type: none"> • Background note 	<ul style="list-style-type: none"> • IDA16 MTR
Communicating on Results	<ul style="list-style-type: none"> • Update IDA results stories and briefs on the web. • Update on progress made in the utilization of geo-coding techniques. 	<ul style="list-style-type: none"> • Web material 	<ul style="list-style-type: none"> • Ongoing • IDA16 MTR
• IDA’S ROLE IN THE INTERNATIONAL COMMUNITY			
Global Leadership	<ul style="list-style-type: none"> • Support preparation and implementation of the Fourth High Level Forum on Aid Effectiveness (HLF-4). 		<ul style="list-style-type: none"> • Ongoing

Objectives	Recommendations/Actions	Product	Target date
	<ul style="list-style-type: none"> Ensure that the World Bank publishes good quality data in a format that is easily accessible by various stakeholders and continue to support international initiatives which promote aid transparency. 	<ul style="list-style-type: none"> Publicly accessible data/information 	<ul style="list-style-type: none"> Ongoing
	<ul style="list-style-type: none"> Collect and disseminate good practices on aid predictability from both donors and partner countries, contributing to the aid predictability agenda globally. 	<ul style="list-style-type: none"> Material presented at HLF-4 	<ul style="list-style-type: none"> November 2011
	<ul style="list-style-type: none"> Identify and make systematic good practices for Aid on Budget. 	<ul style="list-style-type: none"> Dissemination of good practice. 	<ul style="list-style-type: none"> Ongoing
Country-Level Collaboration	<p>Country Assistance Strategy</p> <ul style="list-style-type: none"> Improve the mapping of donor activities in CASs. Better integration of activities financed through trust funds into CASs. 	<ul style="list-style-type: none"> Dissemination of good practice. Improved TF data provided to clients and country management teams. 	<ul style="list-style-type: none"> Ongoing Ongoing
	<p>Aid Coordination</p> <ul style="list-style-type: none"> Examine IDA's role in aid coordination processes at the country-level. 	<ul style="list-style-type: none"> Dissemination of examples and findings. 	<ul style="list-style-type: none"> Ongoing process
<p>• ENHANCING IDA'S EFFECTIVENESS</p>			
Investment Lending	<ul style="list-style-type: none"> Mainstream new processes, procedures and policies for implementing Investment Lending. 	<ul style="list-style-type: none"> New processes, procedures and policies. 	<ul style="list-style-type: none"> IDA16 MTR
	<ul style="list-style-type: none"> Deepen use of country PFM and procurement systems as systems and capacity are strengthened, and monitor IDA's performance as part of RMS. 	<ul style="list-style-type: none"> RMS Report. 	<ul style="list-style-type: none"> IDA16 MTR
Other Instruments	<ul style="list-style-type: none"> Facilitate use of IDA Guarantees 	<ul style="list-style-type: none"> Revised Operational Policy for Guarantees by IDA16 MTR 	<ul style="list-style-type: none"> IDA16 MTR
	<ul style="list-style-type: none"> Assess effectiveness of DPOs in supporting countries' own programs that deliver results; monitor the use of PSIA and ensure continued adherence to the principle of country ownership. 	<ul style="list-style-type: none"> DPL Retrospective Report to be completed by IDA16 MTR 	<ul style="list-style-type: none"> IDA16 MTR
Decentralization	<ul style="list-style-type: none"> Near-term measures to strengthen presence and move decision making authority to the field, especially fragile and conflict affected countries, by (i) increasing the number of country directors in Africa (from 11 to 15); (ii) moving more task management to country offices; (iii) moving sector management closer to decentralized staff; and (iv) establishing at least one subregional hub in Africa to serve fragile states. 	<ul style="list-style-type: none"> RMS Report . 	<ul style="list-style-type: none"> IDA16 MTR
	<ul style="list-style-type: none"> In the medium term, implement any measures agreed with Board to further decentralization. 	<ul style="list-style-type: none"> RMS Report 	<ul style="list-style-type: none"> IDA16 MTR

Objectives	Recommendations/Actions	Product	Target date
IDA Controls	<ul style="list-style-type: none"> • Complete implementation of the remaining corrective actions in Management's Five Point Action Plan. 	<ul style="list-style-type: none"> • Update on status of pending Corrective Actions. 	<ul style="list-style-type: none"> • IDA16 MTR
	<ul style="list-style-type: none"> • Revert to normal monitoring and evaluation of IDA Controls, including through the new Integrated Risk Management Report, and regular IDA reviews and IEG evaluations. 	<ul style="list-style-type: none"> • Integrated Risk Management Report, and regular IDA reviews and IEG evaluations . 	<ul style="list-style-type: none"> • Ongoing
SPECIAL THEME 1: ENHANCING IDA'S CAPACITY TO RESPOND TO CRISES			
Strengthen support to IDA countries affected by severe exogenous economic crises and natural disasters	<ul style="list-style-type: none"> • Establish a dedicated Crisis Response Window within the IDA framework to address the impact of exceptionally severe economic crises and natural disasters. 		<ul style="list-style-type: none"> • July 1, 2011
	<ul style="list-style-type: none"> • Provide a full review of the implementation of the IDA15 pilot-Crisis Response Window. 	<ul style="list-style-type: none"> • CRW paper 	<ul style="list-style-type: none"> • IDA16 MTR •
	<ul style="list-style-type: none"> • Provide an update on implementation of the Crisis Response Window during the IDA16 period, including plans for the reallocation of any unused resources during the last year of the IDA16 period. 	<ul style="list-style-type: none"> • CRW paper 	<ul style="list-style-type: none"> • IDA16 MTR
SPECIAL THEME 2: ACCELERATING PROGRESS ON GENDER MAINSTREAMING AND GENDER RELATED MDGS			
Intensify support for the efforts IDA countries are making to promote gender equality	<ul style="list-style-type: none"> • Implement and review progress on the Action Plan on Gender Mainstreaming and Gender-Related MDGs, including: <ul style="list-style-type: none"> ○ 100 percent of IDA CASs will draw on and discuss the findings of a gender assessment, which would be supported through the issuance of a guidance note on the World Bank gender policy, training for staff on how to mainstream gender issues in CASs, and more robust corporate review of gender analysis of CASs by the PREM network. ○ increase gender-informed IDA investments and monitor progress ○ continue to track three indicators to measure IDA's support to gender-based country outcomes in: (i) percentage of safety nets projects designed to mitigate risk and vulnerability for women and girls; (ii) percentage of agriculture and rural development operations that target women; and (iii) percentage of health projects that address high fertility and maternal mortality. ○ the preparation of Regional Gender Action Plans. ○ implementation of the Reproductive Health Action Plan with a focus on 52 priority countries with high maternal mortality and total fertility rates, including 25 countries in the Africa Region. ○ the completion of the forthcoming Education Sector Strategy and the subsequent implementation of a program of action targeting 	<ul style="list-style-type: none"> • A report • Annual Gender Monitoring Reports 	<ul style="list-style-type: none"> • IDA16 MTR

Objectives	Recommendations/Actions	Product	Target date
	gender issues in high priority countries.		
	<ul style="list-style-type: none"> • Complete World Development Report for 2012 focused on gender. 	<ul style="list-style-type: none"> • WDR 2012 	<ul style="list-style-type: none"> • IDA16 MTR
SPECIAL THEME 3: ACHIEVING CLIMATE RESILIENT DEVELOPMENT			
Support climate resilience in IDA countries	<ul style="list-style-type: none"> • Address climate change by: <ul style="list-style-type: none"> ○ discussing in 100 percent of IDA CASs climate change vulnerabilities as part of the discussion of the country's development challenges and priorities and including activities in climate change mitigation and adaptation areas when requested by the recipient country; ○ scaling up IDA Analytic and Advisory Activities on adaptation and mitigation; ○ analyzing in all projects in climate change sensitive sectors the potential climate impact of project activities to ensure that they are consistent with the climate change mitigation and adaptation strategies of the country; and ○ establishing coding system to measure the share of IDA investments that provide climate adaptation and mitigation co-benefits, and reporting on the number of projects that aim at climate change co-benefits in their design (e.g., percent of IDA investments that have climate change co-benefits) by Mid-Term Review. 	<ul style="list-style-type: none"> • Progress report • Additional AAA • Coding system and benchmark 	<ul style="list-style-type: none"> • IDA16 MTR
	<ul style="list-style-type: none"> • Continue dialogue with OECD/DAC on Rio-Markers with the objective of developing and agreeing quantitative measures of global financing for climate change adaptation and mitigation. 	<ul style="list-style-type: none"> • Quantifiable Rio-Markers 	IDA16 MTR
SPECIAL THEME 4: SUPPORTING FRAGILE AND CONFLICT AFFECTED COUNTRIES			
Strengthen support to fragile and conflict affected countries	<ul style="list-style-type: none"> • Examine the operational implications of the 2011 WDR, including with respect to the heterogeneity of fragility and conflict, approaches to fragile situations and for conflict prevention, volatility of IDA allocations, etc. Based on these findings, develop, by the IDA16 MTR, proposals including to simplify and adjust the framework for allocating resources to FCCs. 	<ul style="list-style-type: none"> • FCC Paper 	<ul style="list-style-type: none"> • IDA16 MTR
	<ul style="list-style-type: none"> • Develop plans for enhanced implementation of UN-World Bank Partnership Agreements in a few pilot countries. 	<ul style="list-style-type: none"> • FCC Paper 	<ul style="list-style-type: none"> • 2013
	<ul style="list-style-type: none"> • Complete evaluation of IDA's work in fragile and conflict affected countries during 2012-2013. 	<ul style="list-style-type: none"> • IEG evaluation 	<ul style="list-style-type: none"> • 2013

Objectives	Recommendations/Actions	Product	Target date
	<ul style="list-style-type: none"> • Revise the World Bank’s Operational Policy on Development Cooperation and Conflict (OP/BP 2.30) by the end of 2011, and include partnership agreements. 	<ul style="list-style-type: none"> • Board paper 	<ul style="list-style-type: none"> • End-2011
	<ul style="list-style-type: none"> • Strengthen collaboration with partners on MDTFs administered by the World Bank, develop a reform plan in response to the MDTF evaluations, and report on progress at the IDA16 MTR. 	FCC Paper	<ul style="list-style-type: none"> • IDA16 MTR
	<ul style="list-style-type: none"> • Provide a review of procurement, fiduciary and legal inputs in FCCs to speed up implementation in FCCs. 	FCC Paper	<ul style="list-style-type: none"> • IDA16 MTR
	<ul style="list-style-type: none"> • Complete the revision and testing of the PCPI criteria, and publicly disclose the country scores in June 2011 before the start of IDA16. Develop specific mechanisms to monitor efforts in the broader set of fragile and conflict affected countries in cooperation with other agencies and bilateral partners. 	<ul style="list-style-type: none"> • FCC Paper 	<ul style="list-style-type: none"> • June 2011
	<ul style="list-style-type: none"> • Strengthen efforts to integrate a gender perspective in IDA’s support to FCCs. 	<ul style="list-style-type: none"> • FCC Paper 	<ul style="list-style-type: none"> • IDA16 MTR
ADJUSTMENTS TO THE VOLUMES AND TERMS OF IDA ASSISTANCE			
Allocate IDA resources based on performance	<ul style="list-style-type: none"> • Implement IDA’s Performance Based Allocation (PBA) system as set out in Annex 2, including the following changes: <ul style="list-style-type: none"> ○ introduction of a flexible and a case-by-case approach to extending the phase-out for post-conflict and re-engaging countries; ○ modification of the requirements for IDA’s regional program to allow projects with only two countries when at least one is fragile and conflict affected country; ○ elimination of the maximum per capita allocation ceiling for small states and raising of all base allocations to SDR 3.0 million per year from the current SDR 1.5 million per year. • Capping the amount deducted as foregone debt service from an eligible country’s gross annual PBA allocation at 30 percent of such gross PBA allocation. Provide a review of implementation experience at the time of the IDA16 MTR. 		<ul style="list-style-type: none"> • Ongoing
Adjustment to the terms of IDA assistance	<ul style="list-style-type: none"> • Adjust lending terms of IDA’s blend, gap and small island exception countries as follows: <ul style="list-style-type: none"> ○ Harmonize IDA’s blend credits and hardened term credits into one instrument with a final credit maturity of 25 years with a 5-year grace period, and carrying a 1.25 percent per annum interest rate. ○ Harmonize hard term credits with a maturity of 25 years and a 5- 	<ul style="list-style-type: none"> • A Report 	<ul style="list-style-type: none"> • IDA16 MTR
		<ul style="list-style-type: none"> • Implementation to start July 1, 2011 	<ul style="list-style-type: none"> • Revised OP

Objectives	Recommendations/Actions	Product	Target date
	year grace period and continue to feature an interest rate based on the IBRD fixed rate equivalent minus 200 basis points. Provide access to hard term credits to all blend countries in proportion to their performance-based allocation. Change terms for the small island country exception from blend credit terms to regular credit terms.		
	<ul style="list-style-type: none"> • Implement any agreement to exercise the acceleration clause included in the legal agreements for regular and blend credits since 1987. 	<ul style="list-style-type: none"> • Subject to Board approval, implementation would start in July 2011 	
	<ul style="list-style-type: none"> • Allocate grants to regional organizations on a pilot basis. 	<ul style="list-style-type: none"> • Management report 	<ul style="list-style-type: none"> • IDA16 MTR
	<ul style="list-style-type: none"> • Review of IDA's graduation policy. 	<ul style="list-style-type: none"> • Discussion paper 	<ul style="list-style-type: none"> • IDA16 MTR

Annotated Indicators by Tier

Indicator	Unit of Measure	Data Source	Date of Latest Results
Tier 1: IDA Countries Progress			
GDP per capita (constant 2000 US\$)	constant 2000 US\$	WDI	2009
Percent of Population below US\$ 1.25 a day	% of population	WDI	2005
Quality of budgetary and financial management (average rating: 1=low to 6=high for IDA countries)	average rating (1=low to 6=high) for IDA countries	CPIA	2008
Trade Logistics Performance Index (average rating 1=low to 5=high for IDA countries)	average rating (1=low to 5=high) for IDA countries	WDI	2009
Time required for business start-up (average number of days)	average number of days	Doing Business	2009
Fixed line and mobile phone subscribers (average number per 100 people)	average # per 100 people	WDI	2008
Access to an improved water source (% of population)	% of the population with access	WDI	2008
Access to improved sanitation (% of population)	% of the population with access	WDI	2008
Access to an all-season road (% of the rural population)	% of the rural population with access	Staff Estimates	2000
Household electrification rate (% of households)	% of households	WDI	2007
Under 5 mortality rate (# per 1,000 people)	# per 1,000	WDI	2008
Prevalence of HIV/AIDS (% of population aged 15-49)	% of population aged 15-49	WDI	2007
Births attended by skilled health staff (% of total births)	% of total births	WDI	2007
Primary completion rate (% of children of primary school age)	% of children of primary school age	WDI	2008
Ratio of girls to boys in primary and secondary education (%)	%	WDI	2008
Ratio of female to male labor force participation (%)	%	Staff Estimates	2009

Indicator	Unit of Measure	Data Source	Date of Latest Results
Adolescent fertility rate	Births per 1000 women ages 15-19	WDI	2009
Maternal mortality rate	Per 100,000 live births	WDI	2008
Malnutrition prevalence weight for age	Percent of children under 5	WDI	2008
CO2 emissions	Metric tons per capita	WDI	2007
Tier 2: IDA-Supported Development Results			
A. Satisfactory Achievement of Development Results			
Country Assistance Strategies Completion Reports (IEG Ratings)	% of CASCRs for RB CASs rated HS, S, MS	IEG	2010
Operations in all IDA Countries (IEG Ratings)	% rated HS, S, MS	BW	Three Year Rolling Average FY07-FY09
Operations in IDA Countries in Fragile Situations (IEG Ratings)	% rated HS, S, MS	BW	Three Year Rolling Average FY07-FY09
Analytical and Advisory Activities (Economic and Sector Work and non-lending Technical Assistance)	% rated Fully or Largely Achieved	ACS	Three Year Rolling Average FY07-FY09
B. Sectoral Outputs and Outcomes			
Teachers recruited and/or trained	Number of additional teachers recruited and/or trained with IDA financing to reduce the shortfall of qualified teachers at primary level.	Staff estimates	Three Year Rolling Average
Children immunized	Number of children receiving vaccines purchased with IDA financing or other resources that are distributed through an IDA-supported program. Included are any of the recommended vaccines, as individual vaccines if purchased or administered separately or as a combination vaccination when several vaccines have been combined.	Staff estimates	Three Year Rolling Average
Pregnant women receiving antenatal care during a visit to a health provider	Number of pregnant women receiving antenatal care during a visit to a skilled health provider as a result of IDA-financed activities.	Staff estimates	Three Year Rolling Average
People with access to a basic package of health, nutrition, or population services	Increase in number of people with access to a basic package of health, nutrition or population services supported through an IDA-financed project.	Staff estimates	Three Year Rolling Average
Roads constructed or rehabilitated (km)	Number of kilometers of all roads constructed, reopened, to motorized traffic, rehabilitated, or upgraded under an IDA-supported project.	Staff estimates	Three Year Rolling Average

Indicator	Unit of Measure	Data Source	Date of Latest Results
People with access to improved water sources	Number of people who benefitted from improved water supply services (following the UNICEF-WHO Joint Monitoring Program definition) that have been constructed under the IDA project.	Staff estimates	Three Year Rolling Average
People with access to improved sanitation facilities	Number of people who benefitted from improved sanitation facilities constructed under the IDA project.	Staff estimates	Three Year Rolling Average
Tier 3: IDA Operational Effectiveness			
Quality of design	% of IDA projects in sample, reviewed at midterm	QALP 2	FY03-FY06 Approvals
Disbursement ratio for investment lending projects (%)	% disbursement during the FY as a % of opening undisbursed balances	BW	FY10
Disbursement ratio for investment lending projects in FCCs (%)	% disbursement during the FY as a % of opening undisbursed balances	BW	FY10
Aid predictability (%)	% of lending	PD Indicator #7	2007
Investment lending projects that have appropriate results frameworks (%)	% in which at least one outcome indicator covers key aspects of the PDO	Staff Estimates	February, 2010
First ISRs with adequate baselines for at least one key outcome indicator (%)	% IIs with baselines for at least one key outcome indicator	Staff Estimates	April, 2010
IDA ICR Reports that report on key results (%)	% reporting any data related directly to the achievement of the PDO (output/outcome for IL; key results for DPO)	Staff Estimates	April, 2010
Impact Evaluations	Average annual number of impact evaluations associated with IDA operations	Staff Estimates	Three Year Rolling Annual Average FY08-FY10
Use of country M/E systems (%)	% of projects using data from country M/E systems in the results framework	Staff Estimates	FY09
Use of country systems for FM (%)	% of disbursements	PD Indicator #5a	2007
Use of country systems for PR (%)	% of disbursements	PD Indicator #5b	2007

Indicator	Unit of Measure	Data Source	Date of Latest Results
Collaborative Analytical and Advisory Activities (%)	% of AAA carried out in collaboration with Governments and Partners	PD Indicator #10b	2007
Proportion of CASs drawing on and discussing the findings of gender assessments	% of all IDA CASs drawing on and discussing the findings of gender assessments	Staff estimates	NA
Proportion of IDA projects that are gender-informed	% of all IDA projects that are gender informed	Staff estimates	Average of FY08-09
Proportion of CASs that discuss climate change vulnerabilities.	% of all IDA CASs that discuss climate change vulnerabilities	Staff estimates	NA
Tier 4: IDA Organizational Effectiveness			
Time from project concept note to approval for Investment Lending (months)	# of months	BW	30-Jun-10
Problem projects restored to 'satisfactory' status within 12 months (%)	% of projects rated Unsatisfactory on IP/DO that are no longer in that status after 12 months	BW	FY10
Average project preparation costs (\$)	US\$ of BB +TF	BW	FY10
Average annual project implementation support costs (\$)	US\$ of BB +TF	BW	FY10
Decentralization of higher level staff to the field (%)	% GE+ regional and network staff in the field	Staff Estimates	FY10
Decentralization of task management to staff in the field working on fragile situations (%)	% of tasks managed by staff in the field	Staff Estimates	FY10
Decentralization of task management to staff in the field working on non-fragile situations (%)	% of tasks managed by staff in the field	Staff Estimates	FY10
Percentage of IDA projects that are geo-coded	% of projects that are geo-coded	Staff estimates	FY11

IDA'S PERFORMANCE-BASED ALLOCATION SYSTEM FOR IDA16

I. Introduction

1. IDA's Performance-Based Allocation (PBA) system will continue to be the basis for the distribution of IDA resources during the IDA16 period. This annex provides an updated overview of the PBA system and highlights enhancements that were agreed during the IDA16 deliberations.⁷⁵ As in IDA15, the PBA allocations will be subject to: (i) grants-related discounts and reallocations; and (ii) MDRI netting out, capped at a maximum of 30 percent of a country's gross PBA allocation, and reallocation of compensatory resources.

II. The PBA System for IDA16

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 AI.1).⁷⁶ 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 six 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 AI.1: CPIA criteria

A. Economic Management

1. Macroeconomic Management
2. Fiscal Policy
3. Debt Policy

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

⁷⁵ For details, see 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>.

⁷⁶ For the detailed CPIA Questionnaire, see www.worldbank.org/IDA.

3. The CPIA underpins IDA's Country Performance Rating (CPR) but is not its only determinant. In addition to the CPIA, IDA Portfolio Performance Rating (PPR), which captures the quality of management of IDA's projects and programs, enters the calculation of the CPR. As in IDA15, the CPR in IDA16 will be calculated as:

$$\text{Country Performance Rating} = (0.24 * \text{CPIA}_{A-C} + 0.68 * \text{CPIA}_D + 0.08 * \text{PPR})$$

where CPIA_{A-C} is the average ratings of CPIA clusters A to C, CPIA_D is the rating of CPIA cluster D, and the PPR reflects the health of the IDA projects portfolio, as measured by the percentage of *problem* projects in each country.

4. While country performance is the main determinant of IDA country allocation, 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 allocation (with an exponent of -0.125). Specifically,

$$\text{IDA country allocation} = f(\text{Country Performance Rating}^5, \text{Population}, \text{GNI per capita}^{-0.125})$$

5. Starting in IDA16, the base allocation will be increased from SDR 1.5 million per year (SDR 4.5 per replenishment) to SDR 3 million per year (SDR 9 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 step will also likely benefit mainly small states. Concurrently, the cap on per capita allocations will be eliminated altogether from IDA16 to better support small states whose allocations are currently constrained by this ceiling.

6. Two additional steps are required to arrive at a country's "final" allocation. First, grant allocations are discounted by 20 percent and 13 percent of this discounted amount is reallocated to all IDA-only countries, excluding gap and post-conflict 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. At the IDA15 Mid-Term Review and during the IDA16 replenishment negotiations, IDA Deputies extensively discussed how best to mitigate the adverse allocation impact of the MDRI netting out. Based on these discussions, the Deputies endorsed and the Executive Directors approved⁷⁷ a change to the MDRI netting out mechanism so that 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 starting from FY11. This capped deduction will continue to apply during the IDA16 period. As before, the netted-out amounts are redistributed to all IDA-only countries, excluding gap countries.

7. Country allocations will vary annually with changes in 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.

⁷⁷ Refer to IDA (2010). "A Mechanism for Mitigating the Allocation Impact of MDRI Netting Out".

8. **Exceptions.** The following specific exceptions to the PBA formula will be in place during the IDA16 period.

- First, “capped blend” countries with access, or potential access to IBRD receive less than their allocation norms due to their broader financing options;
- Second, as in IDA15, countries emerging from severe conflict will be provided with additional resources in support of their recovery and in recognition of a period of exceptional need. The special post conflict allocations are provided, as agreed in IDA15, for up to four years, plus six years of phase out to the performance-based norm. For the IDA16 period, post-conflict countries will also be eligible for a case-by-case extension of their phase out period beyond six years provided they meet a predetermined set of criteria.⁷⁸ Post-conflict allocations are based on country performance, which is measured using the Post-Conflict Performance Indicators. If such countries have large and protracted arrears to multilateral creditors, they may also be eligible for grants in the pre-arrears clearance period.
- Third, for countries re-engaging with IDA after a prolonged period of inactivity on a basis of a strong transitional plan with concerted donor support, exceptional allocations are provided, as agreed during IDA15, for a period of two years, plus three years of phase-out to PBA norms. The level of resources provided will be half of what is provided to post-conflict countries. For the IDA16 period, re-engaging countries will be eligible for a case-by-case extension of their phase out beyond three years provided they meet a predetermined set of criteria.⁷⁹ If such countries have large and protracted arrears to multilateral creditors, they may also qualify for grants in the pre-arrears clearance period.
- Fourth, IDA may provide exceptional allocations in the aftermath of severe natural disasters or economic crises from the Crisis Response Window, as described in Section III. A and in Annex 3.
- Fifth, there is a special provision for selected regional integration projects, which began as a pilot program in IDA13. The IDA16 period envisages up to SDR 500 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 allocations. As in IDA15, a 20 percent ceiling will continue to be placed on country contributions to regional projects. Furthermore, starting with IDA16, the three-country requirement for regional projects will be relaxed to allow two countries, of which at least one is a fragile or conflict-affected country, to be eligible for financing for regional IDA

⁷⁸ The eligibility criteria for the case by case extension are: (i) GNI per capita and country financing options; (ii) the presence of exogenous factors slowing down transitions; and (iii) portfolio performance. This approach may be modified in the context of subsequent discussions on financing for FCCs. See IDA (2010), “Updated IDA16 Financial Framework and Key Financial Variables”, and IDA (2010). “IDA’s Performance-Based Allocation System: Review of the Current System and Key Issues for IDA16”.

⁷⁹ Ibid.

projects.⁸⁰ The three-country criterion will be retained for all other regular IDA countries.

- Sixth, eligible countries can qualify for exceptional allocations to help finance the cost associated with the clearance of arrears to IBRD and/or IDA.⁸¹

III. Disclosure

9. IDA countries are informed of the performance assessment process, which is increasingly integrated into the country dialogue. During IDA12 and IDA13, the CPIA and Country Performance Ratings for IDA countries were disclosed in quintiles. 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 with the IDA15 period, 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 with the IDA16 period, the country allocations and commitments would also be disclosed on IDA's external website.

⁸⁰ 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>.

⁸¹ 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>.

OPERATION OF THE CRISIS RESPONSE WINDOW

1. This annex sets out the implementation arrangements that Management would follow in order to access CRW resources in case IDA countries were affected by severe economic crises and natural disasters during the IDA16 period. These arrangements include Board involvement and oversight at all stages of the process, including through consultation, approval of resources levels, and approvals of specific operations.

A. CRW Support in Case of Economic Crisis

2. To trigger access to CRW resources, Management would present its analysis of the nature of the shock and the severity of the impact on IDA countries and its recommendation for approval by Executive Directors. The paper seeking Board approval would: (i) demonstrate that responding to the crisis is in line with CRW objectives and guiding principles. In particular, the note would demonstrate that the shock has a severe impact on a significant number of countries and that it has been caused by exogenous factors; (ii) propose the overall volume of CRW resources to be allocated in response to the event and present its rationale. The proposal will need to factor in the nature and scope of the crisis as well as the resources available in the CRW. It should also highlight if additional donor contributions are deemed warranted; and (iii) propose the framework for allocating the approved resources across countries and present its rationale. The specific guidelines with respect to the trigger, country eligibility, fiscal analysis, allocation framework, use of funds and terms are described below.

3. Where an economic crisis is caused by external terms of trade shocks or financial market disruptions, Management would also reflect the views of IMF staff on the overall extent and nature of the shock and, to the extent possible, the impact on the individual countries and relevant information regarding their macroeconomic policy framework drawing primarily on existing publicly available IMF report(s). In addition, IMF management would be invited to the Board discussion of this paper so that Executive Directors could seek such clarifications from the IMF as they may need. Individual operations would be submitted subsequently for Board approval on an accelerated basis and in accordance with existing World Bank policies and procedures. As is current practice, the staffs of the Bank and IMF would collaborate closely on individual country cases.

4. Trigger: CRW support would be triggered by evidence of a crisis that is caused by an exogenous shock and affects a significant number of IDA countries. Specifically, the crisis should be expected to result in a widespread or a regional year-on-year GDP growth decline of 3 percentage points or more in a significant number of IDA countries. The projected year-on-year GDP growth decline will be assessed using data from the IMF's WEO database. Support from the CRW could also be considered in the event of a severe price shock that did not result in a GDP growth decline in line with this trigger if: (i) the shock is broad based and deemed severe in terms of fiscal impact (i.e., additional spending for targeted interventions to protect vulnerable groups); (ii) there is consensus that a concerted international response is needed; and (iii) the existing IDA country allocations are deemed insufficient to provide an adequate response.

5. Country eligibility: All IDA countries are in principle eligible for CRW support. The eligibility of specific countries would be determined primarily by the expected impact of the crisis on GDP. A year-on-year decline of GDP growth of 3 percentage points or more would be the threshold to identify countries that could be eligible for CRW support. This preliminary ring-fencing would be vetted by an analysis of available fiscal data and other relevant data in line with the CRW objective to protect or mitigate the impact on core spending in the short-term and avoid derailing long-term development objectives (e.g., the magnitude of the impact of the crisis, access to alternative sources of financing, and ability to finance recovery using the country's own resources). As a result of such analysis, countries where the crisis did not have a significant fiscal impact could be excluded from CRW support eligibility, even if they did experience the 3 percentage point decline in GDP growth.

6. Fiscal analysis: The fiscal analysis required to support assessments of country eligibility and the allocation framework would cover government revenues, spending and financing plans to estimate the core development spending at risk. Core development spending at risk is defined as the amount needed to maintain the pre-existing path of spending on education, health and operations and maintenance of existing infrastructure, and to maintain, or potentially increase depending on the nature of the crisis, spending on safety nets.

7. Allocation of resources among eligible countries: The allocation framework would follow a two-stage approach based primarily on the fiscal analysis above. Countries with the greatest impact would receive proportionately more resources than those with a lower impact.

- In the first stage, the bulk (at least 75 percent) of the resources would be allocated. In the second stage, allocations would be adjusted (using the share of resources not allocated in the first round) in light of additional country specific information related to crisis impact, resource requirements and capacity to mobilize an effective response through the use of additional resources. The allocation framework would calculate allocations on a per capita basis (to take account of country-size).
- While designing the allocation framework, consideration would be given to include:
 - (i) a base allocation to ensure a meaningful response, particularly for small states; and
 - (ii) a cap to the resources allocated to any one country or group of countries (in the case of the pilot-CRW the cap was set at 5 percent of total resources); such a cap could be particularly relevant in cases where the same event affects countries or groups of countries with different lags to avoid the risk of a first-come first-served approach that could lead to depletion of finite resources.
- Finally, in the second stage, a country's allocation could be increased by up to 33 percent above the Stage 1 allocation by the region. Allocations under Stage 2 would be based on the following criteria: country impact, resource needs and availability, and ability to effectively use resources. To ensure transparency in the use of Stage 2 allocations, country teams would use a standard template to request CRW resources under Stage 2. Management would submit a note to the Board with details of second stage allocations in advance of project approvals financing from second stage allocations.

8. Use of funds: Allocated CRW resources are expected to be rapidly processed using accelerated procedures. Teams would be encouraged to utilize instruments which result in projects being rapidly implemented. Consequently, the bulk of the projects are expected to be provided through Additional Financing for investment credits or grants, supplemental Development Policy Operations or grants and/or Emergency credits or grants. In line with existing IDA policies, there will be no sectoral or thematic earmarking under the CRW, though project selection would be expected to reflect the findings of the fiscal analysis undertaken at the trigger/allocation stages. Countries would be encouraged to give priority to use the resources to protect core spending on health, education, social safety nets, infrastructure, and agriculture.

9. Terms: The terms of assistance are identical to those under which IDA assistance is provided to a particular country.

B. CRW Support in Case of Natural Disasters

10. In the immediate aftermath of a severe disaster Management will inform the Board of its intention to access CRW resources. Management would demonstrate that CRW support would be an appropriate part of the Bank's overall response, complementary to that of the UN, and provide an early estimate of the support to be provided under the CRW with a clearly spelled out rationale. This estimate will be conservative and subject to adjustment as better information becomes available. Board approval for the provision of CRW support as well as the proposed amount will be sought as part of the documents for the projects financed by the CRW.

11. Trigger: The CRW would be triggered only in case of natural disasters that are exceptionally severe and intense. Parametric data on disaster frequency and impact would be used to corroborate the extent to which an event would qualify for CRW resources, but would not be the only basis of eligibility.⁸²

12. Allocation of resources: IDA management would follow a two stage process that takes account of the need to provide an early signal regarding the potential availability and quantum of resources, while also reserving the flexibility to adjust decisions as more information becomes available.

13. In the first stage, in the immediate aftermath of catastrophic natural disasters Management would review available impact data to form an early assessment regarding the need to access CRW resources. As immediate post-disaster impact data will tend to be limited and evolving, this assessment may also take account of whether the affected country has: (a) issued a declaration of emergency; (b) requested CRW resources; and (c) requested a Post-Disaster Needs Assessment (PDNA) or a Damage and Loss Assessment (DaLA).⁸³ Lastly, it would take account

⁸² Parametric data such as the magnitude of an earthquake on the Richter's Scale do not accurately reflect the impact of a disaster, since the severity of impact also depends on for example, disaster preparedness and proximity to human settlements.

⁸³ PDNAs/DaLAs provide a reliable, internationally recognized and government-owned mechanism to verify the impacts (damage and losses) of a disaster. They would also: (a) provide a comprehensive estimate of overall and multi-sectoral disaster recovery needs; (b) incorporate disaster risk reduction as an agreed element of the disaster recovery framework; and (c) reflect multi-stakeholder consensus over sectoral recovery strategies.

of the World Bank Group's capacity to respond without accessing the CRW. It should also outline cooperation with the UN, in particular with OCHA.

14. In the second stage, the initial impact data would be validated with the outcomes of PDNA/DaLA and other information, in order to calculate a final allocation. The final decision on the size of the CRW allocation will be informed by IDA's past practice and would take account of the following factors: (i) information on the severity of the crises and cost of recovery from PDNA/DaLAs; (ii) number of affected persons (defined as persons rendered homeless and/or incurred loss of income or livelihood); (iii) estimates of impact on GDP; (iv) availability of resources to respond to the crisis from: (a) the IDA portfolio; (b) domestic sources; and (c) other external financing (including IBRD); and (d) the amount of resources left in the CRW; (v) absorptive capacity; (vi) issuance of UN Flash Appeal; and (vii) country size (e.g., small states status).

15. Terms: The terms of assistance are identical to those under which IDA assistance is provided to a particular country.

DOCUMENTS PROVIDED FOR THE IDA16 REPLENISHMENT

March 3-4, 2010 in Paris, France

Discussion Papers:

Setting the Agenda for IDA16 (February 2010)

Mitigating the Impact of Multilateral Debt Relief (MDRI) Netting out on New IDA Country Allocations: Additional Options (February 2010)

Enhancing IDA' Capacity to Respond to Severe Crisis (February 2010)

A Review of IDA's Long-Term Financial Capacity and Financial Instruments (February 2010)

IDA16 Themes and Issues (February 2010)

Background and Technical Note:

Effective Foreign Exchange Rates for Use in the IDA16 Replenishment

June 15-18, 2010 in Bamako, Mali

Discussion Papers:

IDA16 Implementation Framework Report (June 2010)

Special Themes for IDA16 (June 2010)

Proposal for a Permanent Crisis Response Window in IDA (June 2010)

IDA's Performance Based Allocation System: Review of the Current System and Key Issues for IDA16 (June 2010)

The Demand for IDA16 Resources and the Strategy for their Effective Use (June 2010)

IDA16 Financing Framework (June 2010)

Background and Technical Note:

Support Development Results

October 11-12 in Washington, D.C., USA

Discussion Papers:

Updated IDA16 Financing Framework and Key Financial Variables (September 2010)

Technical Note on the Establishment of a Crisis Response Window in IDA16 (September 2010)

Background and Technical Note:

Update on Cost and Donor Financing as of June 30, 2010 for Debt Relief provided by IDA under the MDRI and the HIPC Initiative (September 2010)

Effective Foreign Exchange Reference rates for IDA16 and MDRI Update

December 14-15, in Brussels, Belgium

Additions to IDA Resources: Sixteenth Replenishment. IDA16: Delivering Development Results. December 2010.

INTERNATIONAL DEVELOPMENT ASSOCIATION

BOARD OF GOVERNORS

(Draft)

Resolution No. _____

Additions to Resources: Sixteenth 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, 2011 to June 30, 2014 (the “Sixteenth Replenishment”) in the amounts and on the basis set out in the report of the IDA Deputies, “Additions to Resources: Sixteenth Replenishment,” (the “Report”), approved by the Executive Directors on February 15, 2011 (modified on March 18, 2011), 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 Sixteenth 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 provide financing for the Crisis Response Window;

(G) 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

(H) It is desirable to administer any remaining funds from the replenishment authorized by Resolution No. 219 of the Board of Governors of the Association (the “Fifteenth Replenishment”) as part of the Sixteenth 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 specified for each such member in Columns (2) (3) (7), and (10) of Table 1 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 (7) of Table 1 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 (10) of Table 1 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 finance forgone principal reflows from the making of grants in the amounts and as specified in Column (12) of Table 1 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 Table 1;
- (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 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.
- (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 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 Sixteenth Replenishment shall not have become effective by December 15, 2011, 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, 2013, and January 15, 2014; provided that:

- (i) the Association and each Contributing Member may agree to earlier payment;
 - (ii) if the Sixteenth Replenishment shall not have become effective by December 15, 2011, payment of the first such installment may be postponed by the member for not more than 31 days after the date on which the Sixteenth 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 Sixteenth 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.

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 non-negotiable, 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 at 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) 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 2007-2009, 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.
- (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.

6. **Effective Date.**

- (a) The Sixteenth 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 10,395 million shall have deposited with the Association Instruments of Commitment, Qualified Instruments of Commitment or Debt Relief Transfer Notifications (as defined in paragraph 9 (b) of this Resolution), provided that this date shall be not later than December 15, 2011, 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 Sixteenth Replenishment, the Association may deem, prior to the Effective Date, one third of the total amount of each subscription and contribution for which an Instrument of Commitment has been deposited with the Association, or for which a Debt Relief Transfer Notification (as defined in paragraph 9(b) of this Resolution) has been received by the Association, as an "Advance Contribution", unless the Contributing Member specifies otherwise in its Instrument of Commitment or Debt Relief Transfer Notification.
- (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 Sixteenth 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 Sixteenth 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, 2012, and (iii) the third installment will become available from July 1, 2013.
- (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 Sixteenth 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 (7) and (10) of Table 1 to this Resolution, each to be payable in three equal annual installments no later than 31 days after the Effective Date, January 15, 2013, and January 15, 2014; 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 Sixteenth Replenishment.

10. **Compensation for Forgone Principal Reflows.**

- (a) 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 Sixteenth Replenishment in the form of grants and guarantees and through the intermediation of risk management products.

12. **Administration of IDA15 Funds under the Sixteenth Replenishment.**

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

13. **Allocation of Voting Rights under Sixteenth Replenishment.** Voting rights calculated on the basis of the current voting rights system will be allocated to members for subscriptions under the Sixteenth 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 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 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.
- (e) 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.
- (f) 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 Sixteenth 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 1: Contributions to the Sixteenth Replenishment

Contributing Members	Basic Contributions		Supplemental	Sub-total Contributions		HIPC Costs			Arrears Clearance			Grant Compensation			Total Donor Contributions			Credit	FX Rates	Currency of	
	Share (1)	SDR Million (2)	SDR Million (3)	SDR Million (4)	NC Million ¹⁰ (5)	Share (6)	SDR Million (7)	NC Million ¹⁰ (8)	Share (9)	SDR Million (10)	NC Million ¹⁰ (11)	Share (12)	SDR Million (13)	NC Million ¹⁰ (14)	Share (15)	SDR Million (16)	NC Million ¹⁰ (17)	NC Million ¹⁰ (18)	(NC/SDR) (19)	Denomination (20)	
Argentina	0.20%	41.30	-	41.30	62.04	0.20%	2.78	4.18	0.20%	0.80	1.20	0.20%	0.12	0.18	0.20%	45.00	67.60	-	1.502330	USD	
Australia	1.80%	370.67	59.44	430.12	723.60	1.61%	22.34	37.58	1.61%	6.44	10.84	1.61%	0.97	1.63	2.05%	459.86	773.64	-	1.682330	AUD	
Austria	1.56%	321.58	10.97	332.55	376.88	0.86%	11.93	13.98	0.86%	3.44	4.03	0.86%	0.52	0.60	1.55%	348.44	395.50	12.86	1.171980	EUR	
Bahamas, The	0.01%	2.37	-	2.37	3.56	0.01%	0.16	0.24	0.01%	0.05	0.07	0.01%	0.01	0.01	0.01%	2.58	3.88	-	1.502330	USD	
Barbados	0.002%	0.41	-	0.41	1.24	0.002%	0.03	0.08	0.002%	0.01	0.02	0.002%	0.00	0.00	0.002%	0.45	1.35	-	2.999800	BBD	
Belgium	1.55%	319.51	-	319.51	374.46	1.71%	23.73	27.81	1.71%	6.84	8.02	1.71%	1.03	1.20	1.56%	351.10	411.49	-	1.171980	EUR	
Brazil	0.26%	54.19	-	54.19	144.16	0.67%	9.30	24.73	0.67%	2.68	7.13	0.67%	0.40	1.07	0.30%	66.56	177.09	-	2.660540	BRL	
Canada	3.98%	820.42	11.99	832.41	1,292.26	4.14%	57.44	89.17	4.14%	16.56	25.71	4.14%	2.48	3.86	4.05%	908.90	1,411.00	-	1.552430	CAD	
Chile	0.10%	21.08	-	21.08	31.66	0.10%	1.42	2.13	0.10%	0.41	0.61	0.10%	0.06	0.09	0.10%	22.96	34.50	-	1.502330	USD	
China	0.15%	31.43	73.74	105.17	158.00	0.10%	1.39	2.08	0.10%	0.40	0.60	0.10%	0.06	0.09	0.48%	107.02	160.78	-	1.502330	USD	
Cyprus	0.02%	4.12	-	4.12	4.83	0.02%	0.28	0.33	0.02%	0.08	0.09	0.02%	0.01	0.01	0.02%	4.49	5.26	-	1.171980	EUR	
Czech Republic	5/	10.31	0.74	11.05	305.21	0.06%	0.83	24.65	0.06%	0.24	7.11	0.06%	0.04	1.07	0.05%	12.15	338.03	21.90	29.612170	CZK	
Denmark	3/	1.08%	222.63	-	222.63	1,942.73	1.21%	16.79	146.50	1.21%	4.84	42.25	1.21%	0.73	6.34	1.09%	244.98	2,137.81	-	8.726400	DKK
Egypt	1/3/4/	0.007%	1.37	-	1.37	1.92	0.01%	0.14	0.21	0.01%	0.04	0.06	0.01%	0.01	0.01%	1.56	2.20	0.14	1.502330	USD	
Estonia	0.01%	2.67	-	2.67	3.13	0.01%	0.14	0.16	0.01%	0.04	0.05	0.01%	0.01	0.01	0.01%	2.85	3.35	-	1.171980	EUR	
Finland	0.94%	193.44	12.80	206.24	241.71	0.66%	9.16	10.73	0.66%	2.64	3.09	0.66%	0.40	0.46	0.97%	218.43	256.00	-	1.171980	EUR	
France	3/	4.88%	1,006.11	-	1,006.11	1,511.51	6.62%	91.85	137.99	6.62%	26.49	39.79	6.62%	3.97	5.97	5.02%	1,128.42	1,695.26	-	1.502330	USD
Germany	3/4/	6.01%	1,238.61	-	1,238.61	1,215.27	11.37%	157.76	157.76	11.37%	45.49	45.49	10.30%	6.18	6.18	6.45%	1,448.04	1,424.69	23.34	1.000000	SDR
Greece	9/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.171980	EUR
Hungary	0.06%	12.37	-	12.37	4,038.74	0.06%	0.83	271.84	0.06%	0.24	78.39	0.06%	0.04	11.76	0.06%	13.48	4,400.73	-	326.543700	HUF	
Iceland	3/	0.03%	6.18	-	6.18	6.18	0.03%	0.42	0.42	0.03%	0.12	0.12	0.03%	0.02	0.02	0.03%	6.74	6.74	-	1.000000	SDR
Iran, Islamic Republic of	1/	0.05%	11.24	-	11.24	16.89	0.05%	0.76	1.14	0.05%	0.22	0.33	0.05%	0.03	0.05	0.05%	12.25	18.40	-	1.502330	USD
Ireland	9/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.171980	EUR
Israel	7/	0.07%	14.43	-	14.43	82.14	0.11%	1.53	8.69	0.11%	0.44	2.51	0.11%	0.07	0.38	0.07%	16.46	93.71	-	5.692650	ILS
Italy	3/	2.23%	458.81	-	458.81	537.72	3.80%	52.72	61.79	3.80%	15.20	17.82	3.80%	2.28	2.67	2.36%	529.02	620.00	-	1.171980	EUR
Japan	10.41%	2,146.41	-	2,146.41	286,910.50	16.00%	222.00	29,674.26	16.00%	64.02	8,557.02	16.00%	9.60	1,283.23	10.87%	2,442.02	326,425.00	-	133.669960	JPY	
Kazakhstan	3/	0.01%	1.83	-	1.83	2.75	0.01%	0.12	0.19	0.01%	0.04	0.05	0.01%	0.01	0.01	0.01%	2.00	3.00	-	1.502330	USD
Korea	3/	1.00%	206.14	-	206.14	363,544.69	1.00%	13.87	24,469.82	1.00%	4.00	7,056.24	1.00%	0.60	1,058.17	1.00%	224.61	396,128.93	-	1,763.618920	KRW
Kuwait	3/	0.24%	49.01	-	49.01	21.28	0.15%	2.07	0.90	0.15%	0.60	0.26	0.15%	0.09	0.04	0.23%	51.78	22.48	-	0.434080	KWD
Latvia	7/	0.01%	2.06	-	2.06	2.42	0.01%	0.14	0.16	0.01%	0.04	0.05	0.01%	0.01	0.01%	2.25	2.63	-	1.171980	EUR	
Lithuania	3/6/	0.01%	1.88	-	1.88	2.20	0.01%	0.13	0.15	0.01%	0.04	0.04	0.01%	0.01	0.01	0.01%	2.05	2.40	-	1.171980	EUR
Luxembourg	3/	0.19%	38.17	-	38.17	44.74	0.19%	2.64	3.09	0.19%	0.84	0.99	0.19%	0.11	0.13	0.19%	41.76	48.95	-	1.171980	EUR
Mexico	3/	0.32%	65.03	-	65.03	1,238.88	0.06%	0.83	15.86	0.06%	0.24	4.57	0.06%	0.04	0.69	0.29%	66.14	1,260.00	-	19.051300	MXN
Netherlands	3/	3.00%	618.41	-	618.41	724.76	2.87%	39.82	46.67	2.87%	11.48	13.46	2.87%	1.72	2.02	2.99%	671.43	786.91	-	1.171980	EUR
New Zealand	3/	0.12%	24.74	-	24.74	52.40	0.13%	1.80	3.82	0.13%	0.52	1.10	0.13%	0.08	0.17	0.12%	27.14	57.49	-	2.118260	NZD
Norway	3/4/	1.31%	269.38	-	269.38	2,337.00	1.68%	23.31	216.94	1.68%	6.72	62.56	1.68%	1.01	9.38	1.34%	300.42	2,625.88	170.08	9.306810	NOK
Peru	0.05%	9.47	-	9.47	14.23	0.05%	0.64	0.96	0.05%	0.18	0.28	0.05%	0.03	0.04	0.05%	10.32	15.50	-	1.502330	USD	
Philippines	3/8/	0.03%	6.90	-	6.90	10.37	0.03%	0.46	0.70	0.03%	0.13	0.20	0.03%	0.02	0.03	0.03%	7.52	11.30	-	1.502330	USD
Poland	3/	0.03%	6.18	-	6.18	6.18	0.03%	0.42	0.42	0.03%	0.12	0.12	0.03%	0.02	0.02	0.03%	6.74	6.74	-	1.000000	SDR
Portugal	3/	0.08%	15.56	-	15.56	18.24	0.22%	3.05	3.58	0.22%	0.88	1.03	0.22%	0.13	0.15	0.09%	19.62	23.00	-	1.171980	EUR
Russia	1/	0.35%	72.15	36.89	109.03	109.03	0.35%	4.86	4.86	0.35%	1.40	1.40	0.35%	0.21	0.21	0.51%	115.50	115.50	-	1.000000	SDR
Saudi Arabia	0.22%	45.35	20.29	65.63	98.61	0.43%	5.97	8.96	0.43%	1.72	2.58	0.43%	0.26	0.39	0.33%	73.58	110.54	-	1.502330	USD	
Singapore	3/	0.15%	31.14	-	31.14	46.78	0.08%	1.11	1.67	0.08%	0.32	0.48	0.08%	0.05	0.07	0.15%	32.62	49.00	-	1.502330	USD
Slovak Republic	0.01%	2.06	-	2.06	2.42	0.01%	0.14	0.16	0.01%	0.04	0.05	0.01%	0.01	0.01	0.01%	2.25	2.63	-	1.171980	EUR	
Slovenia	3/	0.03%	5.42	-	5.42	6.35	0.03%	0.42	0.49	0.03%	0.12	0.14	0.03%	0.02	0.02	0.03%	5.97	7.00	-	1.171980	EUR
South Africa	5/	0.09%	18.55	2.92	21.47	224.14	0.09%	1.25	13.95	0.09%	0.36	4.02	0.09%	0.05	0.60	0.10%	23.14	242.72	15.78	11.172980	ZAR
Spain	3/4/	3.17%	652.58	-	652.58	724.76	1.99%	27.61	32.36	1.99%	7.96	9.33	1.99%	1.19	1.40	3.07%	689.34	767.85	40.05	1.171980	EUR
Sweden	2.96%	610.16	-	610.16	6,801.31	2.89%	40.10	446.96	2.89%	11.56	128.89	2.89%	1.73	19.33	2.95%	663.56	7,396.48	-	11.146730	SEK	
Switzerland	3/	2.10%	432.88	-	432.88	432.88	2.10%	29.14	29.14	2.10%	8.40	8.40	2.10%	1.26	1.26	2.10%	471.68	471.68	-	1.000000	SDR
Turkey	3/	0.06%	13.07	-	13.07	30.00	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.06%	13.07	30.00	-	2.294950	TRY
United Kingdom	12.08%	2,489.34	-	2,489.34	2,459.72	11.19%	155.26	153.41	11.19%	44.77	44.24	11.19%	6.71	6.63	12.00%	2,696.08	2,664.00	-	0.988100	GBP	
United States	3/	11.36%	2,341.05	-	2,341.05	5,317.03	20.12%	279.16	419.39	20.12%	80.50	120.94	20.12%	12.07	18.14	12.08%	2,712.79	4,075.50	-	1.502330	USD
Sub-total	74.42%	15,340.17	229.77	15,569.94		95.14%	1,320.01		95.16%	380.73		94.07%	56.44		77.14%	17,327.12					
Additional financing 2/	1.14%	233.99	-	233.99											1.04%	233.99					

Table 2: Subscriptions, Contributions and Votes
(Amounts in US\$ Equivalent)

Part I Member	Current Status (before IDA16)						Additional Votes Stemming from IDA16			Status Including IDA16				Adjusted Voting Power				
	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	30,055,852	3,613,561,653	3,643,617,505	211,644	42,600	1.05%	700,328,008	49,457	5,800	4,343,945,513	2.01%	31,292,277	4,312,653,236	261,101	2.01%	48,400	309,501	1.12%
AUSTRIA	9,254,913	2,011,210,220	2,020,465,133	120,928	42,600	0.68%	530,409,256	32,397	5,800	2,550,874,389	1.18%	10,064,838	2,540,809,551	153,325	1.18%	48,400	201,725	0.73%
BELGIUM	15,384,432	3,341,290,471	3,356,674,903	201,206	42,600	1.01%	534,264,310	32,667	5,800	3,890,939,213	1.80%	16,201,107	3,874,738,106	233,873	1.80%	48,400	282,273	1.02%
CANADA	60,577,316	8,936,324,082	8,996,901,398	538,999	42,600	2.40%	1,383,026,465	84,907	5,800	10,379,927,863	4.80%	62,699,991	10,317,227,872	623,906	4.80%	48,400	672,306	2.43%
DENMARK	15,269,814	2,901,241,329	2,916,511,143	175,286	42,600	0.90%	372,776,403	22,423	5,800	3,289,287,546	1.52%	15,830,389	3,273,457,157	197,709	1.52%	48,400	246,109	0.89%
ESTONIA	279,952	3,914,542	4,194,494	249	41,700	0.17%	4,347,960	264	5,800	8,542,454	0.00%	286,552	8,255,902	513	0.00%	47,500	48,013	0.17%
FINLAND	6,883,226	1,440,158,811	1,447,042,037	86,932	42,600	0.54%	332,636,537	20,039	5,800	1,779,678,574	0.82%	7,384,201	1,772,294,373	106,971	0.82%	48,400	155,371	0.56%
FRANCE	86,540,803	13,975,003,021	14,061,543,824	842,490	42,600	3.66%	1,717,070,573	105,915	5,800	15,778,614,397	7.30%	89,188,678	15,689,425,719	948,405	7.30%	48,400	996,805	3.61%
GERMANY	98,162,930	21,185,666,989	21,283,829,919	1,274,224	42,600	5.44%	2,204,752,598	137,604	5,800	23,488,582,517	10.87%	101,603,030	23,386,979,487	1,411,828	10.87%	48,400	1,460,228	5.29%
GREECE	4,008,015	211,804,325	215,812,340	12,972	42,600	0.23%	-	-	-	215,812,340	0.10%	4,008,015	211,804,325	12,972	0.10%	42,600	55,572	0.20%
ICELAND	234,175	74,058,045	74,292,220	4,459	42,600	0.19%	10,258,423	623	5,800	84,550,643	0.04%	249,750	84,300,893	5,082	0.04%	48,400	53,482	0.19%
IRELAND	4,514,550	490,809,457	495,324,007	29,655	42,600	0.30%	-	-	-	495,324,007	0.23%	4,517,475	490,806,532	29,772	0.23%	42,600	72,372	0.26%
ITALY	36,356,298	8,913,025,983	8,949,382,281	536,235	42,600	2.39%	805,653,407	50,111	5,800	9,755,035,688	4.52%	37,609,073.00	9,717,426,615	586,346	4.52%	48,400	634,746	2.30%
JAPAN	90,375,908	32,272,237,268	32,362,613,176	1,937,767	42,600	8.18%	3,718,991,063	230,990	5,800	36,081,604,239	16.70%	96,150,658.00	35,985,453,581	2,168,757	16.70%	48,400	2,217,157	8.03%
KUWAIT	5,451,615	865,021,507	870,473,122	51,816	41,700	0.39%	78,855,009	5,245	5,800	949,328,131	0.44%	5,582,740	943,745,391	57,061	0.44%	47,500	104,561	0.38%
LATVIA	230,369	7,327,036	7,557,405	454	42,600	0.18%	3,419,474	206	5,800	10,976,879	0.01%	235,519	10,741,360	660	0.01%	48,400	49,060	0.18%
LITHUANIA	525,273	4,631,778	5,157,051	306	41,700	0.17%	3,121,566	192	5,800	8,278,617	0.00%	530,073	7,748,544	498	0.00%	47,500	47,998	0.17%
LUXEMBOURG	780,780	214,071,520	214,852,300	12,880	42,600	0.23%	63,599,472	3,857	5,800	278,451,772	0.13%	877,205	277,574,567	16,737	0.13%	48,400	65,137	0.24%
NETHERLANDS	43,793,477	6,530,261,043	6,574,054,520	393,862	42,600	1.80%	1,022,534,426	62,746	5,800	7,596,588,946	3.52%	45,362,127	7,551,226,819	456,608	3.52%	48,400	505,008	1.83%
NEW ZEALAND	399,702	273,785,576	274,185,278	15,988	42,600	0.24%	41,326,284	2,976	5,800	315,511,562	0.15%	474,102	315,037,460	18,964	0.15%	48,400	67,364	0.24%
NORWAY	12,984,437	3,198,392,015	3,211,376,452	186,029	42,600	0.94%	457,145,597	34,475	5,800	3,668,522,049	1.70%	13,846,312	3,654,675,737	220,504	1.70%	48,400	268,904	0.97%
PORTUGAL	4,708,053	280,337,816	285,045,869	17,187	42,600	0.25%	29,888,718	1,743	5,800	314,934,587	0.15%	4,751,628	310,182,959	18,930	0.15%	48,400	67,330	0.24%
RUSSIA	2,544,316	391,871,722	394,416,038	27,975	42,600	0.29%	175,892,796	6,305	5,800	570,308,834	0.26%	2,701,941	567,606,893	34,280	0.26%	48,400	82,680	0.30%
SLOVENIA	13,027,387	25,368,457	38,395,844	2,316	42,600	0.19%	9,093,300	538	5,800	47,489,144	0.02%	13,040,837	34,448,307	2,854	0.02%	48,400	51,254	0.19%
SOUTH AFRICA	12,444,822	199,937,846	212,382,668	12,902	42,600	0.23%	35,209,488	1,980	5,800	247,592,156	0.11%	12,494,322	235,097,834	14,882	0.11%	48,400	63,282	0.23%
SPAIN	19,716,698	3,192,554,158	3,212,270,856	192,753	42,600	0.97%	1,049,111,658	63,386	5,800	4,261,382,514	1.97%	21,301,348	4,240,081,166	256,139	1.97%	48,400	304,539	1.10%
SWEDEN	23,204,360	6,482,682,264	6,505,886,624	389,621	42,600	1.79%	1,010,536,954	62,169	5,800	7,516,423,578	3.48%	24,758,585	7,491,664,993	451,790	3.48%	48,400	500,190	1.81%
SWITZERLAND	15,026,514	3,808,778,357	3,823,804,871	229,994	42,600	1.13%	718,330,006	43,020	5,800	4,542,134,877	2.10%	16,102,014	4,526,032,863	273,014	2.10%	48,400	321,414	1.16%
UNITED ARAB EMIRATES	10,729	5,189,119	5,199,848	619	748	0.01%	-	-	-	5,199,848	0.00%	10,729	5,189,119	619	0.00%	748	1,367	0.00%
UNITED KINGDOM	193,809,041	22,255,373,504	22,449,182,545	1,325,061	42,600	5.65%	4,105,903,033	271,085	5,800	26,555,085,578	12.29%	200,586,166	26,354,499,412	1,596,146	12.29%	48,400	1,644,546	5.96%
UNITED STATES	459,411,287	42,411,516,995	42,870,928,282	2,570,148	41,700	10.79%	4,131,341,606	255,017	5,800	47,002,269,888	21.76%	465,786,712	46,536,483,176	2,825,165	21.76%	47,500	2,872,665	10.40%
Subtotal Part I	1,265,967,044	189,517,406,909	190,783,373,953	11,402,957	1,275,148	52.38%	25,249,824,390	1,582,337	162,400	216,033,198,343	100.00%	1,305,528,394	214,727,669,949	12,985,411	100%	1,437,548	14,422,959	52.23%
Subtotal Part II	611,284,474	5,357,606,542	5,968,891,016	5,525,719	5,999,400	47.62%								6,373,139	100%	6,817,200	13,190,339	47.77%
Grand Total	1,877,251,518	194,875,013,451	196,752,264,969	16,928,676	7,274,548	100.00%								19,358,550	100%	8,254,748	27,613,298	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 Fifteenth Replenishments at the agreed exchange rates.

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

**Table 2: Subscriptions, Contributions and Votes
(Amounts in US\$ Equivalent)**

Part II Member	Current Status (before IDA16)						Allocation for Exercise of Preemptive Rights to Maintain Part II Voting Power				Additional Resources Provided under IDA16 in SDRs or Freely Convertible Currencies				Adjusted Voting power				
	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)	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	1,587,971	0	1,587,971	13,596	42,600	0.23%	47,975	1,919	5,800	0.23%	0	0	0	0	15,515	0.24%	48,400	63,915	0.23%
ALBANIA	368,521	0	368,521	3,368	42,600	0.19%	11,875	475	5,800	0.19%	0	0	0	0	3,843	0.06%	48,400	52,243	0.19%
ALGERIA	6,323,710	0	6,323,710	53,702	42,600	0.40%	189,500	7,580	5,800	0.40%	0	0	0	0	61,282	0.96%	48,400	109,682	0.40%
ANGOLA	9,898,681	0	9,898,681	83,960	42,600	0.52%	296,275	11,851	5,800	0.52%	0	0	0	0	95,811	1.50%	48,400	144,211	0.52%
ARGENTINA	29,832,146	45,227,836	75,059,982	270,001	42,600	1.29%	952,800	38,112	5,800	1.29%	101,550	4,062	67,477,095	68,531,445	312,175	4.90%	48,400	360,575	1.31%
ARMENIA	666,881	0	666,881	5,908	42,600	0.20%	20,850	834	5,800	0.20%	0	0	0	0	6,742	0.11%	48,400	55,142	0.20%
AZERBAIJAN	1,137,799	0	1,137,799	9,912	42,600	0.22%	34,975	1,399	5,800	0.22%	0	0	0	0	11,311	0.18%	48,400	59,711	0.22%
BAHAMAS, THE	594,017	0	594,017	4,971	41,700	0.19%	17,550	702	5,800	0.20%	5,900	236	3,916,643	3,940,093	5,909	0.09%	47,500	53,409	0.19%
BANGLADESH	8,441,825	0	8,441,825	71,654	42,600	0.47%	252,850	10,114	5,800	0.47%	0	0	0	0	81,768	1.28%	48,400	130,168	0.47%
BARBADOS	473,443	1,218,192	1,691,635	4,104	42,600	0.19%	14,475	579	5,800	0.19%	1,025	41	674,404	689,904	4,724	0.07%	48,400	53,124	0.19%
BELIZE	320,521	0	320,521	2,932	42,600	0.19%	10,350	414	5,800	0.19%	0	0	0	0	3,346	0.05%	48,400	51,746	0.19%
BENIN	791,301	0	791,301	6,930	42,600	0.20%	24,450	978	5,800	0.20%	0	0	0	0	7,908	0.12%	48,400	56,308	0.20%
BHUTAN	85,579	0	85,579	952	42,600	0.18%	3,350	134	5,800	0.18%	0	0	0	0	1,086	0.02%	48,400	49,486	0.18%
BOLIVIA	1,667,201	0	1,667,201	14,289	42,600	0.24%	50,425	2,017	5,800	0.23%	0	0	0	0	16,306	0.26%	48,400	64,706	0.23%
BOSNIA & HERZEGOVINA	10,159,514	0	10,159,514	10,315	42,600	0.22%	36,400	1,456	5,800	0.22%	0	0	0	0	11,771	0.18%	48,400	60,171	0.22%
BOTSWANA	263,071	1,515,927	1,778,998	2,613	42,600	0.19%	9,225	369	5,800	0.19%	0	0	0	0	2,982	0.05%	48,400	51,382	0.19%
BRAZIL	31,644,726	737,722,501	769,367,227	334,728	42,600	1.56%	1,181,225	47,249	5,800	1.56%	150,550	6,022	100,035,345	101,367,120	387,999	6.09%	48,400	436,399	1.58%
BURKINA FASO	791,277	0	791,277	6,929	42,600	0.20%	24,450	978	5,800	0.20%	0	0	0	0	7,907	0.12%	48,400	56,307	0.20%
BURUNDI	1,198,635	0	1,198,635	10,363	42,600	0.22%	36,575	1,463	5,800	0.22%	0	0	0	0	11,826	0.19%	48,400	60,226	0.22%
CAMBODIA	1,608,188	0	1,608,188	13,888	42,600	0.23%	49,000	1,960	5,800	0.23%	0	0	0	0	15,848	0.25%	48,400	64,248	0.23%
CAMEROON	1,587,921	0	1,587,921	13,595	42,600	0.23%	47,975	1,919	5,800	0.23%	0	0	0	0	15,514	0.24%	48,400	63,914	0.23%
CAPE VERDE	132,928	0	132,928	1,361	42,600	0.18%	4,800	192	5,800	0.18%	0	0	0	0	1,553	0.02%	48,400	49,953	0.18%
CENTRAL AFRICAN REP.	791,277	0	791,277	6,929	42,600	0.20%	24,450	978	5,800	0.20%	0	0	0	0	7,907	0.12%	48,400	56,307	0.20%
CHAD	791,277	0	791,277	6,929	42,600	0.20%	24,450	978	5,800	0.20%	0	0	0	0	7,907	0.12%	48,400	56,307	0.20%
CHILE	5,542,425	0	5,542,425	47,169	42,600	0.37%	166,450	6,658	5,800	0.37%	52,300	2,092	34,746,972	34,965,722	55,919	0.88%	48,400	104,319	0.38%
CHINA	47,788,704	29,896,775	77,685,479	415,384	42,600	1.89%	1,465,825	58,633	5,800	1.90%	242,725	9,709	161,279,875	162,988,425	483,726	7.59%	48,400	532,126	1.93%
COLOMBIA	5,730,131	26,659,256	32,389,387	54,663	42,600	0.40%	192,900	7,716	5,800	0.40%	0	0	0	0	62,379	0.98%	48,400	110,779	0.40%
COMOROS	132,928	0	132,928	1,361	42,600	0.18%	4,800	192	5,800	0.18%	0	0	0	0	1,553	0.02%	48,400	49,953	0.18%
CONGO, DEM. REP. OF	4,743,236	0	4,743,236	40,405	42,600	0.34%	142,575	5,703	5,800	0.34%	0	0	0	0	46,108	0.72%	48,400	94,508	0.34%
CONGO, REP. OF	791,277	0	791,277	6,929	42,600	0.20%	24,450	978	5,800	0.20%	0	0	0	0	7,907	0.12%	48,400	56,307	0.20%
COSTA RICA	320,006	0	320,006	2,898	42,600	0.19%	10,225	409	5,800	0.19%	0	0	0	0	3,307	0.05%	48,400	51,707	0.19%
COTE D'IVOIRE	1,587,921	0	1,587,921	13,595	42,600	0.23%	47,975	1,919	5,800	0.23%	0	0	0	0	15,514	0.24%	48,400	63,914	0.23%
CROATIA	23,885,013	0	23,885,013	23,854	42,600	0.27%	84,175	3,367	5,800	0.27%	0	0	0	0	27,221	0.43%	48,400	75,621	0.27%
CYPRUS	1,207,798	5,813,426	7,021,224	10,730	42,600	0.22%	37,875	1,515	5,800	0.22%	10,225	409	6,790,849	6,838,949	12,654	0.20%	48,400	61,054	0.22%
CZECH REPUBLIC	5,807,481	82,757,627	88,565,108	54,201	42,600	0.40%	191,275	7,651	5,800	0.40%	27,525	1,101	18,281,986	18,500,786	62,953	0.99%	48,400	111,353	0.40%
DJIBOUTI	258,555	0	258,555	2,433	42,600	0.19%	8,575	343	5,800	0.19%	0	0	0	0	2,776	0.04%	48,400	51,176	0.19%
DOMINICA	132,928	0	132,928	1,361	42,600	0.18%	4,800	192	5,800	0.18%	0	0	0	0	1,553	0.02%	48,400	49,953	0.18%
DOMINICAN REPUBLIC	636,338	68,614	704,952	5,677	42,600	0.20%	20,025	801	5,800	0.20%	0	0	0	0	6,478	0.10%	48,400	54,878	0.20%
ECUADOR	1,026,942	0	1,026,942	8,927	42,600	0.21%	31,500	1,260	5,800	0.21%	0	0	0	0	10,187	0.16%	48,400	58,587	0.21%
EGYPT, ARAB REP. OF	8,012,733	1,927,733	9,940,466	69,345	42,600	0.46%	244,700	9,788	5,800	0.46%	3,200	128	2,122,098	2,369,998	79,261	1.24%	48,400	127,661	0.46%
EL SALVADOR	476,714	23,707	500,421	4,243	42,600	0.19%	14,975	599	5,800	0.19%	0	0	0	0	4,842	0.08%	48,400	53,242	0.19%
EQUATORIAL GUINEA	509,408	0	509,408	4,561	42,600	0.19%	16,100	644	5,800	0.19%	0	0	0	0	5,205	0.08%	48,400	53,605	0.19%
ERITREA	148,843	0	148,843	1,503	42,600	0.18%	5,300	212	5,800	0.18%	0	0	0	0	1,715	0.03%	48,400	50,115	0.18%
ETHIOPIA	791,748	23,707	815,455	6,942	42,600	0.20%	24,500	980	5,800	0.20%	0	0	0	0	7,922	0.12%	48,400	56,322	0.20%
FIJI	885,902	0	885,902	7,759	42,600	0.21%	27,375	1,095	5,800	0.21%	0	0	0	0	8,854	0.14%	48,400	57,254	0.21%
GABON	791,277	0	791,277	6,929	42,600	0.20%	24,450	978	5,800	0.20%	0	0	0	0	7,907	0.12%	48,400	56,307	0.20%
GAMBIA, THE	426,222	0	426,222	3,852	42,600	0.19%	13,600	544	5,800	0.19%	0	0	0	0	4,396	0.07%	48,400	52,796	0.19%
GEORGIA	1,090,587	0	1,090,587	9,508	42,600	0.22%	33,550	1,342	5,800	0.22%	0	0	0	0	10,850	0.17%	48,400	59,250	0.21%
GHANA	3,706,217	0	3,706,217	31,552	42,600	0.31%	111,350	4,454	5,800	0.31%	0	0	0	0	36,006	0.56%	48,400	84,406	0.31%
GRENADA	146,967	0	146,967	1,428	42,600	0.18%	5,050	202	5,800	0.18%	0	0	0	0	1,630	0.03%	48,400	50,030	0.18%
GUATEMALA	635,032	0	635,032	5,630	42,600	0.20%	19,875	795	5,800	0.20%	0	0	0	0	6,425	0.10%	48,400	54,825	0.20%
GUINEA	1,587,921	0	1,587,921	13,595	42,600	0.23%	47,975	1,919	5,800	0.23%	0	0	0	0	15,514	0.24%	48,400	63,914	0.23%
GUINEA-BISSAU	224,911	0	224,911	2,086	42,600	0.18%	7,350	294	5,800	0.18%	0	0	0	0	2,380	0.04%	48,400	50,780	0.18%
GUYANA	1,277,925	0	1,277,925	11,061	42,600	0.22%	39,025	1,561	5,800	0.22%	0	0	0	0	12,622	0.20%	48,400	61,022	0.22%
HAITI	1,198,635	0	1,198,635	10,363	42,600	0.22%	36,575	1,463	5,800	0.22%	0	0	0	0	11,826	0.19%	48,400	60,226	0.22%

**Table 2: Subscriptions, Contributions and Votes
(Amounts in US\$ Equivalent)**

Part II Member	Current Status (before IDA16)						Allocation for Exercise of Preemptive Rights to Maintain Part II Voting Power				Additional Resources Provided under IDA16 in SDRs or Freely Convertible Currencies				Adjusted Voting power				
	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)	Subscription Votes (e-2)	Total Additional		Subscription Votes (f-1)	as of part II (f-2)	Membership Votes (f-3)	Total Votes (f-4)	Total Voting Power % (f-5)
													Contributions (e-3)	Resources (e-4)					
HONDURAS	476,375	0	476,375	4,235	42,600	0.19%	14,950	598	5,800	0.19%	0	0	0	0	4,833	0.08%	48,400	53,233	0.19%
HUNGARY	12,057,834	114,972,921	127,030,755	112,222	42,600	0.64%	396,025	15,841	5,800	0.64%	30,225	1,209	20,090,597	20,516,847	129,272	2.03%	48,400	177,672	0.64%
INDIA	64,457,320	0	64,457,320	583,234	42,600	2.59%	2,058,150	82,326	5,800	2.59%	0	0	0	0	665,560	10.44%	48,400	713,960	2.59%
INDONESIA	17,409,096	0	17,409,096	147,547	42,600	0.79%	520,675	20,827	5,800	0.79%	0	0	0	0	168,374	2.64%	48,400	216,774	0.79%
IRAN, ISLAMIC REP. OF	7,125,461	0	7,125,461	60,532	42,600	0.43%	213,600	8,544	5,800	0.43%	27,700	1,108	18,414,096	18,655,396	70,184	1.10%	48,400	118,584	0.43%
IRAQ	1,198,635	0	1,198,635	10,363	42,600	0.22%	36,575	1,463	5,800	0.22%	0	0	0	0	11,826	0.19%	48,400	60,226	0.22%
ISRAEL	2,796,653	66,717,865	69,514,518	28,718	42,600	0.29%	101,350	4,054	5,800	0.29%	37,525	1,501	24,937,761	25,076,636	34,273	0.54%	48,400	82,673	0.30%
JORDAN	476,375	0	476,375	4,235	42,600	0.19%	14,950	598	5,800	0.19%	0	0	0	0	4,833	0.08%	48,400	53,233	0.19%
KAZAKHSTAN	2,408,121	0	2,408,121	20,677	42,600	0.26%	72,975	2,919	5,800	0.26%	4,475	179	2,967,620	3,045,070	23,775	0.37%	48,400	72,175	0.26%
KENYA	2,640,674	0	2,640,674	22,556	42,600	0.27%	79,600	3,184	5,800	0.27%	0	0	0	0	25,740	0.40%	48,400	74,140	0.27%
KIRIBATI	101,379	0	101,379	1,089	42,600	0.18%	3,850	154	5,800	0.18%	0	0	0	0	1,243	0.02%	48,400	49,643	0.18%
KOREA	4,792,199	1,260,208,783	1,265,000,982	131,298	42,600	0.72%	463,325	18,533	5,800	0.72%	513,325	20,533	341,090,981	342,067,631	170,364	2.67%	48,400	218,764	0.79%
KOSOVO	874,956	0	874,956	7,310	41,700	0.20%	25,800	1,032	5,800	0.21%	0	0	0	0	8,342	0.13%	47,500	55,842	0.20%
KYRGYZ REPUBLIC	634,888	0	634,888	5,619	42,600	0.20%	19,825	793	5,800	0.20%	0	0	0	0	6,412	0.10%	48,400	54,812	0.20%
LAO PEOPLE'S DEM. REP.	791,277	0	791,277	6,929	42,600	0.20%	24,450	978	5,800	0.20%	0	0	0	0	7,907	0.12%	48,400	56,307	0.20%
LEBANON	714,314	0	714,314	6,328	42,600	0.20%	22,325	893	5,800	0.20%	0	0	0	0	7,221	0.11%	48,400	55,621	0.20%
LESOTHO	258,555	0	258,555	2,433	42,600	0.19%	8,575	343	5,800	0.19%	0	0	0	0	2,776	0.04%	48,400	51,176	0.19%
LIBERIA	1,198,635	0	1,198,635	10,363	42,600	0.22%	36,575	1,463	5,800	0.22%	0	0	0	0	11,826	0.19%	48,400	60,226	0.22%
LIBYA	1,587,921	0	1,587,921	13,595	42,600	0.23%	47,975	1,919	5,800	0.23%	0	0	0	0	15,514	0.24%	48,400	63,914	0.23%
MACEDONIA, FYR	4,474,352	0	4,474,352	4,704	42,600	0.20%	16,600	664	5,800	0.20%	0	0	0	0	5,368	0.08%	48,400	53,768	0.19%
MADAGASCAR	1,587,921	0	1,587,921	13,595	42,600	0.23%	47,975	1,919	5,800	0.23%	0	0	0	0	15,514	0.24%	48,400	63,914	0.23%
MALAWI	1,198,635	0	1,198,635	10,363	42,600	0.22%	36,575	1,463	5,800	0.22%	0	0	0	0	11,826	0.19%	48,400	60,226	0.22%
MALAYSIA	3,960,112	2,080,753	6,040,865	33,802	42,600	0.32%	119,275	4,771	5,800	0.32%	0	0	0	0	38,573	0.61%	48,400	86,973	0.31%
MALDIVES	54,301	0	54,301	690	42,600	0.18%	2,425	97	5,800	0.18%	0	0	0	0	787	0.01%	48,400	49,187	0.18%
MALI	1,370,305	0	1,370,305	11,798	42,600	0.22%	41,625	1,665	5,800	0.22%	0	0	0	0	13,463	0.21%	48,400	61,863	0.22%
MARSHALL ISLANDS	23,197	0	23,197	433	42,600	0.18%	1,525	61	5,800	0.18%	0	0	0	0	494	0.01%	48,400	48,894	0.18%
MAURITANIA	791,277	0	791,277	6,929	42,600	0.20%	24,450	978	5,800	0.20%	0	0	0	0	7,907	0.12%	48,400	56,307	0.20%
MAURITIUS	1,357,826	35,560	1,393,386	11,771	42,600	0.22%	41,550	1,662	5,800	0.22%	0	0	0	0	13,433	0.21%	48,400	61,833	0.22%
MEXICO	14,322,958	178,648,711	192,971,669	147,406	42,600	0.79%	520,175	20,807	5,800	0.79%	150,575	6,023	100,056,298	100,727,048	174,236	2.73%	48,400	222,636	0.81%
MICRONESIA, FED. ST. OF	38,992	0	38,992	570	42,600	0.18%	2,000	80	5,800	0.18%	0	0	0	0	650	0.01%	48,400	49,050	0.18%
MOLDOVA	886,656	0	886,656	7,778	42,600	0.21%	27,450	1,098	5,800	0.21%	0	0	0	0	8,876	0.14%	48,400	57,276	0.21%
MONGOLIA	368,520	0	368,520	3,368	42,600	0.19%	11,875	475	5,800	0.19%	0	0	0	0	3,843	0.06%	48,400	52,243	0.19%
MONTENEGRO	727,189	0	727,189	5,850	41,700	0.20%	20,650	826	5,800	0.20%	0	0	0	0	6,676	0.10%	47,500	54,176	0.20%
MOROCCO	5,542,425	0	5,542,425	47,169	42,600	0.37%	166,450	6,658	5,800	0.37%	0	0	0	0	53,827	0.84%	48,400	102,227	0.37%
MOZAMBIQUE	2,153,795	0	2,153,795	18,413	42,600	0.25%	64,975	2,599	5,800	0.25%	0	0	0	0	21,012	0.33%	48,400	69,412	0.25%
MYANMAR	3,175,817	0	3,175,817	27,149	42,600	0.29%	95,800	3,832	5,800	0.29%	0	0	0	0	30,981	0.49%	48,400	79,381	0.29%
NEPAL	791,277	0	791,277	6,929	42,600	0.20%	24,450	978	5,800	0.20%	0	0	0	0	7,907	0.12%	48,400	56,307	0.20%
NICARAGUA	476,375	0	476,375	4,235	42,600	0.19%	14,950	598	5,800	0.19%	0	0	0	0	4,833	0.08%	48,400	53,233	0.19%
NIGER	791,277	0	791,277	6,929	42,600	0.20%	24,450	978	5,800	0.20%	0	0	0	0	7,907	0.12%	48,400	56,307	0.20%
NIGERIA	5,273,694	0	5,273,694	44,810	42,600	0.36%	158,125	6,325	5,800	0.36%	0	0	0	0	51,135	0.80%	48,400	99,535	0.36%
OMAN	479,877	1,031,875	1,511,752	4,370	42,600	0.19%	15,425	617	5,800	0.19%	0	0	0	0	4,987	0.08%	48,400	53,387	0.19%
PAKISTAN	15,933,928	118,533	16,052,461	138,434	42,600	0.75%	488,525	19,541	5,800	0.75%	0	0	0	0	157,975	2.48%	48,400	206,375	0.75%
PALAU	36,150	0	36,150	456	42,600	0.18%	1,600	64	5,800	0.18%	0	0	0	0	520	0.01%	48,400	48,920	0.18%
PANAMA	40,687	0	40,687	629	42,600	0.18%	2,225	89	5,800	0.18%	0	0	0	0	718	0.01%	48,400	49,118	0.18%
PAPUA NEW GUINEA	1,357,203	0	1,357,203	11,755	42,600	0.22%	41,475	1,659	5,800	0.22%	0	0	0	0	13,414	0.21%	48,400	61,814	0.22%
PARAGUAY	476,375	0	476,375	4,235	42,600	0.19%	14,950	598	5,800	0.19%	0	0	0	0	4,833	0.08%	48,400	53,233	0.19%
PERU	2,783,877	0	2,783,877	23,851	42,600	0.27%	84,175	3,367	5,800	0.27%	23,475	939	15,602,676	15,710,326	28,157	0.44%	48,400	76,557	0.28%
PHILIPPINES	7,915,057	180,176	8,095,233	67,376	42,600	0.45%	237,750	9,510	5,800	0.45%	16,850	674	11,195,633	11,450,233	77,560	1.22%	48,400	125,960	0.46%
POLAND	48,010,141	57,122,789	105,132,930	415,131	42,600	1.89%	1,464,950	58,598	5,800	1.89%	13,225	529	8,780,248	10,258,423	474,258	7.44%	48,400	522,658	1.89%
ROMANIA	5,983,797	0	5,983,797	49,982	41,700	0.38%	176,375	7,055	5,800	0.38%	0	0	0	0	57,037	0.89%	47,500	104,537	0.38%
RWANDA	1,198,635	0	1,198,635	10,363	42,600	0.22%	36,575	1,463	5,800	0.22%	0	0	0	0	11,826	0.19%	48,400	60,226	0.22%
SAMOA	146,967	0	146,967	1,428	42,600	0.18%	5,050	202	5,800	0.18%	0	0	0	0	1,630	0.03%	48,400	50,030	0.18%
SAO TOME & PRINCIPE	117,261	0	117,261	1,229	42,600	0.18%	4,325	173	5,800	0.18%	0	0	0	0	1,402	0.02%	48,400	49,802	0.18%
SAUDI ARABIA	21,344,424	2,463,072,341	2,484,416,765	705,166	42,600	3.09%	2,488,450	99,538	5,800	3.10%	164,650	6,586	109,405,064	112,058,164	811,290	12.73%	48,400	859,690	3.11%
SENEGAL	2,640,674	0	2,640,674	22,556	42,600	0.27%	79,600	3,184	5,800	0.27%	0	0	0	0	25,740	0.40%	48,400	74,140	0.27%

**Table 2: Subscriptions, Contributions and Votes
(Amounts in US\$ Equivalent)**

Part II Member	Current Status (before IDA16)						Allocation for Exercise of Preemptive Rights to Maintain Part II Voting Power				Additional Resources Provided under IDA16 in SDRs or Freely Convertible Currencies				Adjusted Voting power				
	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)	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	29,651,418	0	29,651,418	29,544	42,600	0.30%	104,250	4,170	5,800	0.30%	0	0	0	0	33,714	0.53%	48,400	82,114	0.30%
SIERRA LEONE	1,198,635	0	1,198,635	10,363	42,600	0.22%	36,575	1,463	5,800	0.22%	0	0	0	0	11,826	0.19%	48,400	60,226	0.22%
SINGAPORE	745,342	111,288,450	112,033,792	13,003	41,700	0.23%	45,875	1,835	5,800	0.23%	74,575	2,983	49,555,599	49,676,049	17,821	0.28%	47,500	65,321	0.24%
SLOVAK REPUBLIC	2,925,941	21,270,194	24,196,135	26,941	42,600	0.29%	95,075	3,803	5,800	0.29%	5,000	200	3,319,399	3,419,474	30,944	0.49%	48,400	79,344	0.29%
SOLOMON ISLANDS	146,967	0	146,967	1,428	42,600	0.18%	5,050	202	5,800	0.18%	0	0	0	0	1,630	0.03%	48,400	50,030	0.18%
SOMALIA	1,198,635	0	1,198,635	10,363	42,600	0.22%	36,575	1,463	5,800	0.22%	0	0	0	0	11,826	0.19%	48,400	60,226	0.22%
SRI LANKA	4,756,257	0	4,756,257	40,445	42,600	0.34%	142,725	5,709	5,800	0.34%	0	0	0	0	46,154	0.72%	48,400	94,554	0.34%
ST. KITTS & NEVIS	211,171	0	211,171	2,020	42,600	0.18%	7,125	285	5,800	0.18%	0	0	0	0	2,305	0.04%	48,400	50,705	0.18%
ST. LUCIA	242,394	0	242,394	2,279	42,600	0.19%	8,050	322	5,800	0.19%	0	0	0	0	2,601	0.04%	48,400	51,001	0.18%
ST. VINCENT & GRENADINES	117,104	0	117,104	1,223	42,600	0.18%	4,325	173	5,800	0.18%	0	0	0	0	1,396	0.02%	48,400	49,796	0.18%
SUDAN	1,587,921	0	1,587,921	13,595	42,600	0.23%	47,975	1,919	5,800	0.23%	0	0	0	0	15,514	0.24%	48,400	63,914	0.23%
SWAZILAND	509,586	0	509,586	4,565	42,600	0.19%	16,100	644	5,800	0.19%	0	0	0	0	5,209	0.08%	48,400	53,609	0.19%
SYRIAN ARAB REP.	1,495,393	0	1,495,393	12,849	42,600	0.23%	45,350	1,814	5,800	0.23%	0	0	0	0	14,663	0.23%	48,400	63,063	0.23%
TAIKISTAN	588,521	0	588,521	5,246	42,600	0.20%	18,500	740	5,800	0.20%	0	0	0	0	5,986	0.09%	48,400	54,386	0.20%
TANZANIA	2,640,674	0	2,640,674	22,556	42,600	0.27%	79,600	3,184	5,800	0.27%	0	0	0	0	25,740	0.40%	48,400	74,140	0.27%
THAILAND	4,756,257	0	4,756,257	40,445	42,600	0.34%	142,725	5,709	5,800	0.34%	0	0	0	0	46,154	0.72%	48,400	94,554	0.34%
TIMOR-LESTE	452,425	0	452,425	3,758	41,700	0.19%	13,250	530	5,800	0.19%	0	0	0	0	4,288	0.07%	47,500	51,788	0.19%
TOGO	1,198,635	0	1,198,635	10,363	42,600	0.22%	36,575	1,463	5,800	0.22%	0	0	0	0	11,826	0.19%	48,400	60,226	0.22%
TONGA	117,104	0	117,104	1,223	42,600	0.18%	4,325	173	5,800	0.18%	0	0	0	0	1,396	0.02%	48,400	49,796	0.18%
TRINIDAD & TOBAGO	2,123,964	0	2,123,964	18,209	42,600	0.25%	64,250	2,570	5,800	0.25%	0	0	0	0	20,779	0.33%	48,400	69,179	0.25%
TUNISIA	2,376,705	0	2,376,705	20,387	42,600	0.26%	71,950	2,878	5,800	0.26%	0	0	0	0	23,265	0.37%	48,400	71,665	0.26%
TURKEY	9,464,830	148,002,290	157,467,120	95,947	42,600	0.57%	338,575	13,543	5,800	0.57%	29,400	1,176	19,541,173	19,909,148	110,666	1.74%	48,400	159,066	0.58%
TUVALU	31,342	0	31,342	264	41,700	0.17%	925	37	5,800	0.18%	0	0	0	0	301	0.00%	47,500	47,801	0.17%
UGANDA	2,640,674	0	2,640,674	22,556	42,600	0.27%	79,600	3,184	5,800	0.27%	0	0	0	0	25,740	0.40%	48,400	74,140	0.27%
UKRAINE	9,827,391	0	9,827,391	81,108	41,700	0.51%	286,225	11,449	5,800	0.51%	0	0	0	0	92,557	1.45%	47,500	140,057	0.51%
UZBEKISTAN	1,937,848	0	1,937,848	16,697	42,600	0.24%	58,925	2,357	5,800	0.24%	0	0	0	0	19,054	0.30%	48,400	67,454	0.24%
VANUATU	304,881	0	304,881	2,802	42,600	0.19%	9,900	396	5,800	0.19%	0	0	0	0	3,198	0.05%	48,400	51,598	0.19%
VIETNAM	2,376,705	0	2,376,705	20,387	42,600	0.26%	71,950	2,878	5,800	0.26%	0	0	0	0	23,265	0.37%	48,400	71,665	0.26%
YEMEN, REPUBLIC OF	2,478,942	0	2,478,942	19,561	42,600	0.26%	69,025	2,761	5,800	0.26%	0	0	0	0	22,322	0.35%	48,400	70,722	0.26%
ZAMBIA	4,225,912	0	4,225,912	36,044	42,600	0.32%	127,200	5,088	5,800	0.32%	0	0	0	0	41,132	0.65%	48,400	89,532	0.32%
ZIMBABWE	6,461,143	0	6,461,143	54,740	42,600	0.40%	193,175	7,727	5,800	0.40%	0	0	0	0	62,467	0.98%	48,400	110,867	0.40%
Subtotal Part II	611,284,474	5,357,606,542	5,968,891,016	5,525,719	5,999,400	47.62%	19,499,500	779,980	817,800	47.65%	1,686,000	67,440	1,120,282,412	1,132,762,887	6,373,139	100%	6,817,200	13,190,339	47.77%
Subtotal Part I	1,265,967,044	189,517,406,909	190,783,373,953	11,402,957	1,275,148	52.38%									12,985,411	100%	1,437,548	14,422,959	52.23%
Grand Total	1,877,251,518	194,875,013,451	196,752,264,969	16,928,676	7,274,548	100.00%									19,358,550	100%	8,254,748	27,613,298	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 Fifteenth Replenishments at the agreed exchange rates.

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

Additional Resources Provided under IDA16 in SDRs or Freely Convertible Currencies: The amounts shown in column (e-4) represent the additional resources provided under IDA16 by Part II members in SDRs or freely convertible currencies, as set out in Table 1. 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 April 1 to September 30, 2010 (SDR1=USD1.50233). 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 Kosovo, Romania and Tuvalu have been added while Venezuela has been removed from the list, with necessary adjustments made.

INTERNATIONAL DEVELOPMENT ASSOCIATION

Additions to Resources: Sixteenth Replenishment

Instrument of Commitment

Reference is made to Resolution No. ____ of the Board of Governors of the International Development Association entitled “Additions to Resources: Sixteenth Replenishment”, which was adopted on _____, 2011 (“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 _____^{85/}.

(Date)

_____^{86/}
(Name and Office)

^{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 Sixteenth 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.

**Encashment Schedule for IDA16 Contributions
(Percent of Total Contributions)**

<u>Fiscal Year</u>	<u>Standard Schedule</u>
2012	6.0
2013	12.3
2014	17.8
2015	16.2
2016	14.4
2017	11.7
2018	9.0
2019	7.2
2020	5.4
	<hr/>
TOTAL	100.0