



IDA13

**Three-Year or Four-Year Replenishment Cycle
Results of Consultation with Donors**

**International Development Association
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IDA13: Three-Year or Four-Year Replenishment Cycle

Results of Consultation with Donors

1. In August 2000, IDA donors were sent a set of questions to solicit their views and guidance on the possibility raised at the Lisbon meeting that IDA replenishments might cover a four-year period, with a mid-term review after two years. For IDA13 this four-year period would cover FY2003 through FY2006. Seventeen out of thirty eight donors responded to the survey. This note summarizes donors' responses, grouped into four categories: (1) donors' budgetary and legislative processes; (2) efficiency gains; (3) mid-term review; and (4) resources mobilized.
2. No issue was raised with respect to donors' **budgetary and legislative procedures**. Most donors would have no difficulty of this type in moving to a four-year cycle. For some, the budgetary and legislative processes are on a yearly cycle while for others, there is flexibility in their internal processes to accommodate a change to a four-year cycle.
3. Donors recognized the **efficiency gains** of less frequent replenishments, in terms of lower administrative workload, time savings, and less activity vis-à-vis their legislatures. However, administrative efficiency was not considered to be the key consideration. Less frequent replenishments would reduce the opportunity for donors to meet and **review IDA's results and re-orient IDA to new priorities**. Some noted that given the increasing number of potential new objectives (such as global public goods, AIDS) and IDA's lending to Africa, the current shorter cycle might be preferable to allow donors the opportunity to exchange views during replenishment meetings or to react in a timely way to correct possible IDA operational and allocation issues.
4. Several donors noted that the mid-term review provides such an opportunity to review IDA's policies and priorities, discuss progress and provide guidance going forward. Nonetheless, it was also noted that significant policy changes could not be easily adopted at such reviews, as compared to replenishments. In this context, some donors questioned whether it would be wise to wait for four years to review IDA's implementation and recommend policy changes.
5. Most donors took the view that the key consideration for changing the replenishment cycle would be the likely effect on **the level and stability of IDA resources**. It was emphasized that a trade-off between IDA resources and more efficient processes for donors was not desirable. Some donors were unsure that a change to a longer cycle would in practice be accompanied by a fully proportional increase in budgetary allocations and hence in the volume of IDA replenishments; for these donors a change in the replenishment cycle could carry the risk of a relatively lower volume of IDA resources on a per annum basis.

Conclusion

6. The balance of opinion seemed to be that retaining the three-year cycle in IDA13 was the preferred course at this time. Several noted, however, that there could be merit in revisiting the issue later in the replenishment process.