

CHAIRMAN'S SUMMARY

IDA Deputies Meeting

Paris, France

February 18-20, 2004

1. Deputies of donor countries, joined by representatives from borrowing countries and observers from other development institutions, met in Paris to begin discussions on the 14th replenishment of IDA resources. Participants expressed their sincere appreciation to the Government of France for hosting the meeting.
2. Participants discussed debt sustainability as an important dimension of IDA's country programs within a performance-based framework. It was agreed that there was a need for more country-specific analysis, and that the Bank should work closely together with other partners to explore how best to incorporate debt vulnerability considerations into the work of IDA.
3. Participants discussed possible refinements to the performance-based allocation system. They reaffirmed their strong view that governance should remain a central focus in allocation decisions. They requested that multilateral banks jointly examine performance-based allocation practices, especially with respect to appropriate sensitivity to changes in governance. They suggested continued efforts to increase the simplicity and transparency of the system. They stressed the importance of full disclosure of the Country Policy and Institutional Assessment (CPIA) and related country ratings underlying IDA's allocations, and urged IDA to engage with stakeholders to ensure mutual understanding of performance ratings.
4. Participants again reviewed options for additional contributions to replace the resources forgone due to the provision of grants in IDA13, and broadly agreed that resolution of this issue is necessary before moving forward with discussion of grants in IDA14. They stressed the importance of a consensus among Deputies in resolving this urgent question and agreed to explore actively a solution prior to the next meeting of Deputies. They reaffirmed their commitment to maintain and safeguard IDA's financial strength.
5. Participants reviewed recent and ongoing OED evaluations of IDA's operational record and experience as a basis for further efforts to improve country-led strategies and the effectiveness of IDA's support.
6. Participants identified main themes for further discussion and work during the replenishment. They agreed that growth was a critical driver for poverty reduction, and that enhanced IDA support for private sector development and continuing efforts to expand world trade were especially important to IDA's growth agenda. It was agreed that financing terms should be reviewed in conjunction with continuing work on vulnerability to debt and external shocks. Participants emphasized the central importance of development effectiveness and the results agenda, and also agreed to review the role of IDA in relation to other development partners, particularly at the country level.
7. Participants considered a proposed timeline for the IDA14 discussions, and agreed that the next meeting should be held in Vietnam. Participants agreed with the objective to conclude discussions by the end of the year. Deputies agreed that April 1 to September 30 would be the exchange rate averaging period for calculating contributions to IDA14. Participants agreed to continue to enhance borrower participation in IDA14 meetings and to review the effectiveness of these arrangements at the end of the replenishment process.