

Institutional Development Fund

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Responsible Sector and Bank Unit:	OPCCS
Recipient Agency:	Various government institutions that are Bank clients
Web Address:	http://intranet.worldbank.org/WBSITE/INTRANET/OPERATIONS/INTOPIDF/0,,menuPK:677295~pagePK:64168324~piPK:64168339~theSitePK:677289,00.html or extranet http://go.worldbank.org/GZ5AOP7UI0

Financial Arrangements for FY09 (Amount in US \$ Million)

Total Budget:	27.20 ¹
DGF Funding Request:	16.00
DGF Percentage:	59%

¹Based on investment income and rollover as of Feb. 29, 2008

Objectives and Expected Outcomes

The Institutional Development Fund (IDF) was established in FY93 to provide “quick response” funding for small, action-oriented capacity-building programs identified in the Bank’s country assistance strategy and policy dialogue. IDF grants are used to strengthen institutions when specific Bank-financed projects are not anticipated and other donor resources are not available. The IDF program focuses on good governance by supporting (a) public expenditures and financial accountability to help governments better manage their resources, including improvements to public expenditure, procurement, financial management systems, and results-driven monitoring and evaluation; and (b) systemic legal/judicial reform to support the rule of law. IDF grants are available to IBRD and IDA borrowing member countries, international or regional organizations whose members are also members of IBRD and IDA, and entities that are recipients of Bank loans, credits, or grants.

Main Components

The most common sub-grant objectives have been: upgrading public expenditure management, accounting, auditing and procurement systems to meet international standards, strengthening or creating capacity in new institutions, strengthening capacity for M&E systems, facilitating policy dialogue and establishing legal and regulatory frameworks.

Performance Indicators

Each individual sub-grant has its own set of performance indicators and outcomes. The IDF independent evaluation was conducted in FY06. A paper summarizing the results and each Region’s action plan was submitted to the Board in Nov. 07

Progress and Achievements

The IDF program approved 65 grants in FY07 including 1 supplemental grant, totaling \$23,098,670, broken down as follows:

Area	No. of Grants	Total
Public Expenditure/FM	29	\$9,701,450
Monitoring and Evaluation	14	\$5,021,220
Legal and Judicial Reform	10	\$4,126,000
Procurement	4	\$1,157,000
Other (non-focus)	8	\$3,093,000

Note: FY08 grant approvals by the Regional IDF Committees, are in process. The FY08 IDF allocation will be fully committed by the end of the fiscal year. The IDF Program continues its migration to the Operations Portal. In FY08, achievements included submittal of all Implementation Status and Results (ISR) reports in the Portal as well as completion of the template for ICMs.

Partners

Not applicable.

Governance and Management

The governance structure of the IDF comprises the Bank-wide IDF Steering Committee, IDF Secretariat, and the six Regional IDF Committees.

The IDF Steering Committee's functions include liaising with the DGF Council, reviewing and approving changes to IDF guidelines, ensuring Bank-wide consistency of policies and procedures, providing oversight of the Regional IDF Committees, approving annual Regional allocations, commissioning and vetting annual reviews, reviewing policy issues, and approving any extraordinary IDF proposals. **The Regional IDF Committees (RICs)** are the main decision-making bodies for individual grants under the IDF program. They (a) prioritize allocations of IDF resources among the various country departments/teams; (b) consider and, when justified, approve individual grant applications within the guidelines of the IDF program (including inputs from the IDF Learning Team); (c) make decisions on amendments in the work programs or budgets of ongoing grants; (d) follow up on implementation of grants, including signings, disbursements, supervision and completion reports, and closings; (e) review the use of approved resources and consider the need for reductions or cancellations in the amounts approved; and (f) review annually the performance and achievements of the IDF program in the Region. **The IDF Secretariat** coordinates the administrative and operational aspects of the IDF program in close cooperation with the Bank-wide and Regional IDF Committees, as well as with the relevant administrative units of the Bank (DGF, LOA, ACT, and LEG). The day-to-day operations of the Secretariat include monitoring and reporting on the portfolio. The continuing reform, streamlining and mainstreaming of the IDF program has required that the IDF Secretariat review, propose, and implement simplified policies and procedures. It also coordinates reviews of past IDF operations in the focus areas to establish criteria for good practice. Housed in OPCS, the IDF Secretariat presently has one advisor and one senior operations officer.

Task managers are required to submit a progress report annually (ISR), and an Implementation Completion Memorandum (ICM) at the close of the project. These are reviewed by the IDF Secretariat and Regional IDF Committees and lessons learned are included in the annual report to the IDF Steering Committee. Each IDF sub-grant approved since FY 04 is audited at least once at completion. Annual reports on the IDF portfolio's performance are prepared and submitted to the Steering Committee, Regional Vice-Presidents and Senior Management. IDF Performance Reviews are presented to the Board. Evaluations of the IDF program are carried out approximately every three years.

Exit Strategy

IDF addresses the long-term capacity building needs in the Banks' client countries. IDF was one of three programs reclassified as *Institutional Grants Programs* under the FY07 budget.