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Attachment I

International Development Association

**ADDITIONS TO IDA RESOURCES:
TENTH REPLENISHMENT**

Approved by the Executive Directors
on January 12, 1993

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I. Introduction

1. By the end of June 1993, the International Development Association will have committed the donor resources made available to it during the Ninth Replenishment. In view of this, the representatives of the donor governments, the IDA Deputies, began negotiations for the Tenth Replenishment of IDA's resources in January 1992 under the chairmanship of Mr. Ernest Stern, IDA's Managing Director. These negotiations have now been completed. IDA10 is intended to provide resources to fund credits that will be committed during the period July 1, 1993 to June 30, 1996.

2. Prior to the start of formal negotiations, an initial meeting of the IDA10 Deputies in Bangkok on October 12, 1991 set the agenda for the negotiations which began on January 27-28, 1992 in Paris. Meetings also were held on April 24-25, 1992 in Washington, D.C., on July 1-2, 1992 in Dublin, on September 17-18, 1992 in Washington, D.C., on November 12-13, 1992 in Paris, and on December 14-15, 1992 in Berne. The Discussion Papers and Technical Notes which served as background documents for these meetings are listed in Annex A.

3. The Deputies have recommended a replenishment of SDR 13 billion, which when combined with advance commitments against future repayments by IDA borrowers will permit commitment authority of SDR 15.5 billion. This will be augmented further by transfers from the IBRD's net income approved by IBRD's Board of Governors. The Deputies place great importance on such transfers to IDA out of available IBRD net income, and note management's intention to recommend that high priority be given to these transfers, within current IBRD policy on the allocation of net income. They urge the Executive Directors of the Bank to continue to recommend to the Board of Governors the largest transfers feasible during the IDA10 period. The replenishment and the additional resources will enable IDA to support development programs that emphasize poverty reduction, economic adjustment and growth, and environmental sustainability in borrowing countries. The proposed replenishment will enhance IDA's capacity to support Agenda 21, the product of the United Nations Conference on Environment and Development (UNCED) held in Rio in June 1992.

4. This report details the understanding of the Deputies on IDA's programs during the replenishment period, the allocation of IDA resources, the agreed burden sharing among donors, and the recommended procedures for implementing the replenishment.

II. IDA10 Objectives and Implementation

IDA's Evolving Role

5. The IDA9 negotiations were held in 1989 after a decade of development crisis and shrinking resource availability in many IDA recipient countries. In response to this crisis, many of the poorest countries, with IDA's support, have undertaken policy changes designed to create the foundation for resumed growth and increase the efficiency of resource mobilization and use. The structural weaknesses of the poorest countries--their rapidly growing populations, low levels of human resource development, limited institutional capacity in the public sector, small and inexperienced private sectors and low levels of domestic savings--are significant obstacles to growth at the best of times. But these weaknesses, in combination with large debt burdens, declining relative prices for primary export commodities and constant real levels of official development assistance during the latter part of the 1980s, meant that, by the end of the decade, improved policies had not yet been reflected in higher per capita income levels in most IDA recipient countries.

6. Against this background, the IDA9 Deputies agreed that during the IDA9 period the Association should focus on three main objectives to support economic development in the poorest countries: poverty reduction, economic adjustment and growth, and environmental protection and improvement. They identified a number of specific steps that should be implemented in each of these areas and asked that progress on these be the subject of annual reports by IDA's management to its Executive Directors.

7. In the course of their meetings, the IDA10 Deputies reviewed the progress made in implementing the IDA9 understandings. In the three years since the IDA9 Deputies met, the global economy has been characterized by further declines in relative prices of primary export commodities, while external development financing has not grown in real terms. This has contributed to a continuation of the disappointingly slow growth in many of the poorest countries. In addition, nine countries that were not factored into the replenishment level of IDA9 have since become IDA borrowers. In this situation of increased demand for IDA resources, the Deputies enjoined both IDA and its borrowers to do their utmost to ensure that resources are used as efficiently as possible.

8. The three main IDA9 objectives are still an accurate reflection of the key development challenges facing the poorest countries and are central to Agenda 21. The Deputies noted the progress

made in the course of IDA9, but underscored the importance of building on this during IDA10. In each of the three priority areas, the Deputies saw a need to strengthen IDA's approaches further.

9. **Poverty reduction:** The IDA9 Deputies asked IDA to ensure that poverty reduction would be central to its policy dialogue with borrower countries, to integrate the poverty focus into its operations, and to give greater weight to countries' commitment to poverty reduction in the allocation of IDA resources. IDA has responded in a number of ways. The 1990 World Development Report reviewed country experiences with poverty reduction efforts. It advocated a two-pronged approach, combining economic policy adjustments to improve the economic opportunities for the poor through labor intensive growth, and specific interventions to build the human resource base of the poor through expanded social services. Based on this broad framework, IDA management has provided staff with comprehensive operational guidance on poverty issues through three documents. First, the Poverty Policy Paper (December, 1990) illustrated how the WDR approach can be applied to Bank operations. Second, a new Operational Directive (December, 1991) summarized Bank procedures and guidelines for operational work on poverty reduction. Third, the Poverty Reduction Handbook (May, 1992) provided best-practice operational approaches.

10. IDA9 programs and operations reflect these new policies and approaches. IDA's lending allocations give increased weight to countries' commitment to poverty reduction. IDA is undertaking poverty assessments for all active borrowers. These poverty assessments are carried through into the country dialogue and increasingly provide the basis for IDA's sectoral lending priorities and the design of operations tailored to support governments' efforts to reduce poverty. In FY89, 14 percent of IDA lending was for human resource development. In the IDA9 period, the Association substantially increased such lending, especially for primary education, primary health care, nutrition, and population and family planning. The share of the social sectors reached 29 percent of IDA credits in FY91-92. More broadly, nearly 40 percent of total IDA9 lending in these two years had poverty reduction or human resource development as its primary objective, compared with 27 percent in IDA8. Nearly one in three IDA investment credits in the past year were specifically targeted to reduce poverty. In its adjustment lending, IDA has encouraged governments to eliminate in particular those distortions which favor the use of capital over labor and to provide social safety nets to protect the most vulnerable sections of the population.

11. While expressing their satisfaction with the framework IDA has put in place to sharpen its focus on poverty reduction, the IDA10 Deputies emphasized the need for IDA to increase its operational effectiveness in this area. As a key to this, they stressed the importance of completion of

country poverty assessments for all major IDA recipients by the end of 1994, and their integration into IDA's country assistance strategies. Deputies also underscored the importance of involving recipient governments in the preparation of the assessments. These poverty assessments can also provide a basis for collaboration among donors and the Deputies urged IDA to table them in consultative group and aid consortium meetings.

12. The Deputies noted the complementary use of adjustment programs and targeted investments for poverty reduction in the country strategies. They stressed the importance of sound macroeconomic policies designed to create equitable growth by improving the employment opportunities of the poor and their access to productive resources. Adjustment programs that incorporate such policies provide important benefits for the poor in general, and the rural poor in particular. At the same time, the Deputies noted the special importance of protecting social sector expenditures and of organizing social safety nets for those most vulnerable during the adjustment process, and encouraged IDA to include specific poverty reduction measures into the design of adjustment programs whenever feasible. These poverty interventions are also an especially important component of policies in countries which are making the transition to a more market-oriented economy. IDA's work in this area, while expanding rapidly, is still at an early stage and more analytic work is needed to support these efforts. In keeping with efforts to sharpen IDA's poverty focus, the Deputies underscored the need for IDA to continue to emphasize social sector lending and poverty-targeted investments, i.e. those which disproportionately benefit the poor or have a specific mechanism for identifying and reaching the poor. The Deputies expect the higher shares of social sector and poverty-targeted investments achieved during IDA9 to be steadily increased further during IDA10, where justified by the country assistance strategy. They also expect IDA to monitor poverty reduction through the use of appropriate economic and social indicators, and assess the results of poverty policies. The Deputies also look forward to the review by the Executive Directors of the progress report on the Bank Group's poverty reduction strategy.

13. The Deputies attach special importance to IDA's efforts in two areas--women in development and population planning--as key to effective poverty reduction programs. The recognition of the central role in poverty reduction of actions to support **women in development** is reflected in the fact that more than 50 percent of new IDA operations include specific actions to assist women. The Deputies asked IDA to reinforce its focus on women in development, and to ensure that their special needs and contributions are reflected in its policy dialogue with the borrowing countries. They noted that gender analysis should become an integral part of IDA's regular economic and sector work and poverty assessments as well as a basis for designing and implementing operational activities. IDA should expand

its support for family planning and social services for women, including in particular education of girls. Women's access to education has proven to be a strategic factor for increased family welfare; IDA's lending should take this into account. Gender issues also need to be better integrated in IDA's lending in areas outside the human resource and social sectors.

14. The Deputies also noted the enhanced level of IDA's activities in the area of **population planning** since the beginning of IDA9. IDA has increased its analysis of population issues and integrated family planning into the menu of basic health services which its projects fund. This has contributed to the almost threefold increase in annual IDA lending for population, health and nutrition for FY91-92, compared to the IDA8 period. While Deputies welcomed both the increased support by IDA and the increasing recognition by developing country governments of the central challenge which high rates of population growth represent for the sustainability of development, they also emphasized that programs must be intensified and their effectiveness improved. Despite some success in slowing growth rates, the current and prospective population growth rates in the poorest countries limit the range of choices available to their populations and the capacity to reduce poverty on a sustainable basis. Increased demand for public services pre-empts the savings needed for investment and growth. The Deputies look to IDA to increase further its support for population programs.

15. **Economic adjustment and growth:** The number of countries undertaking adjustment efforts has increased steadily. In Sub-Saharan Africa close to 25 countries are now pursuing adjustment. A particularly important development in the IDA9 period was the decision of India to embark on an adjustment program with support from IDA. Almost all the adjusting countries have improved incentives for economic efficiency, especially in such areas as pricing policies, tariff and trade reforms, and interest rate and credit policies. Despite this, investment rates have remained low in countries undergoing adjustment and the expected supply response has been slow to materialize. To deepen adjustment and enhance the supply response, IDA has been increasing its support for measures to improve public expenditure management, to build the capacity of the civil service and key development institutions, and to promote the private sector.

16. IDA's support for adjustment has been strengthened in a number of other ways. First, as mentioned above, IDA has increasingly built **social safety nets** into its adjustment lending to protect the poor and enhance the sustainability of programs. In 7 countries which received structural adjustment credits in FY91-92, social funds were established or other short-term actions, such as public works programs or transitional food subsidies, taken in conjunction with their adjustment programs. In

15 countries IDA-supported adjustment operations included measures to raise health and education expenditures. Second, as requested by the IDA9 Deputies, **lending allocations** place a large weight on a country's economic management performance, with funding in poor-performing countries limited to core programs or non-lending activities. Third, IDA has also played an active role in **donor coordination** for adjusting countries, especially for those in Sub-Saharan Africa through the Special Program of Assistance (SPA). Finally, IDA has continued to strengthen collaboration with the IMF through the **Policy Framework Paper (PFP) process**, which covers all countries which receive IMF-ESAF support and to which IDA provides adjustment support.

17. The Deputies noted that there continues to be need for economic adjustment and that IDA must assist in fostering national ownership of reform programs. While structural reforms have taken root in many IDA borrowing countries and IDA's basic agenda in this area--policy reforms combined with institutional capacity building--remains central, there are a number of other aspects of adjustment which need further emphasis.

- In times of serious resource scarcity, it is particularly important that public expenditures reflect development priorities, and that **non-development expenditures**, including military expenditures, be reduced to the maximum extent feasible. Deputies asked that the review of country strategies by IDA's Executive Directors should take account of trends in these areas.
- The **low investment rates** in adjusting IDA countries remain a concern, and IDA should ensure that reform packages are compatible with encouraging productive investments and that there is an appropriate balance between IDA's own adjustment and investment lending to each individual country.
- While every effort must be made to increase domestic savings to finance new investment, Deputies noted the continuing constraint imposed by the still large levels of **outstanding debt** in many developing countries. They expressed the hope that the Paris Club would continue providing an appropriate degree of concessionality in the treatment of official debt extended to IDA borrowers that are undertaking adjustment programs; they called for the full and rapid use of the IDA Debt Reduction Facility to fund the buy-back of the commercial debt of IDA-only countries, and urged the timely replenishment of this

Facility; and they supported the continuation of the special program of supplemental donor contributions to the program.

- The Deputies emphasized the need of countries to take advantage of the capabilities of the private sector and asked IDA to undertake further steps to encourage an enabling environment that will allow the private sector to respond to sound economic policies while improving the efficiency of public sector delivery systems. The private sector assessments which IDA is undertaking will be an important basis for planning IDA's support in this regard and Deputies asked that IDA's Executive Directors be kept informed through the Country Assistance Strategy discussions of the proposed timing of these assessments. Deputies noted that IDA's infrastructure lending combined with its assistance in developing supportive legal, regulatory and incentive frameworks, are key instruments for stimulating private investment. They asked that IDA's management report to the Executive Directors on the problems experienced in private sector development (including privatization) in low income countries, and how IDA is addressing them.
- Finally, Deputies emphasized the importance of **good governance** in the implementation of sound economic policies. They noted the role which accountable public institutions, transparent economic policies and a predictable and stable legal framework are likely to play in effective adjustment and they called for IDA-supported adjustment programs to strengthen the capacity of governments in these areas.

18. **Strengthening IDA's environmental focus:** The Deputies noted the rapid evolution of IDA's role in supporting environmental sustainability and underlined the importance of continuing efforts in this area. While environmental problems arise virtually everywhere, the World Development Report 1992 demonstrates that low income countries are very seriously at risk from the rapid growth of environmentally unsustainable activities. Low income countries have the highest population growth rates and are already home to almost 60 percent of the world's population. About 70 percent of the projected increase in the world's population over the next 35 years is expected to occur in the low income countries. Whether it is a matter of access to safe water and sanitation, or of urban air or river pollution, or of soil depletion, salinization, water logging or deforestation--these problems are heavily concentrated or growing most rapidly in the low income countries.

19. IDA's sustainable development strategy, as articulated in the World Development Report, is already in place. The first element of the strategy--policies and programs for reducing poverty and improving economic efficiency--is central to IDA's activities. The second element--specific policies, institution building, and investments targeted to environmental protection and improvement--has been increasing in importance during IDA9. IDA committed about SDR 900 million for 25 projects with environmental objectives in FY92. In addition, the principles of sustainable development are being incorporated into IDA's dialogue with borrowers and the design of projects of all types. IDA will explore how to design indicators that measure its progress in supporting sustainable development programs.

20. IDA is also assisting all active borrowers to prepare national **Environmental Action Plans (EAPs)**, as requested by the IDA9 Deputies; and the Executive Directors are informed of progress on EAPs through the Annual Environment Reports. While not all borrowers will complete their EAPs by June 30, 1993, the 42 countries that are expected to do so by about that time account for over 80 percent of total IDA credits. Many governments have consulted with local communities, private firms, universities and other non-governmental entities in formulating EAPs. This has helped build a national consensus around the content and implementation of the plans. While this has sometimes delayed completion of plans, the benefits appear to outweigh the costs. For the few countries that have not yet started on EAPs, IDA is launching the process by preparing environmental strategy papers for discussion with the authorities. The countries that have already completed their plans are using them to help plan investments, mobilize and coordinate donor financing, and improve national policies that affect the environment. The Deputies attached great weight to timely completion and high quality of EAPs with effective public participation. IDA should assist governments in achieving this, but the Deputies stressed that EAPs are the government's own plans. Once EAPs are available IDA should integrate them into its policy dialogue and country assistance strategies. Country Economic Memoranda should more systematically and comprehensively take into account environmental issues and their impact on development strategies.

21. In response to the request of the IDA9 Deputies, IDA borrowers are carrying out **Environmental Assessments (EAs)** at an early stage of project design to ensure that relevant alternative approaches are considered and that any potentially harmful impact is eliminated or mitigated. Some 20 IDA operations approved or now under preparation are subject to full assessments and 150 to assessments of particular components. The Operational Directive on Environmental Assessments, originally issued in 1989, was revised in 1991 to broaden its scope and applicability. The revised directive introduced a

new system for classifying projects according to the nature and extent of their environmental impact. Further, it requires the prospective borrower to make the EA report available to affected groups and local non-governmental organizations (NGOs), and to carry out meaningful consultations with them. For projects with significant environmental impact, a summary of the EA report is furnished to IDA's Executive Directors in advance of project appraisal. The Deputies recommended to the Executive Directors that once the borrower has made information publicly available in a borrowing country, the same information should also be made publicly available at Bank Headquarters and in field offices in the member countries.

22. The IDA10 Deputies asked that IDA assist borrowers to improve the quality and scope of environmental assessments and analyses. They noted that the environmental data sheets about forthcoming projects are to be made more uniform and more detailed, and that the sheets are now publicly available. They recommended that, for projects requiring environmental analysis, the analysis would also be made publicly available upon request, as with environmental assessments, well in advance of the project's consideration by the Executive Directors. The Deputies noted that public consultation may be warranted for some of these projects. They also supported the annual reviews of the EA process by IDA's Executive Directors. The Deputies suggested that such reviews should be continued through the IDA10 period, and should recommend to the Executive Directors any changes needed to enhance the quality of the process. The evaluations should also review the system of classification of projects and whether it effectively ensures that all projects with potentially serious environmental effects are being assessed adequately. The preparation of sectoral EAs should be encouraged to guide country investment programs in environmentally sensitive sectors. The Bank Group should support further analytic work and research on how environmental costs and benefits can be integrated into systems of national accounts.

23. A number of other actions in the field of environment are worthy of mention. First, reflecting the special importance the Bank Group attaches to the environment, as mentioned above, the **1992 World Development Report** was devoted to the topic. It provides a broad conceptual framework for integrating the environment into IDA's analysis and operations for promoting sustainable development. Second, IDA has put in place a **new forestry policy** which requires that its forestry investments be part of a borrower's overall strategy for sustainable use and conservation of forest resources. As part of this policy IDA no longer finances commercial logging in primary moist tropical forests. IDA's forestry projects now focus on assisting governments to put in place the institutions, procedures and information systems needed for sustainable forest management. Third, based on the results of the supervision and evaluation of a wide range of projects, **new operational directives** on projects involving indigenous

people, involuntary resettlement and agricultural pest management were issued to provide clearer guidance to staff and prospective borrowers. Policy papers are either under preparation or have been issued dealing with water resources, the power sector and energy efficiency, and various aspects of agricultural policies. Fourth, IDA has succeeded in substantially increasing the involvement of NGOs in the design and implementation of projects, particularly those with environmental impacts. In FY91-92, almost 50 percent of the projects in Africa--most of them in the agricultural, infrastructure, and human resource areas--included some form of NGO involvement. Fifth, staff training on environmental issues has been strengthened, and a three-volume Environmental Assessment Sourcebook gives detailed explanations and examples for guidance of both staff and borrowers. The Deputies endorsed all of these actions and stressed the importance of adhering to the environmental guidelines in all projects.

24. The IDA9 period has also seen the extension of the Bank Group's role to the global environment, through the establishment of the **Global Environment Facility (GEF)** with the World Bank as administrator. The GEF finances the incremental costs of achieving global environmental benefits in the areas of protecting the ozone layer, biodiversity, international waters, and climate change. The Facility is implemented in collaboration with the United Nations Development Program and the United Nations Environment Programme.

25. The IDA10 Deputies suggested a number of further actions to strengthen IDA's environmental focus. Many sustainable development interventions, including those for the environment and those in rural areas, must be designed, managed and operated on a small scale. The Deputies suggested that IDA's management explore whether it is useful and feasible to establish a **small projects facility** to focus on such environmental initiatives and on outreach to groups such as NGOs and micro-enterprises.

26. The Deputies stressed the importance of ensuring the environmental sustainability of programs in key sectors. Such programs should be integrated into the EAP framework where appropriate. In the energy sector, they noted the importance of promoting end-use energy efficiency alongside increases in supply. While efficient pricing policy rightly remains central to IDA's approach to end-use energy efficiency, environmental and institutional constraints also need to be addressed. In its energy sector work, IDA should promote environmentally sustainable energy strategies that minimize costs, by expanding its least cost planning analysis to take account of both demand side and alternative supply side options employing proven technologies in energy conservation and renewable energy sources. Credits in the energy sector should be based on or support the development of these strategies, which

should fully incorporate domestic environmental considerations. A similar approach should be adopted for other sectors--in particular transportation--as well as industry, urban rehabilitation, rural development, and small enterprises. The efficiency of water resource use and conservation is another critical area. The Deputies asked that IDA's management make appropriate changes in organization, structure, staffing, and training, to strengthen coordination between IDA's policies and operations in these key areas. They noted that this should be achieved as far as possible through reallocating rather than increasing staff and budget resources.

27. Although environmentally sound policies and programs are essential for sustainable development, in the short term they often add to investment and operating costs. Most low income countries are unable to finance these costs through additional external borrowing. For them, intensifying environmental efforts can mean re-ordering existing development objectives or reducing already minimal consumption levels. Most structural adjustment reforms in low income countries aim, as part of their objective, to raise savings rates and to free up resources by rationalizing public expenditure programs. But these efforts may not be enough to mobilize the additional financing required to address many of the fundamental environmental problems that low income countries face. Incremental concessional finance, as well as institutional strengthening, are needed to support comprehensive environmental initiatives--that is, programs that will not merely ameliorate economic problems in low income countries, but that will help them reduce water and air pollution, soil degradation and deforestation; prevent desertification and loss of biodiversity; and improve access to potable water and sanitation. These considerations are an important factor in IDA's expanded support for these programs during the IDA10 period.

Implementing IDA10

28. The Deputies noted that IDA's Executive Directors have responsibility for ensuring that the objectives of the membership are effectively incorporated into IDA's programs. While the Deputies expect a monitorable response on IDA's part to the objectives they have agreed as the basis for the Tenth Replenishment, they recognize that it is for IDA's Executive Directors to define the specific policies which comprise the Association's response. In a number of areas IDA's Executive Directors are already taking action and the Deputies urged that specific follow-up be proposed in the other areas identified below.

29. The review of country assistance strategies by IDA's Executive Directors, which was introduced in IDA9, has in the Deputies' view been very useful in helping IDA translate these objectives

into policies and to apply these policies at the country level. The Deputies noted that the initial experience had been somewhat mixed, but that as both Executive Directors and staff have become more familiar with the process, there has been significant improvement. They welcomed the Executive Directors' agreement to the proposals of the Report of the Committee on Board Procedures, with regard to the role and coverage of these reviews. It is their understanding that, inter alia, such reviews will cover governance, local participation and portfolio management.

30. In the Deputies' view, the Tenth Replenishment period is one in which IDA should deepen and strengthen implementation of the agreed objectives. Four main instruments that IDA uses to achieve these objectives were considered by the Deputies: the policy dialogue with recipient countries; the allocation of funds by country and sector; the quality of IDA's lending activities; and its coordination of donor funding. In each of these areas the Deputies identified a need to strengthen IDA's approach and capacity so as to enhance the quality of its support for its borrowers.

A. The Policy Dialogue

31. The Deputies reaffirmed the importance of IDA's role in the policy dialogue and in assisting countries to develop the analytical base and the program approaches needed to reflect the priority objectives. IDA's policy dialogue has traditionally encompassed macroeconomic and structural policies, public expenditure programs and institutional issues. In IDA9 the Association's dialogue with its borrowers emphasized how critical these were for promoting a sustainable development strategy which stimulates growth, reduces poverty, and protects the natural resource base. IDA has stressed that economic reforms, properly designed, can promote all three aspects of development. However, they need to be supported by institutional capability to implement and monitor these development policies and programs, by infrastructure provision to support the supply response, and by investments in human capital.

32. The experience of the 1980s has brought increasing awareness that effective policy-making and implementation also require good governance. IDA became heavily involved in one major element of good governance, i.e., public sector management, and in particular with public expenditure management, civil service reform and parastatal reform. This will remain an important element of IDA's ongoing work in this area. More broadly, IDA has identified four major dimensions of governance that are critical to the development process, and to the effective use of IDA's resources:

- **Accountability:** At the macro level this includes financial accountability, in terms of an effective accounting system for expenditure control and cash management, and an external audit system. At the micro level it requires accountability to the government of the managers of implementing agencies and parastatals for operational efficiency.
- **Transparency:** Private sector investment decisions depend on public knowledge of the government's policies and confidence in its intentions, as well as information--in large part provided by the government--on economic and market conditions. Transparency of decision-making is also critical to effectiveness of resource use and to reduce corruption and waste.
- **The Rule of Law:** A predictable and stable legal framework is essential for businesses and individuals to assess economic opportunities and act upon them without fear of arbitrary interference or expropriation. This requires that the rules be known in advance, that they be actually in force and applied consistently and fairly, that conflicts be resolvable by an independent judicial system, and that procedures for amending and repealing the rules exist and be publicly known.
- **Participation:** Good governance requires that directly affected communities and groups should be able to participate in the design and implementation of programs and projects. Even where projects have a secondary impact on particular localities or population groups, there should be a consultation process which takes their views into account. This aspect of governance is an essential element of securing commitment and support for projects and enhancing the quality of their implementation.

33. The Deputies noted that IDA's Articles prohibit interference in political affairs and require it to take only economic considerations into account. IDA will therefore focus on the economic aspects of good governance within the limits of its Articles of Agreement as applied by the Executive Directors. In the Deputies' view certain issues, such as democratization and respect for human rights, can have important long-term implications for the capacity of a country to initiate and sustain programs for effective poverty reduction, economic adjustment and growth, and environmental sustainability.

34. The Deputies looked to IDA to play a role in supporting better governance through incorporating appropriate elements into the substance of its dialogue, its economic and sector reporting,

and the design of its operations. They asked that future reviews of IDA implementation should report on progress in integrating these issues in the policy dialogue and supporting analysis.

35. The Deputies noted that **public expenditure reviews** are an especially important instrument in IDA's dialogue with recipients. These reviews have been effective in focusing government attention on priority investment and recurrent expenditures. They emphasized the need to protect essential social sector expenditures from cuts during the adjustment process to the maximum extent possible, while increasing the cost effectiveness of the delivery systems. They urged that IDA also address the question of whether adequate levels of development expenditures are being crowded out by the weight of large or rising non-development expenditures, including military expenditures, in the budgets of recipient countries, and to take up this question with the government concerned wherever appropriate. Therefore, the Deputies urged IDA to work with the IMF to assist governments to provide accurate data on the levels of non-development expenditures, in order to better assess the adequacy of the development budget. IDA should include the results of the public expenditure reviews, including key summary indicators, in its country assistance strategy presentations to the Executive Directors.

B. Allocation of IDA Resources:

36. The way in which IDA allocates its resources by country and by sector is a key determinant of the effective implementation of its policies. The Deputies affirmed the central role which performance plays in IDA allocations. IDA should focus its efforts on those countries that have demonstrated their commitment to the Association's central objectives--poverty reduction, economic adjustment and growth, and environmental sustainability. Access to IDA10 resources should, as in the case of IDA9, be based on annual assessments of performance, with allocations related to the strength of countries' commitment to these objectives. In countries whose performance is not consistent with these objectives, IDA should limit lending to the minimum needed to maintain the dialogue but continue its non-lending activities, in particular economic and sector work, to encourage improvements in performance.

37. The Deputies were pleased to note that IDA's management has instructed staff to pay explicit attention to issues of governance, such as accountability, transparency, the rule of law, and consultation with NGOs and groups affected by projects, in defining performance. They also recognized the usefulness of the more precise guidance being given on performance with regard to environmental policies and supporting actions such as the preparation and implementation of EAPs, and the steps taken

to incorporate into IDA allocations an assessment of the degree to which the levels and trends of non-development expenditures are hampering the development effort.

38. With regard to the sectoral composition of IDA lending, the Deputies were of the view that IDA10 lending priorities should continue to promote the objectives agreed in IDA9. The Deputies also stressed that lending allocations to IDA recipients should reinforce the linkages between environmental protection and poverty reduction as a way of promoting sustainable development. In this regard they emphasized the need to continue substantial lending for human resource development, and to deepen IDA's programs to encompass environmental sustainability. The Deputies noted that the proposed replenishment would enhance IDA's capacity to support these efforts.

39. The Deputies indicated that as in IDA8 and IDA9, the share of adjustment lending should remain at about 25 percent and should not exceed 30 percent of total IDA lending. This level should enable IDA to continue its leading role in the Special Program for Assistance to Sub-Saharan Africa (SPA) and its new support for adjustment in India, while enabling it to coordinate effectively with bilateral lenders and the Fund's Enhanced Structural Adjustment Facility (ESAF). They noted the impact that new claimants might have on this percentage since initial programs in countries that are emerging from civil wars and unrest are likely to be heavily weighted towards quick-disbursing operations, but were of the view that, if such increased demand materialized, the ceiling could be exceeded only with the approval of the Executive Directors.

C. The Quality of the Project Portfolio

40. The Deputies remained concerned about whether IDA's projects are appropriately conceived, designed and implemented so as to achieve the three priority objectives. Recent reviews of portfolio quality show a declining percentage of satisfactory projects, primarily in Sub-Saharan Africa. The Deputies noted that a fundamental reason for this decline is the increasing diversity and complexity of the IDA portfolio. Therefore, as IDA deepens its support for poverty reduction and environmental sustainability, it should make every effort to simplify project design and increase technical assistance to improve the administrative and technical capacity of government agencies.

41. In view of the trends in portfolio performance, Bank/IDA management set up a task force in early 1992 to study causes and propose remedies. The task force has recommended important changes in the way the Association supports and monitors implementation of projects. IDA's management

supports these recommendations and views them as a roadmap for changes in many aspects of IDA's work. These changes will be aimed at giving increased attention to the implementation of ongoing projects and at achieving an appropriate balance between implementation and the preparation of new operations. The Deputies welcomed the substance of the task force's recommendations on improving the quality of project design and implementation subject to review and approval by the Executive Directors, and considered management's preparation of a detailed implementation plan based on the recommendations of the report to be fundamental to achieving this objective. This implementation plan will be prepared following the Executive Directors' discussions of the task force report, which are expected to be completed in early 1993. The first annual report on the Tenth Replenishment will include a summary of the plan and progress to date on its implementation.

42. The Deputies were pleased that IDA's **country assistance strategies** are taking greater account of each borrower's project implementation performance. Country portfolio reviews are to be conducted annually and will be directly linked to country strategy papers and lending allocations. The Deputies welcomed management's assurance that the annual portfolio review will have a country focus. They agreed with the decision of the Executive Directors that a brief appraisal of country portfolio performance, including quantitative indicators, be incorporated in each country assistance strategy to be presented to the Board, according to the schedule already agreed upon.

43. The Deputies were concerned with the need to improve **borrowers' sense of ownership** of projects. To improve the quality of projects entering the portfolio, IDA will seek to have borrowers take the leadership role and to involve project agencies more fully, as their capacities allow. The Deputies underscored the importance of involving **beneficiaries and affected population groups** in project design and implementation to ensure the project's success, or providing an explanation, in cases where such involvement is not needed. They noted that IDA has in place guidelines to ensure the involvement of beneficiaries and affected groups in appropriate IDA lending and requested that these be reviewed and strengthened as needed. Non-governmental organizations can make an important contribution to the preparation and implementation of projects and are a valuable source of technical expertise. The environmental assessment process and the scope it provides for broad public discussion of project impacts also contribute to borrower involvement. It has proven particularly difficult for IDA supported projects to meet the needs of populations who are being resettled, and the Deputies noted that IDA's management would present an analysis of the experience with resettlement and recommend steps that need to be taken, for consideration by the Executive Directors.

44. While recognizing that responsibility for project implementation rests with the borrower, the Deputies endorsed IDA's plans to improve the **quality of projects at entry and monitoring and supervision of projects**. They urged that the design of projects take full account of the implementation capacity of the agencies involved. They agreed that greater use be made of detailed implementation plans that set out responsibilities, schedules and output indicators against which progress can be objectively monitored. They thought that IDA's plans for early and more realistic assessment of project risks, more project implementation reviews and greater flexibility in restructuring operations were important tools for improving implementation. They emphasized that the staff incentives should give proper weight to monitoring and supervision. They also underscored the need to analyze progress in new project areas well before project completion, in order to benefit from project experience in a timely fashion. They noted that IDA is analyzing the skill mix and deployment of professional staff, and they stressed the importance of ensuring constant review to meet the changing types of projects being undertaken. They also noted that the professional panels that IDA had established to help recruit and assign staff could play a useful role in this regard. The Deputies were of the view that IDA's resident missions should play an enhanced role in monitoring project implementation and in helping assess the capabilities and weaknesses of borrowers' implementing agencies. Therefore, they urged IDA's management to review, for the Executive Directors, how resident missions could effectively play this role, including assessment of the scope of their responsibilities.

45. The Deputies have been concerned about the high level of **undisbursed credit balances**. They noted, though, that the bulk of disbursements are made in the five years following project effectiveness, as is appropriate. Only negligible amounts remain undisbursed in IDA credits approved before 1984. Moreover, the ratio of undisbursed balances to total commitments has remained stable over the past ten years. In some countries and projects, however, excessive undisbursed balances do result from prolonged delays or inadequacies in project implementation. In those cases, the Deputies asked that IDA more systematically encourage borrowers to restructure or cancel poorly performing projects. Such restructuring or cancellation is of special importance in the course of adjustment where public expenditure programs must often be limited to a core of high priority investments. IDA's policy is to return canceled amounts to the general pool for redistribution. Where credit amounts in IDA-only countries are canceled, IDA is able to support improvements in country performance during the adjustment process through increasing the current allocation. In the case of blend countries, however, because of the constraints on allocation (see para. 56), this is only possible to a limited extent. The Deputies therefore agreed that funds canceled from projects in a blend country could remain available for suitable new operations in the country subject to the approval of the Executive Directors and to satisfactory country performance.

46. The Deputies stressed the need for a greater focus on the development impact in project preparation, implementation, and evaluation. Important tools include identification of critical factors or benchmarks of success identified during preparation and included in appraisal reports; monitoring of key performance indicators during implementation and reported in the implementation reviews; and identification of the development impact in project completion reports and assessment in evaluation reports. Because of the importance of **promoting the sustainability of projects after completion**, the Deputies welcomed management's plans for enhanced evaluations of completed projects, redesigned reporting procedures, and more impact evaluations and beneficiary analysis.

47. The Deputies also endorsed IDA's intention to help focus government attention on, and provide increasing support for, **institutional development**. They stressed that capacity building is key to the effective implementation of projects and the sustainability of the overall development effort, although they recognized that there are no rapid or easy approaches to this inherently difficult area. The Deputies noted two important new initiatives in this regard. First, the newly created Institutional Development Fund is providing grant funding for strengthening capability for public policy and program management. Second, the planned changes in project processing procedures are intended to tailor project design and complexity to institutional capacity, but also to upgrade that capacity to handle more complex approaches. The possibility for other initiatives should be vigorously pursued.

D. Donor Coordination

48. The Deputies attach particular importance to the role that IDA plays in coordinating the efforts of donors in specific regions, countries and sectors. These efforts have helped to improve the overall effectiveness of aid and to develop a common view among donors of priority development needs. Given the constant real level of official development assistance, there is an even greater premium on the efficient use of such resources and the Deputies look to IDA's leadership in this regard. IDA plays this role both in individual recipient countries--through the Consultative Groups which it chairs and through local coordination by the resident representative and visiting missions--and at the regional level--through programs such as the SPA which ensures that adjustment support from many donors for African countries is adequate and timely. In addition, the Bank Group takes the lead in organizing many programs at the global level, such as the Consultative Group on International Agricultural Research, the Global Environment Facility, the Energy Sector Management Assistance Programme, etc. and manages trust funds on behalf of the countries supporting these programs.

49. The Deputies noted other areas in which IDA was pursuing donor coordination. Good cooperation of the World Bank with the African, Asian, Caribbean, European and Inter-American Development Banks is maintained through regular high-level consultations as well as continuous coordination in the implementation of country assistance programs. Cofinancing is an extremely important instrument for aid coordination. In addition to its traditional cofinancing operations with bilateral and multilateral donors, the Bank Group assists developing countries to mobilize funds from the private sector and export credit agencies. While the Deputies recognized that this would only be applicable to a small number of IDA countries they urged that this be done wherever possible.

50. The Deputies commended these various coordination efforts but were of the view that still more could be done. They felt that stronger coordination with bilateral aid agencies should be promoted. At the local level too, while visiting missions made efforts to contact other donors, more could be done by IDA's Resident Representatives to ensure that donors were kept informed between missions. The coordination with the UN system was also an area which the Deputies felt needed review. IDA should make more effective use of the skills and experience available in the UN system in support of its country programs, especially in human resource and institutional development. Cooperation with the new UN Commission on Sustainable Development in pursuit of the objectives of Agenda 21 was also recommended. IDA should also draw on the work of the committees of the OECD in identifying priorities for aid coordination, and explore whether it could supplement existing regional approaches in the Caribbean and Central America. The Deputies requested that IDA's management report any new IDA activities in aid coordination in the reviews of IDA10 implementation and welcomed the inclusion of donor coordination activities in the country assistance strategies.

III. The Tenth Replenishment

51. The Deputies proposed that IDA10 be replenished at the level of SDR 13 billion. The Deputies regard a replenishment of this size as being one which will allow IDA to achieve substantially its objectives for the IDA10 period. The size of the proposed replenishment reflects Deputies' recognition that IDA recipients will face additional financial requirements associated with the costs of national environmental programs. IDA has taken on the responsibility to be a major financing mechanism for national environmental programs as a response to Agenda 21. Deputies expect that the increased requirements of these programs will also be taken into account in future IDA replenishments.

52. There was recognition that this level of replenishment will not enable IDA to meet the full increase in demand which has taken place during the IDA9 period from new claimants. The Deputies were concerned that constrained resources could mean lower per capita allocations for some of the traditional IDA-only recipients and only partial funding of the programs of the new claimants. In the circumstances they called on IDA's management and Executive Directors to do their utmost to ensure that resources are used efficiently. They also noted that it is management's intention to recommend that high priority be given to transfers to IDA out of IBRD's available net income, within current IBRD policy on the annual allocation of net income, and urged that IBRD's Executive Directors continue to recommend such transfers to the Board of Governors.

53. The Deputies reviewed IDA's three allocation criteria: per capita income, performance and creditworthiness, with a view to identifying how these might be applied in the context of resource constraints. The Deputies considered limiting the eligibility for IDA funding by lowering the operational cut-off of **per capita income**. There was concern, however, that this approach might leave some countries with limited creditworthiness without any access to support from the Bank Group. For this reason the Deputies proposed to leave the operational cut-off at the same real level as in IDA9 and to maintain the exceptions to this income level provided in IDA9 for small island economies and for temporary assistance to IDA-eligible adjusting countries which have per capita incomes above the operational cut-off, but are not creditworthy for IBRD lending.

54. The Deputies stressed the need to apply **performance** criteria in a transparent and consistent manner across regions and countries reflecting the application of sound economic policies, the implementation of environmentally responsible programs, commitment to poverty reduction, and those aspects of governance and public expenditure allocations which were of relevance to development. They noted, however, that the steps already taken in IDA9 to limit poor performing countries to core programs

meant that there was limited scope for reallocations away from better performing IDA-only countries without risking underfunding of programs.

55. The Deputies were of the view that given the potentially heavy demand for IDA resources, it would be necessary in IDA10 to give greater weight to **creditworthiness** considerations in allocations to blend IBRD/IDA recipients. They noted that some of these countries have substantial access to other external capital flows such as foreign direct investment, official export credits, and commercial bank financing. There is a positive correlation between such access and overall economic performance, and giving greater weight to access to other sources of capital should not be construed as lack of appreciation for good economic management. However, IDA's resources are very scarce and are best used in those countries that are still in the process of establishing their creditworthiness rather than in those that have already done so.

56. In view of this, the Deputies asked that IDA reduce its allocations to more creditworthy countries by hardening the IBRD/IDA blend that it provides to these countries. This should permit allocations to be increased for IDA-only countries and to be maintained for the less creditworthy blends. In IDA9 the blends are projected to receive over 40 percent of total IDA allocations. In IDA10 the Deputies agreed that the allocation to blend borrowers, including relending of canceled amounts (para. 45), be managed within a range of 30 to 35 percent. This will enable IDA to devote the bulk of its resources to the IDA-only countries which, for the most part, have no alternative source of funding other than official development assistance. At the same time, the Deputies recognized that there are very large numbers of poor persons in the blend countries. In order for them to receive maximum benefits from IDA funding, the Deputies recommended that IDA's assistance to the blend borrowers be directed primarily to poverty-focused activities or those that promote environmental sustainability.

57. In IDA9 it was agreed that between 45 and 50 percent of IDA9 resources should be allocated to Sub-Saharan Africa, subject to performance. The Deputies agreed that this should also apply to IDA10, assuming performance continues to warrant it. They noted, however, that the proposed allocation between IDA-only and blend borrowers has implications for the regional allocation of IDA resources because three of the large blend borrowers are in Asia (China, India, and Pakistan). There was concern among some Deputies that a reduction in the allocation to blends might unduly lower the overall share of funding to Asia. The Deputies recognized that there are strong arguments for maintaining allocations to the Asia region. First, major new claims on IDA resources in the IDA10 period are likely to be concentrated in Asia. Second, it is the home of the largest number of the world's poorest people. Third, there are urgent environmental problems in the Asia region. It is therefore the Deputies'

expectation that any resources reallocated from blend recipients will be used to the maximum extent feasible in the Asian continent subject to performance. In IDA9 approximate parity was maintained between allocations to Sub-Saharan Africa and Asia. The Deputies agreed that IDA should follow this approach for IDA10, while also maintaining its support for borrowers in other regions as warranted by their performance.

58. The agreed donor contributions to the replenishment are shown in Table 1. In addition to their basic contributions, the following donors provided supplementary contributions: Australia, Denmark, France, Ireland, Japan, Korea, Luxembourg, Mexico, The Netherlands, Portugal, Sweden, and Switzerland. The Deputies have noted that these supplementary contributions are made on an exceptional basis for IDA10 and should not be regarded as part of the burden sharing in discussions on the next replenishment.

59. To increase the resources available during IDA10, the Deputies also agreed to shorten the draw-down period of the contributions (para. 69). The Deputies noted that this change provides IDA with greater protection against cash flow difficulties. Therefore, they also agreed that part of the liquidity that IDA has been maintaining should be made available for additional lending during the IDA10 period. As in previous replenishments, there remains a small unallocated gap which it is hoped can be reduced or eliminated through additional special contributions.

60. The Deputies particularly welcomed the efforts of a number of developing country donors to increase substantially their participation in IDA10. They also welcomed Portugal as a new donor.

Table 1: CONTRIBUTIONS TO THE TENTH REPLENISHMENT
(Amounts in millions)

Contributing Members	Basic Contributions		Supplementary Contributions	Total Contributions	National Currency
	SDR Amount - 1 -	Share % - 2 -	SDR Amount - 3 -	SDR Amount - 4 -	Amount a/ - 5 -
Australia	189.80	1.46	2.24	192.04	350.00
Austria	117.00	0.90		117.00	1,855.46 g/
Belgium	201.50	1.55		201.50	9,345.43
Brazil b/	10.00	0.08		10.00	
Canada	519.91	4.00		519.91	858.00
i/ Czech Republic b/ ff/	10.00	0.08		10.00	
Denmark	169.00	1.30	11.47	180.47	1,573.05
Finland	130.00	1.00		130.00	798.37
France c/	912.94	7.02	36.06	949.00	7,222.93
Germany	1,430.00	11.00		1,430.00	3,222.08 g/
Greece	6.80	0.05		6.80	1,807.23
Hungary b/	10.00	0.08		10.00	
Iceland	3.90	0.03		3.90	316.07
Ireland	14.30	0.11	1.10	15.40	13.00
Italy	689.00 j/	5.30		689.00	1,124,000.00
Japan	2,431.00	18.70	169.00	2,600.00	471,509.74
Korea	30.00	0.23	6.58	36.58	39,442.25
Kuwait	18.08	0.14		18.08	7.33 b/
Luxembourg	6.50	0.05	0.50	7.00	324.66
Mexico b/	25.00	0.19	10.00	35.00	
Netherlands	429.00	3.30	27.00	456.00	1,156.51 g/
New Zealand	14.94	0.11		14.94	38.09
Norway	184.60	1.42		184.60	1,627.23
Poland b/	4.50	0.03		4.50	
Portugal	15.00	0.12	0.50	15.50	2,952.02
i/ Russia b/	50.00	0.38		50.00	
i/ Saudi Arabia	108.47	0.83		108.47	563.62 b/
i/ South Africa b/	10.00	0.08		10.00	
Spain	104.00	0.80		104.00	14,736.52
Sweden	340.60	2.62	7.40	348.00	2,833.97
Switzerland	226.20	1.74	3.80	230.00	473.46
Turkey b/	25.00	0.19		25.00	
United Kingdom	799.18	6.15		799.18	620.00
United States	2,711.69	20.86		2,711.69	3,750.00
Sub Total	11,947.90	91.91	275.65		
Change in Encashments d/	395.68	3.04			
Change in Liquidity Policy e/	200.00	1.54			
Supplementary Contributions	275.65	2.12			
Unallocated	180.76	1.39			
Total	13,000.00	100.00			

a/ Calculated by converting the SDR amount in column (4) to national currencies using an average of daily exchange rates for the period March 1, 1992 to June 30, 1992.

b/ Contributions of members with rates of inflation greater than 15% per annum during the 1989-91 period are denominated in SDRs.

c/ The basic national currency contribution of France is equivalent to a 7.3 percent share of SDR 13 billion using May-October exchange rates.

d/ Reflects additional resources available to IDA as a result of encashing contributions on an 8-year schedule rather than a 10-year period.

e/ Contributions of Australia and the United Kingdom will be encashed over a 10-year period.

f/ The participation of Italy and Canada is shown as part of their basic contribution.

g/ The change in encashment schedule will enable IDA to lower its liquidity requirements by SDR 200 million which will be committed in IDA10.

ff/ On January 1, 1993, the former Czech and Slovak Federal Republic was succeeded by the Czech Republic and the Slovak Republic.

g/ These countries have indicated that their unit of denomination will be the SDR.

h/ These countries have indicated that their unit of denomination will be the US dollar.

i/ These countries are not yet in a position to commit to a final contribution to IDA10. The levels shown are therefore indicative.

j/ This amount is the SDR equivalent of Lit. 1,169,390.71 million, i.e., an IDA10 contribution of Lit. 1,124,000 million and Lit. 45,390.71 million resulting from encashing the IDA10 contribution on an 8-year schedule rather than a 10-year period.

IV. IDA10 Implementation Arrangements

61. IDA's implementation procedures are well established and have proven to meet the needs of both donors and the Association. Indeed IDA's procedures are the model on which most other concessional funding replenishments are based. The IDA10 Deputies discussed the procedures briefly and considered possible adjustments in some areas. In general they stressed the importance of IDA's operating in a cost-efficient manner and the need to keep the Association's costs under constant review. They also expressed the need to minimize the weight of cash management for donors. Therefore, they suggested that some aspects of IDA's financial management should be examined expeditiously during the IDA10 period, such as administrative costs, the appropriate encashment basis for transfers to IDA from IBRD net income, and IDA's liquidity situation. While they recognized that IDA's administrative costs are determined by a cost sharing arrangement between the IBRD and IDA, they welcomed management's intention to review the arrangement in time for the FY94 budget submission.

Effectiveness and Advance Contribution Scheme

62. Traditionally, the effectiveness of a replenishment has occurred when the Association has received notifications of participation from a sufficient number of donor countries that they would support the replenishment with the amount pledged during negotiations. This "trigger" point has been set at 80% of the total replenishment contributions provided by IDA donor members. This means, in essence, that the replenishments cannot become effective without the US notification. ^{1/}

63. For IDA9, the effectiveness target for the replenishment of SDR 9,196 million was met on January 23, 1991--about 7 months after the start of the period covered by the replenishment. Prior to this date, commitment authority was provided by the IDA9 advance contribution scheme which became effective on July 19, 1990, shortly after the start of the commitment period.

64. The Deputies reviewed the effectiveness provisions and recommended that IDA10 become effective, as for past replenishments, when 80% of total contributions have been received by the Association. Since effectiveness has usually not occurred until 6 to 8 months into the replenishment

^{1/} Funds to meet the US commitment to IDA are voted annually by Congress as part of the Budget. Therefore, the US participates in IDA replenishments by depositing a Qualified Instrument of Commitment because it can only make its annual commitment to IDA once appropriations authority has been enacted by Congress. Canada will also provide a Qualified Instrument of Commitment.

period, because of delays in obtaining legislative approval, the Deputies also recommended that an advance contribution scheme--similar to the one for IDA9--be put in place for IDA10. Thus, the IDA10 advance contribution scheme would become effective upon receipt of notifications by donors accounting for 20 percent of total contributions.

Commitment Authority

65. Donor contributions have been made available to IDA for commitment authority purposes in three equal annual tranches. However, since the United States' practice is to deposit a Qualified Instrument of Commitment to IDA, its payments are subject to annual legislative approvals. In view of the uncertainties attached to the U.S. legislative schedule and the possibility of delays in receiving the US commitment, pro-rata release arrangements have been incorporated into the replenishment agreements since IDA5. Under these provisions, other donors may exercise the right to reduce IDA's ability to commit against the second and third tranches of their authorized subscriptions and contributions on a pro-rata basis proportionate to any US shortfall.

66. For IDA10, The Deputies proposed a continuation of the pro rata arrangements agreed to for IDA9. In cases of delays or shortfalls in the US tranche deposits, the Association would notify other donors. If a donor country were not to provide the Association written notice of its intention to adhere to the pro rata provisions within 30 days of such notice, its pro rata rights would be deemed to have been waived and the corresponding installment of that donor's contribution would be considered to be fully available for commitment authority. In the past where delays have occurred, most donors have waived this right in order to provide IDA with sufficient commitment authority and avoid interruptions to the commitment of credits to borrowers.

67. For IDA9, it was agreed that resources from IDA reflows (repayments on past IDA credits, investment income and cancellations) could be used to temporarily bridge any delays in commitment authority. This bridge would similarly be applied to IDA10 to provide IDA commitment authority prior to (a) the effectiveness of the IDA10 advance contribution scheme; or (b) between tranche releases. As donor resources become available, they would first be applied to cover commitments temporarily financed by these reflows.

Valuation of Donor Contributions

68. As regards the denomination of IDA10 contributions, it was agreed to provide donors with the flexibility of denominating their contributions in their respective national currencies, SDRs, or, with the approval of the Association, in the freely convertible currency of another member. Donors with domestic rates of annual inflation of 15% or higher during the 1989-91 period are to denominate their contributions in SDRs, as was the case for IDA9. This will help ensure that the value of their contributions is not eroded over time.

Payment of Subscriptions and Contributions

69. **Donor Contributions:** The payment arrangements for earlier replenishments have proved satisfactory and have provided donors with a considerable degree of flexibility in phasing the payment of their contributions to the Association. The Deputies recommended that the subscription and contribution payment arrangements for donor members continue as at present. Donors' contributions are to be drawn down in equal proportions in terms of their unit of denomination over an eight-year period as shown in the IDA10 Resolution. IDA's management will consult with donors that have difficulty with this encashment schedule, with a view to its flexible application to meet the needs of these donors; the encashments will in any case be completed in ten years.

70. **Subscriptions of Non-Contributing Members:** IDA has followed the practice of collecting subscription payments from non-contributing members in the same manner as for donor contributions, generally, in equal installments over a three-year period. In order to ease the administrative burden for both the country concerned and IDA, the Deputies recommended that, starting with IDA10, subscription payments of non-contributing members be fully paid in one installment. Given the relatively small size of the subscription amounts involved, it is expected that this new procedure would not cause an undue financial burden for the countries concerned. As at present, subscriptions in IDA10 would be made in local currency, either in cash or through note deposits.

Voting Rights

71. The Deputies recommended that the present voting rights system continue for IDA10.

Reviews of IDA Implementation

72. The Deputies recommended that the Executive Directors review the progress made in the implementation of IDA10. They proposed that such reviews be undertaken annually. They noted the regular reporting to the Executive Directors on adjustment lending, poverty reduction and the environment. The reviews of IDA implementation should be designed to complement these and should remain limited in scope. The areas of program effectiveness and beneficiary impact, while obviously critical, were best left to these other reports. The Deputies identified a number of areas which the reviews should focus on. **First**, the reports should review the progress in embodying the key objectives into IDA10 lending programs. The experience with poverty and environmental assessments, and problems encountered, is of particular interest, as is the extent to which EAPs are being given effect both by IDA and its borrowers in the course of ongoing development efforts. **Second**, the reviews should set out the steps taken to enhance IDA10 implementation. This should encompass the treatment of governance issues in the policy dialogue and the analysis of public expenditures, including non-development expenditures. It should also cover IDA's increased support for better project design and implementation with a view to improving overall project quality, and the preliminary indications of whether these steps are proving effective. **Third**, the reviews should discuss IDA's role in aid coordination.

Recommendation

73. The Executive Directors recommend that the Board of Governors adopt the draft Resolution annexed to this Report.

DOCUMENTS PREPARED FOR THE IDA10 REPLENISHMENT

Discussion Papers:

1. Achieving Development Objectives (January 1992)
2. IDA Allocations Revisited (January 1992)
3. IDA'S Role in Development Assistance (April 1992)
4. Supplementing IDA Resources (April 1992)
5. The Program Implications of the Size of IDA10 (June 1992)
6. IDA10 Burden Sharing (June 1992)
7. Draft IDA10 Report (August 1992)
8. Revised Draft IDA10 Report (October 1992)
9. Second Revision - Draft IDA10 Report (November 1992)

Technical Notes:

1. The Real Value of IDA9 (November 1991)
2. Status of Environmental Action Plans and Assessments (January 1992)
3. Development and The Environment: Integrating Programs and Funding (March 1992)
4. The Environment in IDA's Operations (April 1992)
5. Strengthening Institutional Capacity (April 1992)
6. Assisting Women in Developing Countries (April 1992)
7. IDA's Administrative Costs (April 1992)
8. Improving Project Implementation (April 1992)
9. Sustaining Adjustment Programs (April 1992)
10. IDA's Undisbursed Balances (April 1992)
11. Access of IDA Countries to External Financing (June 1992)
12. Improving the Coordination of Aid (June 1992)
13. Alternative Methodology for Encashments of Donor Contributions to IDA (November 1992)
14. How IDA Would Use Additional Resources (November 1992)

Discussion Note

1. IDA10 Size and Burdensharing (November 1992)
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ANNEX B

INTERNATIONAL DEVELOPMENT ASSOCIATION

BOARD OF GOVERNORS

(Draft)

Resolution No. _

ADDITIONS TO RESOURCES: TENTH REPLENISHMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

(Draft)

Resolution No. _____

Additions to Resources: Tenth 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 additional resources should be made available to the Association for new credit commitments for the period from July 1, 1993 to June 30, 1996 in the amounts and on the basis set out in the Report of the Executive Directors (the "Report") approved on January 12, 1993 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 request their legislatures, where necessary, 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 ("contributing members") as part of the replenishment authorized by this Resolution ("the Tenth Replenishment") 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 in the form of contributions not carrying voting rights ("subscriptions and contributions");

(D) Additional subscriptions are 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; and

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

NOW THEREFORE THE BOARD OF GOVERNORS HEREBY ACCEPTS the Report, **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 amount specified for each such member in Table 1 attached to this Resolution, and such amount shall be divided into a subscription carrying voting

rights and a contribution not carrying voting rights as specified in Table 2 attached to this Resolution.

(b) The Association is authorized to accept additional subscriptions from each subscribing member of the Association in the amount specified for each such member in Table 2.

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 shall deposit with the Association an instrument of commitment substantially in the form set out in Annex I to this Resolution ("Instrument of Commitment").

(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 legislation, it shall deposit a qualified instrument of commitment in a form acceptable to the Association ("Qualified Instrument of Commitment"); such member 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.

3. Payment.

(a) Each subscribing member shall pay to the Association the amount of its subscription in full within 30 days after the date of deposit of its Instrument of Commitment;

provided that:

(i) if the Tenth Replenishment shall not have become effective by October 31, 1993, the payment may be postponed by the member for not more than 30 days after the date on which the Tenth Replenishment becomes effective; and

(ii) the Association may agree to the postponement of the payment for not more than one year.

(b) Each contributing member that agrees to do so without qualification shall pay to the Association the amount of its subscription and contribution in three equal annual installments by November 30, 1993, November 30, 1994, and November 30, 1995;

provided that:

(i) if the Tenth Replenishment shall not have become effective by October 31, 1993, payment of the first such installment may be postponed by the member for not more than 30 days after the date on which the Tenth Replenishment becomes effective;

- (ii) the Association may agree to the postponement of any installment, or part thereof, for not more than one year if the amount paid, together with any unused balance of previous payments by the member concerned, shall be 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 credits committed under the Tenth Replenishment;
- (iii) if any contributing member shall deposit 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, shall be made to the Association within 30 days after the date of such deposit; and
- (iv) if a contributing member has deposited a Qualified Instrument of Commitment and thereafter 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, shall be made within 30 days after the date of such notification.

4. Mode of Payment.

- (a) Payments pursuant to this Resolution shall be made, at the option of the member (i) in cash, on terms agreed between the member and the Association that shall be no
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less favorable to the Association than payment under subparagraph (a) (ii) 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 the notes or similar obligations of contributing members quarterly in equal proportions in terms of their unit of denomination during a period of eight years as shown in the encashment schedule set out in Annex II to this Resolution, provided that at the request of a contributing member the Association may agree to variations in the encashment schedule that will not extend the period for the member beyond ten years.
- (c) The provisions of Article IV, Section 1(a) of the Articles shall 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 shall denominate the resources to be made available pursuant to this Resolution in SDRs, the currency of the member, or with the agreement of the Association in a freely convertible currency of another member, except that if a
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contributing member's economy experienced a rate of inflation in excess of fifteen percent per annum on average in the period 1989 to 1991, as determined by the Association as of the date of adoption of this Resolution, its subscription and contribution shall be denominated in SDRs.

- (b) Contributing members shall 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 shall make payments in the currency of the member.
- (c) Each member shall 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.

6. Effective Date.

- (a) The Tenth Replenishment shall become effective and the resources to be contributed pursuant to this Resolution shall become payable to the Association on the date when contributing members whose subscriptions and contributions aggregate not less than

SDR 10,076 million shall have deposited with the Association Instruments of Commitment or Qualified Instruments of Commitment (the "Effective Date"), provided that this date shall be not later than October 31, 1993, 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 the Association's lending operations.

7. Advance Contributions.

- (a) In order to avoid an interruption in the Association's ability to commit credits pending the effectiveness of the Tenth Replenishment, and if the Association shall have received Instruments of Commitment from contributing members whose subscriptions and contributions aggregate not less than SDR 2,519 million, 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 as an advance contribution, unless the contributing member specifies otherwise in its Instrument of Commitment.

- (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 Tenth Replenishment, except for paragraph 9 of this Resolution, 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 Tenth Replenishment shall not become effective by October 31, 1993, or such later date as the Association may determine pursuant to paragraph 6(a) of this Resolution, (i) voting rights shall be allocated to each member for the advance contribution as if it had been made as a subscription and contribution under this Resolution, (ii) each member not making an advance contribution shall have the opportunity to exercise its pre-emptive rights with respect to such subscription as the Association shall specify, and (iii) advance contributions shall be taken into account in the next general replenishment of the Association's resources.

8. Commitment Authority.

- (a) Subscriptions and contributions shall become available for commitment by the Association for credits to eligible members in three successive tranches of one-third

of the total amount of each such subscription and contribution: (i) the first tranche shall become available to the Association for commitment for credits from the Effective Date, provided that advance contributions may become available earlier under paragraph 7(a) of this Resolution; (ii) the second tranche from November 1, 1994 or the Effective Date, whichever is later; and (iii) the third tranche from November 1, 1995 or the Effective Date, whichever is later.

- (b) Any qualified part of a subscription and contribution notified under a Qualified Instrument of Commitment shall become available for commitment by the Association for credits when it has become unqualified.
- (c) The Association shall promptly inform contributing members if a member that has deposited a Qualified Instrument of Commitment and whose subscription and contribution represents more than 20 percent of the total amount of the resources to be contributed pursuant to this Resolution has not unqualified at least 66 percent of the total amount of its subscription and contribution by November 30, 1994, or 30 days after the Effective Date, whichever is later, and the total amount thereof by November 30, 1995, or 30 days after the Effective Date, whichever is later.
- (d) Within 30 days of the dispatch of notice by the Association under subparagraph (c), each other contributing member may notify the Association in writing that the commitment by the Association of the second or third tranche, whichever is

applicable, of such member's subscription and contribution shall be deferred while, and to the extent that, any part of the subscription and contribution referred to in subparagraph (c) remains qualified; during such period, the Association shall make no commitments for credits in respect of the resources to which the notice pertains unless the right of the contributing member is waived pursuant to subparagraph (e).

(e) The right of a contributing member under subparagraph (d) may be waived in writing, and it shall be deemed waived if the Association receives no written notice pursuant to such subparagraph within the period specified therein.

(f) The President of the Association shall consult with the contributing members where, in his judgment: (i) there is a substantial likelihood that the total amount of the subscription and contribution referred to in subparagraph (c) could not be committed to the Association without qualification by June 30, 1996, or (ii) as a result of contributing members exercising their rights under subparagraph (d), the Association is or may shortly be precluded from entering into new unconditional credit commitments.

(g) The Association may enter into credits, conditional on such credits becoming effective and binding on the Association when resources under the Tenth Replenishment become available for commitment by the Association.

9. Allocation of Voting Rights. Voting rights calculated on the basis of the current voting rights system shall be allocated to members for subscriptions as follows:

- (a) Each subscribing member which has deposited with the Association an Instrument of Commitment shall 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.

- (b) Each contributing member which has deposited with the Association an Instrument of Commitment shall 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; provided that (i) any member which deposits such instrument after any of these dates shall be allocated, as of the date of such deposit, the subscription votes to which such member would have been entitled if such instrument had been deposited prior to the first of these dates, and (ii) if the member fails to pay any amount of its subscription and contribution when due, the number of subscription votes allocated from time to time to such member under this Resolution shall be reduced in proportion to the shortfall in such payments, but any such votes shall be reallocated when the shortfall in payments causing such adjustment is subsequently made up.

- (c) Each member which has deposited with the Association a Qualified Instrument of Commitment shall be allocated subscription votes to the extent of payments made in respect of its subscription and contribution, and each member exercising its right pursuant to paragraph 8(d) of this Resolution shall have the number of subscription votes allocated to it reduced in proportion to the amount of its subscription and contribution subject to deferral, but any such votes shall be reallocated to the extent that the deferral terminates.

- (d) Each member shall be allocated the additional membership votes specified in Columns b-5 and c-3 of Table 2 for its subscription on the date such member is allocated the first one-third of its subscription votes pursuant to this paragraph.

ANNEX I

INTERNATIONAL DEVELOPMENT ASSOCIATION

Additions to Resources: Tenth Replenishment

Reference is made to Resolution No. ____ of the Board of Governors of the International Development Association entitled "Additions to Resources: Tenth Replenishment", which was adopted on _____, 1993 ("the Resolution").

The Government of _____ **HEREBY NOTIFIES** the Association pursuant to paragraph 2 of the Resolution that it will make the _____^{1/} authorized for it in accordance with the terms of the Resolution in the amount of _____^{2/}.

(Date)

_____^{3/}
(Name and Office)

^{1/} (a) Contributing members fill in the words "subscription and contribution"; and (b) subscribing members fill in the word "subscription" only.

^{2/} Pursuant to paragraph 5(a) of the Tenth 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, or with the agreement of the Association in a freely convertible currency of another member. Payment shall be made as provided in paragraph 5(b) of the Resolution.

^{3/} The instrument is to be signed on behalf of the Government by a duly authorized representative.

INTERNATIONAL DEVELOPMENT ASSOCIATION

Schedule of Encashments: Tenth Replenishment

<u>IDA-10 FY</u>	<u>SCHEDULE OF ENCASHMENTS ^{1/}</u> <u>(% of total)</u>
1994	3.07
1995	9.23
1996	15.31
1997	17.71
1998	16.30
1999	14.41
2000	12.87
<u>2001</u>	<u>11.10</u>
Total	100.00

1/ In the event that the Tenth Replenishment shall become effective after June 30, 1994, encashments scheduled before the date of effectiveness will be added to the schedule normally for the fiscal year in which the Replenishment becomes effective.

Table 1: CONTRIBUTIONS TO THE TENTH REPLENISHMENT
(Amounts in millions)

Contributing Members	Basic Contributions		Supplementary Contributions	Total Contributions	National Currency Amount a/ - 5 -
	SDR Amount - 1 -	Share % - 2 -	SDR Amount - 3 -	SDR Amount - 4 -	
Australia	189.80	1.46	2.24	192.04	350.00
Austria	117.00	0.90		117.00	1,855.46 g/
Belgium	201.50	1.55		201.50	9,345.43
Brazil b/	10.00	0.08		10.00	
Canada	519.91	4.00		519.91	858.00
i/ Czech Republic b/ f/	10.00	0.08		10.00	
Denmark	169.00	1.30	11.47	180.47	1,573.05
Finland	130.00	1.00		130.00	798.37
France c/	912.94	7.02	36.06	949.00	7,222.93
Germany	1,430.00	11.00		1,430.00	3,222.08 g/
Greece	6.80	0.05		6.80	1,807.23
Hungary b/	10.00	0.08		10.00	
Iceland	3.90	0.03		3.90	316.07
Ireland	14.30	0.11	1.10	15.40	13.00
Italy	689.00 j/	5.30		689.00	1,124,000.00
Japan	2,431.00	18.70	169.00	2,600.00	471,509.74
Korea	30.00	0.23	6.58	36.58	39,442.25
Kuwait	18.08	0.14		18.08	7.33 h/
Luxembourg	6.50	0.05	0.50	7.00	324.66
Mexico b/	25.00	0.19	10.00	35.00	
Netherlands	429.00	3.30	27.00	456.00	1,156.51 g/
New Zealand	14.94	0.11		14.94	38.09
Norway	184.60	1.42		184.60	1,627.23
Poland b/	4.50	0.03		4.50	
Portugal	15.00	0.12	0.50	15.50	2,952.02
i/ Russia b/	50.00	0.38		50.00	
i/ Saudi Arabia	108.47	0.83		108.47	563.62 h/
i/ South Africa b/	10.00	0.08		10.00	
Spain	104.00	0.80		104.00	14,736.52
Sweden	340.60	2.62	7.40	348.00	2,833.97
Switzerland	226.20	1.74	3.80	230.00	473.46
Turkey b/	25.00	0.19		25.00	
United Kingdom	799.18	6.15		799.18	620.00
United States	2,711.69	20.86		2,711.69	3,750.00
Sub Total	11,947.90	91.91	275.65		
Change in Encashments d/	395.68	3.04			
Change in Liquidity Policy e/	200.00	1.54			
Supplementary Contributions	275.65	2.12			
Unallocated	180.76	1.39			
Total	13,000.00	100.00			

a/ Calculated by converting the SDR amount in column (4) to national currencies using an average of daily exchange rates for the period March 1, 1992 to June 30, 1992.

b/ Contributions of members with rates of inflation greater than 15% per annum during the 1989-91 period are denominated in SDRs.

c/ The basic national currency contribution of France is equivalent to a 7.3 percent share of SDR 13 billion using May-October exchange rates.

d/ Reflects additional resources available to IDA as a result of encashing contributions on an 8-year schedule rather than a 10-year period.

Contributions of Australia and the United Kingdom will be encashed over a 10-year period.

The participation of Italy and Canada is shown as part of their basic contribution.

e/ The change in encashment schedule will enable IDA to lower its liquidity requirements by SDR 200 million which will be committed in IDA10.

f/ On January 1, 1993, the former Czech and Slovak Federal Republic was succeeded by the Czech Republic and the Slovak Republic.

g/ These countries have indicated that their unit of denomination will be the SDR.

h/ These countries have indicated that their unit of denomination will be the US dollar.

i/ These countries are not yet in a position to commit to a final contribution to IDA10. The levels shown are therefore indicative.

j/ This amount is the SDR equivalent of Lk. 1,169,390.71 million, i.e., an IDA10 contribution of Lk. 1,124,000 million and Lk. 45,390.71 million resulting from encashing the IDA10 contribution on an 8-year schedule rather than a 10-year period.

ADDITIONAL SUBSCRIPTIONS, CONTRIBUTIONS AND VOTES
(Amounts in Current USD Equivalent)

Table 2
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Part I Members	Subscriptions and Contributions Through IDA9 a/		Additional Resources b/ and Votes Under IDA10					Subscriptions and Contributions Through IDA10	
	Subscriptions	Contributions Carrying No Votes	Additional Resources c/	Additional Subscriptions	Contributions Carrying No Votes	Additional Subscription Votes	Additional Membership Votes	Subscriptions	Contributions Carrying No Votes
AUSTRALIA	27,339,761	1,283,373,312	265,580,000	404,566	265,175,434	16,183	4,400	27,744,327	1,548,548,746
AUSTRIA	7,179,905	475,461,551	168,200,000	282,058	167,917,942	11,282	4,400	7,461,963	643,379,493
BELGIUM	12,477,481	1,068,255,914	289,670,000	467,201	289,202,799	18,688	4,400	12,944,682	1,357,458,713
CANADA	53,555,550	3,231,204,215	718,980,000	1,114,842	717,865,158	44,594	4,400	54,670,391	3,949,069,374
DENMARK	12,498,727	807,559,107	259,400,000	429,362	258,970,638	17,174	4,400	12,928,089	1,066,529,745
FINLAND	5,686,555	491,423,590	186,880,000	316,292	186,563,708	12,652	4,400	6,002,847	677,987,298
FRANCE	73,928,399	4,227,133,905	1,364,250,000	2,259,004	1,361,990,996	90,360	4,400	76,187,403	5,589,124,901
GERMANY	81,094,107	7,445,524,049	2,055,720,000	3,326,247	2,052,393,753	133,050	4,400	84,420,355	9,497,917,801
ICELAND	160,032	18,843,460	5,610,000	9,192	5,600,808	368	4,400	169,225	24,444,267
IRELAND	3,929,777	75,790,364	22,140,000	35,923	22,104,077	1,437	4,400	3,965,700	97,894,441
ITALY	28,979,149	3,039,675,925	952,820,000	1,572,924	951,247,076	62,917	4,400	30,552,073	3,990,923,001
JAPAN	63,991,018	11,164,264,764	3,737,680,000	6,230,365	3,731,449,635	249,215	4,400	70,221,383	14,895,714,399
KUWAIT	5,444,558	650,325,456	25,990,000	358	25,989,642	14	4,400	5,444,915	676,315,099
LUXEMBOURG	528,645	32,507,547	10,060,000	16,560	10,043,440	662	4,400	545,205	42,550,987
NETHERLANDS	38,168,656	2,110,693,202	655,420,000	1,079,147	654,340,853	43,166	4,400	39,247,802	2,765,034,056
NEW ZEALAND	161,044	81,805,916	21,470,000	34,490	21,435,510	1,380	4,400	195,534	103,241,426
NORWAY	9,954,825	815,202,356	265,380,000	440,287	264,939,713	17,611	4,400	10,395,112	1,080,142,069
RUSSIA	2,099,224	123,900,776	71,880,000	126,492	71,753,508	5,060	4,400	2,225,716	195,654,284
SOUTH AFRICA	12,293,184	74,700,324	14,380,000	20,713	14,359,287	829	4,400	12,313,897	89,059,611
SWEDEN	17,455,597	2,014,393,332	500,270,000	794,563	499,475,437	31,783	4,400	18,250,160	2,513,868,769
SWITZERLAND	10,516,896	620,751,104	330,640,000	578,018	330,061,982	23,121	4,400	11,094,914	950,813,086
UNITED ARAB EMIRATES	10,729	5,189,119	0	0	0	0	0	10,729	5,189,119
UNITED KINGDOM	171,957,920	5,567,352,169	1,105,180,000	1,662,371	1,103,517,629	66,495	4,400	173,620,291	6,670,869,798
UNITED STATES	430,411,976	17,514,495,066	3,898,240,000	6,034,511	3,892,205,489	241,380	4,400	436,446,487	21,406,700,555
SUB-TOTAL PART I	1,069,823,716	62,939,826,522	16,925,840,000	27,235,485	16,898,604,515	1,089,419	101,200	1,097,059,201	79,838,431,037

a/ Assuming all members give (unqualified) formal notification under the Third, Fourth, Fifth, Sixth, Seventh, Eighth and Ninth Replenishments. These amounts have been calculated, for purposes of the voting rights adjustment among Part I Contributing Members, by multiplying the subscriptions and contributions up to and including the Third Replenishment (which were expressed in terms of United States 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, Fifth, Sixth, Seventh, Eighth and Ninth Replenishments, as of September 27, 1973, March 14, 1977, October 5, 1979, January 13, 1984, August 29, 1986 and October 31, 1989, respectively.

b/ Contributions to the Tenth Replenishment are expressed in SDRs as set out in Table 1, column (4), of the Tenth Replenishment Resolution. The U.S. dollar equivalent has been obtained by converting the SDR amounts using an average of daily exchange rates for the U.S. dollar versus the SDR over the period March 1, 1992 to June 30, 1992. Contributions are divided into subscriptions carrying votes as shown in column (b-2) and contributions carrying no votes as shown in column (b-3).

c/ Includes, for all donors except Australia and the United Kingdom, the calculated effective value of contributions resulting from encashing contributions

ADDITIONAL SUBSCRIPTIONS, CONTRIBUTIONS AND VOTES
(Amounts in Current USD Equivalent)

Table 2
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Additional Subscriptions, Contributions and Votes under IDA10

Part II Members	Subscriptions and Contributions Through IDA9 <i>d/</i>		Subscriptions and Votes Allocated For Exercise of Preemptive Rights			Resources in SDRs or Freely Convertible Currency from Part II Members <i>f/</i>	Subscriptions, Contributions for Resources in SDRs or Freely Convertible Currency in Excess of Subscriptions for Exercise of Preemptive Rights				Subscriptions and Contributions Through IDA10		
	Subscriptions	Contributions Carrying No Votes	Additional Subscriptions <i>e/</i>	Additional Subscription Votes	Additional Membership Votes		Additional Resources <i>g/</i>	Additional Subscriptions	Contributions Carrying No Votes	Additional Subscription Votes	Subscriptions	Contributions Carrying No Votes	
													(a-1)
AFGHANISTAN	1,400,796	0	30,126	1,205	4,400							1,430,922	0
ALBANIA	319,595	0	6,957	278	4,400							326,552	0
ALGERIA	5,594,583	0	120,982	4,839	4,400							5,715,565	0
ANGOLA	8,760,656	0	189,525	7,581	4,400							8,950,180	0
ARGENTINA	26,390,247	75,473,348	614,103	24,364	4,400							27,004,350	75,473,348
BANGLADESH	7,470,100	0	161,649	6,466	4,400							7,631,749	0
BELIZE	277,472	0	5,971	239	4,400							283,444	0
BENIN	694,446	0	15,022	601	4,400							709,467	0
BHUTAN	69,305	0	1,483	59	4,400							70,788	0
BOLIVIA	1,470,701	0	31,699	1,268	4,400							1,502,400	0
BOTSWANA	222,230	0	4,832	193	4,400							227,063	0
BRAZIL	26,459,471	101,697,082	627,757	25,110	4,400	14,380,000	13,752,243	25,995	13,726,248	1,040		27,113,224	115,423,329
BURKINA FASO	694,227	0	15,022	601	4,400							709,248	0
BURUNDI	1,055,160	0	22,798	912	4,400							1,077,958	0
CAMBODIA	1,417,088	0	30,785	1,231	4,400							1,447,873	0
CAMEROON	1,400,796	0	30,126	1,205	4,400							1,430,922	0
CAPE VERDE	111,103	0	2,405	96	4,400							113,508	0
CENTRAL AFRICAN REP.	694,227	0	15,022	601	4,400							709,248	0
CHAD	694,227	0	15,022	601	4,400							709,248	0
CHILE	4,901,549	0	106,178	4,247	4,400							5,007,727	0
CHINA	42,086,395	0	923,460	36,938	4,400							43,009,855	0
COLOMBIA	4,996,596	29,095,715	124,852	4,994	4,400							5,121,449	29,095,715
COMOROS	111,103	0	2,405	96	4,400							113,508	0
CONGO	694,227	0	15,022	601	4,400							709,248	0
COSTA RICA	277,431	0	5,889	236	4,400							283,319	0
COTE D'IVOIRE	1,400,796	0	30,126	1,205	4,400							1,430,922	0
CYPRUS	1,055,160	0	22,798	912	4,400							1,077,958	0
CZECH REPUBLIC <i>w/</i>	5,086,620	8,281,517	113,295	4,532	4,400	14,380,000	14,266,705	26,968	14,239,737	1,079		5,226,883	22,521,254
DIBOUTI	222,230	0	4,832	193	4,400							227,063	0
DOMINICA	111,103	0	2,405	96	4,400							113,508	0

ADDITIONAL SUBSCRIPTIONS, CONTRIBUTIONS AND VOTES
(Amounts in Current USD Equivalent)

Table 2
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Additional Subscriptions, Contributions and Votes under IDA10

Part II Members	Subscriptions and Contributions Through IDA9 d/		Subscriptions and Votes Allocated For Exercise of Preemptive Rights			Resources in SDRs or Freely Convertible Currency from Part II Members f/	Subscriptions, Contributions for Resources in SDRs or Freely Convertible Currency in Excess of Subscriptions for Exercise of Preemptive Rights				Subscriptions and Contributions Through IDA10		
	Subscriptions	Contributions Carrying No Votes	Additional Subscriptions e/	Additional Subscription Votes	Additional Membership Votes		Additional Resources g/	Additional Subscriptions	Contributions Carrying No Votes	Additional Subscription Votes	Subscriptions	Contributions Carrying No Votes	
													(a-1)
DOMINICAN REPUBLIC	556,188	68,614	12,182	487	4,400							568,370	68,614
ECUADOR	902,866	0	19,547	782	4,400							922,412	0
EGYPT	7,070,888	0	156,152	6,246	4,400							7,227,041	0
EL SALVADOR	415,939	23,707	8,938	358	4,400							424,877	23,707
EQUATORIAL GUINEA	444,333	0	9,657	386	4,400							453,990	0
ETHIOPIA	694,522	23,707	15,052	602	4,400							709,574	23,707
FIJI	777,627	0	16,902	676	4,400							794,529	0
GABON	694,227	0	15,022	601	4,400							709,248	0
GAMBIA, THE	370,722	0	8,046	322	4,400							378,768	0
GHANA	3,276,417	0	70,800	2,832	4,400							3,347,217	0
GREECE	3,568,301	24,571,470	89,393	3,576	4,400	9,780,000	9,690,607	18,318	9,672,290	733		3,676,011	34,243,760
GRENADA	124,267	0	2,562	102	4,400							126,830	0
GUATEMALA	555,532	0	12,085	483	4,400							567,617	0
GUINEA	1,400,796	0	30,126	1,205	4,400							1,430,922	0
GUINEA-BISSAU	193,285	0	4,046	162	4,400							197,331	0
GUYANA	1,125,025	0	24,379	975	4,400							1,149,404	0
HAITI	1,055,160	0	22,798	912	4,400							1,077,958	0
HONDURAS	415,700	0	8,916	357	4,400							424,616	0
HUNGARY	10,445,287	25,964,713	235,289	9,412	4,400	14,380,000	14,144,711	26,737	14,117,974	1,069		10,707,313	40,082,687
INDIA V	56,351,494	0	1,429,986	57,199	4,400							57,781,481	0
INDONESIA	15,411,771	0	333,578	13,343	4,400							15,745,348	0
IRAN, ISLAMIC REP. OF	6,304,036	0	136,453	5,458	4,400							6,440,490	0
IRAQ	1,055,160	0	22,798	912	4,400							1,077,958	0
ISRAEL	2,340,521	934,200	52,018	2,081	4,400							2,392,539	934,200
JORDAN	415,700	0	8,916	357	4,400							424,616	0
KAZAKHSTAN	2,125,271	0	46,165	1,847	4,400							2,171,436	0
KENYA	2,332,424	0	50,422	2,017	4,400							2,382,845	0
KIRIBATI	83,229	0	1,791	72	4,400							85,020	0
KOREA	1,912,467	67,153,818	69,999	2,800	4,400	52,590,000	52,520,001	99,276	52,420,725	3,971		2,081,742	119,574,543
KYRGYZSTAN	555,513	0	12,050	482	4,400							567,563	0

ADDITIONAL SUBSCRIPTIONS, CONTRIBUTIONS AND VOTES
(Amounts in Current USD Equivalent)

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Additional Subscriptions, Contributions and Votes under IDA10

Part II Members	Subscriptions and Contributions Through IDA9 d/		Subscriptions and Votes Allocated For Exercise of Preemptive Rights			Resources in SDRs or Freely Convertible Currency from Part II Members f/	Subscriptions, Contributions for Resources in SDRs or Freely Convertible Currency in Excess of Subscriptions for Exercise of Preemptive Rights				Subscriptions and Contributions Through IDA10	
	Subscriptions	Contributions Carrying No Votes	Additional Subscriptions g/	Additional Subscription Votes	Additional Membership Votes		Additional Resources g/	Additional Subscriptions	Contributions Carrying No Votes	Additional Subscription Votes	Subscriptions	Contributions Carrying No Votes
	(a-1)	(a-2)	(c-1)	(c-2)	(c-3)	(c-4)	(c-5)	(c-6)	(c-7)	(c-8)	(d-1)	(d-2)
LAO PDR	694,227	0	15,022	601	4,400						709,248	0
LATVIA	791,828	0	17,208	688	4,400						809,036	0
LEBANON	625,389	0	13,658	546	4,400						639,047	0
LESOTHO	222,230	0	4,832	193	4,400						227,063	0
LIBERIA	1,055,160	0	22,798	912	4,400						1,077,958	0
LIBYA	1,400,796	0	30,126	1,205	4,400						1,430,922	0
MADAGASCAR	1,401,691	0	30,126	1,205	4,400						1,431,817	0
MALAWI	1,055,160	0	22,798	912	4,400						1,077,958	0
MALAYSIA	3,498,487	0	75,618	3,025	4,400						3,574,105	0
MALDIVES	41,531	0	892	36	4,400						42,442	0
MALI	1,207,430	0	26,050	1,042	4,400						1,233,480	0
MARSHALL ISLANDS	13,922	0	306	12	4,400						14,228	0
MAURITANIA	694,227	0	15,022	601	4,400						709,248	0
MAURITIUS	1,195,327	35,560	25,990	1,040	4,400						1,221,317	35,560
MEXICO	12,364,866	80,177,204	307,724	12,309	4,400	50,310,000	50,002,276	94,517	49,907,759	3,781	12,767,107	130,084,963
MONGOLIA	319,595	0	6,957	278	4,400						326,552	0
MOROCCO	4,901,549	0	106,178	4,247	4,400						5,007,727	0
MOZAMBIQUE	1,901,545	0	41,034	1,641	4,400						1,942,580	0
MYANMAR	2,805,517	0	60,828	2,433	4,400						2,866,345	0
NEPAL	694,227	0	15,022	601	4,400						709,248	0
NICARAGUA	415,700	0	8,916	357	4,400						424,616	0
NIGER	694,227	0	15,022	601	4,400						709,248	0
NIGERIA	4,664,719	0	100,836	4,033	4,400						4,765,555	0
OMAN	415,939	23,707	8,938	358	4,400						424,877	23,707
PAKISTAN	14,059,752	118,533	312,927	12,517	4,400						14,372,679	118,533
PANAMA	28,762	0	749	30	4,400						29,511	0
PAPUA NEW GUINEA	1,194,928	0	25,953	1,038	4,400						1,220,881	0
PARAGUAY	415,700	0	8,916	357	4,400						424,616	0
PERU	2,457,436	0	53,359	2,134	4,400						2,510,794	0
PHILIPPINES	7,001,102	180,180	151,954	6,078	4,400						7,153,057	180,180

ADDITIONAL SUBSCRIPTIONS, CONTRIBUTIONS AND VOTES
(Amounts in Current USD Equivalent)

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Additional Subscriptions, Contributions and Votes under IDA10

Part II Members	Subscriptions and Contributions Through IDA9 d/		Subscriptions and Votes Allocated For Exercise of Preemptive Rights			Resources in SDRs or Freely Convertible Currency from Part II Members f/	Subscriptions, Contributions for Resources in SDRs or Freely Convertible Currency in Excess of Subscriptions for Exercise of Preemptive Rights				Subscriptions and Contributions Through IDA10	
	Subscriptions	Contributions Carrying No Votes	Additional Subscriptions e/	Additional Subscription Votes	Additional Membership Votes		Additional Resources g/	Additional Subscriptions	Contributions Carrying No Votes	Additional Subscription Votes	Subscriptions	Contributions Carrying No Votes
POLAND	42,830,676	18,374,512	931,992	37,280	4,400	6,470,000	5,538,008	10,468	5,527,540	419	43,773,135	23,902,053
PORTUGAL	4,195,304	0	91,181	3,647	4,400	22,280,000	22,188,819	41,942	22,146,876	1,678	4,328,428	22,146,876
RWANDA	1,055,160	0	22,798	912	4,400						1,077,958	0
ST. KITTS & NEVIS	180,471	0	3,903	156	4,400						184,375	0
ST. LUCIA	208,169	0	4,488	180	4,400						212,657	0
ST. VINCENT	97,154	0	2,098	84	4,400						99,252	0
SAO TOME & PRINCIPE	97,211	0	2,105	84	4,400						99,316	0
SAUDI ARABIA	11,989,171	1,871,535,485	1,462,489	58,500	4,400	155,930,000	154,467,511	291,982	154,175,529	11,679	13,743,642	2,025,711,014
SENEGAL	2,332,424	0	50,422	2,017	4,400						2,382,845	0
SIERRA LEONE	1,055,160	0	22,798	912	4,400						1,077,958	0
SLOVAK REPUBLIC h/	2,536,487	4,140,758	56,667	2,267	4,400						2,593,154	4,140,758
SOLOMON ISLANDS	124,267	0	2,562	102	4,400						126,830	0
SOMALIA	1,055,160	0	22,798	912	4,400						1,077,958	0
SPAIN	15,006,136	304,554,333	496,715	19,869	4,400	149,510,000	149,013,285	281,672	148,731,613	11,267	15,784,523	453,285,946
SRI LANKA	4,206,781	0	90,946	3,638	4,400						4,297,727	0
SUDAN	1,400,796	0	30,126	1,205	4,400						1,430,922	0
SWAZILAND	444,461	0	9,665	387	4,400						454,126	0
SYRIAN ARAB REP.	1,318,342	0	28,432	1,137	4,400						1,346,774	0
TANZANIA	2,332,424	0	50,422	2,017	4,400						2,382,845	0
THAILAND	4,206,282	0	90,946	3,638	4,400						4,297,228	0
TOGO	1,055,160	0	22,798	912	4,400						1,077,958	0
TONGA	97,154	0	2,098	84	4,400						99,252	0
TRINIDAD & TOBAGO	1,874,426	0	40,577	1,623	4,400						1,915,003	0
TUNISIA	2,097,755	0	45,507	1,820	4,400						2,143,261	0
TURKEY	8,118,851	29,530,996	187,110	7,484	4,400	35,940,000	35,752,890	67,582	35,685,308	2,703	8,373,543	65,216,304
UGANDA	2,332,424	0	50,422	2,017	4,400						2,382,845	0
UZBEKISTAN	1,708,798	0	37,152	1,486	4,400						1,745,950	0
VANUATU	263,580	0	5,672	227	4,400						269,251	0
VIET NAM	2,097,755	0	45,507	1,820	4,400						2,143,261	0
WESTERN SAMOA	124,267	0	2,562	102	4,400						126,830	0

ADDITIONAL SUBSCRIPTIONS, CONTRIBUTIONS AND VOTES
(Amounts in Current USD Equivalent)

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Additional Subscriptions, Contributions and Votes under IDA10

Part II Members	Subscriptions and Contributions Through IDA9 d/		Subscriptions and Votes Allocated For Exercise of Preemptive Rights			Resources in SDRs or Freely Convertible	Subscriptions, Contributions for Resources in SDRs or Freely Convertible Currency in Excess of Subscriptions for Exercise of Preemptive Rights				Subscriptions and Contributions Through IDA10	
	Subscriptions	Contributions Carrying No Votes	Additional Subscriptions e/	Additional Subscription Votes	Additional Membership Votes	Currency from Part II Members f/	Additional Resources g/	Additional Subscriptions	Contributions Carrying No Votes	Additional Subscription Votes	Subscriptions	Contributions Carrying No Votes
	(a-1)	(a-2)	(c-1)	(c-2)	(c-3)	(c-4)	(c-5)	(c-6)	(c-7)	(c-8)	(d-1)	(d-2)
YEMEN REPUBLIC	2,235,992	0	48,527	1,941	4,400						2,284,519	0
YUGOSLAVIA y	5,952,595	80,314,713	183,507	7,340	4,400						6,136,102	80,314,713
ZAIRE	4,193,811	0	90,857	3,634	4,400						4,284,668	0
ZAMBIA	3,734,997	0	80,982	3,239	4,400						3,815,979	0
ZIMBABWE	5,717,968	0	123,327	4,933	4,400						5,841,295	0
SUB-TOTAL PART II	475,624,867	2,722,273,873	12,184,531	487,381	550,000	525,950,000	521,337,055	985,455	520,351,600	39,418	488,794,854	3,242,625,473
GRAND TOTAL	1,545,448,584	65,662,100,395				17,451,790,000					1,585,854,055	83,081,056,510

d/ Assuming all members give notification under the Third, Fourth, Fifth, Sixth, Seventh, Eighth and Ninth Replenishments and calculated as explained in footnote a/.

e/ Equivalent in current United States dollars at IMF representative exchange rates as of June 30, 1992.

f/ Expressed in current United States dollars as obtained by converting the SDR amounts (Table 1, column (4)) using an average of daily exchange rates for the US dollar versus the SDR for the period March 1, 1992 to June 30, 1992. Includes the calculated effective value of contributions resulting from encashing contributions on an 8-year schedule rather than a 10-year period.

g/ The amounts shown in column (c-5) represent the total subscriptions and contributions of Part II contributing members making available resources in SDRs or freely convertible currency under the Tenth Replenishment minus the additional subscriptions for the exercise of the preemptive rights under Article III, Section 1(c) of the Articles, as shown in column (c-1). The amounts in column (c-5) are divided into subscriptions carrying votes as shown in column (c-6) and contributions carrying no votes as shown in column (c-7).

h/ The subscriptions and contribution of the former Czech and Slovak Federal Republic have been divided into separate subscriptions and contributions in accordance with the decision of the Executive Directors of January 4, 1993. Additional membership votes have been allocated to each of these members to bring them in line with other members in accordance with the recommendation of the Executive Directors.

i/ India has notified the Association of its intention to exercise its rights under Article III, Section 1(c) of the Articles to subscribe an amount to enable it to maintain its relative voting power in respect of the resources to be made available in SDRs or freely convertible currencies by Part II members.

j/ With the termination of the membership in IDA of the SFRY, the subscriptions and contributions and subscription votes would be divided in line with the agreement reached, between the successor Republics and the Association, on the division of the SFRY's subscriptions and contributions. Each successor Republic, as it becomes a member, would be allocated membership votes in the same amount as other members.