



IDA21 POLICY PACKAGE: AN OVERVIEW

END POVERTY ON A LIVABLE PLANET: DELIVERING IMPACT WITH URGENCY AND AMBITION

May 31, 2024

ACRONYMS AND ABBREVIATIONS

Fiscal Year (FY) = July 1 to June 30

All dollar amounts are US dollars unless indicated otherwise.

| | |
|-------|---------------------------------------------------------------|
| CPSD | Country Private Sector Diagnostics |
| CSO | Civil Society Organizations |
| DRM | Domestic Resource Mobilization |
| FCS | Fragile and Conflict-Affected Situations |
| FCV | Fragility, Conflict and Violence |
| GCP | Global Challenge Programs |
| GDP | Gross Domestic Product |
| IBRD | International Bank for Reconstruction and Development |
| IDA21 | 21 st of the International Development Association |
| IEG | Independent Evaluation Group |
| IFC | International Finance Corporation |
| LIC | Low-Income Countries |
| MDB | Multilateral Development Banks |
| MIGA | Multilateral Investment Guarantee Agency |
| PC | IDA Policy Commitment |
| PCE | Private Capital Enabling |
| PCM | Private Capital Mobilization |
| PSW | Private Sector Window |
| RGSW | Regional and Global Solutions Window |
| SIDS | Small States/Small Island Developing States |
| UN | United Nations |
| WBG | World Bank Group |

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I. CONTEXT

1. **The 21st replenishment of the International Development Association (IDA21) is pivotal for supporting the world’s poorest countries to get back on the pathway to eradicate poverty on a livable planet.** Today, one out of three IDA countries is poorer on average, than it was on the eve of the COVID-19 pandemic.¹ In recent years, the multiple intertwined crises have increased rates of poverty and inequality, leading to rising food insecurity and diminishing job opportunities and life prospects, in particular for women and youth.² By 2025, more than half of all people living in extreme poverty will be in countries experiencing fragility, conflict and violence (FCV).³ Elevated levels of violence and extreme weather events have continued to displace people, disrupt food supplies, and exacerbate poverty. These challenges unfold against a backdrop of water and energy scarcity, connectivity gaps, and limited access to essential goods and services.⁴ In many IDA countries, fiscal space is constrained by a weak 2.3 percent Gross Domestic Product (GDP) per capita growth, falling notably short of the 3.3 percent seen in other emerging markets and developing economies. Additionally, there are mounting concerns over persistent debt vulnerabilities, as IDA countries collectively allocate 7.5 percent of their GDP to debt service payments. Economic growth and poverty reduction in low-income countries (LICs) could slow markedly if the adverse effects of climate change become more severe.⁵

2. **Progress in IDA20 provides a solid basis for sustained delivery in IDA21.** IDA has shown a strong record in delivery during crises, a track record of achieving results over successive cycles, the ability to innovate and strengthen partnerships. IDA’s financing commitments have increased by 68 percent during FY20-FY24 compared to FY15-19. During the same time, IDA has significantly increased disbursements by 59 percent. Average annual commitments for IDA FCV countries have tripled. The Independent Evaluation Group (IEG) ratings of development outcomes and Bank performance have been the highest they have been since FY12. This shows that IDA has been successful in simultaneously scaling-up lending while ensuring a strong focus on quality. IDA’s performance on climate finance, gender equality, scaling up safety nets, among others, will form a good basis for implementing IDA21.

3. **IDA countries have large external financing needs and this overview and the policy papers need to be read together with the accompanying paper “IDA21: Demand for Resources, Financing Architecture and Scenarios”.** The IMF World Economic Outlook estimates that external financing needs for IDA countries will total \$724 billion for the period 2025–2028 assuming current macroeconomic and fiscal projections. Additional external financing will be necessary to bring IDA countries back onto their convergence path with more advanced economies, assuming that IDA countries gradually transition out of crisis episodes and conflicts.

¹ World Bank. 2024. *The Great Reversal: Prospects, Risks, and Policies in International Development Association (IDA) Countries*. Washington, DC: World Bank.

² World Bank. 2024. *From Vision to Impact: Implementing the World Bank Group Evolution*. Report for the Development Committee, Spring Meetings 2024. Washington, DC: World Bank.

³ World Bank. 2023. *Mid-Term Review of the World Bank Group Strategy for Fragility, Conflict, and Violence (2020-25)*. Washington, DC: World Bank.

⁴ World Bank Group. 2023. *Ending Poverty on a Livable Planet: Report to Governors on World Bank Evolution*. Development Committee. Washington, DC: World Bank Group.

⁵ World Bank. 2024. *Global Economic Prospects, January 2024*. Washington, DC: World Bank.

In contrast to these high financing needs and to IDA's delivery, net ODA to LICs from official donors has been falling. Total ODA from official donors to LICs declined for the second year running to \$72.9 billion in 2022, from \$76.3 billion in 2021.⁶ Moreover, accessing non-ODA financing is increasingly difficult due to elevated interest rates. The constrained market access for IDA countries underscores the need for robust development assistance and international support to combat current challenges. Meeting IDA countries' financing needs requires a multi-faceted approach, including stepped-up financing from the international community.

II. IDA21 POLICY PACKAGE

4. **The IDA21 policy package responds to the current development challenges and opportunities, building upon experiences from IDA20 and the World Bank Group (WBG) Evolution implementation priorities.** Progress already achieved on key thematic issues in IDA20, and past IDA cycles will continue to provide a strong foundation for greater impact.⁷ As part of its renewed vision and mission to eradicate poverty on a livable planet, the WBG is upgrading its country-driven model to fight poverty and inequality while addressing global and regional challenges that threaten countries' development trajectories. Aligned with the WBG Evolution reforms, the IDA21 policy framework is designed to deliver impact at greater scale and speed with more flexibility to respond to client needs.

5. **The policy package has been informed by a series of exchanges with stakeholders.** The IDA for Africa Heads of State summit in Nairobi in April provided a strong endorsement by leaders for the IDA21 priorities and its resonance with client needs. The Strategic Directions Note⁸ was discussed during the first IDA21 Replenishment meeting in March 2024⁹ along with additional papers in the second Replenishment meeting in April. The feedback received from IDA Participants during the two Replenishment meetings, in bilateral meetings and through non-papers,¹⁰ has informed the preparation of the accompanying policy papers on Focus Areas and Lenses. These papers will be discussed at the third Replenishment meeting in Nepal. In parallel, the WBG has conducted a series of engagements with civil society organizations (CSO) to listen to their perspectives on IDA's strategic directions and proposed policy framework.

6. **The Strategic Directions note had introduced how the five Focus Areas and four Lenses will together address the challenges facing IDA countries (figure 1).** Focus Areas center around traditional sectors, where IDA has a comparative advantage to support with financing and knowledge, whereas Lenses provide perspectives which cut across the five focus areas to bring

⁶ Macroeconomic Developments and Prospects in Low Income countries, IMF, 2024.

⁷ World Bank. *IDA20 Mid-term Review: Implementation Update and Issues for Discussion ("Omnibus Paper") (English)*. Washington, DC.: World Bank Group.

⁸ World Bank. *International Development Association (IDA) 2 Replenishment: Proposed Strategic Directions (English)*. Washington, D.C.: World Bank Group.

<http://documents.worldbank.org/curated/en/099051724171538554/BOSIB19313f22e0391841d1e0ff6ea594ec9>

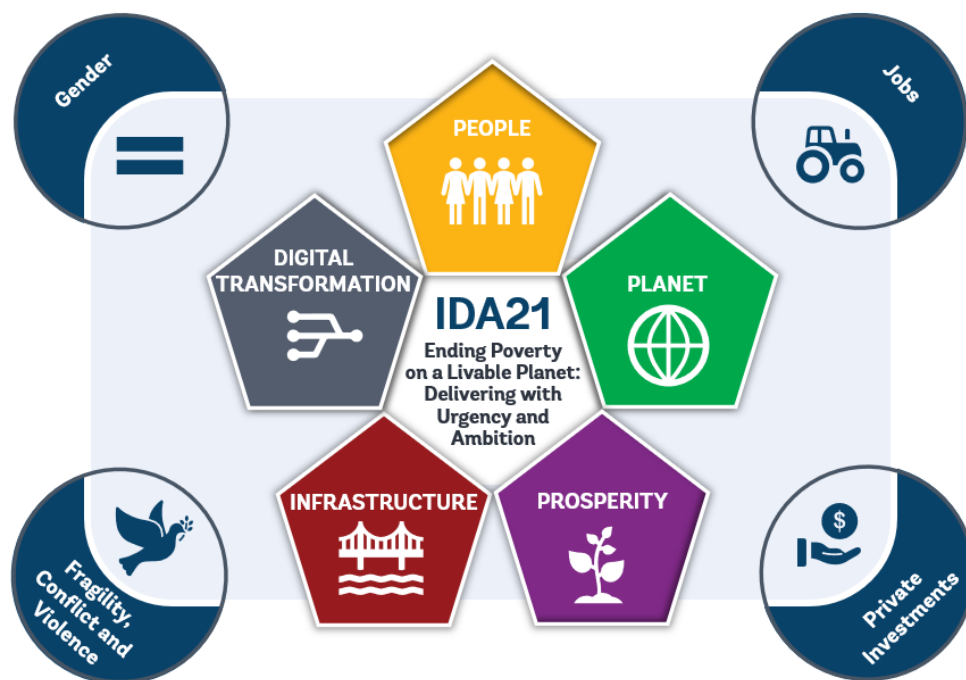
⁹ World Bank. *IDA21 First Replenishment Meeting: Co-Chairs Summary (English)*. Washington, D.C.: World Bank Group.

<http://documents.worldbank.org/curated/en/099051724171510081/BOSIB1770c8b6e08c18a0619a6f8b47ed7a>

¹⁰ Annex 3 has a list of non-papers received.

linkages and synergies to the fore. For example, through the FCV Lens, IDA21 will support countries address the root causes of fragility and build resilience, by drawing on the focus areas. This also better aligns IDA with the WBG organizational structure, and the new outcome-oriented Scorecard, improving operational effectiveness, strengthening WBG synergy, and helping the institution keep a clear line of sight to development impact.

Figure 1. IDA21 Focus Areas and Lenses



7. **The proposed architecture for the IDA21 policy package (see Annex 1) represents a comprehensive approach building on the experiences of earlier cycles while reducing the complexity in line with the SimplifIDA objective.** There are four elements to the proposed IDA21 policy architecture. **One**, a set of corporate outcome targets in select areas where the WBG has committed to achieve significant results. Proposed IDA21 targets reflect ambition, while allowing client countries sufficient flexibility to determine financing programs based on their needs. **Two**, a set of commitments on a Better Bank comprising of actions in line with Evolution priorities. **Three**, a set of policy commitments which recognize that while WBG is engaged in the IDA21 focus and lens areas at different levels in most IDA countries, the policy commitments will be directed to either all countries or a quarter of them where the policy commitments are particularly relevant. These address key binding constraints in moving towards the outcomes in the Scorecard. The former underscores the criticality of the IDA-wide actions in moving the development needle during IDA21, signifying a shift from implementing all policy commitments in a limited number of countries to having a few covering all relevant IDA countries, subject to client demand. Selection of countries will consider FCV and those lagging on the Scorecard indicators. **Four**, an organizational dashboard to track key metrics of WBG's efficiency and effectiveness. For the first time, across all elements where possible, the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) are contributing to

IDA21 commitments. Together, this reflects a step change in presenting a policy package which is strategic, institutionalized and outcome oriented.

8. **In April, the WBG announced ambitious targets for improved access to electricity and health services.** Currently, 600 million people in Africa lack access to electricity, creating significant barriers to health care, education, productivity, digital inclusivity, and ultimately job creation. By 2030, the WBG is committed to connect 250 million people to electricity through distributed renewable energy systems or the distribution grid while the African Development Bank Group will support an additional 50 million people. The WBG goal to deliver quality, affordable health services to 1.5 billion people by 2030 is another example of the move to become more impact oriented. IDA21 will play an important role in delivering on these corporate outcome targets, which are likely to have multiplier impacts across all the Focus Areas and Lenses. Setting corporate outcome targets with high selectivity will ensure that IDA's country-driven model can deliver on a balanced lending pipeline for clients. The IDA Scorecard will report on IDA's contributions to achieving these corporate targets.

9. **The operational enhancements under Better Bank are expected to support IDA clients by achieving scale, speed, flexibility and building client capacity.** These are expected to benefit all IDA countries, including FCV. The commitment on uptake of the Crisis Preparedness and Response Toolkit will allow clients greater flexibility and focus on preparedness – which will complement other proposed actions in IDA21 to strengthen the resilience of countries to the rising frequency and intensity of shocks. The six proposed Global Challenge Programs (GCPs) will be an important way of contributing at scale to the IDA21 objectives, including by strong integration of the four Lenses within operations. The Knowledge Compact will strengthen outcomes by reinforcing the complementarity between knowledge and operations, which has been identified as a challenge in earlier IDA cycles and in some IEG evaluations. IDA will get better equipped to support clients to tackle important cross-border challenges through the proposed Regional and Global Solutions Window (RGSW) in IDA21 . The benefits for clients from the Better Bank commitments (Annex 1) will be a key aspect of the ambition underpinning IDA21.

10. **The proposed priorities in the focus areas of *People, Prosperity, Planet, Infrastructure, and Digital Transformation* are laid out in the accompanying paper.** The '*People*' focus area will support countries to build and better deploy human capital for productivity and growth, building resilience to shocks by preventing disruption in basic services and addressing the equity aspects of human capital development. The '*Planet*' focus area will support countries to pursue transformative policy reforms and scalable operations in green and blue planet, inclusive water and sanitation services and developing sustainable food systems. It recognizes the fundamental importance of addressing equity and inclusion in IDA countries, as inequality negatively impacts growth, sustains poverty and threatens social cohesion. The '*Prosperity*' focus area will support countries to pursue appropriate economic policies, finance and private sector development, strengthening institutions, and enhancing attention to distributional and data issues in tackling poverty. It recognizes the criticality of addressing debt sustainability and domestic resource mobilization. The '*Infrastructure*' focus area will support countries in increasing energy access and scale-up transport, including urban and municipal services to address the burgeoning urban populations. It recognizes the significant deficit in quantity, quality, resilience, and affordability of infrastructure in IDA countries. The '*Digital Transformation*' focus area will prioritize

improved broadband connectivity and creation of digital platforms to enable IDA countries to leapfrog on economic transformation.

11. **Considering the fact that WBG is engaged in the IDA21 focus areas at different levels in most IDA countries, the proposed policy commitments will prioritize selective actions to deliver impactful results – with a balance between those targeting all relevant IDA countries or a subset (one-fourth) of IDA countries.** Several PCs are intended to intensify IDA’s engagement and should be seen in the context of the overall WBG engagement in those areas. IDA21 will support human capital development by strengthening services for young people from early childhood to adolescent stage. IDA21 operations will include provision for continuity of health/education/social protection services during shocks. Given the criticality of domestic revenue mobilization and debt sustainability, IDA21 will support all countries with less than 15 percent tax/GDP ratio and those at high risk or in debt distress with targeted diagnostics, technical assistance, and financing engagements. IDA21 will also ensure support for all countries with household surveys older than five years. On climate, WBG is engaged in adaptation activities in most IDA countries, and the proposed PC takes things up by supporting clients to design and deliver policy reforms and investments for strengthening adaptation and resilience. To address two important challenges of food security and water security, IDA21 will support identified countries on water sector reforms and investments and to redirect agricultural budgets and supporting investments towards building sustainable food systems. IDA21 will support countries address their financially impaired electricity utilities which pose a challenge for achieving universal electricity access. In response to the rapidly growing urban population in developing countries, IDA21 will focus attention on providing improved municipal and transport infrastructure and services. The digital transformation agenda will get a further impetus under IDA21 including through leveraging the private sector for broadband connectivity and provision of digital services through interoperable digital platforms.

12. **The five Focus Areas will be reinforced by support under four Lenses: *Gender Equality, Fragility, Conflict and Violence, (FCV) Jobs, and Private Investment*, which are laid out in the second accompanying paper.** IDA21 will scale-up support for removing gender barriers and fighting gender-based violence (GBV) to unlock economic productivity, reduce poverty, deepen social cohesion, and enhance well-being for current and future generations. This recognizes the key binding constraints to gender equality, including underinvestment in human capital and addressing occupational segregation, high levels of informality and low productivity. With the rapidly increasing working age population, IDA countries will need to give centrality to the jobs agenda by expanding private investments, stimulating growth of sectors with greater potential for jobs and value addition, and increasing labor force participation, especially for women. The FCV area will strengthen resilience amidst escalating challenges and crises through continued support to people affected by FCV in IDA countries. The private investment lens will leverage the WBG’s collective strengths, knowledge, and resources to mobilize private sector investments, support local market creation, and improve business environments to drive investments and job-rich economic growth.

13. **Considering the fact that WBG is engaged in the IDA21 lens areas at different levels in most IDA countries, the proposed policy commitments will prioritize selective actions to deliver impactful results – with a balance between those targeting all relevant or a subset**

(one-fourth) of IDA countries. As with the Focus Areas, the Lens PCs are intended to intensify IDA's engagement and should be seen in the context of the overall WBG engagement in those areas. Operations in the five Focus Areas will integrate key aspects of the Lenses during the design and implementation stages. IDA21 will support countries to tackle key elements of moving towards gender equality, particularly addressing GBV and provision of childcare to promote women's labor force participation. The challenge of provision of more and better jobs will be prioritized through improved diagnostics, policy dialogue, and financing under IDA21. With a view to strengthening the work on private capital mobilization and private capital enabling actions, IDA21 will focus on addressing regulatory reforms and deepening of domestic capital markets for enhancing private capital enabling (PCE) and private capital mobilization (PCM). Given the medium-term nature of FCV challenges, all WBG country engagement products will have strategic objectives which address FCV drivers and sources of resilience informed by diagnostics.

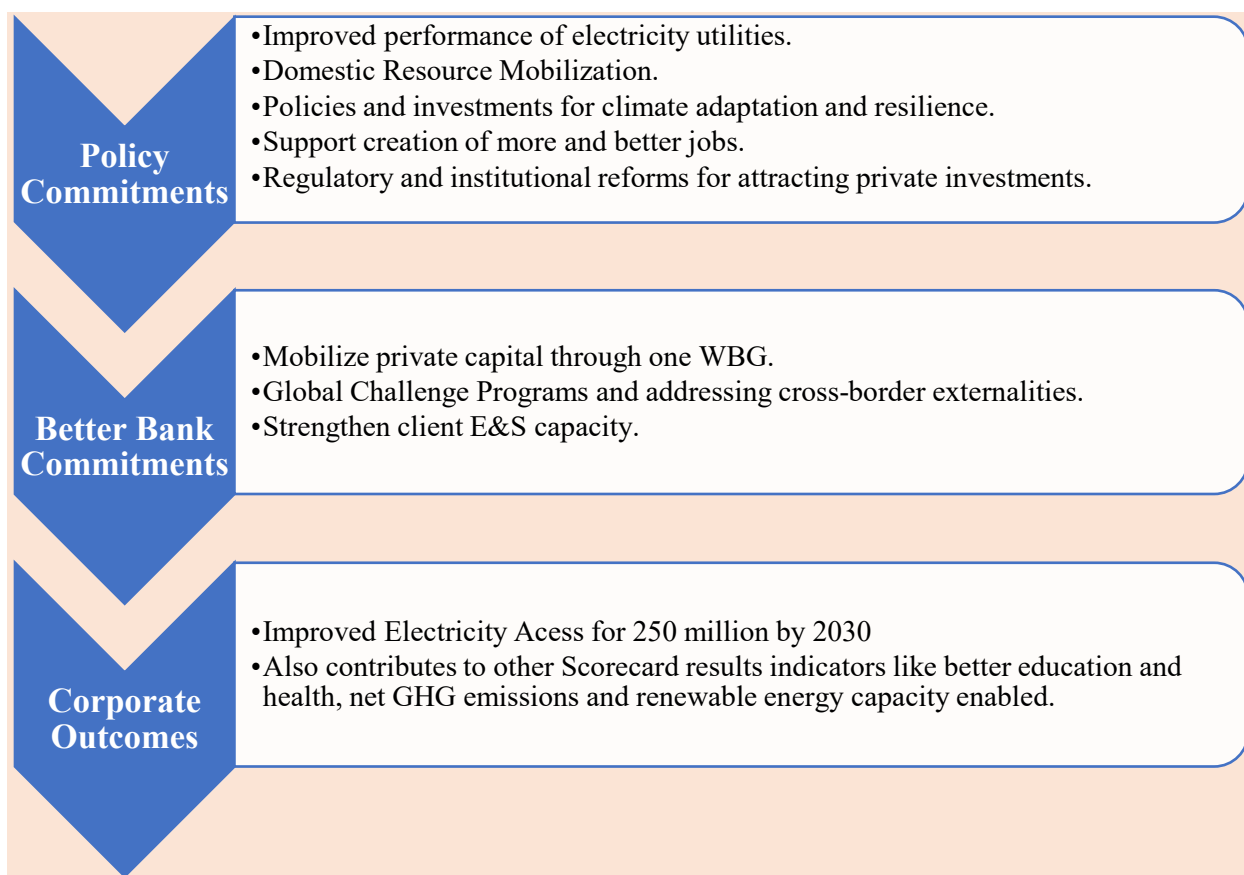
III. WHAT CAN CLIENTS EXPECT FROM IDA21

14. **Subject to discussions on the IDA21 financing scenarios outlined in the accompanying finance paper, clients can expect to see strategic changes and progression.** An important change is the strength of the IDA21 policy architecture to deliver for clients – Figure 2 gives an illustration of how the policy commitments and Better Bank commitments will synergistically deliver on one of the ambitious corporate targets on improved electricity access. Clients can expect financing support in line with the scenarios in the Ask paper, through Performance Based Allocations (PBA) and the IDA windows. This will also provide support for scaling-up impact through the GCPs, including tackling challenges with strong cross-border externalities through the proposed conversion of the IDA Regional Window to RGSW.

15. **The proposed stretch targets will be supported, *inter alia*, by addressing key binding constraints to achieving the outcomes.** For example, reaching the electricity access target will require addressing key binding constraints (e.g., policy commitment on tackling the challenge of insolvent electricity utilities for scaling-up energy access) and provision of financing support through PBA and changes to the IDA window architecture (including RGSW). The important role of the Knowledge Bank will be put to the service of IDA clients through a reinforced set of core diagnostics – e.g., Public Finance Reviews informing the Domestic Resource Mobilization (DRM) agenda and the new Growth and Jobs Report providing an analysis of the job challenges. The WBG country engagement and the operations to be supported in IDA21 will be better informed by the outcome of these diagnostics. The One WBG synergy will benefit IDA clients through unified country presence in select countries, joint diagnostics including Country Private Sector Diagnostics (CPSD), greater leveraging of each institution's instruments, and joint WBG effort across the proposed IDA21 policy commitments. The ongoing work on WBG operational reforms and SimplifIDA will benefit IDA clients by reducing the time for project preparation, strengthened client capacity, and simplification of the IDA policy and financing architecture.

Figure 2. IDA21 Policy Architecture – Illustration of Clear Line of Sight

This is an illustration of the strength of the proposed IDA21 policy architecture – how synergies between policy commitments and better bank commitments are expected to contribute to one of the proposed outcomes – i.e., improved electricity access.



IV. IDA21 IMPLEMENTATION ARRANGEMENTS

16. **The Focus Areas and Lenses will support IDA’s country-driven business model by informing country engagements and supporting scalable operations.** The proposed framework will guide programming at the country level that ensures IDA21 support to countries, such as financing operations or advisory services and analytics, address one of the five focus areas and think through how applying the four lenses during design and implementation can boost development outcomes and impact. It also enables interventions that directly address development challenges related to the four lenses when aligned with country priorities. Progress on these priority lenses will be measured through specific indicators and disaggregated data in the WBG Scorecard.

17. **Leveraging key actions under the WBG’s Evolution will allow client countries to benefit from the strengths of a “One WBG”.** IDA countries will see the benefits of this approach in terms of joint diagnostics informing country engagements and operations with a view to delivering optimal public and private sector solutions. The GCPs will involve WBG joint efforts

to scale-up impact. Joint country representation is expected to lead to further opportunities to ensure greater synergy in client engagement. The proposed WBG Guarantee Platform will be another opportunity available to increase Private Capital Mobilization under IDA21. The Private Sector Window (PSW) will remain a key priority under IDA21 building upon the successful experiences and findings of the recent IEG evaluation. The IDA21 proposed policy architecture will involve WBG joint efforts in implementing most of the policy commitments.

18. Partnerships will be a strong element of IDA21 implementation. The WBG Evolution has provided a unique opportunity to transform the institution’s approach to partnerships at a time when the WBG and partner organizations are seeking to maximize development impact, work as a system, and reduce burdens on client countries. Working with partners will be essential for achieving the development outcomes to which the WBG aspires, including on climate, gender, fragility, and private investment. For example, the Memorandum of Understanding signed with multilateral development banks (MDBs) will allow increased alignment of policies and procedures, mutual reliance agreements for jointly financed programs, and the deepening of co-financing. WBG is partnering with the United Nations (UN) in FCV settings to maximize impact and stay engaged in the most challenging contexts. IDA21 will continue to leverage its convening power, knowledge, resources, and partnerships to mobilize additional support. Significant financing support from the global community, domestic resources as well as the private sector will be essential for enabling progress. Enhanced cooperation on global policy issues—including fighting climate change, facilitating more timely and effective debt restructurings, and supporting cross-border trade and investment—is crucial to help support IDA countries’ efforts and avoid a lost decade in development. IDA21 will also create co-financing opportunities by building on the recently launched Global Collaborative Co-financing Platform.

V. MEASURING RESULTS AND MANAGING FOR OUTCOMES

19. The IDA21 Scorecard will serve as an accountability and strategic management tool to help translate IDA’s overarching theme into action. It will provide a yardstick for how IDA delivers on the WBG’s new mission and vision and redouble IDA’s focus on accountability and impact. The new Scorecard will track results across 22 indicators that capture the most pressing challenges IDA countries face, from improving access to safely managed water to boosting renewable energy and creating more and better jobs. The IDA21 Scorecard will facilitate business planning, communicate results at scale, and provide opportunities for learning, prompting course corrections as needed.¹¹ It will report on an annual basis both the stock of expected results as well as the stock of results delivered. Expected results will provide timely visibility on how IDA21 financing translates into progress towards desired development outcomes within the same IDA cycle, while actual results will show results that largely come from operations approved in previous cycles. It will also provide significantly more data disaggregation — by region, income level, fragile and conflict-affected situations (FCS) status, Small States/Small Island Developing States (SIDS), sex, youth, and disability — providing a more granular view of who benefits from IDA’s support and where such benefits are realized. Given the data challenges in IDA countries, reporting








¹¹ See World Bank “*New World Bank Group Scorecard FY24-30 Driving Action, Measuring Results*”, December 14, 2023, for further details on the Scorecard.

results with rigor will include focused efforts to strengthen national and project data collection and data management.








20. **IDA21 will adopt a more outcome-oriented approach to reporting on the policy package, using both quantitative and qualitative data to show progress on the pathways to outcomes.** This will be done through both regular corporate and IDA reporting. The proposed Better Bank commitments will be reported as part of regular corporate reporting. The progress of IDA policy commitments will be reported through the regular IDA reporting to participants. The **Organizational Dashboard** will report on indicators that track WBG's efficiency and effectiveness, with a focus on inputs needed to finance, monitor, and implement for outcomes.









ANNEX 1. IDA21 POLICY ARCHITECTURE






IDA21 Policy Architecture

| CORPORATE OUTCOME TARGETS | |
|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Reporting arrangements on IDA's Contribution: IDA Scorecard Reports | |
| Indicator | Target/Commitment |
| Millions of people provided with access to electricity. | 250m by 2030 (SSA) |
| Millions of people receiving quality health, nutrition, and population services. | 1.5bn by 2030 (Global) |
| COMMITMENTS ON BETTER BANK | |
| Reporting arrangements: Corporate Reporting | |
| Objective | Target |
|  Greater Flexibility | Increased take up, including in FCV, of Crisis Preparedness and Response Toolkit in IDA countries. |
|  Scaling-up Impact | Implement Six Global Challenge Programs in IDA. |
|  Outcome orientation | Implement the new IDA21 Scorecard, with disaggregated results for FCV, gender etc. |
|  One WBG | Enable and mobilize private capital through One WBG, including the use of IDA guarantees under the WBG Unified Guarantee Platform. |
|  Strengthen Client Capacity | Strengthen client Environment & Social management systems and capacity, including in low-capacity environments. |
|  Knowledge Compact | Implement new core diagnostics. |
|  Cross-Border Externalities | Scale-up IDA support for addressing cross-border externalities through Regional & Global Solutions Window. |

WBG has different levels of engagement in the policy areas below in most IDA countries. The policy commitments below will be directed to either all countries or a quarter of them where the policy commitments are particularly relevant.

| POLICY COMMITMENTS Reporting arrangements: IDA21 reporting | | | |
|------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group A: All relevant IDA countries Group B: One-quarter of IDA countries where particularly relevant | | | |
| Objective | Group | Commitment | |
|  People | Focus on young people | B | Support countries to provide services to young people, with a focus on early childhood and adolescent services. |
|  People | Continuity of services | A | Improve the resilience of health and /or education and/ or social protection delivery systems. |
|  Planet | Climate Adaptation | B | IDA21 will support countries to design and deliver policy reform and investments for adaptation and resilience that build preparedness to climate change impacts, including private sector enabling reform and locally-led adaptation actions. |
|  Planet | Water Security | B | Support countries to improve their capacity to design and implement inclusive, financially sustainable, and resilient water sector reforms and investment programs. |
|  Planet | Food Security | B | Support countries to identify reform options for redirecting agricultural budgets towards, and / or supporting investments in, more resilient, healthy, and sustainable food systems. |
|  Prosperity | Evidence-based Policy Making | A | Assist countries with foundational poverty data older than five years and no current operational engagements in the area, by financing the collection and dissemination of household surveys. |
|  Prosperity | Debt Sustainability | A | Support debt sustainability and debt transparency in all IDA countries at high risk or in debt distress through technical assistance, knowledge, and/or financing engagements. |

| POLICY COMMITMENTS | | | |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting arrangements: IDA21 reporting | | | |
| Group A: All relevant IDA countries | | | |
| Group B: One-quarter of IDA countries where particularly relevant | | | |
| Objective | Group | Commitment | |
|  Prosperity | Domestic Resource Mobilization | A | Support effective, efficient, and equitable domestic resource mobilization and prudent fiscal management in countries with tax-to-GDP ratio below 15 percent through comprehensive core diagnostics (PFR), technical assistance, and/or financing engagements. |
|  Infrastructure | Electricity Access | B | Support countries to improve the financial and operational performance of electricity utilities. |
|  Infrastructure | Urban Services | B | Support countries with municipal engagements – through financing, knowledge, and technical assistance – for sustainable and resilient urban and transport infrastructure and services. |
|  Digital Transformation | Digital Access | B | Support countries to increase inclusive, sustainable, resilient, and affordable usage of broadband connectivity through approaches leveraging private sector investment. |
|  Digital Transformation | Digital Services | B | Support countries to put in place safe and interoperable digital platforms, such as digital identity, digital payments, and trusted data sharing, to enable digitalization of services at scale. |
|  Gender | Gender-Based Violence | B | Support countries to institutionalize Gender-Based Violence prevention and response. |
|  Gender | Childcare | B | Support countries to invest in policies and programs to scale childcare services. |
|  Jobs | Jobs | A | Support the creation of more and better jobs, particularly for youth and women, in countries with the share of working age population in total population above average, through WBG financing engagements, knowledge, and technical assistance. |

| POLICY COMMITMENTS Reporting arrangements: IDA21 reporting | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group A: All relevant IDA countries Group B: One-quarter of IDA countries where particularly relevant | | | |
| Objective | | Group | Commitment |
|   Private Investment | Business Environment | A | Support countries to implement regulatory and institutional reforms addressing critical impediments to private investment as identified by WBG diagnostics and / or provide direct support through WBG engagements. |
|   Private Investment | Financial Sector Deepening | B | Support development of domestic capital markets by addressing critical impediments identified in WBG diagnostics. |
|  FCV | FCV Drivers and Resilience | A | CPFs/CENs for IDA FCS and FCV Envelope countries will have strategic objectives that reflect how the WBG program, in collaboration with relevant partners, will help address FCV drivers and sources of resilience based on Risk and Resilience Assessments (RRAs) or other FCV diagnostics. |

ANNEX 2. MEASURING IDA21 OUTCOMES WITH THE SCORECARD

1. **For the past two decades, IDA has been at the forefront of shaping the results agenda with a focus on delivering impact for people in client countries.** As the first multilateral development institution to establish a framework with quantitative indicators to measure aggregate results in 2002, IDA has played a pivotal role in defining how institutions worldwide track their contributions to outcomes. Over successive replenishment cycles, IDA has gradually improved its Results Measurement System (RMS), with increased data disaggregation and more outcome-oriented indicators. IDA20 continued this trend, introducing new indicators in emerging areas like climate change and crisis preparedness and enhanced transparency through the publication of methodologies for all indicators. The IDA21 Scorecard builds on this progress and takes it substantially further.
2. **As the WBG advances toward becoming a bigger and better bank, it is placing accountability for results at the center of its approach through the introduction of the new WBG Scorecard.** For the first time, all WBG institutions will use a common set of harmonized indicators to measure results and drive selectivity. For IDA this means sunsetting the RMS and utilizing the WBG Scorecard in IDA21. The Scorecard will increase IDA’s transparency through a dedicated, interactive platform with an IDA-specific view of results, including more granular data and enhanced visualizations (referred to as the IDA21 Scorecard).
3. **The IDA21 Scorecard is organized around 15 Outcome Areas that capture the most pressing issues facing IDA countries.** This structure is aligned with the IDA21 policy architecture, enabling IDA21 to track progress in its Focus Areas and Lenses. The Scorecard places results in the development context of client countries and global progress in addressing the world’s most critical challenges. This requires the following building blocks, which comprise the Scorecard:
 - a. *Vision indicators* reflect the WBG’s new vision, setting the North star for the WBG’s ambition. These indicators provide high-level measures to gauge the direction and pace of global progress in tackling poverty, advancing shared prosperity, and ensuring a livable planet.
 - b. *Client context indicators* reflect the circumstances in IDA countries, including multidimensional aspects of poverty. These indicators are aligned with the Sustainable Development Goal (SDGs). They serve to frame the challenges IDA countries face and the context in which IDA operates.
 - c. *IDA Results indicators* provide the IDA Partners, the Board, Management, and stakeholders with the aggregate results of IDA supported operations, with a focus on the wellbeing of people in client countries.¹ The Scorecard takes a selective approach with 22 harmonized WBG results indicators.

¹ The World Bank Group. 2021. Strengthening World Bank Group Outcome Orientation: A Roadmap. Washington, DC: World Bank. A people-centered approach is consistent with Management’s previous definition of outcome orientation “...as a continuous focus, in all its public and private development activities, on helping poor and vulnerable people improve their well-being to realize their full potential”.

- d. *Results narratives* complement the Scorecard indicators, capturing longer-term stories of how WBG support for institutions, policies, and market creation contribute to better development outcomes.

4. **The IDA21 Scorecard aims to put results front and center, rebalancing IDA’s focus from the volume of lending to tangible impacts, such as the number of better jobs created, children who receive a better education, and people provided with electricity.** This requires measuring outcomes that make a meaningful difference in people’s lives, providing more transparency to drive a higher-level of accountability, and using the Scorecard as a managerial tool to inform strategic discussions and decision-making.

A. Enhancing the Focus on Outcomes

5. **The IDA21 Scorecard aims to measure outcomes, rather than outputs, with a selective focus on results that improve people’s well-being.** Outcome-orientation was a key selection criterion for all results indicators included in the new Scorecard.² Compared to the IDA20 RMS, many indicators have been upgraded to capture results at the early or intermediate outcome level. For example, while the gender tag tracks whether gender outcomes are considered during project design, the new indicator measures the number of people benefiting from greater gender equality due to IDA interventions. Similarly, several indicators now incorporate a *quality element*, measuring not only whether people have access to services but ensuring that those services are high-quality, for example new indicators on safely managed water and quality health services. Finally, some indicators that in the IDA20 RMS measure *access* to services, such as financial services and broadband internet, will measure the *use* of such services in the IDA21 Scorecard. This is important in promoting inclusion, as access does not guarantee universal benefits, so that IDA support can help ensure that the most vulnerable communities are not left behind.

6. **In addition to upgrading existing indicators, the IDA21 Scorecard introduces several new features to illuminate IDA21’s outcomes in critical areas.** New indicators will measure progress on issues of increasing importance such as pandemic preparedness, reforms toward debt sustainability, and the use of digitally enabled services. Robust methodologies for these indicators are being developed and embedded in operations to report results at scale. In response to feedback from IDA Partners, the Scorecard reflects IDA21’s holistic, people-centered approach to crisis preparedness, with indicators that cut across multiple outcome areas. These indicators measure multiple dimensions of resilience, a key outcome of crisis preparedness. Finally, Results Narratives will give visibility to longer-term results not fully captured in the indicators, such as institutional strengthening, policy reform, and market creation. Result Narratives will be produced annually for all outcome areas, following a standard approach that emphasizes the triangulation of qualitative and quantitative evidence.

² The IDA RMS has progressively increased its outcome-orientation over successive cycles. However, only 70 percent of Tier 2 indicators are outcomes according to the IEG taxonomy. To ensure a systematic focus on outcomes, potential indicators were assessed against the taxonomy of outcome types introduced by the IEG in the 2021 RAP report.

B. Expanding Transparency to Bolster Accountability

7. **The IDA21 Scorecard will be hosted on an interactive platform that strives for replicable results indicators and features significantly more data disaggregation.** Building on progress achieved in IDA20, detailed methodology notes will be published for all indicators. These notes will outline the indicators' scope and inclusion criteria and provide step-by-step guidance on how the data are measured, calculated, and validated. In addition, backend data files will be made publicly available whenever feasible, taking account of privacy concerns. The goal is for indicators to be reproducible, enabling anyone worldwide to analyze and replicate IDA's results data. Furthermore, IDA results data will be disaggregated along eight dimensions, providing more granularity on the distribution of IDA's outcomes. Disaggregation by youth, sex, and disability inclusion will demonstrate who benefits from IDA-financed operations, revealing the level of inclusiveness. Disaggregation by FCS, country category (including Small States, SIDS, and LDCs), regions, and country income groups will illustrate the geographic spread and concentration of results. Finally, results data will be disaggregated to identify outcomes delivered through joint approaches involving multiple institutions through a One WBG approach.

8. **A new organizational dashboard will provide visibility on IDA's organizations efficiency and effectiveness.** The proposed structure for this dashboard mirrors Tier 3 of the IDA20 RMS, with indicators organized under the headings financing, monitoring, and implementing for outcomes. This dashboard will track important inputs and outputs, while maintaining the focus on indicators that enable the delivery of outcomes. The dashboard consolidates indicators from multiple data sources, including the IDA20 RMS, into a single platform to be updated annually.

C. Data to Inform Strategic Discussions and Decision-Making

9. **The IDA21 Scorecard is designed to serve as both a reporting and a managerial tool.** Insights from Scorecard data can inform strategic discussions, help optimize resource allocations, and guide timely course corrections to deliver better outcomes for clients. The new WBG Scorecard is starting to drive a cultural change across the WBG, rebalancing the focus from dollars spent to results achieved. Comparing country context and results data can trigger critical questions regarding the appropriate targeting of interventions. For example, what is the share of IDA's water outcomes in the most drought-prone countries? Similarly, what is the concentration of IDA-supported education outcomes in countries with the highest learning poverty. Analyzing the responses to these questions will unveil where IDA is making a difference and areas requiring improvement. While the answers may not always reveal a perfect, rosy picture, posing these questions is vital to IDA's and the WBG's evolution to become a bigger and better Bank.

10. **To facilitate the Scorecard's use as managerial tool, IDA21 will report on the stock of expected and achieved results.** In simple terms, the *stock* includes the active portfolio and projects closed within the reporting fiscal year. *Results achieved* refers to measuring results that have *occurred*. This is based on data collected on actuals at the project level, or model-based estimations, which rely on data inputs from projects' results frameworks. *Expected results* refer to the *anticipated* results over the projects' entire lifetime. This is particularly useful for IDA, as it will help bridge the gap between project approval and the delivery of results, which often spans

multiple IDA cycles. With results expected, stakeholders will be able to see how IDA21 translates financing into results ambition from day one. Moreover, comparing expected and actual results will offer insights into the direction of the portfolio that can help inform strategic decisions regarding resource allocation and prioritization.

11. **The IDA21 Scorecard will include a limited number of stretch targets for IDA21's contributions to corporate outcomes in select priority area.** The World Bank Group has announced corporate outcome targets for 2030 in key areas, such as health services and electricity access. A limited set of IDA21 targets will help drive a focus on these outcomes, while maintaining flexibility to address country priorities.

ANNEX 3. LIST OF NON-PAPERS RECEIVED

Updated as of May 29, 2024

1. Joint Statement on **IDA21 Strategic Direction and Financial Note** issued by Borrower Representatives
2. Non-Paper on **IDA21 Strategic Directions and SimplifIDA** by Belgium, Canada, France, Germany, Italy, Japan, The Netherlands, United Kingdom, and United States
3. Questions on **CAF Measures** issued by Australia, Belgium, Canada, Czechia, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Japan, Netherlands, Slovenia, Sweden, United Kingdom, and United States
4. Non-Paper on **FCV Special Theme and FCS** by African Borrower Representatives
5. Non-Paper on **Fragility, Conflict and Violence (FCV)** by African Borrower Reps, Belgium, Canada, Denmark, ECA Borrower Reps, France, Germany, Italy, Japan, LAC Borrower Reps (Haiti), Luxembourg, MENA Borrower Reps, The Netherlands, Switzerland, United Kingdom, and the United States
6. Non-Paper on **JET Special Theme** by African Borrower Representatives
7. Non-Paper on **Anchoring the Reduction of Inequalities Stronger and Broader within IDA** by Germany, Belgium, Latvia, Italy, Denmark, Norway, and Iceland
8. Non-Paper on **Enabling Sustainable Development Finance in IDA21** by Germany, Netherlands, France, Latvia, and Belgium
9. Non-Paper on **Climate and Nature** by Germany, Japan, Italy, Canada, United States, Denmark, United Kingdom, Austria, Netherlands, and France
10. Non-Paper on **Improving Bank Effectiveness in Small Island Developing States** by Southeast Asia Voting Group
11. Non-Paper on **Prosperity** signed by Belgium, Canada, Estonia, France, Germany, Italy, Latvia, Netherlands, Sweden, Switzerland, the United Kingdom, and the United States.
12. Non-Paper on **Reinforcing the IDA21 Scorecard** – Key Areas for Input/Output Indicators by Japan.
13. Non-Paper on **Advancing Gender Equality in IDA21** signed by Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, The Netherlands, New Zealand, Norway, Representatives of African Borrowing Countries (Burundi, Cameroon, Ethiopia, The Gambia Ghana, Madagascar), Sweden, Switzerland, United Kingdom, United States.

14. Non-Paper on **Sexual Reproductive Health and Rights** signed by Australia, Belgium, Canada, Cyprus, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Sweden, United Kingdom.
15. Non-Paper on **IDA21 Financing Terms for Borrowers** signed by Belgium, Canada, France, Germany, Japan, The Netherlands, Sweden, the United Kingdom, the United States, and Italy.
16. Non-Paper on **Approach to Crisis Preparedness and Response for IDA21** signed by United Kingdom, Japan, Germany, Canada, Italy, and Australia.
17. Non-Paper on **the leverage of linking water and food systems for climate change adaptation** drafted by the Netherlands in close cooperation with Bangladesh co-signed by Austria, Benin, Burundi, Canada, Denmark, Ethiopia, the Gambia, Germany, Ghana, Italy, Madagascar, the Netherlands, the United Kingdom, and the United States