

CHAIRMAN'S SUMMARY
IDA Deputies Meeting
Athens, Greece
December 13-14, 2004

38383

1. Deputies of donor countries, joined by representatives of borrower countries and observers from other multilateral development banks, met in Athens to continue discussions on the 14th replenishment of IDA resources. Participants expressed their sincere appreciation to the Government of Greece for hosting the meeting. This note reflects the chairman's sense of the discussions.
2. Participants agreed on IDA's policy framework for poverty reduction, and the overall theme of the report, working together with other development partners to achieve the Millennium Development Goals (MDGs). Core objectives include stimulating sustainable and equitable economic growth, reducing the debt vulnerability of IDA countries through the allocation of grants, implementing a framework for monitoring and managing IDA results, and strengthening IDA support for the private sector. Participants also welcomed the decision to fully disclose the performance ratings that inform the allocation of IDA resources.
3. There was consensus that IDA's policy framework should be underpinned by a strong IDA14 replenishment to maintain IDA's key role in the financing of development and the global effort to reach the MDGs.
4. Participants agreed that debt sustainability will be the basis for the allocation of grants under IDA14. They agreed that the joint Bank-Fund Debt Sustainability Framework for low-income countries will provide the analytical underpinning for IDA14 grants. In particular, they endorsed more prudent debt thresholds, the approach for allocating IDA grants, and the proposal for dealing with their financial cost. Bank staff will report back at the mid-term review on the implementation (including the share of grants) and reassessment of the debt sustainability framework, as well as the feasibility of a facility to assist borrowers confronting external shocks.
5. Participants welcomed improvements in collaboration among the World Bank Group institutions and with external partners to promote private sector development in IDA countries. Key elements of the enhanced program include support for improved investment climates in IDA countries, innovative support for small and medium enterprises, and better and affordable access of poor people to privately-provided basic services.
6. Participants endorsed IDA's efforts to strengthen statistical capacity in client countries. Such efforts are crucial for the IDA14 Results Management System agreed by the participants in Hanoi, as well as for the client countries' efforts to monitor progress toward the MDGs.
7. Participants welcomed enhanced IDA action on three issues emerging from the "Working Together" agenda: IDA's role in conflict-affected and post-conflict countries; improved support for small states; and the development of indicators of harmonization to encourage concrete actions by all development partners.
8. Participants were provided with recommendations from nongovernmental organizations that had commented on an earlier draft of the IDA14 report, and agreed that NGO recommendations will be included as appropriate. The final draft of the report will be sent to the participants for confirmation.
9. Donors agreed to a replenishment that represents a 30 percent increase of commitment authority over IDA13. They agreed that, in addition to commitments made in Athens, consultations were still needed in some capitals to encourage further contributions to close the remaining financing gap, leading to a final meeting to conclude the replenishment within two months.