

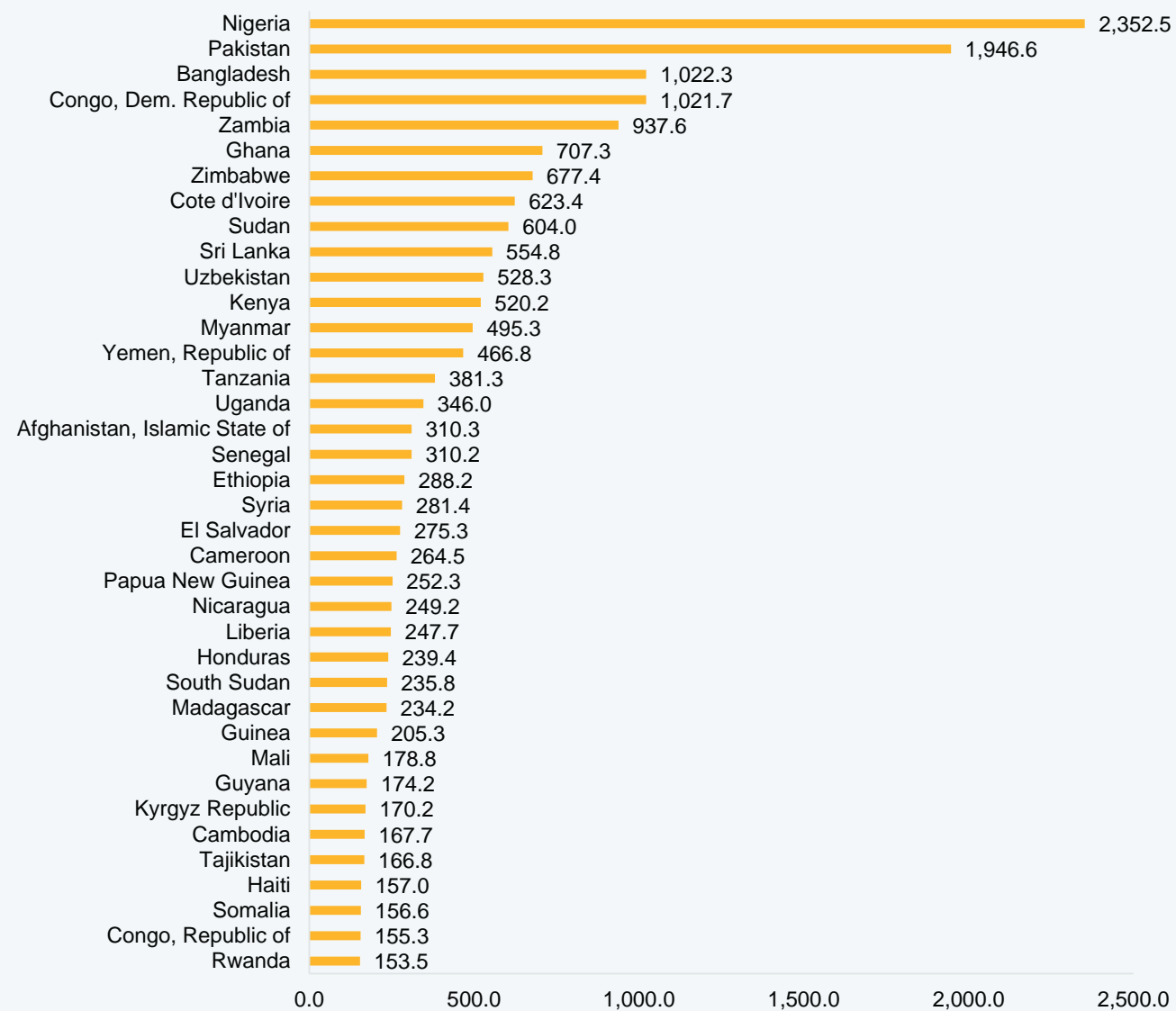
IDA : The Case for Greater Ambition



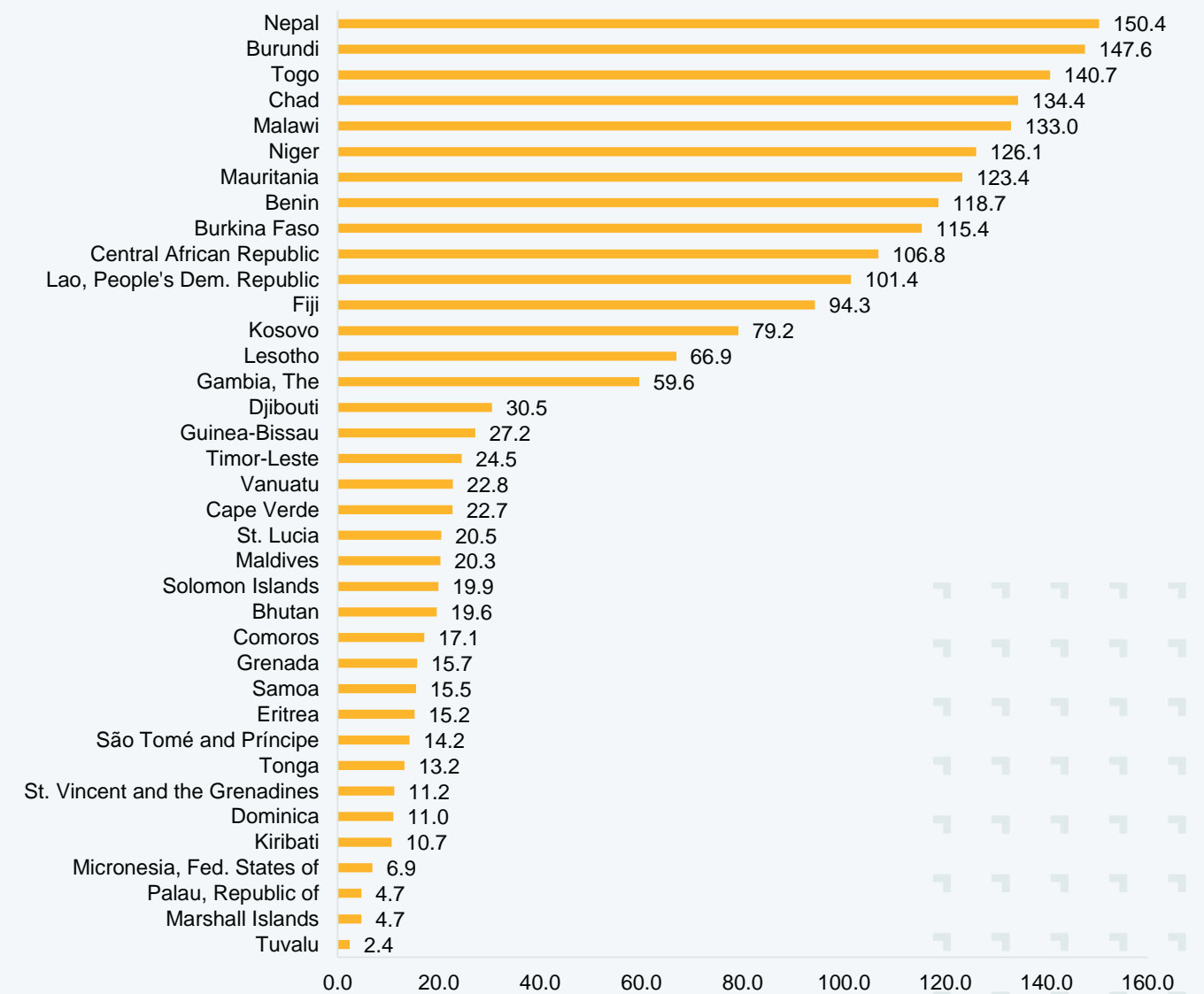
IDA countries received just 4 percent (~20 billion) of the 456 billion 2021 SDR allocation



2021 SDR Allocation, by country (SDR millions)



2021 SDR Allocation, by country (SDR millions)



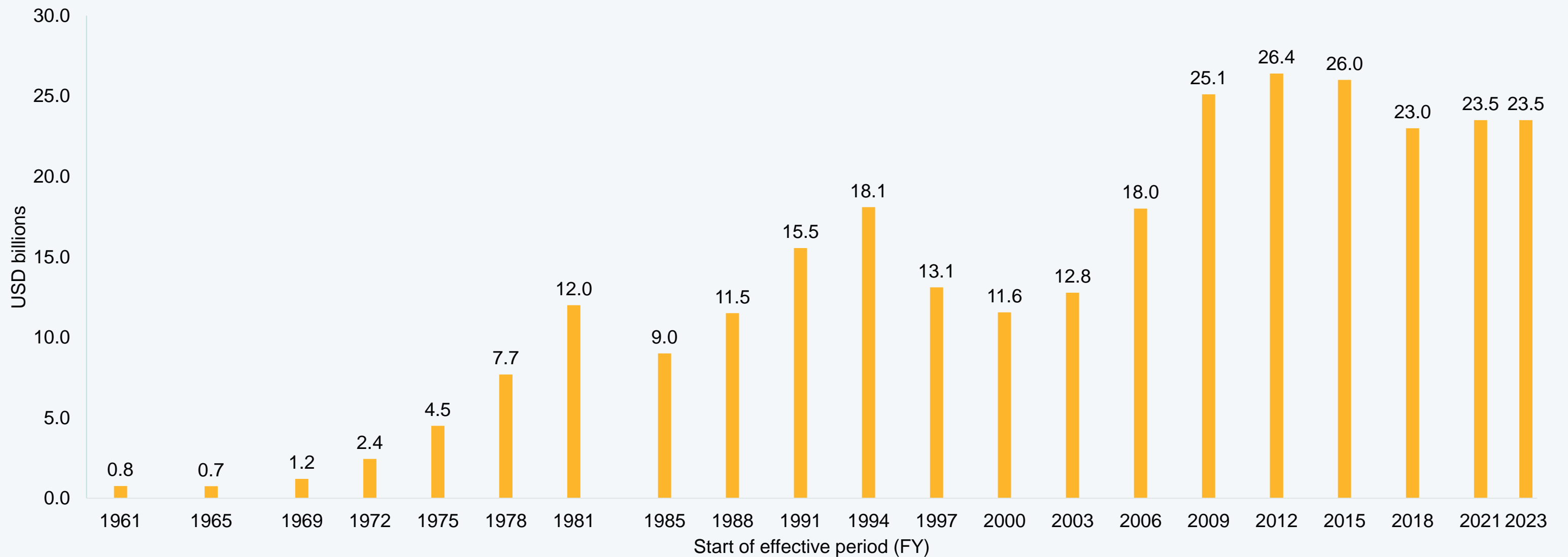
29/75 IDA countries in or at high risk of debt distress are eligible for 100% grant financing



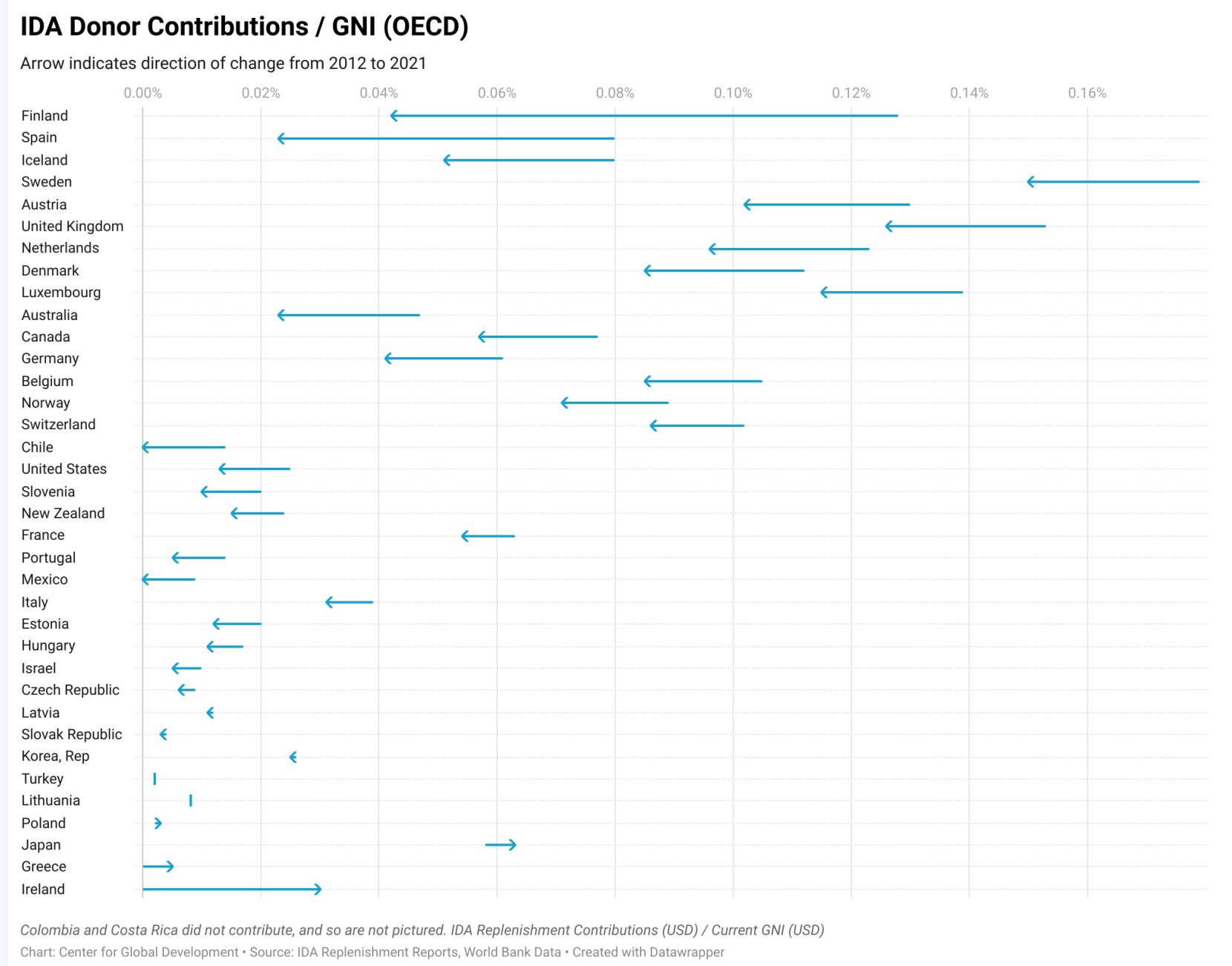
Grant-only IDA countries		
Afghanistan	Haiti	São Tomé and Príncipe
Burundi	Kenya	Sierra Leone
Central African Republic	Kiribati	Somalia
Chad	Lao P.D.R.	South Sudan
Comoros	Malawi	Sudan
Djibouti	Maldives	Tajikistan
Ethiopia	Marshall Islands	Tonga
Gambia, The	Micronesia	Tuvalu
Ghana	Mozambique	Zambia
Guinea-Bissau	Samoa	

1.78 billion people rely on IDA, but donor contributions have declined since 2012

IDA replenishment donor contributions



All OECD IDA donors' contributions declined in real terms save Poland, Japan, Greece, Ireland



Most donors' contributions as of IDA20 (2023) have also fallen dramatically in absolute terms

IDA Donor Contributions, IDA16-IDA20

USD millions; arrow indicates direction of change from IDA16 to IDA20

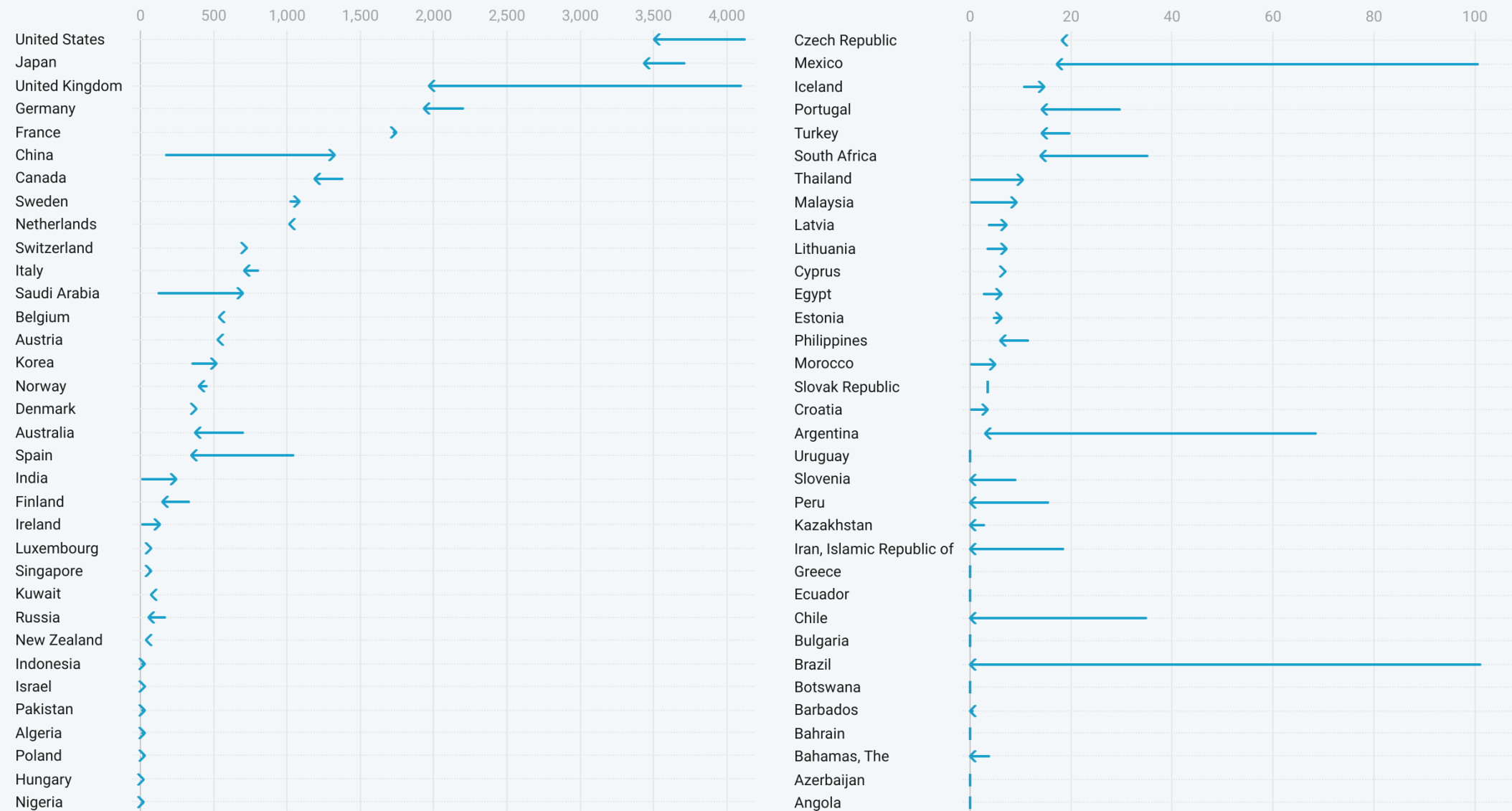
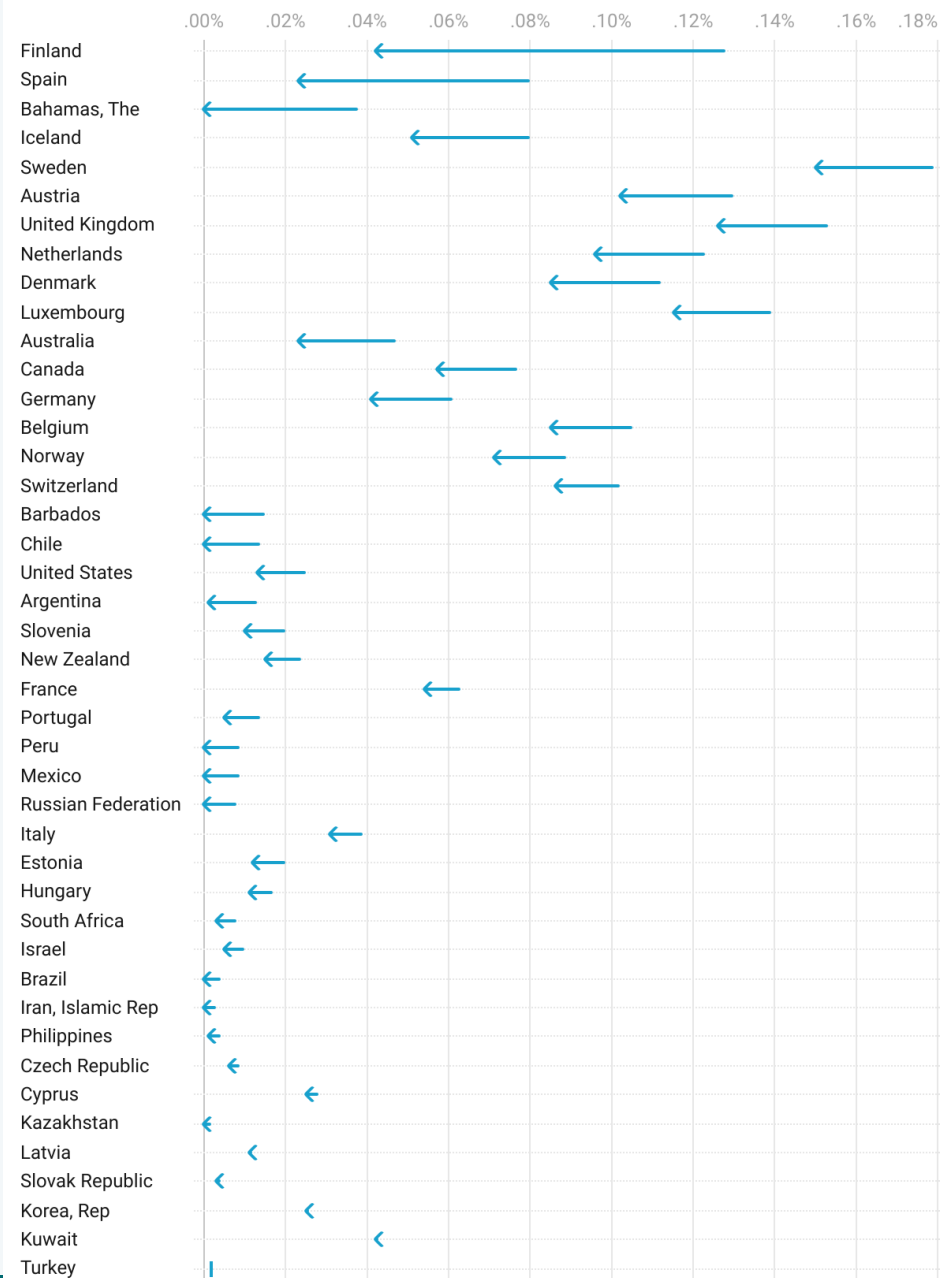


Chart: Center for Global Development • Source: IDA Replenishment Reports, World Bank Data • Created with Datawrapper

Most IDA donors' contributions have fallen relative to GNI

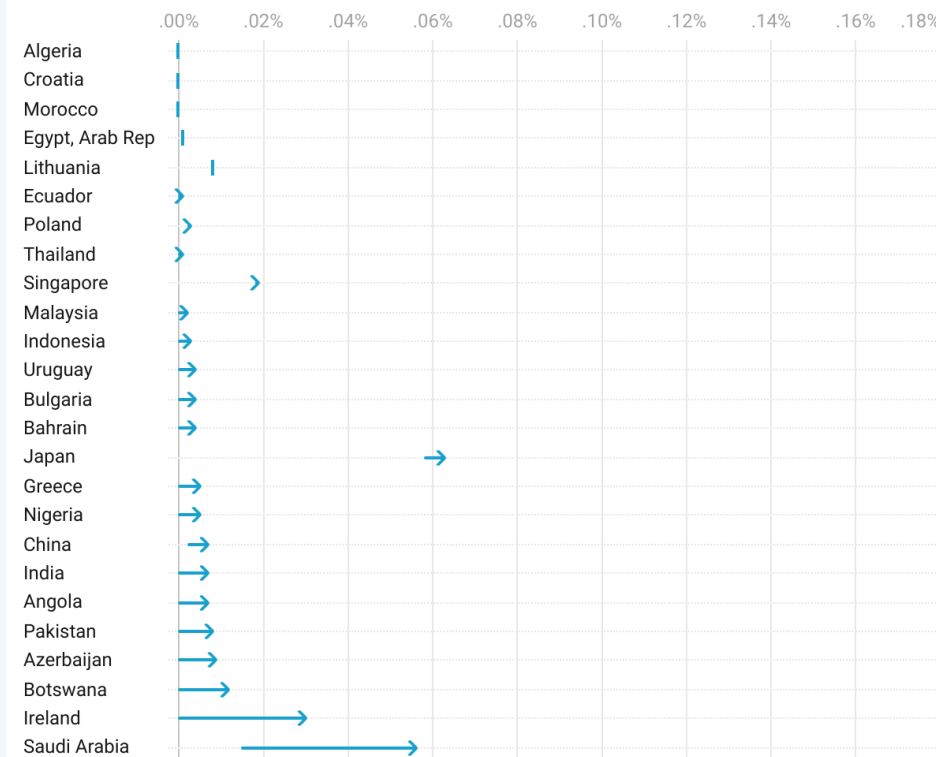
IDA Donor Contributions / GNI (Decliners)

Arrow indicates direction of change from 2012 to 2021



IDA Donor Contributions / GNI (Improvers)

Arrow indicates direction of change from 2012 to 2021



2020 GNI denominators were used for Saudi Arabia and Bahrain and 2019 for Kuwait due to absent 2021 GNI data. IDA Replenishment Contributions (USD) / Current GNI (USD)

Chart: Center for Global Development • Source: IDA Replenishment Reports, World Bank Data • Created with Datawrapper

In real terms, OECD mostly declined or stayed flat

IDA Donor Contributions, IDA16-IDA20 (OECD)

USD millions; arrow indicates direction of change from IDA16 to IDA20

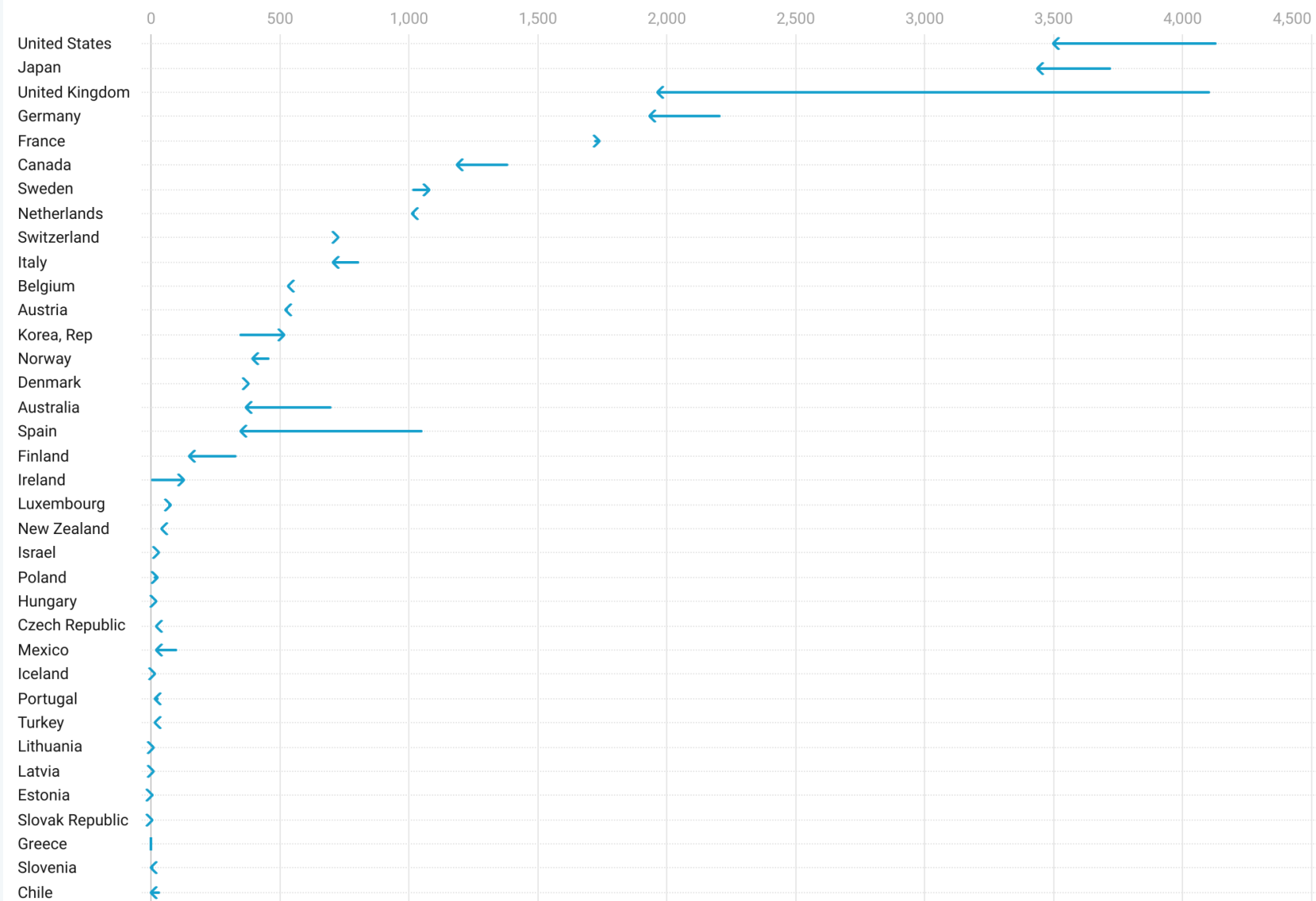
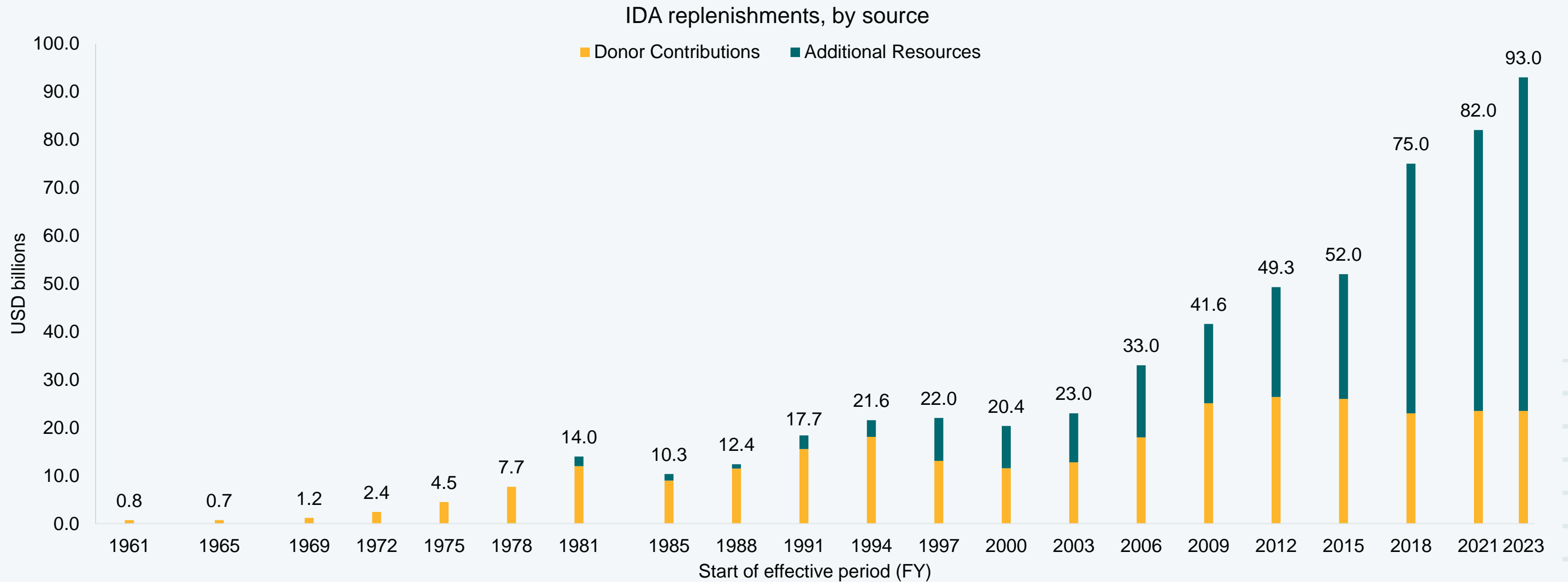


Chart: Center for Global Development • Source: IDA Replenishment Reports, World Bank Data • Created with Datawrapper

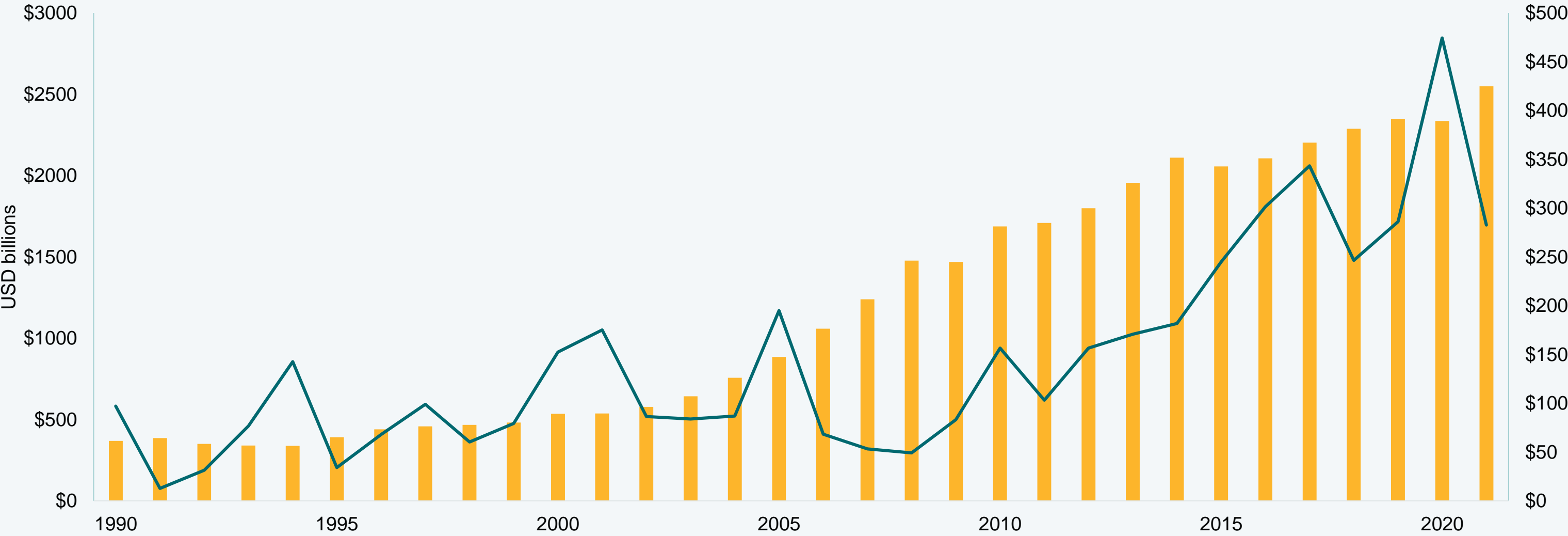


Increasingly, IDA has had to leverage its balance sheet to 'stretch' its replenishments

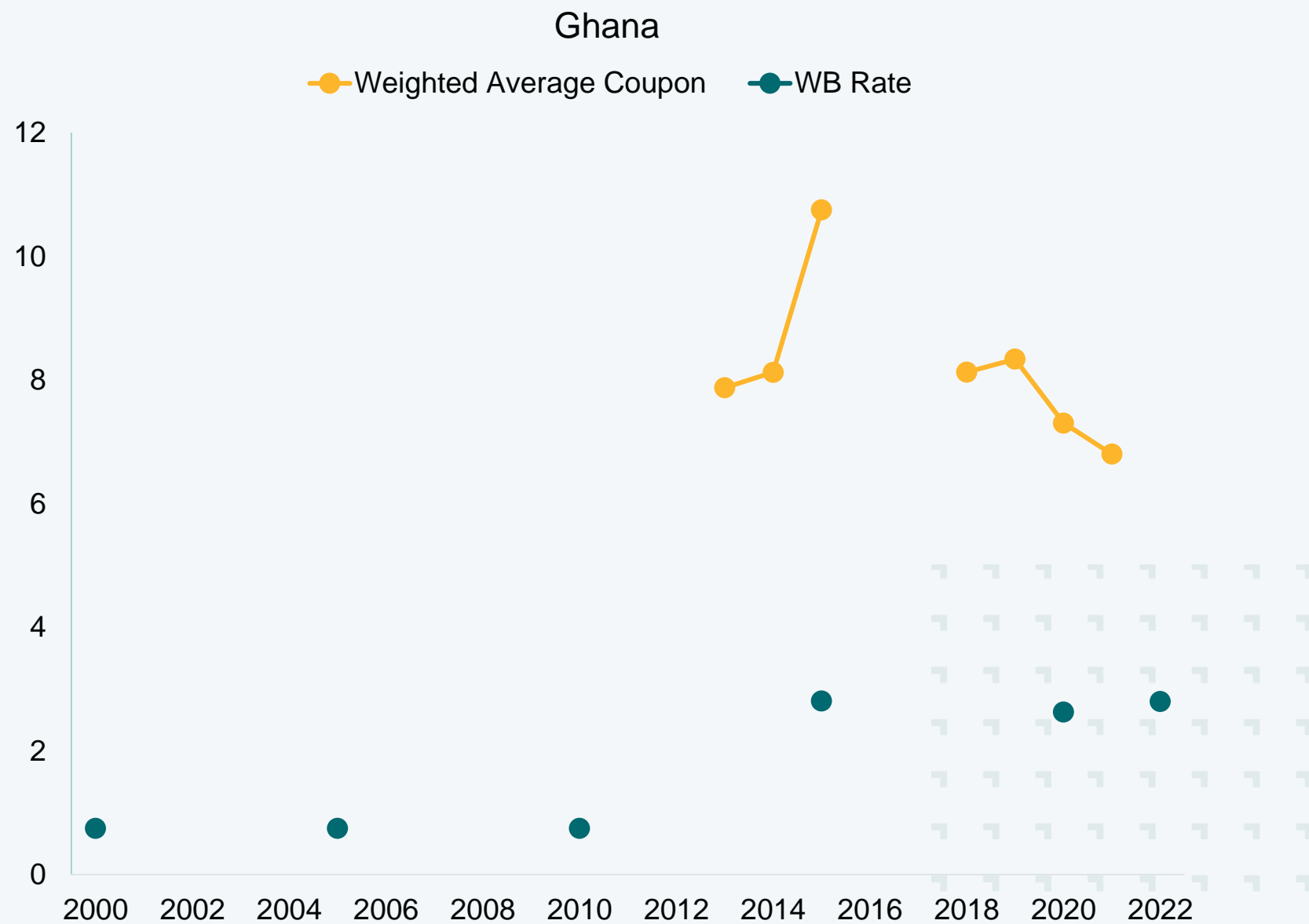
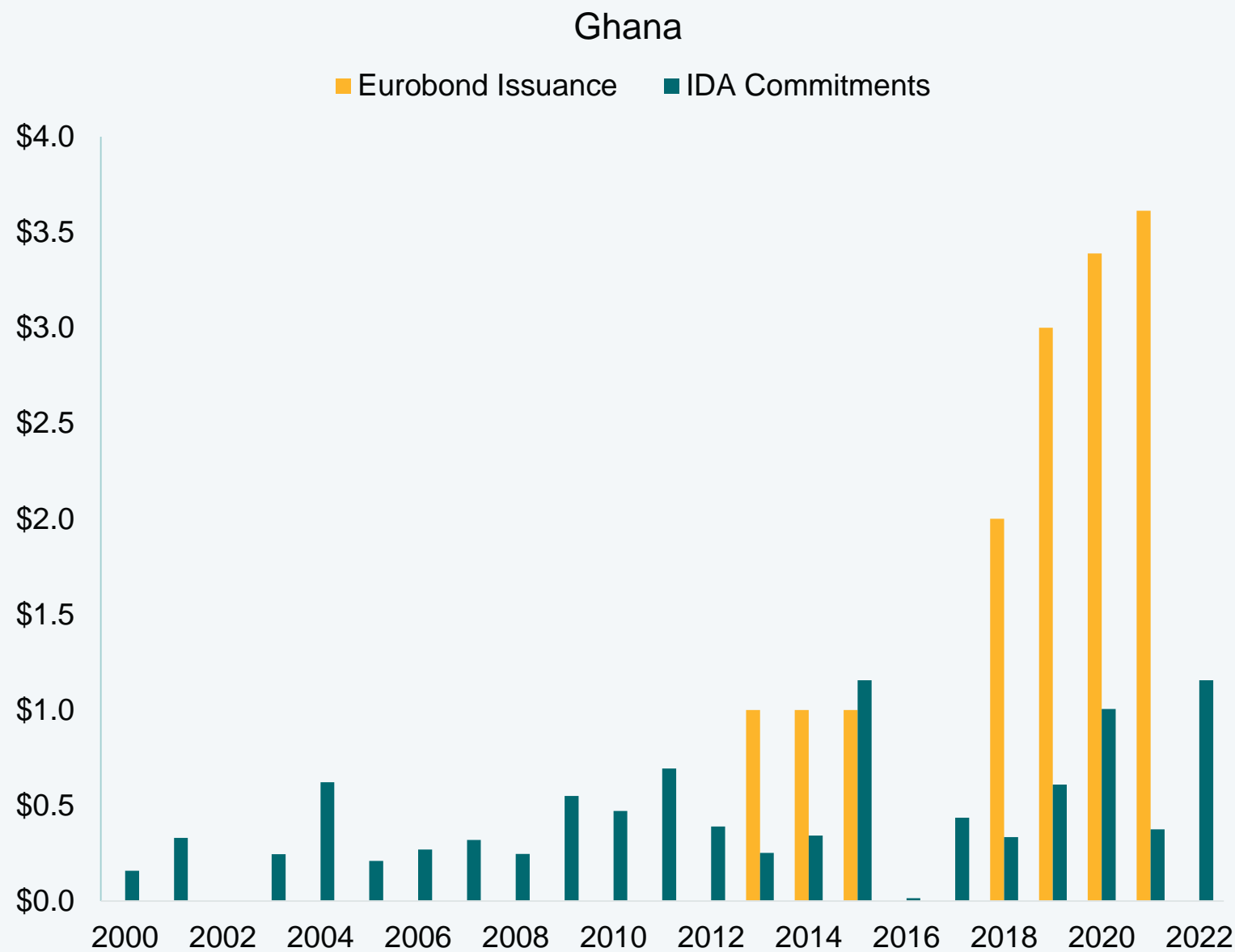


As a result, countries turned to the markets to help fill the gap

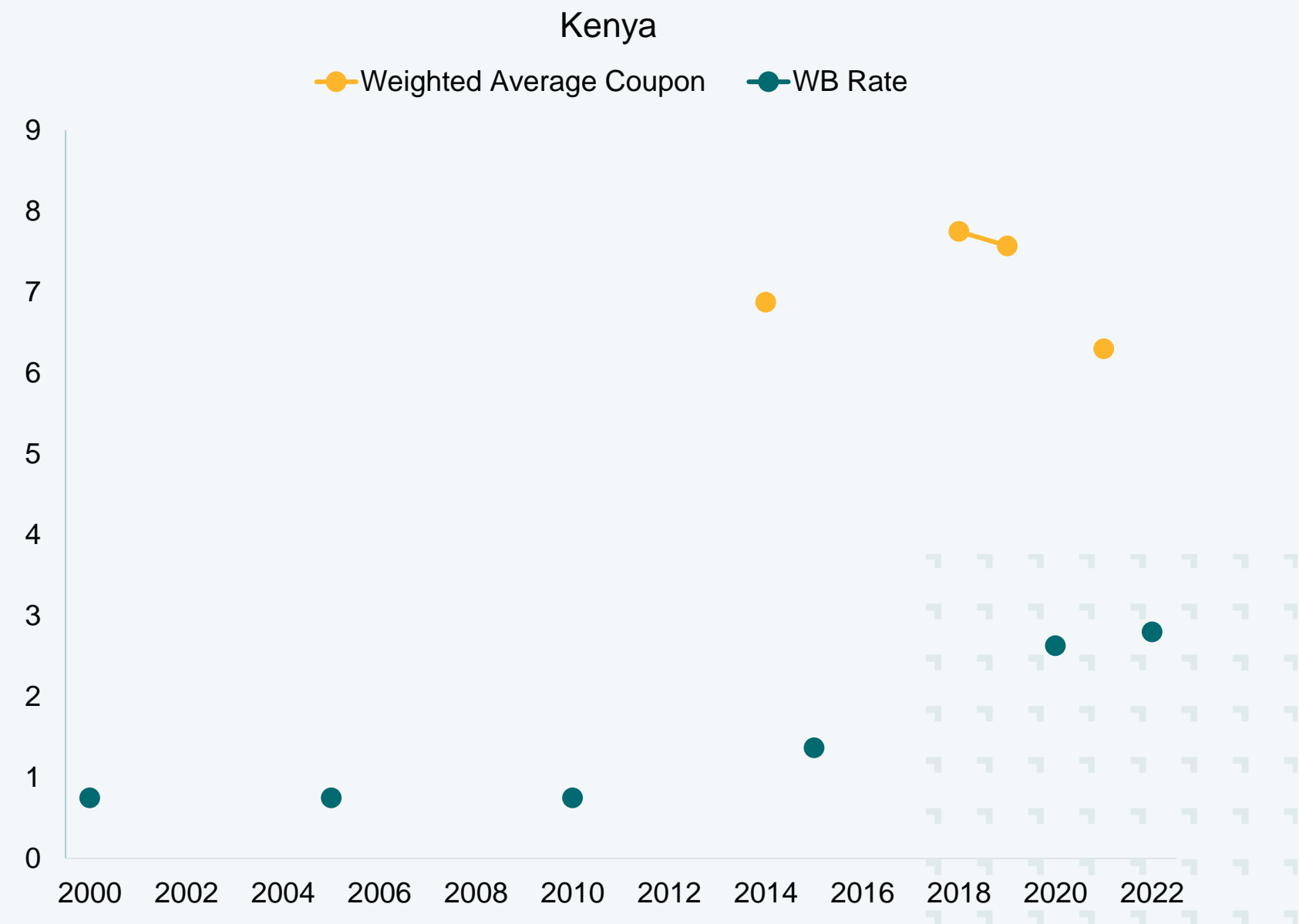
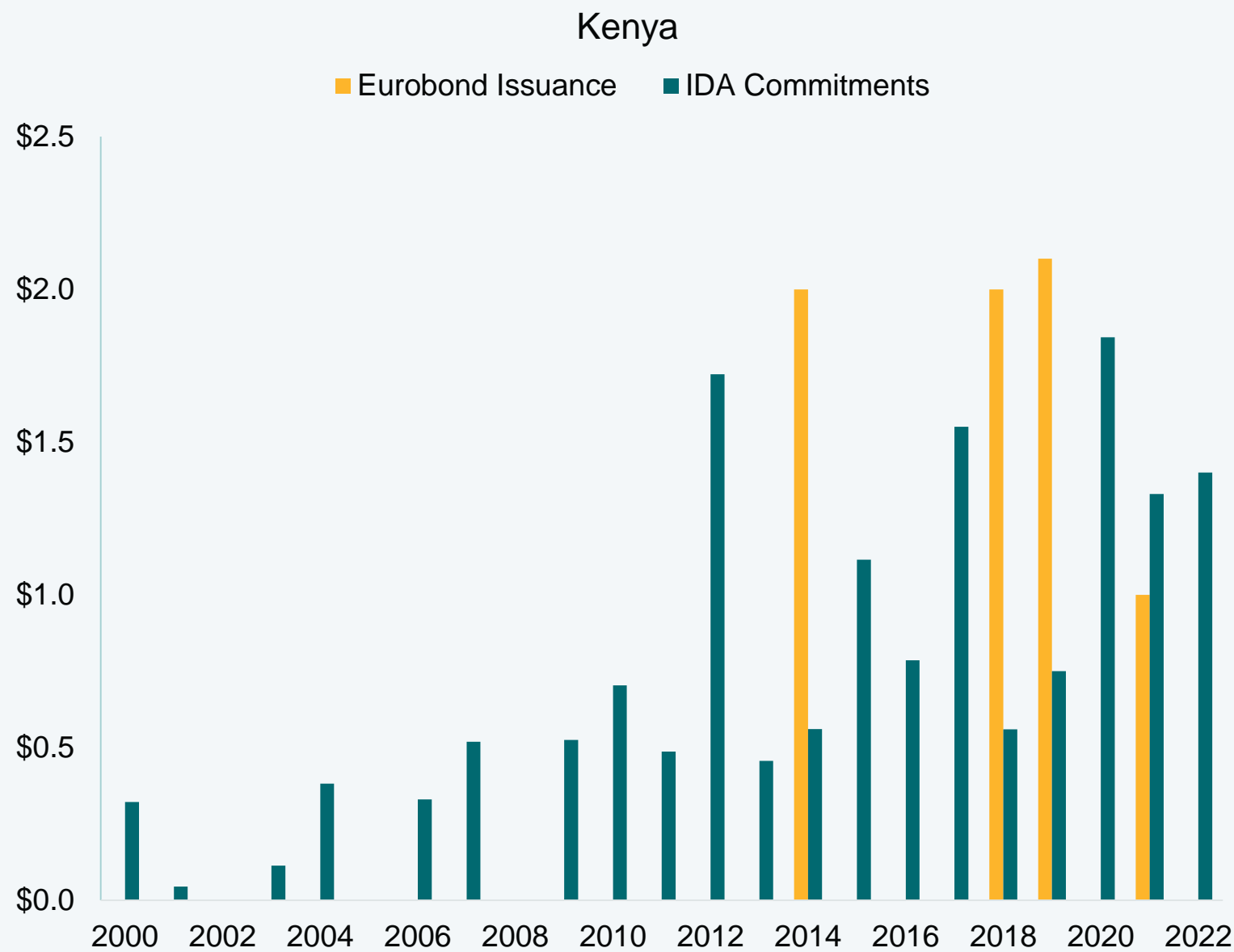
IDA countries total GDP vs. Eurobond issuance



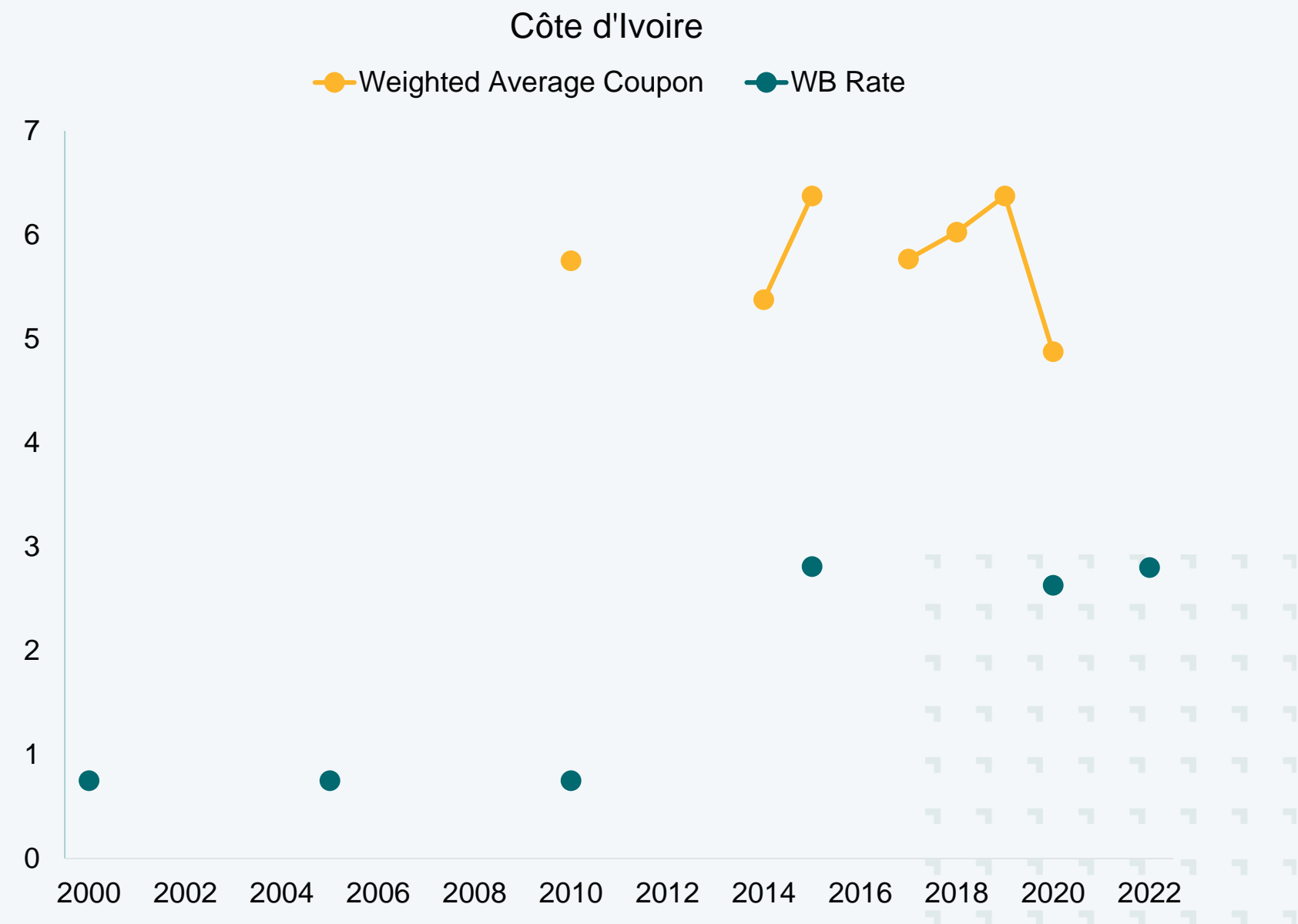
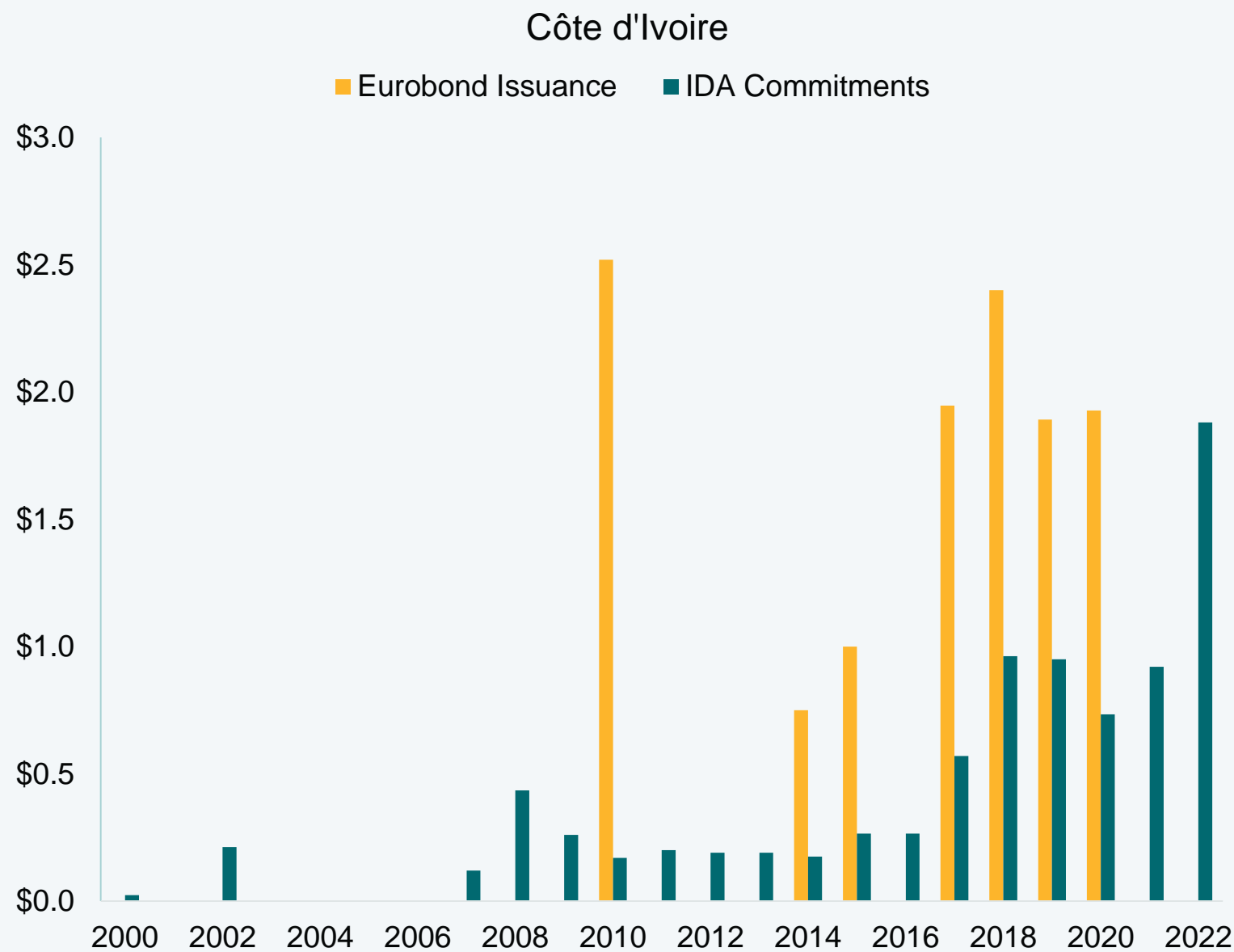
The volume of Eurobond debt for African issuers is significant, and in some cases greater than IDA



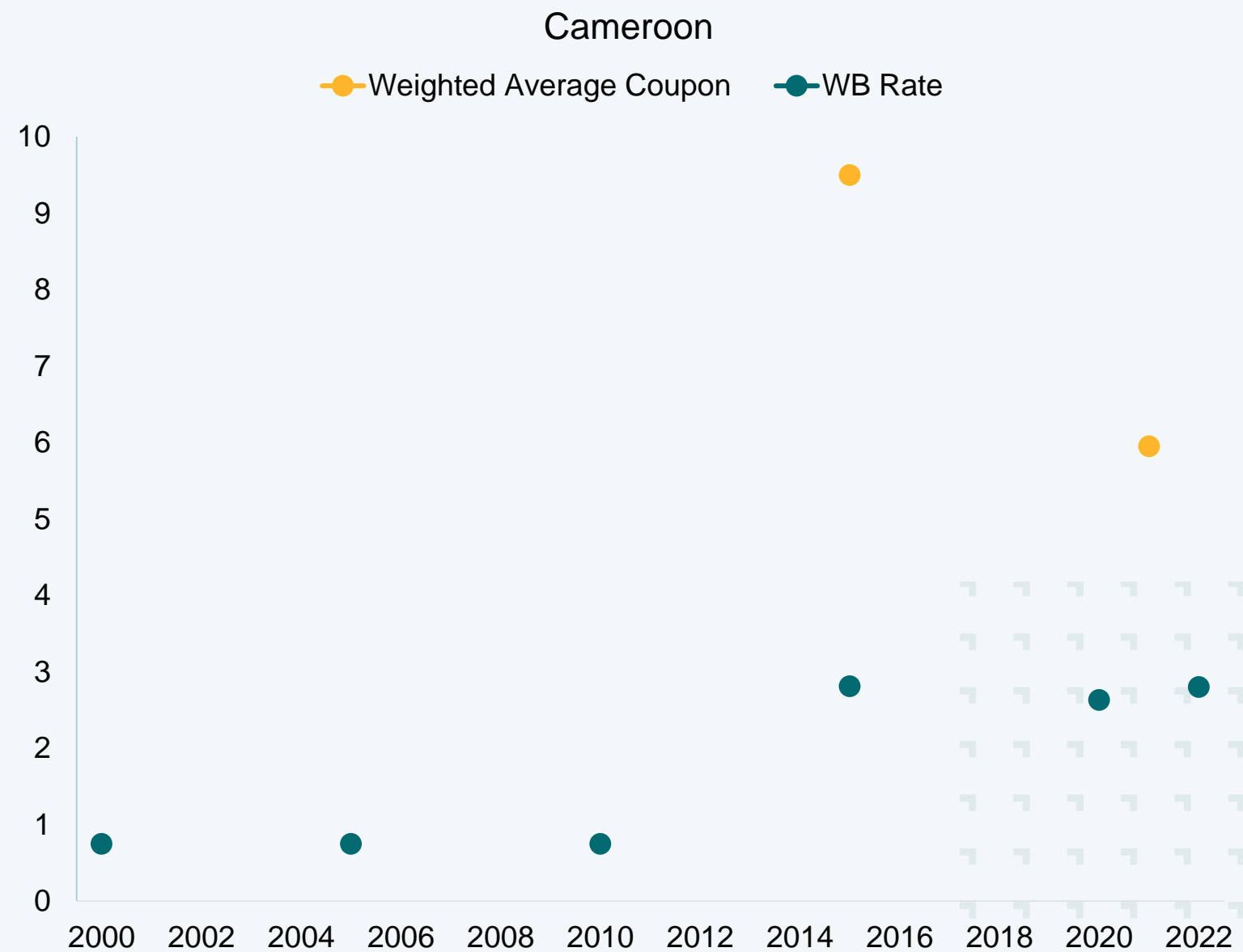
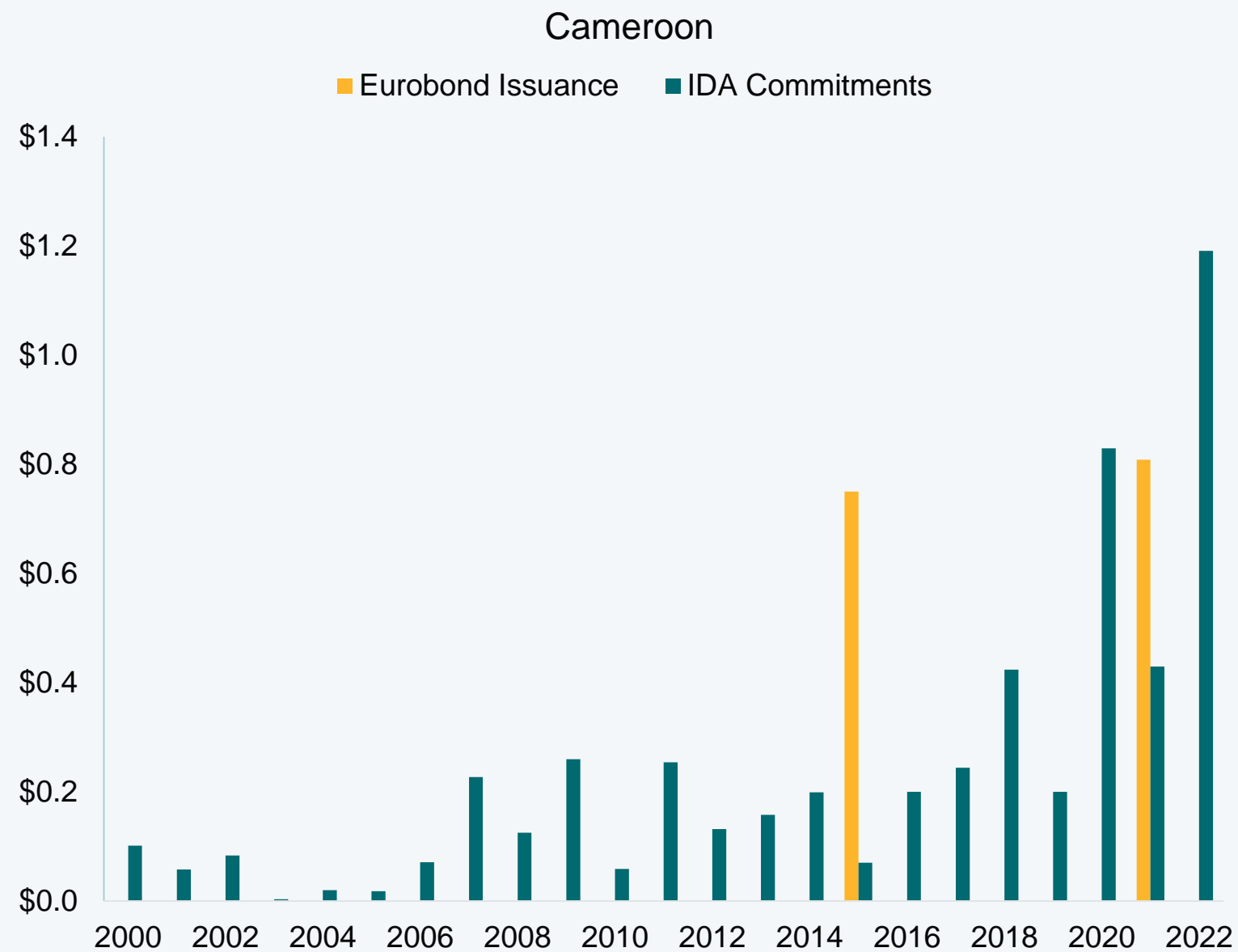
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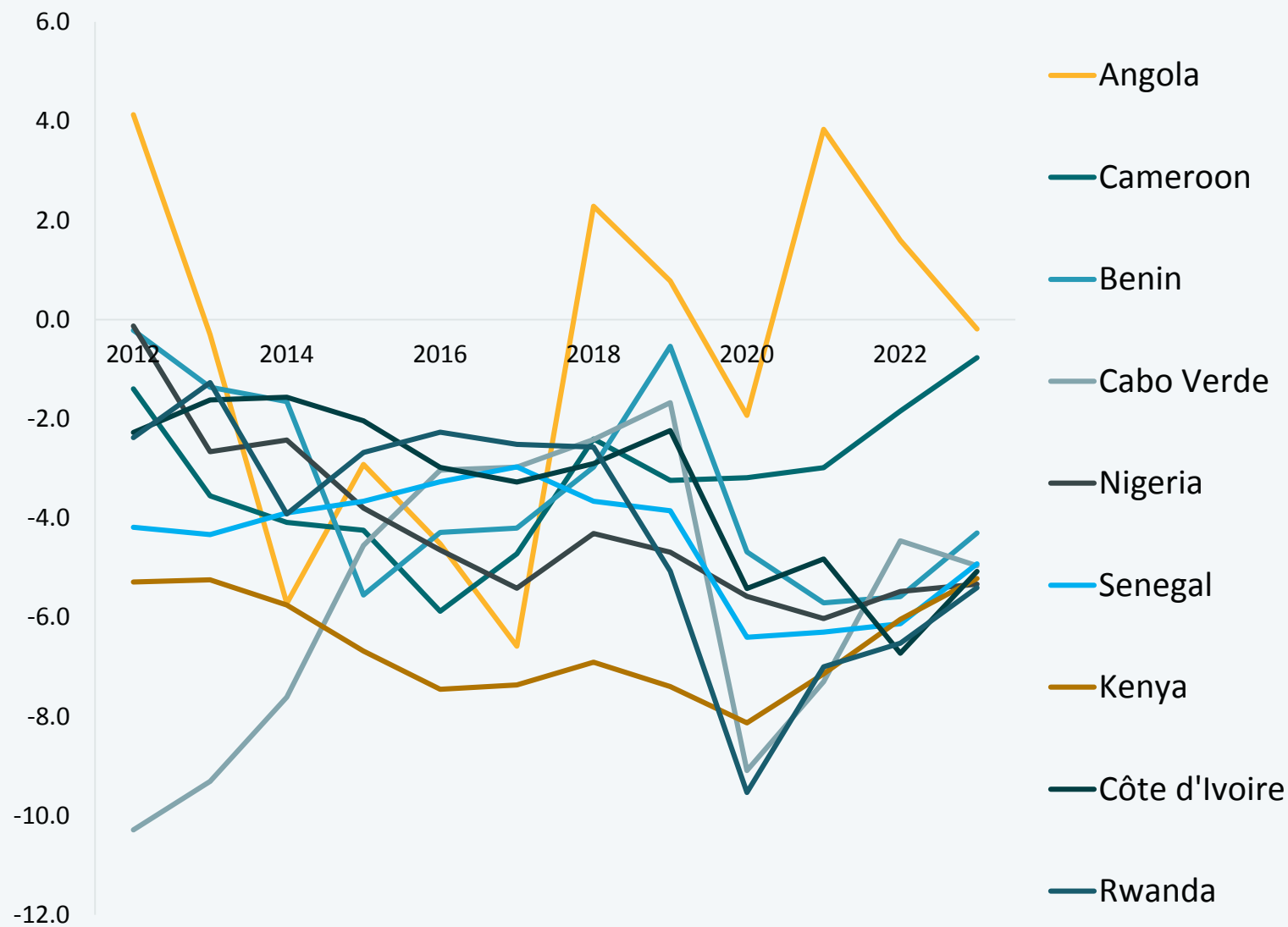


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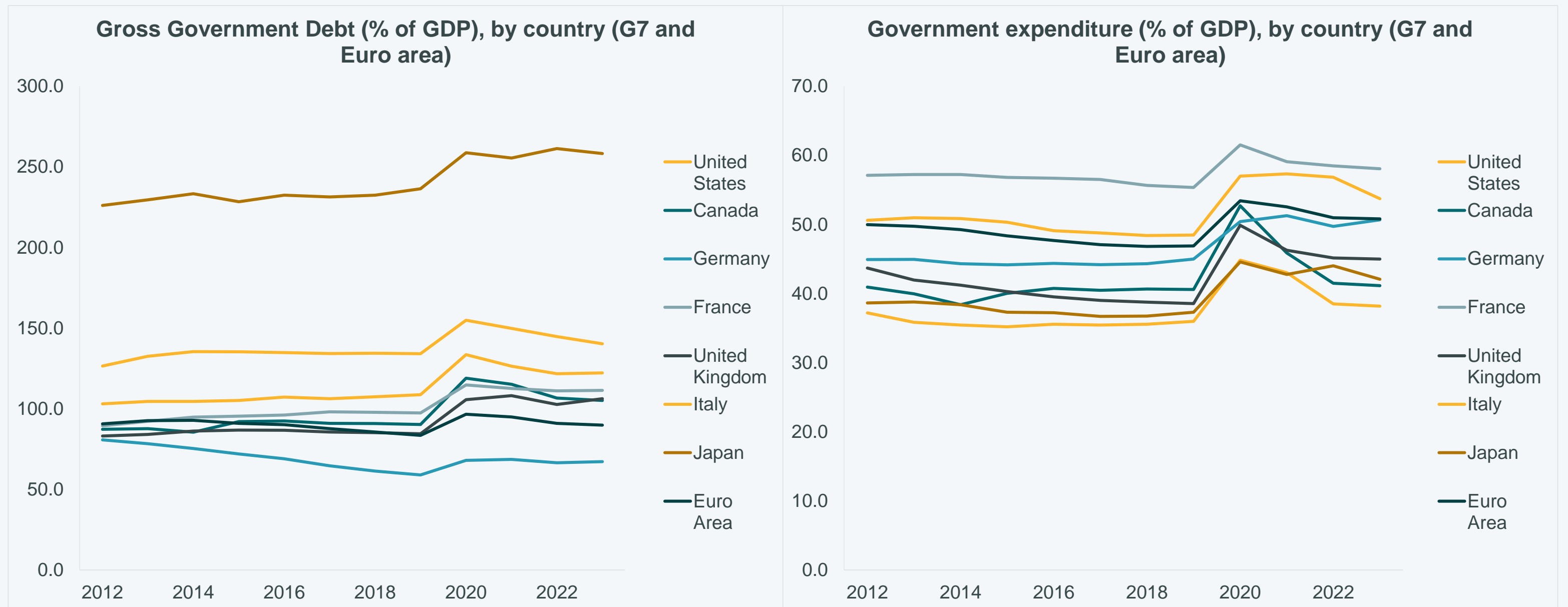
The IMF targets fiscal consolidation as credit conditions tighten

Overall Balance (%), by country

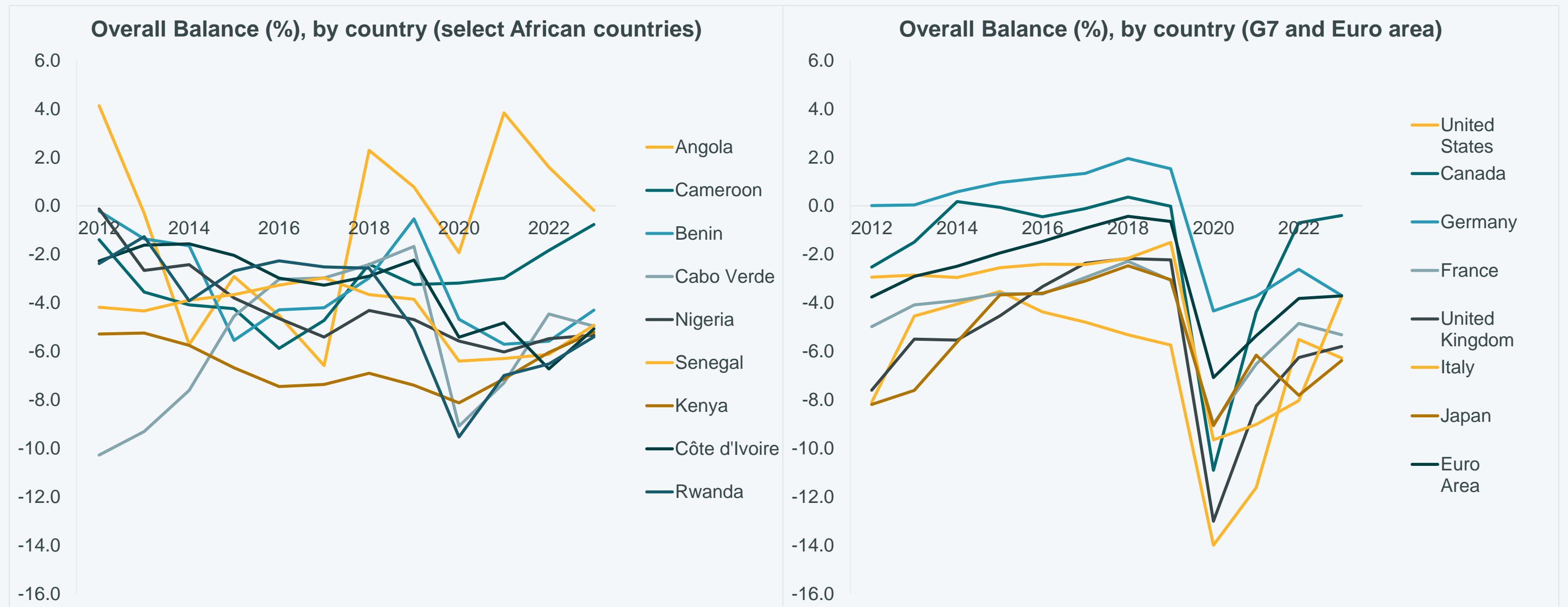


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Angola	4.1	-0.3	-5.7	-2.9	-4.5	-6.6	2.3	0.8	-1.9	3.8	1.6	-0.2
Cameroon	-1.4	-3.6	-4.1	-4.2	-5.9	-4.7	-2.4	-3.2	-3.2	-3.0	-1.8	-0.8
Benin	-0.2	-1.4	-1.7	-5.6	-4.3	-4.2	-3.0	-0.5	-4.7	-5.7	-5.6	-4.3
Cabo Verde	-10.3	-9.3	-7.6	-4.6	-3.0	-3.0	-2.4	-1.7	-9.1	-7.3	-4.5	-5.0
Nigeria	-0.1	-2.7	-2.4	-3.8	-4.6	-5.4	-4.3	-4.7	-5.6	-6.0	-5.5	-5.3
Senegal	-4.2	-4.3	-3.9	-3.7	-3.3	-3.0	-3.7	-3.9	-6.4	-6.3	-6.1	-4.9
Kenya	-5.3	-5.2	-5.8	-6.7	-7.5	-7.4	-6.9	-7.4	-8.1	-7.1	-6.0	-5.2
Côte d'Ivoire	-2.3	-1.6	-1.6	-2.0	-3.0	-3.3	-2.9	-2.2	-5.4	-4.8	-6.7	-5.1
Rwanda	-2.4	-1.3	-3.9	-2.7	-2.3	-2.5	-2.6	-5.1	-9.5	-7.0	-6.5	-5.4

G7 macro data



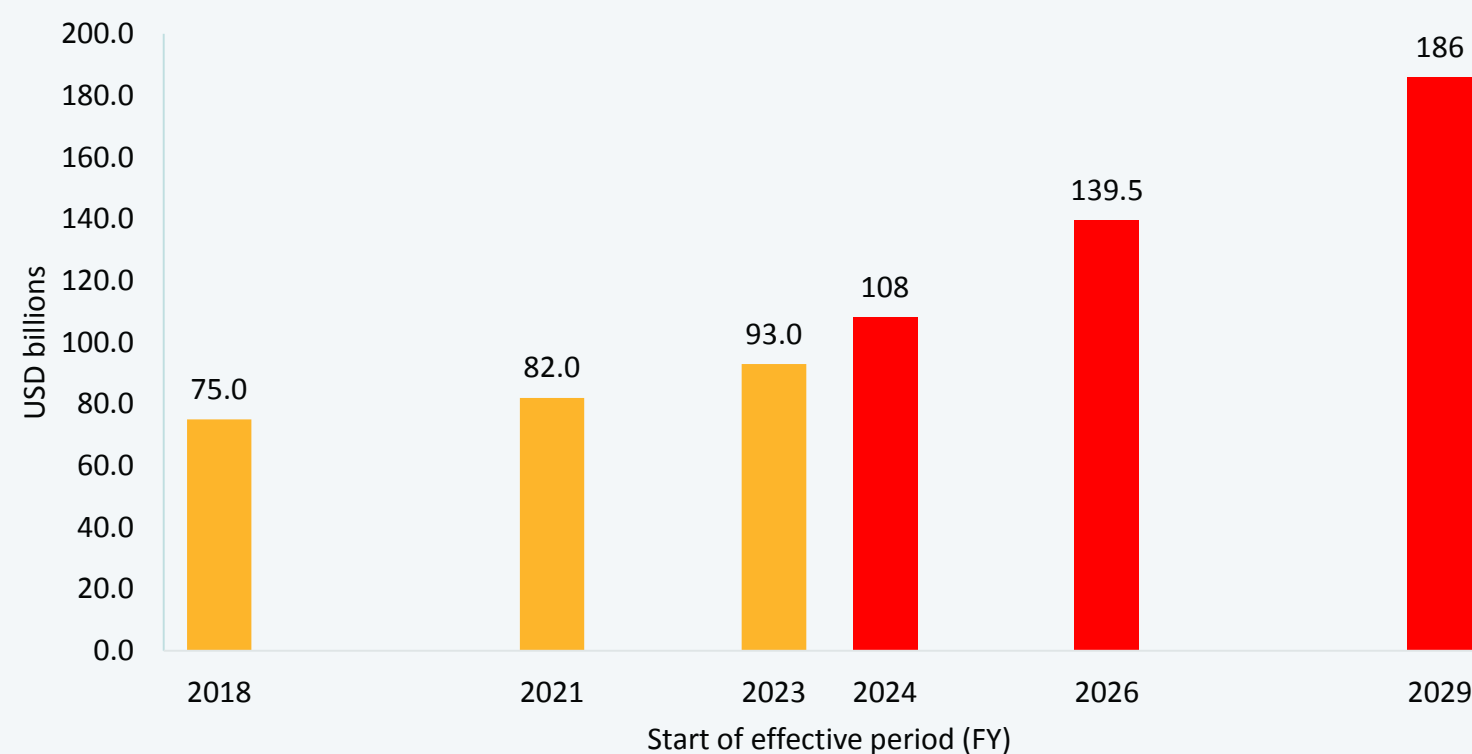
G7 countries [don't practice what they preach]



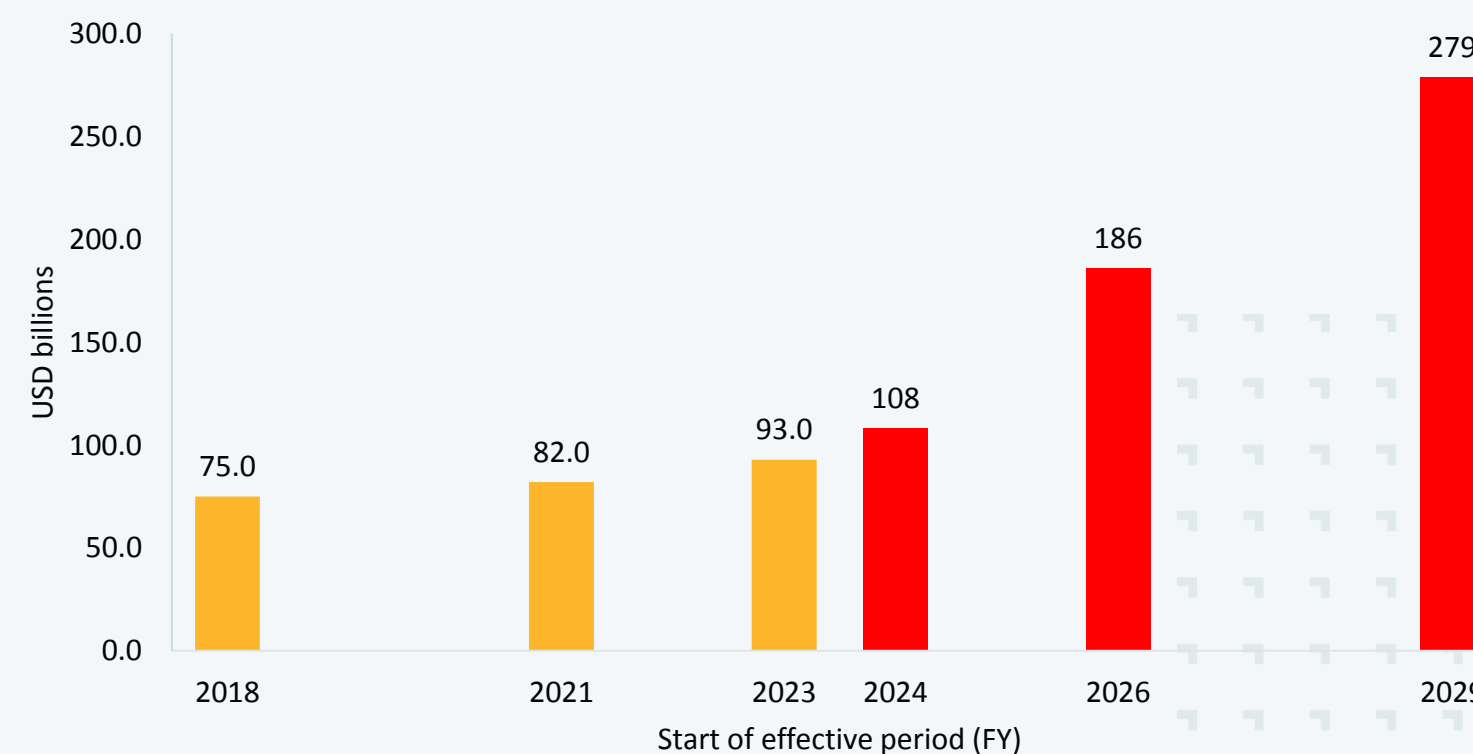
We need a commitment to triple IDA by 2030

IDA envelope (USD billions)	IDA20 (2023-2025)	IDA20+ (2024)	IDA21 (2026-2028)	IDA22 (2029-2031)
Base case	93	108	139.5	186
High case	93	108	186	279

Future IDA replenishment - base case



Future IDA replenishment - high case



Under the Capital Adequacy Framework, IBRD could stretch its capital while mitigating risks

- The G20 Expert Panel recommends strategic shifts in 5 areas:
 1. Adapt approach to defining risk tolerance
 2. Give more credit to callable capital
 3. Expand uses of financial innovations
 4. Improve credit rating agency assessment of MDB financial strength
 5. Increase access to MDB data and analysis



To deliver on ambition, IDA must do three things

1. Increase donor contributions to 1985-1994 levels as a share of GNI, or \$60 billion in the next replenishment
2. Use IDA's triple AAA credit rating to leverage more market capital
3. Pricing adjustments



Increased IDA will require efforts from the Bank and clients to ensure efficiency and effectiveness

- Change and develop new instruments
- Do more regional projects
- Augment technical skills
- Scaling on successful projects



Annex

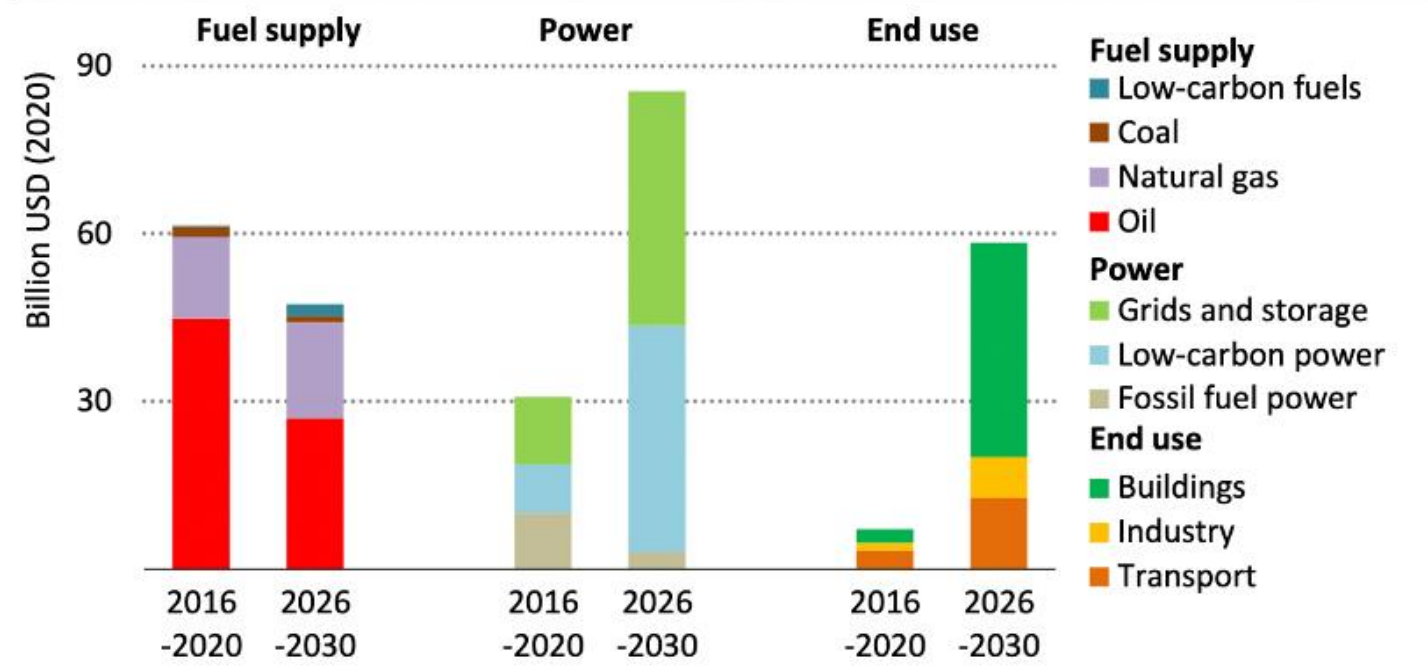
The 2022 Bridgetown Agenda calls IFI reform in the face of an unprecedented combination of crises



- The world is facing three interconnected cost-of-living, debt, and climate crises
- To drive capital towards climate and the SDGs, the agenda calls for:
 1. Providing emergency liquidity through SDRs rechanneling, the DSSI, and natural disaster clauses in debt instruments
 2. Expanding multilateral lending to governments by US\$1 trillion
 3. Activating private capital for climate action through new multilateral mechanisms



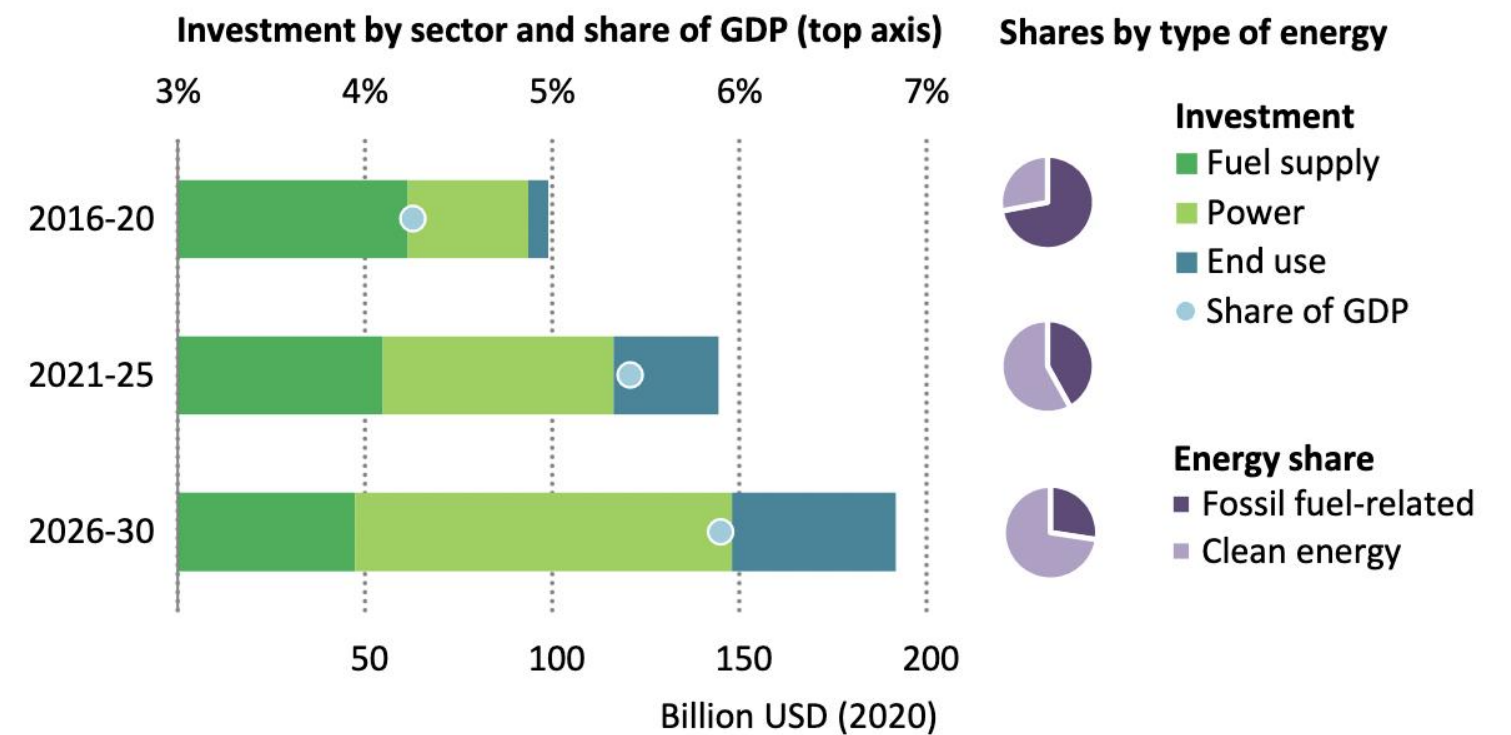
The clean energy transition in Africa requires a near doubling of total capital from 2020 to 2030



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Investments in power and end-use efficiency surge to 2030, driven mainly by low-carbon power plants and grid expansion, as well as appliances and cooling equipment

Notes: SAS = Sustainable Africa Scenario. Low-carbon power refers to renewables and fossil fuel power with carbon capture, utilisation and storage.

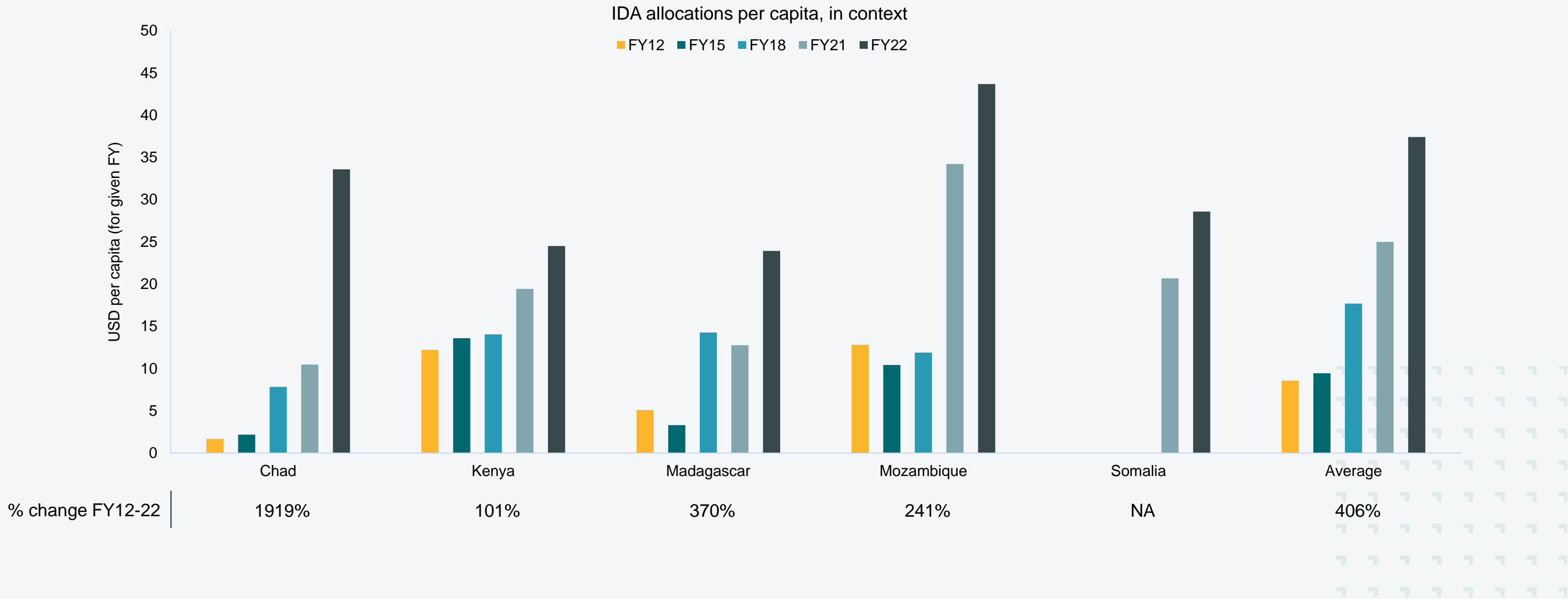


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Energy investment almost doubles over the 2026-2030 period relative to 2016-2020, reaching the equivalent of 6% of GDP, with spending on clean energy increasing sixfold

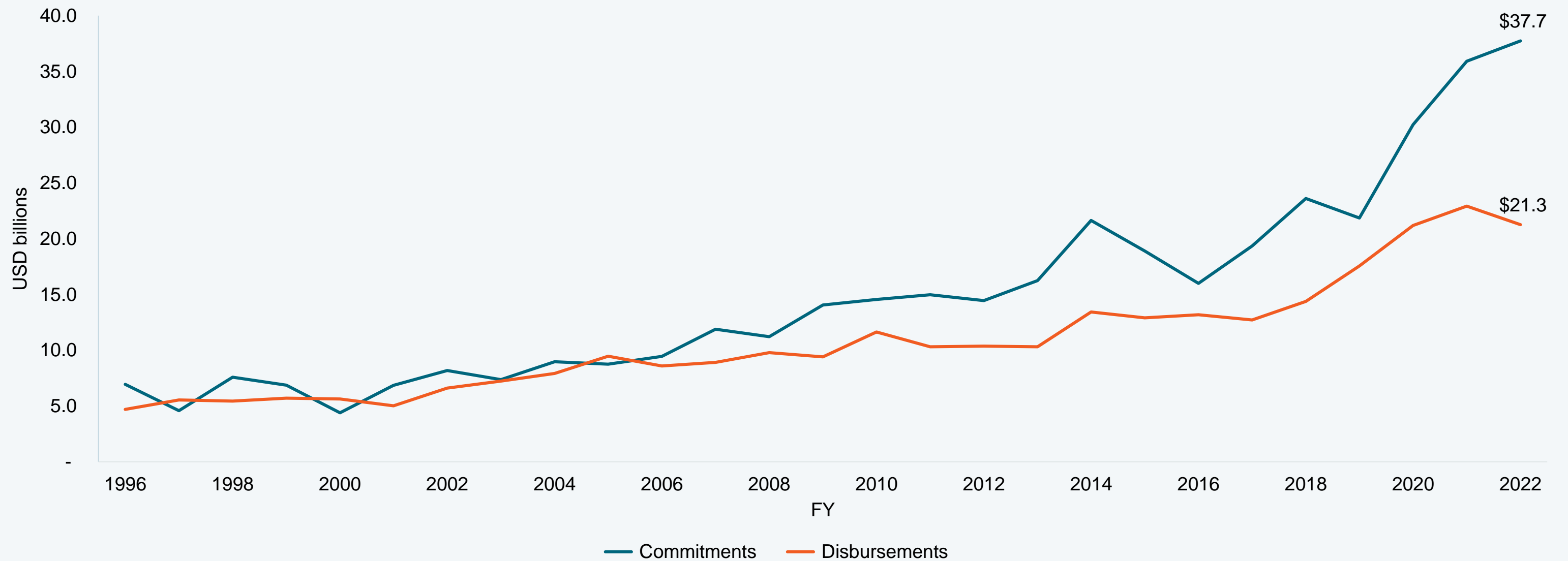
Source: IEA

Bridgetown Initiative: Countries exposed to climate vulnerability are getting average IDA allocations, but they need substantially more



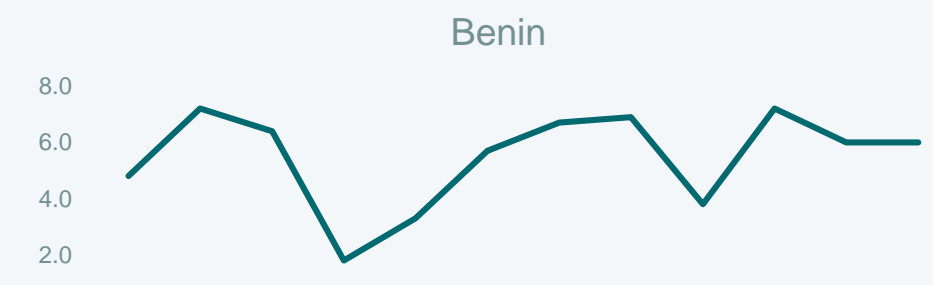
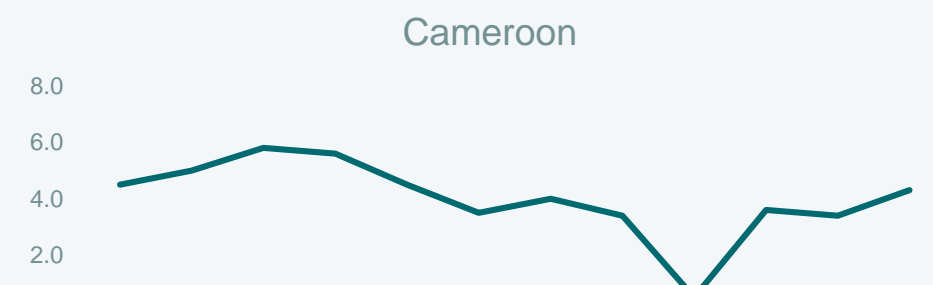
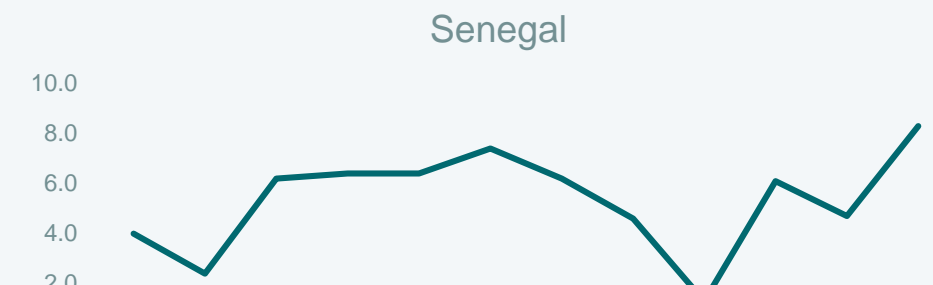
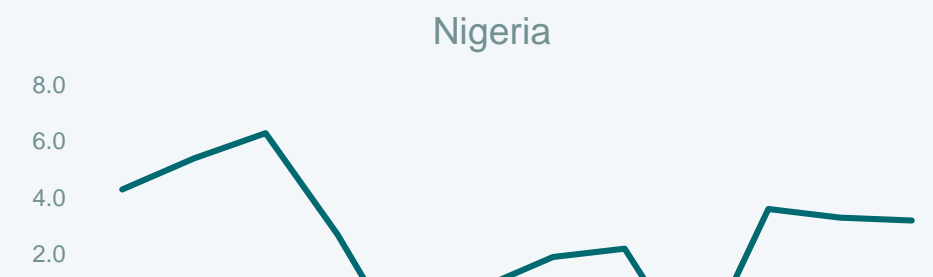
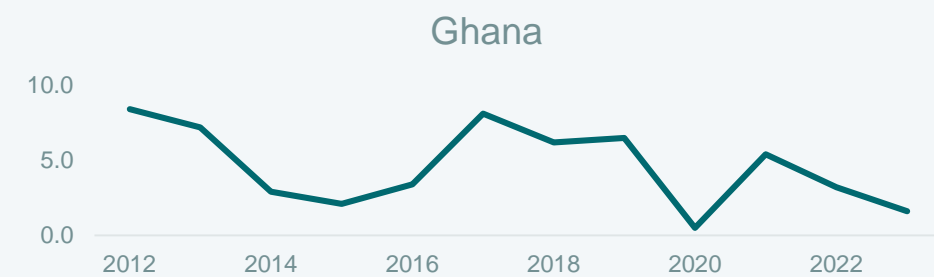
Scaling up IDA will require that it increase disbursements to keep pace with commitments

IDA Commitments & Disbursements



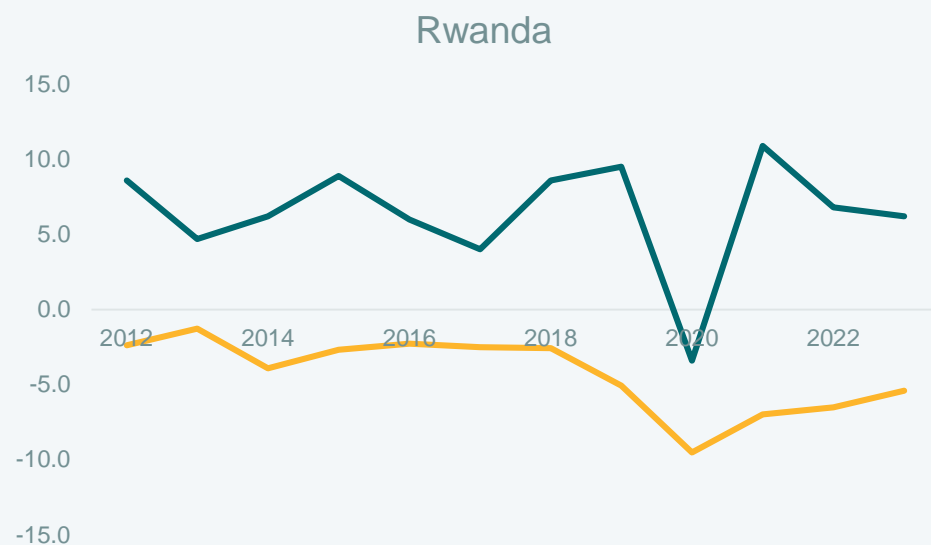
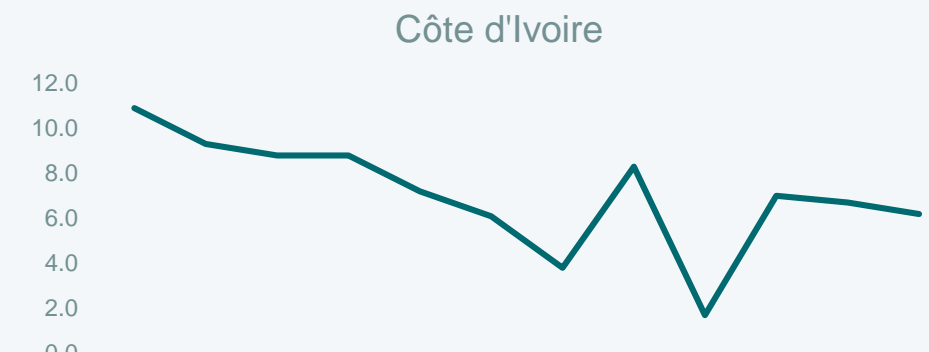
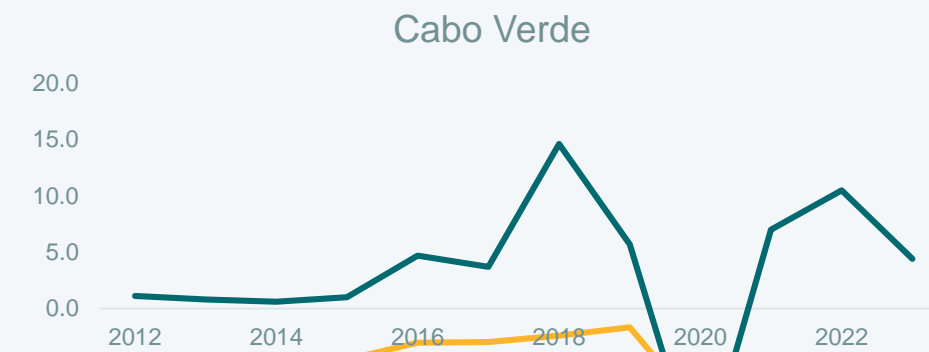
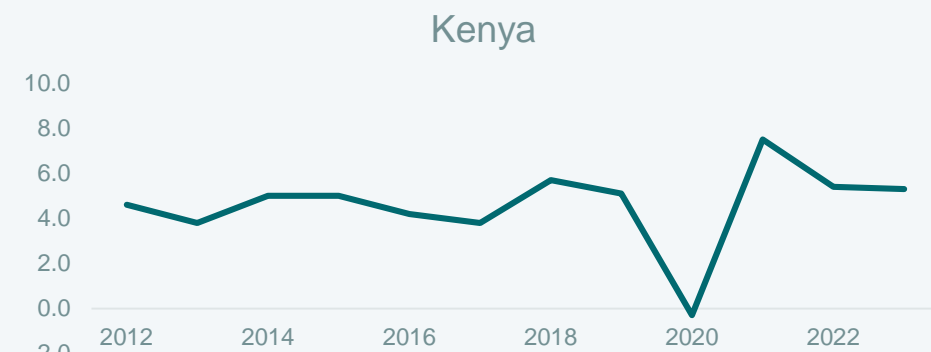
IMF fiscal tightening targets are inconsistently correlated with GDP growth

— Overall Balance (%) — GDP Growth (%)



IMF fiscal tightening targets are inconsistently correlated with GDP growth

— Overall Balance (%) — GDP Growth (%)



IDA borrowers have widely varying capacity to absorb financing

Disbursements / Commitments, by country

For IDA credits and grants approved in CY 2020-2022.

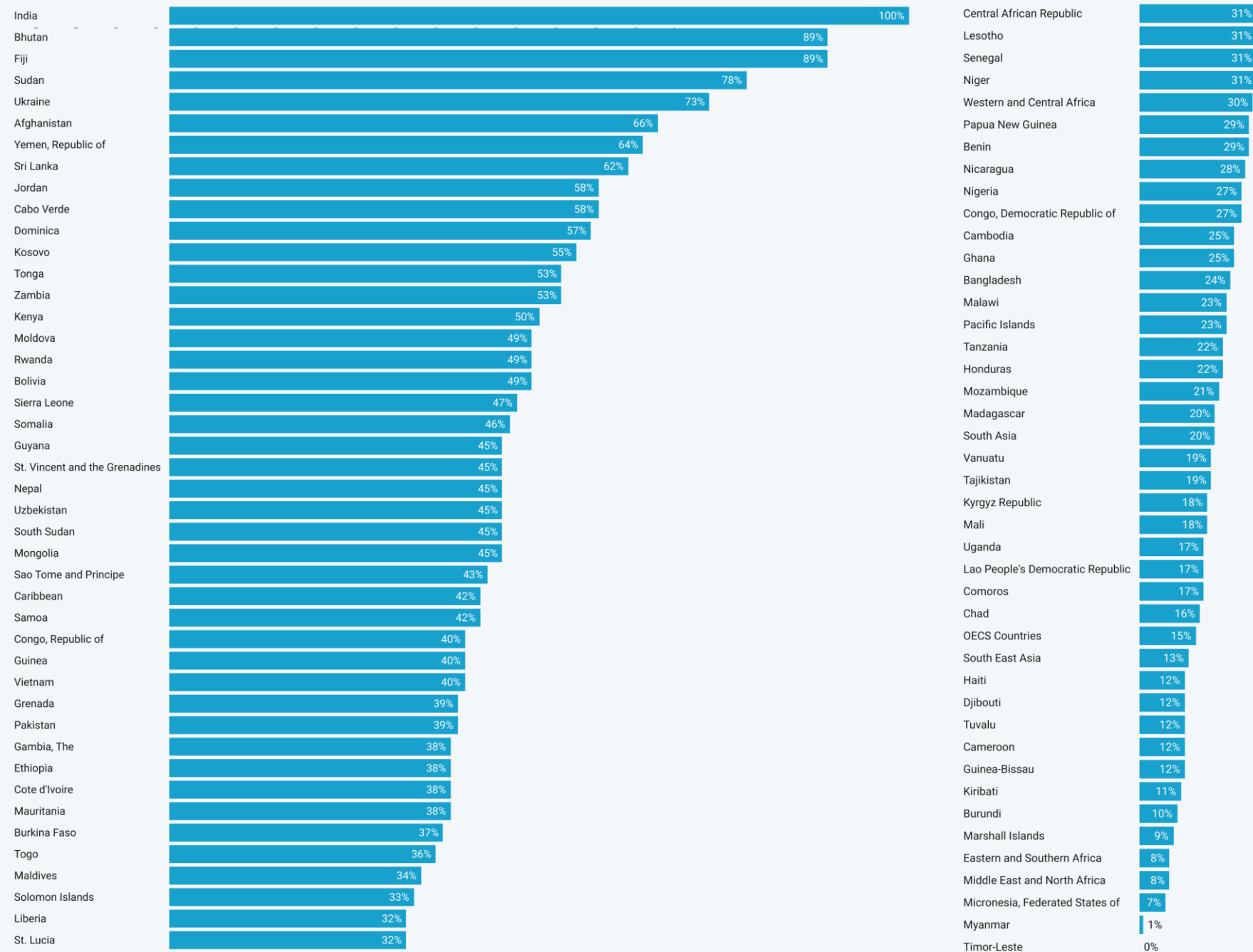


Chart: Center for Global Development • Source: IDA Statement of Credits & Grants • Created with Datawrapper