

Approach Paper

Evaluation of the International Development Association Country Allocation System

January 20, 2026

1. Background and Context

1.1 The International Development Association (IDA) is the largest source of long-term concessional financing for the world's poorest countries. Since 1960, IDA has delivered more than US\$600 billion in grants and credits at low interest rates with long-term maturities, helping client countries address complex development challenges, including economic shocks, natural disasters, conflict, and climate change.

1.2 Given the attractive terms of IDA financing and significant development needs, client demand for IDA resources greatly surpasses available funds. This demand necessitates the careful and strategic allocation of limited resources, and each of the 78 IDA-eligible countries receives a designated financing envelope.¹ Regular Replenishment every three years is necessary because IDA financing is provided in the form of grants or long-term credits.² Through the Replenishment rounds, the allocation terms, eligibility criteria, and implementation arrangements (such as adding financing mechanisms to respond to specific development exigencies) are successively revised (appendix B).³ In a context of tightening international financing conditions, debates have intensified on how to ensure that resources go to the right places and are used effectively.

1.3 In the most recent IDA rounds, about two-thirds of IDA funding was allocated through the IDA Country Allocations. The IDA Country Allocations comprise the Performance-Based Allocation; the Fragility, Conflict, and Violence (FCV) Envelope; the Sustainable Development Finance Policy (SDFP); and, as of the 21st Replenishment of IDA (IDA21), the Grant Facility for Project Preparation (table 1.1). The IDA Country Allocations are based on multidimensional performance and needs indicators (appendix C), given the complex and differing development challenges across diverse IDA recipients. The bulk of IDA continues to be allocated through the Performance-Based Allocation to ensure that resources go to countries with the greatest needs, while also rewarding countries undertaking reforms that help them strengthen their capacities and institutions. The overriding objective of this approach is to maximize the marginal developmental impact of scarce resources and support countries' progression to graduation from IDA.

Table 1.1. International Development Association Financing by Mechanisms

	IDA15	IDA16	IDA17	IDA18	IDA19	IDA20	IDA21
Total Replenishment (I + II + III; US\$, billions)	44.9	49.3	52.1	75.0	82.0	93.0	100.0
I. IDA Country Allocations (PBA + FCV Envelope + GFPP; US\$, billions)	41.1	43.8	39.1	52.4	60.5	62.8	67.2
PBA (US\$, billions)	41.1	43.8	39.1	47.7	53.0	54.0	58.1
of which SDFP potential set-aside or incentive (US\$, billions)	n.a.	n.a.	n.a.	n.a.	n.a.	2.2	5.8
FCV Envelope (US\$, billions)	n.a.	n.a.	n.a.	4.7	7.5	8.8	8.8
GFPP (US\$, billions)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3
II. IDA Windows (GROW + SUW + CRW + PSW; US\$, billions)	3.8	5.4	8.7	18.7	20.5	30.2	32.8
GROW (US\$, billions)	2.5	4.5	3.1	7.0	9.8	10.3	15.9
of which Window for Host Communities and Refugees (US\$, billions)	n.a.	n.a.	0.1	2.0	2.2	2.4	2.4
SUW (US\$, billions)	n.a.	n.a.	3.9	6.2	5.7	14.1	10
CRW (US\$, billions)	1.3	0.9	1.7	3.0	2.5	3.3	3.7
PSW (US\$, billions)	n.a.	n.a.	n.a.	n.a.	n.a.	2.5	3.2
III. Other (US\$, billions)	0.0	0.1	4.3	3.9	1.0	0.0	0.0
Transitional support (US\$, billions)	n.a.	n.a.	3.2	2.8	n.a.	n.a.	n.a.
Arrears clearance (US\$, billions)	n.a.	0.1	1.1	1.1	1.0	n.a.	n.a.
Memo items							
Donor contributions (US\$, billions)	25.2	26.0	25.8	22.8	23.3	23.5	23.7
Country Allocations as a share of total IDA (%)	91.5	88.8	75.0	69.9	73.8	67.5	67.2
PBA as a share of total IDA (%)	91.5	88.8	75.0	63.6	64.6	58.1	58.1
SDFP as a share of total PBA (%)	n.a.	n.a.	n.a.	n.a.	n.a.	4.1	10.0
FCV Envelope as a share of total IDA (%)	n.a.	n.a.	n.a.	6.3	9.1	9.5	8.8
Grant element: overall Replenishment (%)	n.a.	n.a.	48.0	49.0	55.0	55.0	54.0

Sources: Development Finance Vice Presidency; Independent Evaluation Group.

Note: CRW = Crisis Response Window; FCV = fragility, conflict, and violence; GFPP = Grant Facility for Project Preparation; GROW = Global and Regional Opportunities Window; IDA = International Development Association; IDA15, IDA16, IDA17, IDA18, IDA19, IDA20, and IDA21 = 15th, 16th, 17th, 18th, 19th, 20th, and 21st Replenishments of IDA; n.a. = not applicable; PBA = Performance-Based Allocation; PSW = Private Sector Window; SDFP = Sustainable Development Finance Policy; SUW = Scale-Up Window.

1.4 The Performance-Based Allocation formula is core to the IDA Country Allocations and seeks to capture multiple dimensions of performance.⁴ The Country Performance Rating is based on the Country Policy and Institutional Assessment (spanning 16 core dimensions) and the Portfolio Performance Rating (appendix D).⁵ The focus on performance related to debt management and transparency is amplified by the SDFP (appendix F).⁶

1.5 The Performance-Based Allocation formula also reflects needs. This comes through the base allocation (purposefully designed to benefit small countries and their

unique vulnerabilities) and the inclusion of population and gross national income per capita in the formula. This structure ensures that poorer countries with larger populations receive proportionately more resources than other countries. Needs are also reflected in the differentiated terms of IDA financing (appendix H).

1.6 Performance and needs related to the drivers of FCV are supported through the FCV Envelope (appendix G).⁷ The FCV Envelope was created in 2021 (IDA19) to address specific country risks in select countries classified as fragile and conflict-affected situations, supplementing their Performance-Based Allocations. The FCV Envelope seeks to help these select countries meet their particular development challenges, including by supporting milestone-based performance, drawing on national strategies to address the drivers of conflict.

1.7 Since inception, the balance of IDA's performance and needs orientation has been debated. These debates have focused on enhancing transparency, minimizing volatility, and ensuring responsiveness to countries' development challenges. Amid these ongoing debates, assessing whether the IDA Country Allocations are optimal to achieve the best value remains a key area of focus.

1.8 The conceptual framework underlying IDA and its allocation model ties into the extensive literature on conditional convergence and development effectiveness. Poorer countries can grow faster than richer ones by adopting proven technologies—whether through trade, foreign direct investment, or collaborative research—to accelerate their productivity growth and close the income gap with advanced economies (Cirera et al. 2022). However, the speed and success of the development catch-up process depend critically on the presence of complementary factors, such as effective managerial and organizational practices, human capital, and supportive policy and regulatory environments (Cirera and Maloney 2017). Development support has a positive impact on economic growth only in countries with adequate fiscal, monetary, and trade policies; in countries with weak policy environments, development support has little or no effect on growth (Burnside and Dollar 2000). This finding suggests that the effectiveness of development support is conditional on the quality of recipient countries' policies and institutions and has led to the recommendation that support be allocated toward poor countries with sound policies to maximize impact. Since economic and political instability can undermine the effectiveness of development assistance, addressing country-specific needs (such as conflict or vulnerability to climate change) can help promote an environment conducive to growth (Guillaumont et al. 2017).

1.9 In addition to the IDA Country Allocations, in the most recent IDA rounds, about one-third of total IDA financial resources was provided through thematic Windows to address specific development priorities (appendix I). These Windows have

separate eligibility criteria, results monitoring frameworks, and financing terms. As of IDA21, the Windows architecture is the following: The Global and Regional Opportunities Window is dedicated to addressing global and regional challenges and includes a Window for Host Communities and Refugees. The Crisis Response Window provides a rapid source of financial support to IDA countries facing severe crises, such as natural disasters, economic shocks, or public health emergencies. The Private Sector Window encourages private sector investment through risk mitigation and blended finance. The Scale-Up Window focuses on funding transformational projects with strong development returns.

1.10 While it is difficult to compare IDA cycles over time, it is worth noting that the share of the Performance-Based Allocation itself declined in overall IDA over time, mainly because of the introduction of the FCV Envelope. The share in total IDA fell from 75.0 percent under IDA17 and 63.6 percent under IDA18 to 58.1 percent under IDA20. This was primarily due to the introduction of the FCV Envelope in IDA18, as part of the Country Allocations.

1.11 The World Bank undertook several reviews of the Performance-Based Allocation, highlighting key issues and broadly concluding that the allocation system performs adequately. For example, *IDA's Performance-Based Allocation System: Review of the Current System and Key Issues for IDA16*, found that countries in the top performance quintile received about 2.7 times more in allocations per capita than those in the lowest quintile during IDA15, higher than the ratio of 2.3 during IDA14, confirming the system's continued performance orientation (World Bank 2010).⁸

1.12 The Independent Evaluation Group (IEG) has evaluated elements of the IDA Country Allocations previously but not in its current form. The most recent evaluation of the Performance-Based Allocation was undertaken in 2002 (appendix J). The 2002 IEG evaluation covered IDA10–12 and examined the performance elements of the framework and overall alignment across six themes: poverty reduction, social sector development, private sector development, governance, environmentally sustainable development, and gender. Key findings centered on the importance of ensuring equitable treatment across countries, connecting performance criteria and poverty reduction, and linking performance ratings and lending triggers. The 2009 IEG evaluation of the Country Policy and Institutional Assessments highlighted that countries with higher ratings and per capita IDA Country Allocations have on average experienced greater improvements in their development outcomes (World Bank 2009). The 2021 IEG early-stage evaluation of the SDFP found that the policy was an improvement from previous approaches, while highlighting the need to strengthen country coverage, target drivers of debt stress, and institutionalize reforms (World Bank 2021b).⁹ *An Evaluation of the World Bank Group Strategy for Fragility, Conflict, and Violence*,

2020–25 found that under IDA19 and IDA20, substantial financial top-ups—averaging 37 percent of recipient countries’ IDA commitments—enabled continued engagement and delivery in highly fragile environments and facilitated a more structured policy dialogue with government authorities (World Bank 2025b).

1.13 Other IEG evaluations covered various IDA Windows: the Private Sector Window (World Bank 2021d, 2024a), the Crisis Response Window (World Bank 2019b), the Refugee Sub-Window (introduced in IDA18 and subsequently renamed the Window for Host Communities and Refugees under IDA19; World Bank 2019d), and the Regional Window (World Bank 2019a; appendix J).

1.14 The World Bank Group Internal Audit (GIA) also conducted reviews of the IDA Country Allocations and the Windows. The GIA (2023) report covering the IDA Country Allocations notes that the governance, risk management, and internal control practices relating to the IDA Country Allocations process are generally reliable, and it also highlights the importance of verifying the computation of IDA Country Allocations, ensuring that key records of the allocation process are filed in accordance with IDA requirements, and documenting activities and accountabilities for calculating the IDA Country Allocations. The GIA (2025) report on the Windows finds that allocation procedures are adequately designed and operate effectively, while noting that (i) management has not established a mechanism and criteria to confirm the implementation of all mandatory rules to accessing the Windows; (ii) controls within the information technology environment of the IDA resource space need to be strengthened; and (iii) procedures, roles, and responsibilities for reviewing and approving Window allocations need to be formally documented. The current evaluation will consider the findings of the GIA reports while ensuring that there is no overlap in scope.

2. Objectives, Scope, and Audience

2.1 The aim of the evaluation is to assess whether the IDA Country Allocations are achieving IDA’s intended purposes. The evaluation will outline the overall design and key features of the IDA Country Allocations and will assess how they have worked in practice. The evaluation will cover three IDA Replenishment cycles—IDA18, IDA19, and IDA20 (FY18–25), a period marked by substantial changes to the IDA financing framework—while referencing other cycles when relevant. The evaluation responds to a request made to IEG by the Committee on Development Effectiveness, following agreement of the IDA21 Replenishment report. In addition, IEG will prepare a background note for consideration at the IDA Mid-Term Review, in response to the request for “an independent assessment of IDA’s country allocation system” (World Bank 2025a, 123). The assessment will draw on evidence from this evaluation regarding IDA’s performance and needs orientation, as well as on relevant findings related to

transparency and predictability of the IDA Country Allocations (evaluation questions [EQs] 1, 2, and 4). Within the confines of Section 5A of the Replenishment report (World Bank 2025a), the assessment will not include an analysis of coherence (EQ3). It will be complemented by a parallel analysis of coherence, which together will complete this overall evaluation of the IDA Country Allocations system.

2.2 The proposed scope focuses on the relevance and coherence of the IDA Country Allocations. It will not evaluate the separate IDA Windows or other funds outside of the IDA Country Allocations. The evaluation will assess the extent to which the IDA Country Allocations have been based on performance and needs over the past three cycles (IDA18–IDA20). To this end, the evaluation will also assess the internal coherence of mechanisms within the IDA Country Allocations (see figure 3.1), the external coherence between the IDA Country Allocations and the Windows, and temporal coherence (the evolution of the IDA Country Allocations over time and its implications).¹⁰ Given the multifaceted nature of the IDA Country Allocations and its (changing) proportion (over time) in the overall IDA resource envelope, a comprehensive evaluation of the IDA Country Allocations requires consideration of coherence, as set out under EQ3. The evaluation will also assess the extent to which the IDA Country Allocations are transparent and predictable to ensure accessibility for users.

2.3 IEG will seek to answer the following four EQs:

- EQ1: How performance based are the IDA Country Allocations?
- EQ2: How needs based are the IDA Country Allocations?
- EQ3: How internally, externally, and temporally coherent are the IDA Country Allocations?
- EQ4: How transparent and predictable are the IDA Country Allocations?

2.4 One contribution of this evaluation will be to provide a comprehensive picture of the evolution of the IDA Country Allocations. The evaluation will map significant changes within the IDA Framework from IDA15 onward, with a particular focus on major adjustments to the Performance-Based Allocation formula and other financing mechanisms. The exercise will include systematically documenting how IDA has evolved across Replenishment cycles (see appendix B) and compiling a single consolidated reference for IDA Country Allocations and Replenishments across IDA cycles (see table 1.1). The evaluation team will conduct an in-depth assessment of developments over the past three cycles (IDA18–IDA20), detailing the underlying

assumptions, theoretical foundations, temporal coherence, and anticipated outcomes of the model.

2.5 The intended audience for this evaluation includes the World Bank Group Board of Executive Directors and its Committee on Development Effectiveness, Bank Group management and staff, IDA participants, and external stakeholders. The findings will be relevant for IDA participants working on IDA Replenishment cycles. Members of the Committee on Development Effectiveness and the wider Board could use the evaluation to provide guidance to Bank Group management. Emerging findings and lessons will be shared during the evaluation process with Bank Group staff and management working on the implementation of IDA21. External stakeholders such as development partners, client country government officials, and civil society representatives will be consulted during the evaluation, with findings disseminated after publication.

2.6 The current evaluation will not evaluate the objectives of the IDA Replenishments or the development effectiveness of IDA, both of which are beyond the scope. Related to the latter point, this evaluation cannot fully test the theory that the IDA Country Allocations ensure a more optimal use of scarce IDA resources in terms of generating higher development gains. Instead, the evaluation will test the first part of the theory: whether the IDA Country Allocations in practice result in IDA resources reaching countries with (relatively) better performance and greater needs. The evaluation also excludes a review of the Country Policy and Institutional Assessments, as this review is currently being conducted by the World Bank Operations Policy and Country Services, which is considering, among other actions, updating the criteria and scoring methodology to reflect emerging development and corporate priorities.

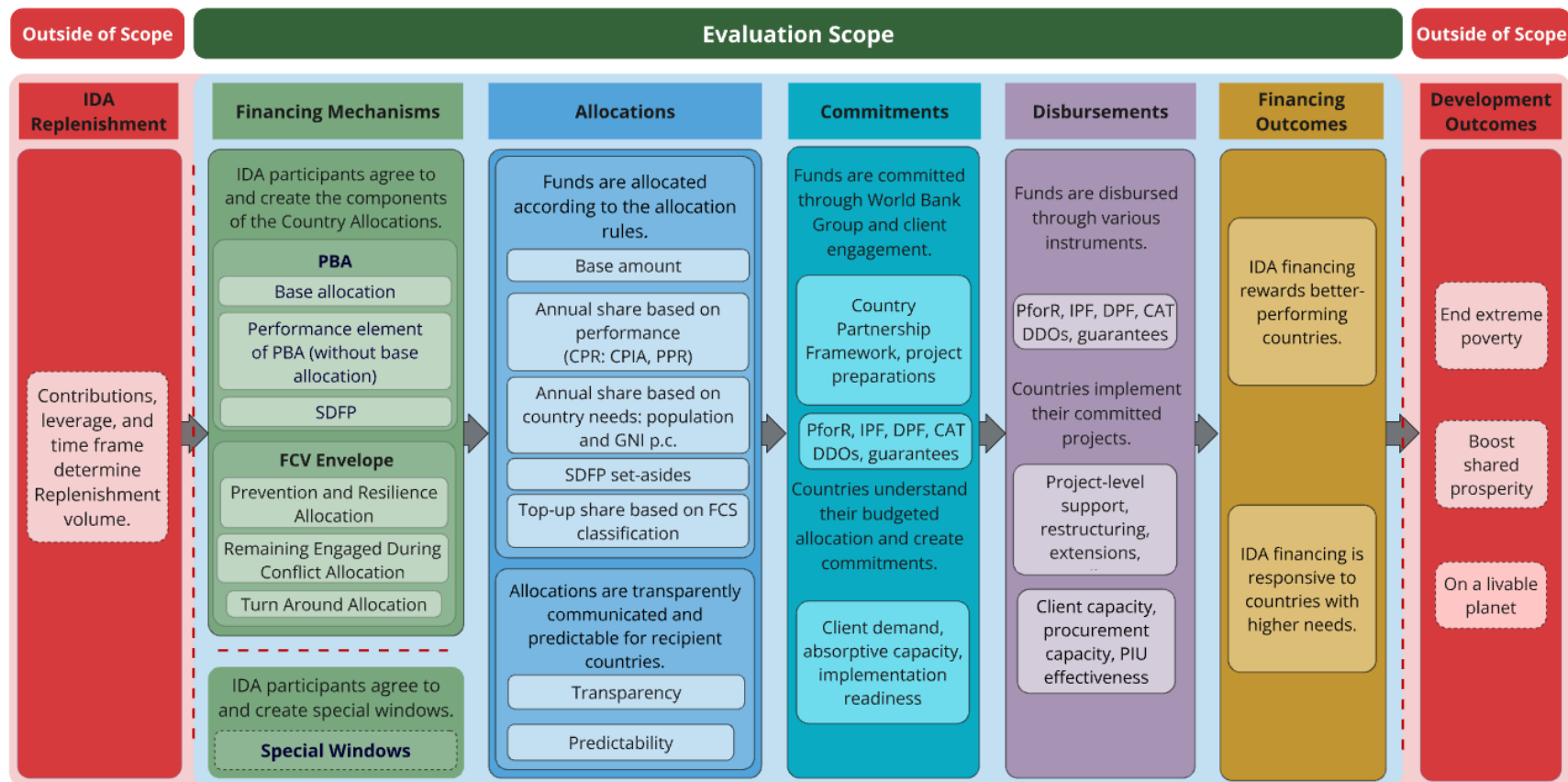
3. Evaluation Conceptual Framework

3.1 The evaluation conceptual framework seeks to identify and unpack the mechanisms of the IDA Country Allocations and explain how they are used to achieve IDA's objectives (figure 3.1). The conceptual framework illustrates how the IDA Country Allocations direct concessional and sustainable development finance to client countries, moving from financing mechanisms to financing outcomes. The conceptual framework thus provides the evaluative lens through which the relevance and coherence of these mechanisms will be assessed, including considering whether the allocation process is transparent and aligned with the performance and needs of client countries, as well as the expectations of stakeholders. The process for allocating IDA resources to countries is based on a range of explicit and implicit assumptions that are necessary for each step in the causal chain to function. Clarity on assumptions is critical to identifying what works and what does not—both in theory and in practice (implementation). This includes

considering external factors that may influence the causal chain. The Replenishment process and development outcomes are not part of the evaluation scope.

3.2 The financing mechanisms operate as the main conduit for translating performance- and needs-based criteria into concrete outputs—the IDA Country Allocations. These mechanisms include the Performance-Based Allocation, the SDFP, and the FCV Envelope. For IDA’s financing mechanisms to allocate limited resources among IDA-eligible countries based on needs and performance, it is assumed that policymakers understand the financing options available to them, the objectives of each mechanism are clearly articulated, and the indicators used adequately capture needs and performance in a time frame relevant to policymakers.

Figure 3.1. Evaluation Conceptual Framework of the International Development Association Country Allocations



Source: Independent Evaluation Group.

Note: CAT DDO = catastrophe deferred drawdown option; CPIA = Country Policy and Institutional Assessment; CPR = Country Performance Rating; DPF = development policy financing; FCS = fragile and conflict-affected situations; FCV = fragility, conflict, and violence; GNI p.c. = gross national income per capita; IDA = International Development Association; IPF = investment project financing; PBA = Performance-Based Allocation; PforR = Program-for-Results; PIU = project implementation unit; PPR = Project Performance Rating; SDFP = Sustainable Development Finance Policy.

3.3 IDA Country Allocations are then committed through country and regional programs. The commitments are expected to support strong development trajectories as articulated in Country Partnership Frameworks. For allocations to be translated into commitments, it is assumed that the engagements of the country teams and clients are strong, the demand and absorptive capacity of clients are adequate, clients understand their allocations, and the country teams have adequate capacity to generate projects (for example, investment project financing, Program-for-Results, development policy financing, and guarantees, supported by advisory services and analytics) that meet Bank Group Board approval. If these assumptions do not hold, the IDA Country Allocations for a given country may not be fully committed and would then be reallocated to other countries within the same region or between regions. Reallocations are typically undertaken in the last year of the IDA cycle. The intra- and interregional reallocations of the Performance-Based Allocation allow IDA to respond proactively to emerging issues and release otherwise unused resources to countries to meet unmet and urgent demand (World Bank 2021a).

3.4 IDA commitments are translated into disbursements through the implementation of committed projects. This action assumes that projects are well designed and ready, in-country project implementation units receive adequate support and have sufficient procurement and public financial management capacity, and implementation does not encounter disruptions. If these assumptions do not hold, disbursements can be delayed. In addition, for a variety of reasons, projects can be canceled, restructured, or extended beyond their initial expected life span. While development policy financing disburses fully upon Bank Group Board approval and project effectiveness, other projects can take many years to implement, with project disbursements extending beyond respective IDA commitment cycles.

3.5 IDA resources are invested in countries with higher needs and capabilities to address development needs. The causal chain from financing mechanisms to allocations to commitments to disbursements leads to IDA resources reaching those countries that meet the criteria of the different mechanisms of the IDA Country Allocations.

3.6 Finally, IDA resources contribute to achieving development outcomes. IDA resources received by countries result in investments and policies that help countries grow faster, manage debt better, avoid conflict with greater consistency, and weather crises more effectively, which together help reduce poverty, sustain stronger overall development trajectories, and accelerate eventual graduation from IDA. This causal step to outcomes is excluded from the scope of the evaluation.

4. Evaluation Design and Methods

4.1 The evaluation will use a mixed methods approach to answer the EQs (see the evaluation design matrix in appendix K). The evaluation conceptual framework will provide the basis for assessing the IDA Country Allocations using a combination of document reviews; quantitative data analyses of allocations, commitments, and disbursements; simulations and scenario analysis; and semistructured interviews. In addition, the team will conduct desk-based deep dives, including a review of portfolio data and interviews.

4.2 The evaluation will trace the causal chain from financing mechanisms to allocations to commitments to disbursements and assess how strongly they are correlated with indicators of performance (EQ1) and needs (EQ2). First, quantitative data analyses will be conducted to assess correlations between (i) allocations and performance and needs indicators; (ii) commitments and performance and needs indicators; and (iii) disbursements and performance and needs indicators. Second, the evaluation will simulate allocations using different proxies of performance and needs to assess how well the IDA approach rewards different types of performance and responds to multiple needs (building on World Bank 2024b). The evaluation will review allocation models of other multilateral development banks (appendix E) to benchmark the IDA Country Allocations. Finally, the analysis will be complemented by selected deep dives.

4.3 Under EQ3, the team will assess the internal, external, and temporal coherence of the IDA Country Allocations. To assess internal coherence, the evaluation will review documents (for example, institutional policies, procedures, guidelines, and management or Board reports) to understand the allocation logic of different parts of the IDA Country Allocations and their alignment. The document review will be complemented by interviews with Country Management Units, government counterparts, and IDA deputies and by the quantitative data analysis (explained earlier). The same approach will be used to assess external coherence between components of the IDA Country Allocations and Windows (including a review of documentation specific to the different Windows) and the temporal coherence of the allocation logic across the three IDA cycles covered by the evaluation period. The evaluation will explore assessing coherence from two complementary value perspectives. The first value perspective relates to the evolution of the IDA Country Allocations and emphasizes the importance of financing mechanisms introduced over the years being complementary in their logic. In other words, the internal and external coherence logic is one of complementarity. The second value perspective centers on concerns that introducing additional financing mechanisms with differing rules may dilute the original performance- and needs-based focus of the Performance-Based Allocation system. In other words, the internal and external coherence logic is one of consistency.

4.4 Under EQ4, the evaluation will review key features and processes to assess the transparency and predictability of the IDA Country Allocations. The evaluation will assess whether IDA interfaces such as portals, websites, and liaising units provide timely, accessible, and relevant information that enables country counterparts to incorporate IDA financing into their plans effectively. Additionally, the assessment will investigate the predictability of IDA Country Allocations by analyzing IDA documents. The approach will involve reviewing academic literature on transparency standards and benchmarking the IDA Country Allocations against them. The team will also conduct quantitative data analysis on differences between the indicative and final IDA Country Allocations over time and across regions.

4.5 The methodological approaches noted under each EQ will be supplemented with desk-based, selected deep dives. These will involve desk-based reviews of portfolio and other data, as well as interviews with clients and Bank Group country teams. The purpose of the deep dives is to assess whether the IDA Country Allocations are implemented as intended (EQ1 and EQ2). The deep dives will also shed light on internal, external, and temporal coherence (EQ3), as well as transparency and predictability (EQ4) of the IDA Country Allocations from the client's perspective. In addition, interviews will be conducted with relevant stakeholders, including Bank Group shareholders and management.

4.6 The evaluation has several limitations. First, the IDA portfolio is broad and complex, with significant variation in projects and country contexts. Second, the IDA Country Allocations evolve with each Replenishment cycle, and the evaluation is limited to three IDA cycles (IDA18–IDA20). Third, defining performance and needs and identifying sound proxy indicators poses analytical challenges. The team will manage these challenges by focusing on the definitions that can be directly or indirectly gauged from IDA documents and other resources.

5. Quality Assurance Process

5.1 The evaluation will follow IEG's quality assurance processes, including a review by IEG management and peer reviewers. It will also benefit from advice from IEG's methods team throughout preparation. The peer reviewers are Shantayanan Devarajan, professor of the practice of international development at Georgetown University's Edmund A. Walsh School of Foreign Service; Clemence Landers, vice president and senior policy fellow at the Center for Global Development; Melanie Robinson, Global Climate, Economics and Finance Program director at the World Resources Institute; Vera Songwe, nonresident senior fellow of the Global Economy and Development, Africa Growth Initiative at the Brookings Institution; and Juergen Zattler, distinguished nonresident fellow at the Center for Global Development.

6. Outputs, Timeline, and Team

6.1 IEG will prepare an evaluation report with key findings and lessons expected to be submitted to the Committee on Development Effectiveness in the third quarter of FY27.¹¹ Before submission, the draft report will be shared with Bank Group management for comments, according to standard practice.

6.2 The evaluation will be prepared by an IEG team under the guidance of Birgit Hansl (manager), Theo Thomas (director), Jozef Vaessen (senior adviser), and Sabine Bernabè (vice president and Director General, Evaluation). IEG will seek to disseminate the findings to multiple audiences. A communications and influence strategy will be developed with IEG's Knowledge and Communications team.

¹ IDA eligibility criteria include gross national income per capita below the operational cutoff (for 2026, the operational cutoff is a gross national income per capita of US\$1,325 in 2024) and creditworthiness to borrow from the International Bank for Reconstruction and Development or private markets on reasonable terms. With the small island economies exception and the Small States exception, some small countries may remain eligible for IDA resources, even if their gross national income per capita exceeds the operational cutoff, because of their high vulnerability to natural disasters, climate change, and limited access to commercial credit. IDA-eligible countries are classified into three overlapping groups: 24 countries classified as Small States, 33 countries classified as fragile and conflict-affected situations, and 34 countries deemed at high risk of debt distress or already in debt distress (appendix A).

² IDA19 was shortened to two years because of the impact of the COVID-19 pandemic.

³ Funding for IDA comes from donor contributions, loan repayments from clients, transfers from the International Bank for Reconstruction and Development, and market borrowings.

⁴ The Performance-Based Allocation design was based on several Bank Group analytical pieces, including the seminal *Assessing Aid: What Works, What Doesn't, and Why* (World Bank 1998), which shaped the Bank Group's Performance-Based Allocation methodology and influenced that of other international financial institutions.

⁵ The current Performance-Based Allocation formula has evolved over time but has been unchanged since IDA18 (FY18–20); most multilateral development banks and institutions use some type of formula-driven, performance-based mechanism to allocate funds (appendix E).

⁶ IDA-only countries at elevated risk of debt distress are eligible for grants but face a total volume discount on grant allocations (reintroduced in IDA21) to help ensure equity and incentivize sustainable borrowing practices while underpinning the long-term financial sustainability of IDA.

⁷ This evaluation will cover the FCV Envelope and its predecessors from IDA18 to IDA20.

⁸ Other papers that reviewed the link between the Performance-Based Allocation and outcomes are by Dollar and Levin (2005); Denizer et al. 2011, 2013; and Geli et al. (2014).

⁹ All recommendations have been met and have been retired from the Management Action Record.

¹⁰ Internal coherence is defined as an assessment of the synergies, linkages, and complementarity among financing mechanisms under the Country Allocations. External coherence is defined as an assessment of the synergies, linkages, and complementarity between financing mechanisms under the IDA Country Allocations and other IDA financing mechanisms (under the IDA Windows).

¹¹ In addition, IEG will prepare a background note for consideration at the IDA Mid-Term Review, in response to the request for “an independent assessment of IDA’s country allocation system” (World Bank 2025a, 123). The assessment will draw on evidence from this evaluation regarding IDA’s performance and needs orientation, as well as on relevant findings related to transparency and predictability of the IDA Country Allocations (EQ1, EQ2, and EQ4). Within the confines of Section 5A of the Replenishment report (World Bank 2025a), the assessment will not include an analysis of coherence (EQ3). It will be complemented by a parallel analysis of coherence, which together will complete this overall evaluation of the IDA Country Allocation system.

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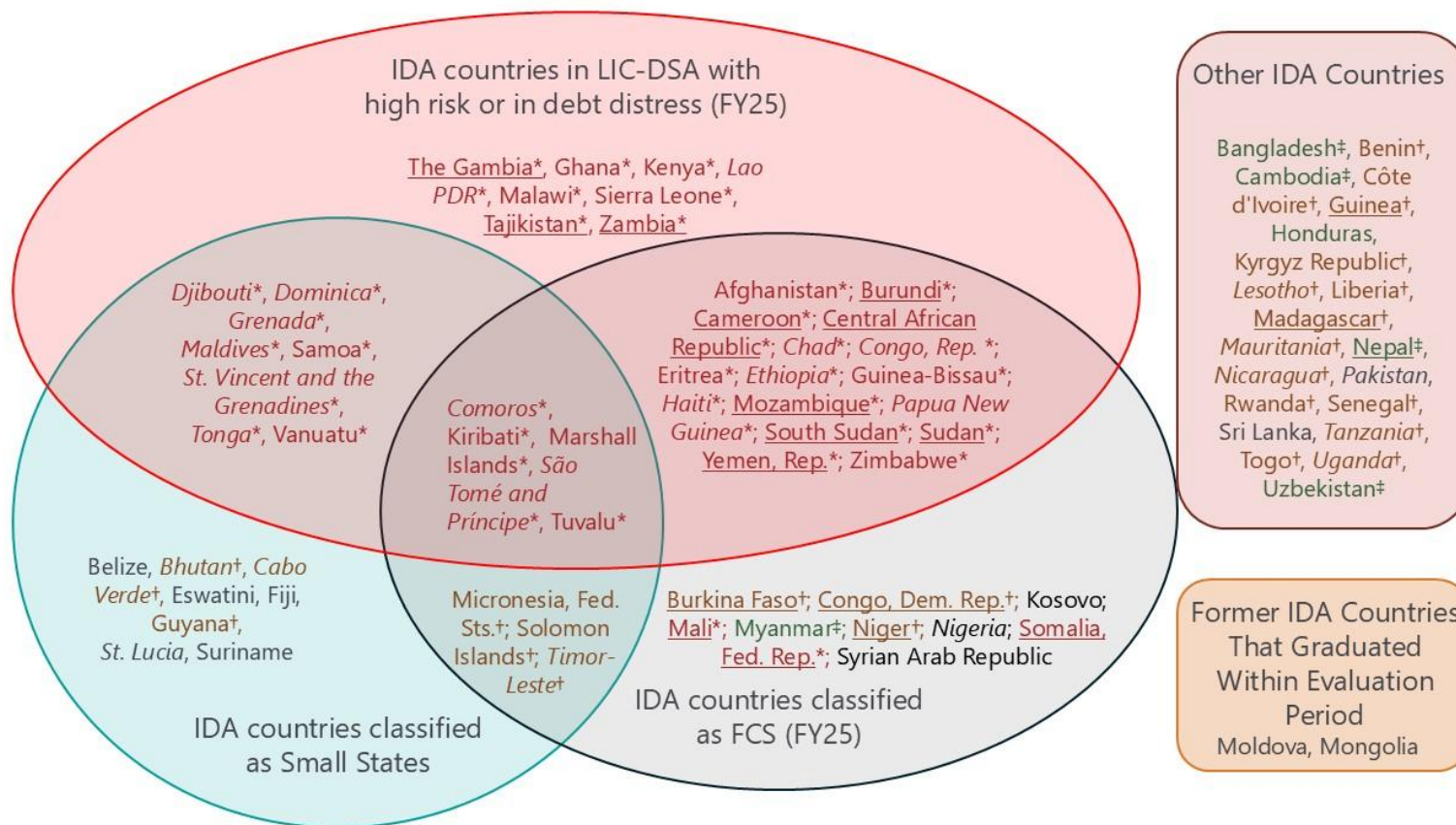
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Appendix A. Key International Development Association Country Groupings



Sources: Development Finance Vice Presidency; Independent Evaluation Group.

Note: Countries are color coded based on their risk of debt distress. Countries displayed in red color (*) are experiencing or at high risk of debt distress; those in orange (†) are at medium risk of debt distress; those in green (‡) are at low risk. Finally, those displayed in black are countries that are not assessed under LIC-DSA (either IDA blend or gap countries). Countries in italics were subjected to SDFP set-asides, whereas countries underlined received allocation top-ups from the FCV Envelope. Guinea, Nepal, and Tajikistan got Risk Mitigation Regime but not FCV Envelope. Madagascar got Turn Around Regime but not FCV Envelope. Benin, Chad, Haiti, and Togo accessed FCV Envelope in IDA20. DSA = Debt Sustainability Analysis; FCS = fragile and conflict-affected situations; FCV = fragility, conflict, and violence; IDA = International Development Association; LIC = low-income country; SDFP = Sustainable Development Finance Policy.

Appendix B. Evolution of the International Development Association Framework

The International Development Association (IDA) framework has evolved over time, with new elements added in each IDA round (figure B.1). The changes can be classified into three categories: (i) changes to the Performance-Based Allocation (PBA) formula, (ii) changes that affect IDA Country Allocations, and (iii) introduction of or changes to the Windows. It is also worth noting that the financing terms are modified periodically (see appendix H).

Changes to the Performance-Based Allocation Formula

Changes to the Base Allocation

The base allocations constitute an important part of overall allocations provided to all countries. Between the 15th Replenishment of IDA (IDA15) and IDA18, the base allocation was raised four times, from special drawing rights (SDR) 1.1 million per year to SDR 1.5 million per year in IDA15, SDR 3.0 million per year in IDA16, SDR 4.0 million per year in IDA17, and SDR 15.0 million per year in IDA18. The increases were expected to benefit small countries—in recognition of their unique vulnerabilities—and to maintain a meaningful engagement or viable program at the country level.

Changes to the Country Performance Rating

The exponent of the Country Performance Rating in the PBA formula was changed three times between IDA15 and IDA18. In IDA15, the Country Performance Rating exponent was increased from 2 to 5 to maintain the same dispersion of ratings and of allocations based on other changes made to the formula. In IDA17, the Country Performance Rating exponent in the PBA formula was lowered from 5 to 4 to increase the poverty orientation of the PBA. This change was expected to allow for an increased IDA engagement in the poorest countries—notably the broader group of countries classified as fragile and conflict-affected situations, most of which have low per capita gross national income levels—while preserving the principle of performance orientation in the allocation system.

Changes That Affect International Development Association Country Allocations

Grant Allocation Discount

Before IDA13, grants were allocated only on an exceptional basis. In IDA13, grants were allocated according to multiple special-purpose eligibility criteria as agreed to by the

deputies. Deputies agreed to extend financing in the form of grants under specific conditions, particularly for countries with average annual per capita income of less than or equal to US\$1 per day (gross national income of US\$360) and subject to country performance, post-conflict countries, and countries under United Nations administration. The use of grants was also expanded to as much as 23 percent of overall IDA13 resources and 40 percent for post-conflict countries. The Grant Allocation Framework was introduced in IDA14, with only one criterion for grant eligibility: “countries’ risk of debt distress,” which would be derived from the International Monetary Fund–World Bank Debt Sustainability Framework. IDA14 also introduced the Modified Volume Approach with the application of a 20 percent volume discount on grants (9 percent for post-conflict countries). The volume discount was discontinued in IDA18 but has since been reestablished in IDA21. Elimination of the grant discount in IDA18 was expected to benefit mainly countries classified as fragile and conflict-affected situations, which received IDA assistance on grant terms; simplify the PBA framework; and enhance transparency.

Multilateral Debt Relief Initiative Netting Out

The Multilateral Debt Relief Initiative (MDRI) was proposed in June 2005, and its implementation began on July 1, 2006 (IDA14). For countries eligible for debt cancellation under the MDRI, the debt service due in the relevant fiscal year would be netted out from that year’s allocation. At the IDA15 Mid-Term Review and during the IDA16 Replenishment negotiations, the MDRI netting-out mechanism was changed so that the amount deducted as foregone debt service from an eligible country’s gross annual PBA was capped at 30 percent of the PBA starting from FY 2011. This change sought to mitigate the adverse allocation impact of the MDRI netting out. This capped deduction continued to apply during IDA16. In IDA18, the MDRI netting out was eliminated. The elimination of the MDRI netting out was expected to benefit countries classified as fragile and conflict-affected situations, most of which were MDRI beneficiaries that received IDA assistance on grant terms. The change was also expected to help simplify the PBA framework and enhance transparency.

Risk Mitigation Regime

The Risk Mitigation Regime (RMR) was established in IDA18, as an exceptional regime to test the use of development interventions as a prevention tool. It was expected to provide a vehicle for enhanced support during IDA18 to countries facing increasing risks of fragility, conflict, and violence (FCV). The RMR augmented IDA Country Allocations for select countries classified as fragile and conflict-affected situations to strengthen the risk mitigation agenda, providing additional financing to target FCV risks and reinforcing sources of resilience, as well as strengthening diagnostics. The

exceptional support was added to their regular PBAs and could be as much as one-third of the regular PBA for up to three years. In terms of volume, the RMR was capped at US\$300 million per country per Replenishment.

International Development Association Small States Exception

In IDA18, favorable lending terms for Small Island Economies were extended to all small countries with a population of 1.5 million people or fewer.¹ In March 2019, the Small Island Economies Exception policy was revised to include criteria for considering requests from International Bank for Reconstruction and Development–only Small Island Economies to be reclassified as eligible for IDA support. In addition to a per capita income threshold, the eligibility criteria capture vulnerability based on commonly used vulnerability indexes that focus on natural disasters, climate change, and structural vulnerability to economic and environmental shocks.

Introduction of or Changes to the Windows

Regional Projects Contribution

Before IDA15, the IDA regional project program required participating countries to contribute one-third of the cost of their participation in regional projects from their IDA Country Allocations. In IDA15, this contribution was limited to 20 percent of IDA Country Allocations. While this ceiling applied to all countries, it was intended to assist countries with small allocations. In IDA18, the threshold for triggering the 20 percent cap under the regional program was revised and made applicable to small countries, based on the definition of Small States as countries with a population of 1.5 million people or fewer.

Evolution of the Risk Mitigation Regime, Turn Around Regime, and Post-Conflict Regime

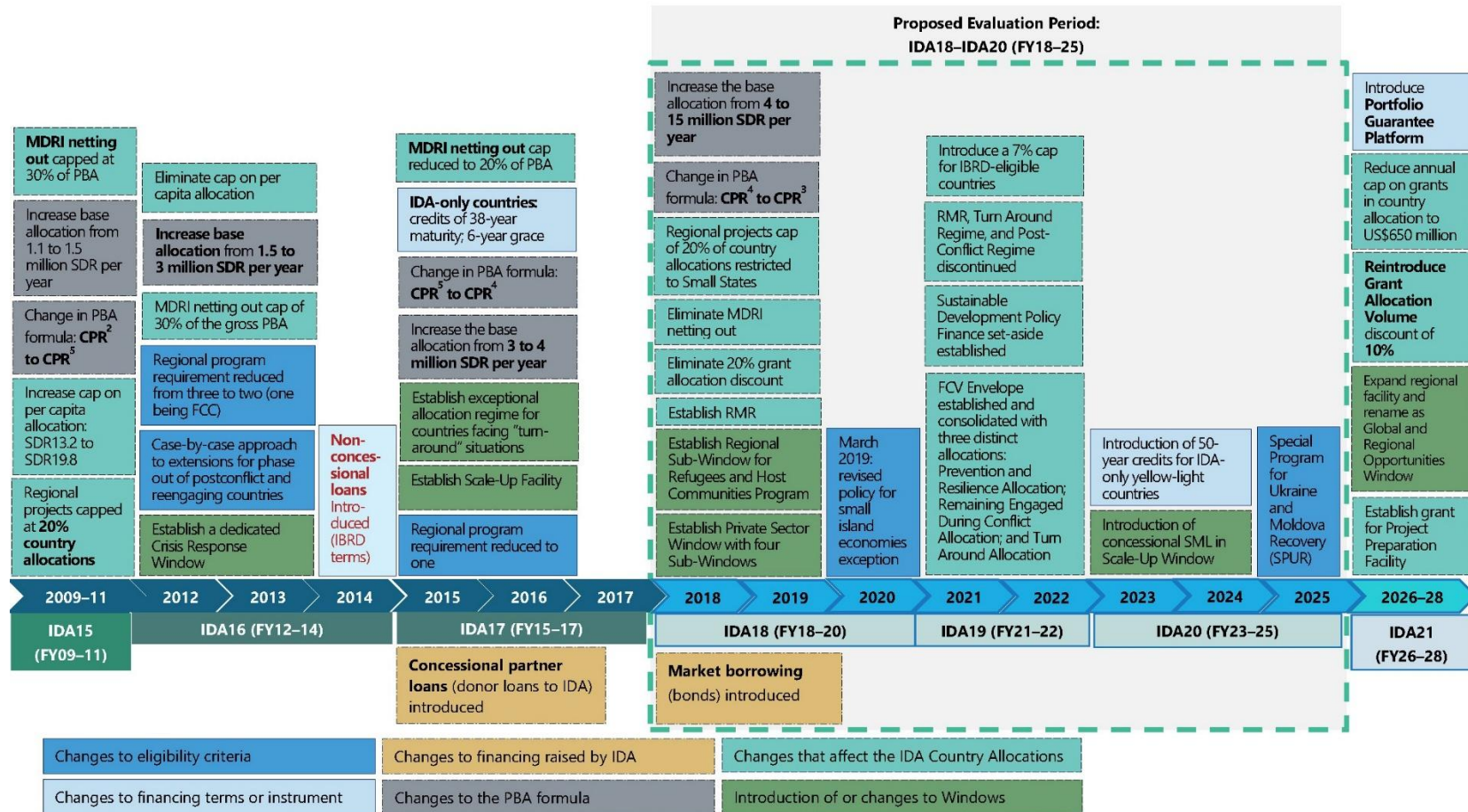
In IDA19, all FCV-related allocations were consolidated within an FCV Envelope as part of Core IDA, composed of the following:

1. **Prevention and Resilience Allocation.** This allocation replaced the RMR and seeks to support countries at risk of high-intensity conflict or large-scale violence, based on government commitment and agreed milestones.
2. **Remaining Engaged During Conflict Allocation.** This financing mechanism supports a small number of countries that experience high-intensity conflict and have extremely limited government capacity, building on lessons from the Republic of Yemen.

3. **Turn Around Allocation.** This allocation seeks to support countries with a window of opportunity to accelerate the transition out of fragility, building on lessons from the previous Turn Around Regime.

¹ The Small Island Economies Exception was introduced in 1985 to enable Small States that lacked creditworthiness to access IDA concessional resources even though their per capita incomes were above the threshold for receiving IDA support.

Figure B.1. Changes in the IDA Framework, IDA15–IDA21



Sources: Development Finance Vice Presidency; Independent Evaluation Group.

Note: CPR = Country Performance Rating; FCC = fragile and conflict-affected countries; FCV = fragility, conflict, and violence; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IDA15, IDA16, IDA17, IDA18, IDA19, IDA20, and IDA21 = 15th, 16th, 17th, 18th, 19th, 20th, and 21st Replenishments of IDA; MDRI = Multilateral Debt Relief Initiative; PBA = Performance-Based Allocation; RMR = Risk Mitigation Regime; SDR = special drawing rights; SML = shorter-maturity loan.

Appendix C. International Development Association Country Allocations: Unpacking Performance and Needs by Financing Mechanism, Replenishments 18–20

IDA Country Allocations	Volume Based on Performance? (Yes or No)	Performance Objectives	Performance Indicators	Volume Based on Needs? (Yes or No)	Needs Objectives	Needs Indicators
PBA						
Base allocation	No			Yes	Meet the high costs of development (especially important in Small States). Address vulnerability and fragility (especially important in Small States). Meet the fixed costs of country engagement and maintain an effective country program (especially important in Small States).	IDA eligibility. Small State classification and Small Island States Exception eligibility.
PBA without the base allocation and SDFP	Yes	Maximize the reduction of poverty. Promote sustainable growth. Optimize development outcomes.	CPR is determined as a function of the CPIAs and the Portfolio Performance Rating.	Yes	Address elevated development challenges in the poorest and most populous countries.	Population and gross national income per capita.
SDFP potential set-aside	Yes	Reduce debt vulnerabilities through country-specific Performance and Policy Actions focused on three pillars: (i) debt transparency (comprehensive and timely debt reporting); (ii) debt management (strategy, risk management, and debt limits); and (iii) fiscal sustainability (domestic revenue mobilization, PFM, and fiscal risks).	Implementation of country-specific Performance and Policy Actions.	Yes	Address financing challenges in countries at moderate or high risk of debt distress, or in debt distress (per the Joint World Bank–IMF Low-Income Debt Sustainability Framework), excluding countries eligible for IDA’s Remaining Engaged During Conflict Allocation.	Determination of risk of debt distress per the Low-Income Debt Sustainability Framework.

IDA Country Allocations	Volume Based on Performance? (Yes or No)	Performance Objectives	Performance Indicators	Volume Based on Needs? (Yes or No)	Needs Objectives	Needs Indicators
		Signal to markets and creditors and promote coordination (including alignment with IMF's Debt Limits Policy).				
FCV Envelope						
Prevention and Resilience Allocation	Yes	<p>Progress on the implementation of a government-led strategy to prevent escalation into high-intensity conflict or large-scale violence, including concrete, time-bound milestones.</p> <p>Engage in sensitive policy dialogue and coordination on underlying governance, security, and stabilization issues.</p> <p>Enhance overall performance as captured by the CPR, as Prevention and Resilience Allocation resources are linked with the top-up of up to 75% of the PBA.</p>	<p>Milestones are government-owned indicators; eligibility is reviewed annually.</p> <p>Prevention and Resilience Allocation resources are used to address FCV drivers.</p>	Yes	<p>Mitigate elevated risk of escalation of high-intensity conflicts or large-scale violence.</p> <p>Meet financing challenges for resources to scale preventive and inclusive approaches beyond "business as usual."</p> <p>Address the challenge of responding to fast-changing fragility dynamics.</p> <p>Meet the difficulty of engaging in structured, sensitive policy dialogue on prevention.</p>	<p>Quantitative indicators signaling risk of escalation.</p> <p>Government strategy or plan acceptable to IDA.</p>
Remaining Engaged During Conflict Allocation	Yes	<p>Preserve institutional capacity and human capital (for example, sustaining basic services and core institutions) to position better for future recovery (from high-intensity conflict in a context of extremely limited government capacity).</p> <p>Keep IDA meaningfully engaged.</p>	<p>Country-specific results defined in the Remaining Engaged During Conflict Allocation Eligibility Note.</p>	Yes	<p>Address falling institutional capacity and eroding human capital in a context of high-intensity conflict and low institutional capacity.</p> <p>Meet the challenge of maintaining a base level of engagement (security delivery) in countries with high-intensity conflicts and limited government capacity.</p>	<p>Quantified indicator of high-intensity conflict.</p> <p>CPR score below 2.5 (PBA then calculated using CPR of 2.5 as a floor, with US\$300 million cap).</p>

IDA Country Allocations	Volume Based on Performance?	Performance Objectives	Performance Indicators	Volume Based on Needs?	Needs Objectives	Needs Indicators
	(Yes or No)			(Yes or No)		
Turn Around Allocation	Yes	<p>Pursue and implement a credible turnaround strategy (with concrete, time-bound milestones) to accelerate transition out of fragility and build resilience.</p> <p>Recalibrate the IDA portfolio to the transition agenda.</p> <p>Deliver measurable progress each year against agreed milestones—typically in areas such as transparency, institutional strengthening, macroeconomic resilience, and renewal of the social contract and social inclusion.</p> <p>Enhance overall performance as captured by the CPR, as Turn Around Allocation resources are linked with a top-up of up to 125% of the PBA.</p>	<p>Country-specific milestones reviewed annually (such as foundational governance, peacebuilding, inclusion service delivery, PFM, and debt transparency).</p> <p>Portfolio recalibrations to focus on FCV drivers.</p> <p>CPR</p>	Yes	<p>Meet the challenge of building stability and resilience after the cessation of an ongoing conflict (in a short window of opportunity). Reengage after a prolonged period of disengagement from World Bank lending.</p> <p>Address critical elements of fragility through a major shift in policy priorities.</p>	<p>CPIA of 3.0 or below.</p> <p>Period of disengagement from the World Bank Group.</p> <p>Compelling case for Bank Group support to the government's reform agenda.</p>

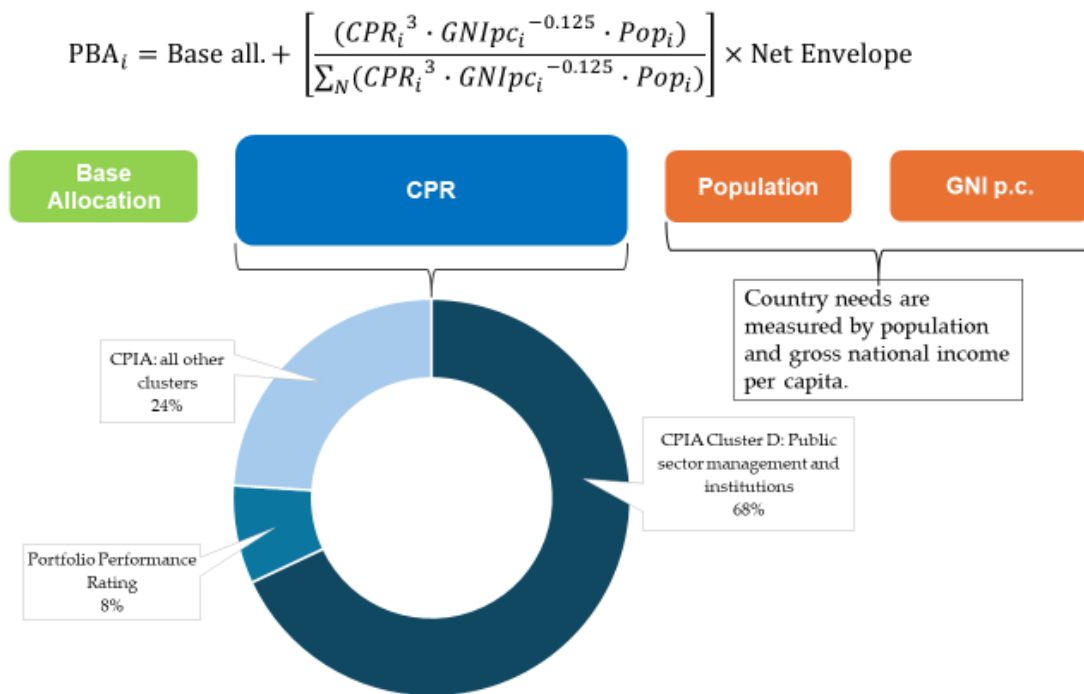
Source: Independent Evaluation Group.

Note: Explicitly or implicitly extracted as per IDA documentation. CPIA = Country Policy and Institutional Assessment; CPR = Country Performance Rating; FCV = fragility, conflict, and violence; IDA = International Development Association; IDA18, IDA19, and IDA20 = 18th, 19th, and 20th Replenishments of IDA; IMF = International Monetary Fund; PBA = Performance-Based Allocation; PFM = public financial management; SDFP = Sustainable Development Finance Policy.

Appendix D. Determination of International Development Association Performance-Based Allocation Volumes, Replenishments 18–20

The Performance-Based Allocation formula includes a base allocation (set at special drawing rights 15 million per fiscal year for all International Development Association–eligible countries regardless of size) and then weighs a country’s own performance relative to those of all other International Development Association countries as reflected in the Country Performance Rating. The Country Performance Rating is based on the Country Policy and Institutional Assessments and the Portfolio Performance Rating (figure D.1). Needs are reflected by the inclusion of population and gross national income per capita in the formula. The base allocation also reflects needs in that it is especially beneficial for small countries that tend to face high vulnerabilities and fragility.

Figure D.1. Performance-Based Allocation Formula



Source: Development Finance Vice Presidency.

Note: CPIA = Country Policy and Institutional Assessment; CPR = Country Performance Rating; GNI p.c. = gross national income per capita; PBA = Performance-Based Allocation; Pop = population.

Appendix E. Performance-Based Allocation System of the International Development Association and Other Development Institutions over Time

The Performance-Based Allocation formula of the International Development Association has evolved since its inception in 1991 but has not changed since 2018. The Performance-Based Allocation formulas of other development institutions have both needs and performance factors (albeit the proxies for needs and performance) and the exponents vary across institutions (table E.1).

Table E.1. Performance-Based Allocation Formula of the International Development Association and Other Development Institutions

	Needs Factors	Performance Factors: Country Performance Ratings	
IDA 1991–96	$Population^1 * (GNI\ p.c.)^{-0.25}$	$CPIA^{1.8}$	
IDA 1997	$Population^1 * (GNI\ p.c.)^{-0.125}$	$CPIA^{0.5}$	CPR < 2
	$Population^1 * (GNI\ p.c.)^{-0.125}$	$CPIA^{1.6}$	2 < CPR < 2.9
	$Population^1 * (GNI\ p.c.)^{-0.125}$	$CPIA^{1.95}$	CPR > 2.9
IDA (1998–2000) ^a	$Population^1 * (GNI\ p.c.)^{-0.125}$	$(1/3 * (0.8 * CPIA + 0.2 * PPR))^{1.75}$	CPR < 3
	$Population^1 * (GNI\ p.c.)^{-0.125}$	$(0.8 * CPIA + 0.2 * PPR)^2$	CPR > 3
IDA (2001–08) ^b	$Population^1 * (GNI\ p.c.)^{-0.125}$	$\left((0.8 * CPIA + 0.2 * PPR) * \left(\frac{Govt.Rating}{3.5} \right)^{1.5} \right)^2$	
IDA (FY09–14) ^c	$Population^1 * (GNI\ p.c.)^{-0.125}$	$(0.24 * CPIA_{A-C} + 0.68 * CPIA_D + 0.08 * PPR)^5$	
IDA17 (FY15–17)	$Population^1 * (GNI\ p.c.)^{-0.125}$	$(0.24 * CPIA_{A-C} + 0.68 * CPIA_D + 0.08 * PPR)^4$	
IDA18–21 (FY18–28)	$Population^1 * (GNI\ p.c.)^{-0.125}$	$(0.24 * CPIA_{A-C} + 0.68 * CPIA_D + 0.08 * PPR)^3$	
GEF, GEF Trust Fund (GEF-6)	$GBI^{0.8} * (GDP\ p.c.)^{-0.16}$	$0.65 * CEPIA + 0.15 * CPIA_D + 0.2 * Portfolio$	

	Needs Factors	Performance Factors: Country Performance Ratings
African Development Bank, African Development Fund	$Population^1 * (GNI\ p.c.)^{-0.125} * AIDI^{-0.25}$	$(0.20 * CPIA_{A-C} + 0.58 * CPIA_D + 0.06 * CPIA_E + 0.16 * Portfolio)^{4.125}$
Asian Development Bank, Asian Development Fund	$Population^{0.6} * (GNI\ p.c.)^{-0.25}$	$[(ADB_CPIA_{A-c})^{0.7} * (ADB_CPIA_D) * Portfolio^{0.3}]^2$
Caribbean Development Bank, Special Development Fund	$\log Population * POOR^{0.1} * (GNI\ p.c.)^{-0.9} * Vulnerability^2$	$(0.7 * CDB_CPIA + 0.3 * Portfolio)^2$
International Fund for Agricultural Development	$Rural_Population^{0.405} * (GNI\ p.c.)^{-0.265} * IVI^{0.95}$	$(0.65 * Portfolio + 0.35 * RSP)$
Inter-American Development Bank, Performance-Based Allocation	$Population^{0.5} * (GNI\ p.c.)^{-0.125}$	$(0.3 * Portfolio + 0.7 * CIPE)^2$

Sources: African Development Bank, Asian Development Bank, Caribbean Development Bank, Development Finance Vice Presidency, Global Environment Facility, Independent Evaluation Group, Inter-American Development Bank, International Fund for Agricultural Development.

Note: ADB = Asian Development Bank; AIDI = Africa Infrastructure Development Index; CEPIA = Country Environmental Policy and Institutional Assessment Index; CIPE = Country Institutional and Policy Evaluation; CPIA = Country Policy and Institutional Assessment; CPIA_{A-C} = CPIA clusters A (economic management), B (structural policies), and C (policies for social inclusion/equity); CPIA_D = CPIA cluster D (public sector management and institutions); CPR = Country Performance Rating; GBI = GEF Benefits Index; GEF = Global Environment Facility; GNI p.c. = gross national income per capita; IDA = International Development Association; IDA17, IDA18, IDA19, IDA20, and IDA21 = 17th, 18th, 19th, 20th, and 21st Replenishments of IDA; IVI = IFAD Vulnerability Index; PPR = Project Performance Rating; RSP = Rural Sector Performance.

a. Governance discount (introduced in FY00): For countries with three or more ratings of 2 or below out of the six CPIA governance criteria, and more than 30 percent of projects with deficient procurement practices (according to the Annual Resource Planning Process rating), the CPR is cut by one-third.

b. 2001–03: governance rating = average of seven governance criteria (six CPIA criteria plus procurement criterion of the Annual Resource Planning Process portfolio rating). 2004–07: governance rating = average of six governance criteria (five CPIA criteria plus a three-year moving average of the procurement flag of the Annual Resource Planning Process portfolio rating). FY08: governance rating = average of five governance criteria in CPIA.

c. Governance rating = average of five governance criteria in CPIA_D.

Appendix F. The Sustainable Development Finance Policy

The Sustainable Development Finance Policy (SDFP) was introduced as an incentive in the form of an allocation set-aside of the Performance-Based Allocation. The SDFP was launched in the 19th Replenishment of the International Development Association (IDA19; effective July 2020) to incentivize International Development Association (IDA) countries to move toward transparent and sustainable financing and to enhance coordination between IDA and other creditors (World Bank 2019). The SDFP replaced the nonconcessional borrowing policy and sought to address debt sustainability,¹ debt transparency, and fiscal sustainability challenges in a systematic way over a longer-term horizon, based on country dialogue, analytics, financing, and technical assistance. As designed, countries at moderate risk of debt distress would be subjected to a 10 percent set-aside, while countries at high risk for or already in debt distress would be subjected to a 20 percent set-aside if Performance and Policy Actions (PPAs) are not met in the respective fiscal year.² These set-asides could later be recovered upon completion of an agreed set of PPAs reviewed annually.³ PPAs are tailored to country-specific contexts and debt situations, focusing primarily on debt transparency, fiscal sustainability, and debt management. They are designed to be concrete and monitorable. Set-asides are applied after one year of unsatisfactory implementation of a specific PPA and can be recovered by meeting that PPA the next year, or they become permanent discounts if not accomplished within two years. Starting in July 2025, IDA21 shifted the SDFP incentive mechanism from a punitive set-aside to a simpler, more positive incentive amounting to 10 percent of the Performance-Based Allocation to allocate to countries that successfully implement their PPAs (table F.1).

Table F.1. Performance and Policy Actions and Sustainable Development Finance Policy Set-Asides Implemented, FY21–25

	FY21	FY22	FY23	FY24	FY25
PPAs approved (no.)	130	141	147	158	151
of which related to debt transparency	42	42	27	28	17
of which related to debt management	53	53	62	61	58
of which related to fiscal sustainability	35	46	58	69	77
Countries with approved PPAs (no.)	55	58	60	59	61
of which high risk or in debt distress	31	33	34	31	30
of which moderate risk of debt distress	19	20	22	23	24
Countries with set-asides (no.)	0	4	6	7	18 ^a
Total amount of set-asides (SDR, millions)	0.0	-151.6	-498.1	-97.6	-457.1
PBA for countries with set-asides (SDR, millions)	0.0	911.9	3,186.1	446.8	2,533.9

	FY21	FY22	FY23	FY24	FY25
Share of set-asides (%)	0.0	16.6	15.6	21.8	18.0
Countries with set-asides returned (no.)	0	0	2	3	3
Total amount of set-asides returned (SDR, millions)	0.0	0.0	12.0	485.5	24.5

Sources: Development Finance Vice Presidency; Independent Evaluation Group.

Note: PBA = Performance-Based Allocation; PPA = Performance and Policy Action; SDR = special drawing rights.

a. This includes late implementation allowed in FY25.

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¹ The nonconcessional borrowing policy had sought to support debt policies and long-term external debt sustainability in IDA-eligible nongap countries by focusing on external, nonconcessional financing flows.

² Countries have a year to meet any missed PPAs.

³ Three categories of countries are excluded from submitting PPAs: (i) countries deemed low risk for debt distress under the joint World Bank–International Monetary Fund Low-Income Country Debt Sustainability Framework and market access countries assessed to have limited debt vulnerabilities under the Debt Sustainability Analysis for market access countries, (ii) countries in nonaccrual status, and (iii) countries eligible for IDA’s Remaining Engaged During Conflict Allocation.

Appendix G. Fragility, Conflict, and Violence Envelope

The International Development Association (IDA) Fragility, Conflict, and Violence (FCV) Envelope addresses specific country risks in select countries classified as fragile and conflict-affected situations, supplementing their Performance-Based Allocations. In the 17th Replenishment of IDA (IDA17), the Turn Around Regime was introduced, which was later restructured into the FCV Envelope under IDA19. The IDA FCV Envelope provided a cumulative US\$21.0 billion to select countries classified as fragile and conflict-affected situations during the three IDA rounds from IDA18 to IDA20, accounting for 12 percent of their Country Allocations. The number of IDA countries accessing the FCV Envelope rose from 7 in 2018 to 15 in 2025. IDA financing under the FCV Envelope is supported by three separate FCV Envelope allocations: (i) the Prevention and Resilience Allocation (PRA), (ii) the Remaining Engaged During Conflict Allocation, and (iii) the Turn Around Allocation. Financing from the FCV Envelope should not bring a country's allocation above 7 percent of the total.

- **The PRA** supplements Performance-Based Allocation for countries at risk for the onset of conflict or escalating into high-intensity conflict or large-scale violence. The PRA provides a top-up of 75 percent of the Performance-Based Allocation, subject to an upper PRA limit of US\$700 million per country per cycle.
- **The Remaining Engaged During Conflict Allocation** maintains a base level of IDA Country Allocations for countries that are experiencing high-intensity conflict and have limited government capacity. In IDA19 and IDA20, the allocation top-up could not exceed US\$300 million per IDA cycle to any single country. This amount was raised to US\$400 million in IDA21.
- **The Turn Around Allocation** supplements the Performance-Based Allocation for countries emerging from conflict, social or political crisis, or disengagement and that have a window of opportunity to pursue major reforms, accelerate the transition out of fragility, and build resilience. In IDA19 and IDA20, a Turn Around Allocation top-up was 125 percent of the Performance-Based Allocation. Under IDA21, the top-up was reduced to 100 percent of the Performance-Based Allocation.

Appendix H. International Development Association Financing Terms

The terms of International Development Association (IDA) financing have evolved, with increased levels of concessionality over time. Terms depend on the lending group of the country and the annual determination of the risk of debt distress (table H.1). The Low-Income Country Debt Sustainability Analysis is used to determine the risk of debt distress for IDA countries. The Sovereign Risk and Debt Sustainability Analysis for market access countries is also used for countries not subject to the Low-Income Country Debt Sustainability Analysis, with a case-by-case consideration of overall risks. For Country Allocations, IDA-only countries that are at high risk of debt distress can receive IDA funding in grants with 100 percent concessionality, while those at low risk of debt distress receive IDA credits (loans) with varying levels of concessionality (table H.1). Over time, the financing architecture has evolved with the introduction of shorter-maturity loans in the 20th Replenishment of IDA (IDA20), with these loans repaid over a shorter period. The IDA financing terms for the 42 Small States (defined as countries with a population of fewer than 1.5 million people) also receive more favorable terms in recognition of their unique development challenges and vulnerability.

Table H.1. International Development Association Performance-Based Allocation Lending Terms

Lending Group	IDA 18			IDA19			IDA20			IDA21		
	IDA terms	Grace period	Final maturity	IDA terms	Grace period	Final maturity	IDA terms	Grace period	Final maturity	IDA terms	Grace period	Final maturity
Non-Small States												
IDA only												
High risk or in debt distress	Grants	n.a.	n.a.	Grants	n.a.	n.a.	Grants	n.a.	n.a.	100% grants (10% volume discount and capped at US\$650 million), or 100% 60-year credits	n.a.; 60 years	n.a.; 60 years
Moderate risk of debt distress	50% grants; 50% credits	n.a.; 6 years	n.a.; 38 years	50% grants; 50% credits	n.a.; 6 years	n.a.; 38 years	50-year credits; 12-year concessional SMLs	10 years; 6 years	50 years; 12 years	Credits	11 years	40 years
Low risk of debt distress	Credits	6 years	38 years	Credits	6 years	38 years	38-year credits; 12-year concessional SMLs	6 years; 6 years	38 years; 12 years	Credits	6 years	31 years
Gaps and blends												
Gap	Credits	5 years	30 years	Credits	5 years	30 years	30-year credits (blend); 12-year concessional SMLs	5 years; 6 years	30 years; 12 years	Credits	5 years	25 years
Blend												
Small States												
IDA only												
High risk or in debt distress	Grants	n.a.	n.a.	Grants	n.a.	n.a.	Grants	n.a.	n.a.	Grants	n.a.	n.a.

Lending Group	IDA 18			IDA19			IDA20			IDA21		
	IDA terms	Grace period	Final maturity	IDA terms	Grace period	Final maturity	IDA terms	Grace period	Final maturity	IDA terms	Grace period	Final maturity
Moderate risk of debt distress	Credits	10 years	40 years	Credits	10 years	40 years	50% grants; 40-year credits; 12-year concessional SMLs	n.a.; 10 years	n.a.; 40 years	50% grants; 50% credits	n.a.; 10 years	n.a.; 40 years
Low risk of debt distress	Credits	10 years	40 years	Credits	10 years	40 years	40-year credits; 12-year concessional SMLs	10 years; 6 years	40 years; 12 years	Credits	10 years	40 years
Gaps and blends												
Gap	Credits	10 years	40 years	Credits	10 years	40 years	40-year credits; 12-year concessional SMLs	10 years; 6 years	40 years; 12 years	Credits	10 years	40 years
Blend												

Sources: Development Finance Vice Presidency; Independent Evaluation Group.

Note: IDA = International Development Association; IDA18, IDA19, IDA20, and IDA21 = 18th, 19th, 20th, and 21st Replenishments of IDA; n.a. = not applicable; SML = shorter-maturity loan.

IDA’s high levels of concessionality underpin the provision of resources for country-led development but are an important component of sustainability. The Modified Volume Approach was introduced during IDA14 (FY 2006–08), with the grant volume discount becoming a key component of IDA sustainability. The Debt Sustainability Framework was accepted as the primary basis for the Grant Allocation Framework, using the risk of debt distress as the primary criterion for grant eligibility. The grant volume discount was included in the framework to ensure equity and incentivize sustainable borrowing practices in IDA countries, while underpinning the long-term financial sustainability of IDA. Grants do not generate the same level of service and commitment changes, and the funds retained because of the discount are then reallocated, partly through IDA’s hard-term lending Window, helping balance the financial implications of grants. IDA-only countries at elevated risk of debt distress were eligible for grants but faced a total volume discount on grant allocations of 20 percent.¹ The grant discount was eliminated in IDA18. Since then, grants have more than doubled, from 13 percent of IDA to 26 percent of IDA (as of the end of August 2024), compared with an ex ante expected share of total financing of approximately 18 percent, as the share of countries in or at risk of debt distress has not improved significantly (table H.2; World Bank 2025a). The new grant volume discount² system was introduced in IDA21, with a discount of 10 percent³ or 60-year zero-interest loans without the discount. The annual cap on grants in Country Allocations was also reduced in IDA21, from US\$1 billion to US\$650 million. The grant volume discount was reintroduced to manage grant scarcity, incentivize sustainable borrowing practices in IDA countries, and underpin IDA’s long-term financial sustainability.

Table H.2. Evolution of Low-Income Country Debt Sustainability Analysis Debt Risk for IDA Countries: Change in Risk Ratings, 2019–24

Change in Risk Rating	2019	2020	2021	2022	2023	2024
Downgrades						
Madagascar, Rwanda, Senegal	L	M	M	M	M	M
Tanzania, Timor-Leste, Uganda	L	L	M	M	M	M
Kenya, Papua New Guinea	M	H	H	H	H	H
Comoros, Guinea-Bissau	M	M	H	H	H	H
Vanuatu	M	M	M	M	M	H
Malawi	M	M	H	ID	ID	ID
Lao PDR, Zambia	H	H	H	ID	ID	ID
Djibouti, Ghana	H	H	H	H	ID	ID
Ethiopia	H	H	H	H	H	ID
Upgrades						
Cabo Verde	H	H	H	M	M	M
Mauritania	H	H	H	H	M	M

Change in Risk Rating	2019	2020	2021	2022	2023	2024
Micronesia, Fed. Sts.	H	H	H	H	H	M
Gambia, The; South Sudan	ID	H	H	H	H	H
Mozambique	ID	ID	ID	H	H	H
Somalia, Fed. Rep.	ID	ID	ID	ID	M	M
Others						
Chad	H	H	ID	H	H	H

Source: Low-Income Country Debt Sustainability Analysis Database (as of end of October 2024).

Note: H = high; ID = in distress; IDA = International Development Association; L = low; M = moderate.

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¹ The volume discount was subdivided into two components: (i) an incentive-related portion (11 percent) to help maintain the strength of IDA’s performance orientation (to apply to all countries except those eligible for postconflict allocations), and (ii) charges-related (9 percent) portion to finance foregone charge income on IDA14 grants (to apply to all countries). For postconflict countries, the volume discount was 9 percent. The discount (11 percent of this discounted amount) would be reallocated to all IDA-only countries, excluding gap and postconflict countries.

² This discount will apply to all grant-eligible countries except Small States; countries eligible for the Fragility, Conflict, and Violence Envelope Remaining Engaged During Conflict Allocation; and countries that are subject to the annual cap on grants.

³ This discount of 10 percent will apply to all grant-eligible countries except Small States; countries eligible for the Fragility, Conflict, and Violence Envelope Remaining Engaged During Conflict Allocation; and countries that are subject to the annual cap on grants.

Appendix I. International Development Association Windows

Four Windows have been added since the 18th Replenishment of the International Development Association (IDA18), designed to complement the International Development Association (IDA) Country Allocations to scale up effective investments, tackle collective challenges, respond to crises without diverting resources away from longer-term development priorities, and mobilize private sector investments in IDA's most vulnerable countries (World Bank 2025). Windows have different criteria for access and lending terms based on country classification, amended during Replenishment cycles.

- **The Global and Regional Opportunities Window (GROW)** is a dedicated Window to address priority global and regional challenges.¹ GROW resources complement IDA Country Allocations to help countries scale up their ambitions in policy priorities with cross-border externalities, address global public goods, and foster regional integration. All IDA countries are eligible for GROW resources, which are allocated to regions in proportion to each region's share of the Performance-Based Allocation and on the same terms as the country's Performance-Based Allocation. The Window for Host Communities and Refugees (formerly the Refugee Sub-Window established in IDA18) has been integrated into GROW and supports operations that promote medium- to long-term development opportunities for host communities and refugees in IDA countries. The Window provides targeted support to countries hosting large numbers of refugees and internally displaced people and aims to improve living conditions, enhance service delivery, and promote social cohesion in host communities. Window for Host Communities and Refugees resources are allocated based on the share of refugees in eligible countries.² Total allocations from the Window for Host Communities and Refugees to any individual country may not exceed US\$500 million during the cycle, and recipient countries do not need to contribute to the operation from their IDA Country Allocations.
- **The Scale-Up Window (SUW)** was established in IDA18 to provide additional financing volume to eligible IDA countries to augment their IDA Country Allocations.³ The SUW is designed to provide financing to blend and IDA-only countries at low or moderate risk of debt distress to support high-quality, transformational single-country and regional projects or programs with strong development impact and strong economic returns. In IDA20, the SUW was expanded with the introduction of shorter-maturity loans to complement the regular SUW, providing both nonconcessional financing on International Bank for Reconstruction and Development lending terms and concessional SUW shorter-maturity loans financing on IDA terms but with shorter maturity.

- **The Crisis Response Window (CRW)**, established in IDA16, provides a dedicated, rapid source of financial support to IDA countries facing severe crises such as natural disasters, economic shocks, or public health emergencies. The CRW provides IDA countries with a dedicated source of additional resources to (i) respond, as a last resort, to the impact of natural disasters, public health emergencies, and economic crises, and (ii) respond at an earlier juncture to slower-onset crises—namely, disease outbreaks and food insecurity (early-response financing). The CRW aims to help countries stabilize and recover from such events. Access is granted where alternative sources of funding are insufficient and where IDA participates in a concerted international response to a broadly recognized crisis. While all IDA-eligible countries are, in principle, eligible for CRW support, a country’s access to the CRW depends on specific circumstances, including the magnitude of the crisis, the country’s access to alternative sources of financing (including from the International Bank for Reconstruction and Development), and the country’s ability to use its own resources.
- **The Private Sector Window (PSW)**, introduced in IDA18, aims to mobilize increased private sector investment in IDA-only countries and IDA-eligible countries classified as fragile and conflict-affected situations,⁴ providing risk mitigation and blended finance solutions and leveraging the resources of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). As of IDA12, the PSW includes four facilities: (i) a Blended Finance Facility to blend PSW funds with pioneering IFC investments and third-party co-lenders or co-investors alongside IFC; (ii) a Local Currency Facility to provide local currency for IFC investments or third-party co-lenders or co-investors alongside IFC in PSW-eligible countries, where capital markets are not developed and market solutions are not sufficiently available; (iii) a MIGA Guarantee Facility to expand political risk insurance and trade finance guarantee coverage through first-loss or risk participation akin to reinsurance and to provide liquidity support; and (iv) a Risk Mitigation Facility to provide guarantees without sovereign indemnity to crowd in private investment in infrastructure projects and public private partnerships, including liquidity support and political risk insurance to IFC. Under the PSW policy introduced in 2020, the requirement was that for projects with a programmatic or regional approach, a maximum of 20 percent of the total investment may be in IDA countries that are otherwise not eligible for PSW funding. This requirement was updated in the IDA21 policy introduced for IDA21 and specifies that for regional projects and multicountry platforms, PSW funds can be used only in PSW-eligible countries. The investee (for example, a fund, nonbank financial

institution, company, and so on) needs to earmark PSW funds and report on the deployment of such funds separately. Funding for the regional project or platform that is not sourced from the PSW can be invested in non-PSW-eligible countries. IFC and MIGA Board documents will clarify when this approach is pursued.

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¹ GROW is the former Regional Window that was first established in IDA13 (FY02) as a pilot.

² Eligibility criteria are as follows: (i) The country hosts at least 25,000 refugees or at least 0.1 percent of the country's population, according to United Nations Office of the High Commissioner for Refugees data; (ii) the country adheres to an adequate framework for the protection of refugees, with adequacy of the refugee protection framework determined by the World Bank, in consultation with the United Nations Office of the High Commissioner for Refugees; (iii) the country government has in place a strategy or action plan acceptable to IDA that describes the concrete steps, including possible policy reforms, that the country will undertake toward long-term development solutions that benefit refugees and host communities.

³ The Scale-Up Facility from IDA18 was renamed Scale-Up Window in IDA19.

⁴ In IDA21, IDA-only countries and fragile and conflict-affected gap and blend countries are eligible for PSW support. Non-fragile and conflict-affected IDA gap and blend countries are eligible subject to an aggregate limit of 10 percent of the overall PSW envelope for the current IDA cycle, an individual country exposure limit of 3 percent of PSW allocation to IFC for the current IDA cycle and 7.5 percent of PSW allocation to MIGA for the current IDA cycle, and subject to a selective focus on the Global Challenge Programs (Energy Access and Transition; Accelerating Digitalization; Food and Nutrition Security; Health; Water Security and Climate Adaptation; and Forests for Development, Climate, and Biodiversity).

Appendix J. Findings from Independent Evaluation Group Evaluations on Components of the International Development Association

Previous Independent Evaluation Group evaluations have generated evaluative insights on various elements of International Development Association (IDA) financing framework.

- **Fragility, Conflict, and Violence (FCV) Envelope.** The FCV Envelope under the 19th Replenishment of IDA (IDA19) and IDA20 provided substantial financial top-ups—averaging 37 percent of recipient countries’ IDA commitments—enabling continued engagement and delivery in highly fragile environments. Additionally, the FCV Envelope helped ensure a more structured policy dialogue with government authorities on FCV, anchored in government milestones. The milestones add up to important steps for countries’ transitions out of fragility, with those focusing on tangible outcomes rather than upstream reforms showing stronger progress (World Bank 2025).
- **Private Sector Window (PSW).** The 2024 review found that PSW funds were underused in IDA18 (with only 53 percent of the initial US\$2.5 billion allocation used) but almost entirely used in IDA19 (97 percent of the US\$1.68 billion allocation) and on course for full use in IDA20. The review also found that IDA capital was underleveraged since IDA set aside a large share of capital, assuming all PSW obligations would result in full losses, which is unlikely to materialize. However, the review concluded that, overall, the PSW has enabled the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency to increase their investments in various countries, enter new countries and sectors, and contribute to mitigating the effects of recent crises (World Bank 2024).
- **PSW.** The 2021 review addressed the low use of the PSW by IFC and the Multilateral Investment Guarantee Agency, especially for the Risk Mitigation Facility on infrastructure projects. Instead, a large share of IDA18 PSW for IFC-managed PSW facilities was approved for the financial sector since multiple programs facilitated the rapid rollout of PSW in the financial sector by IFC, including as part of the COVID-19 crisis response. The limited use of the PSW in IDA18 is due to several factors, including the strict eligibility criteria for PSW use; the ability of IFC and the Multilateral Investment Guarantee Agency to leverage existing programs and client relationships; the limited availability of a pipeline of projects suitable for PSW funding; longer gestation periods of projects

(especially infrastructure); the start-up of PSW in IDA18; and the design of the instrument, which is intended to address financial risks (World Bank 2021b).

- **Sustainable Development Finance Policy.** The screening of IDA-eligible countries to determine which countries should implement Performance and Policy Actions needs to better reflect the speed at which many of these countries have moved to higher levels of debt distress and therefore help avoid the risks of excluding potentially vulnerable countries. The experience so far also shows that Performance and Policy Actions could target the most important country-specific drivers of debt stress more systematically and that the frequent use of one-time actions in Performance and Policy Actions may have bypassed opportunities to promote institutional changes that could have more enduring impact (World Bank 2021a). Since the publication of the evaluation, all recommendations have been met and have been retired.
- **Regional Window.** The 2019 review found that the IDA Regional Window's resource allocation has not sufficiently expanded support for subregions with high untapped potential and with demand for integration. The eligibility of projects for Regional Window financing was carried out on a rolling basis driven by the availability of good-quality project proposals. Such a process had inadvertently created a fragmented portfolio with potentially missed opportunities for project expansion (World Bank 2019a).
- **Crisis Response Window.** The 2019 review highlighted that IDA's flexibility and responsiveness have been enhanced by the Crisis Response Window; however, with this enhanced flexibility and ability to respond quickly come potential tensions with IDA's Performance-Based Allocation and its core principle of non earmarked financing. As financing for IDA special Windows has expanded, taking a growing share of total IDA resources, the review highlighted the need for balance and potential trade-offs between greater flexibility and predictability for IDA clients and closer monitoring this issue (World Bank 2019b).
- **Refugee Sub-Window.** At the time of the *World Bank Group Support in Situations Involving Conflict-Induced Displacement* evaluation, it was too early to know whether the intentions of the IDA18 Refugee Sub-Window would materialize, but the design of the first wave of projects was assessed as promising. The evaluation found that early implementation of the IDA18 Refugee Sub-Window had identified some issues with the allocation processes. The report highlighted that the IDA18 Refugee Sub-Window allocation was insufficient and relatively marginal in the changed conditions (World Bank 2019c).

- **Performance-Based Allocation.** The review finds that there has been a tightening of the link between country performance and IDA lending that reflects improvements in the design and implementation of the Performance-Based Allocation system. The review also finds some shortcomings—especially affecting the issues of equitable treatment across countries, the link between performance criteria and poverty reduction, and the link between performance ratings and Country Assistance Strategy lending triggers. The review makes several recommendations to address the remaining shortcomings, including, among others, a rethinking of the governance discount methodology and a move to full disclosure of the system (World Bank 2001).

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Appendix K. Evaluation Design Matrix: Key Questions, Sources, Data Collection and Analysis Methods, and Related Strengths and Limitations

Evaluation Questions	Information Sources and Data Collection Methods	Data Analysis Methods	Risks and Mitigation Strategies
EQ1. How performance based are the IDA Country Allocations?	<p>IDA documents (Replenishment reports, Mid-Term Reviews, thematic reviews, special papers, retrospectives, thematic reviews, co-chairs summaries, implementation guidelines, and press releases) related to the financing mechanisms of the IDA Country Allocations (covering the PBA, SDFP, and FCV Envelope).</p> <p>Documentation on allocation models of concessional financing of other MDBs.</p> <p>Data on the PBA for each step of the allocation process.</p> <p>IDA project portfolio data.</p> <p>Data on the commitments and disbursements.</p> <p>World Bank macroeconomic data and poverty indicators.</p> <p>CPRs disaggregated into CPIA scores for each cluster and PPRs.</p> <p>PPA database and DSA ratings.</p> <p>Interviews with the IDA team.</p> <p>In countries purposively sampled for deep dives, interviews with country teams and clients and document reviews.</p> <p>Additional interviews with IDA participants and World Bank Group management.</p>	<p>Content analysis of IDA documents, including mapping of IDA policies, mechanisms, and implementation arrangements for the IDA Country Allocations.</p> <p>Quantitative data analysis, including correlations between CPR and PBA per capita (including for key country groupings).</p> <p>Quantitative data analysis, such as calculating the disbursement gap and the correlations of (i) disbursement gaps and commitment amounts reallocated from the countries with high disbursement gaps and (ii) disbursement gaps and the CPR.</p> <p>Limited portfolio review to determine the distribution of disbursement gaps across different country groupings, including typologies discussed above. Content analysis mapping PPAs with debt distress levels and analyzing SDFP implementation.</p> <p>Scenario analysis to examine the extent to which changes in the weights of components of the PBA (each CPIA cluster and PPR) would affect allocations.</p> <p>Scenario analysis on how IDA Country Allocations have worked out in practice given PBA exemptions, additional parameters (DSA rating, completion of PPAs, completion of FCV milestones), and different</p>	<p>The definition of performance and identification of sound indicators is complex and poses analytical challenges. The analysis will focus on key explicit and implicit definitions of performance within IDA documents and resources.</p>

Evaluation Questions	Information Sources and Data Collection Methods	Data Analysis Methods	Risks and Mitigation Strategies
EQ2. How needs based are the IDA Country Allocations?	<p>IDA documents (Replenishment reports, Mid-Term Reviews, thematic reviews, special papers, retrospectives, thematic reviews, co-chairs summaries, implementation guidelines, and press releases) related to the financing mechanisms of the IDA Country Allocations (covering the PBA, SDFP, and FCV Envelope).</p> <p>Documentation on allocation models of concessional financing of other MDBs.</p> <p>Data on the PBA for each step of the allocation process.</p> <p>IDA project portfolio data.</p> <p>Data on commitments and disbursements.</p> <p>World Bank macroeconomic data and poverty indicators.</p> <p>United Nations data.</p> <p>CPRs disaggregated into CPIA scores for each cluster and PPRs.</p> <p>PPA database and DSA ratings.</p> <p>Interviews with the IDA team.</p> <p>Interviews with country teams and clients and document reviews.</p> <p>Additional interviews with IDA participants and Bank Group management.</p>	<p>allocation rules (such as the 7% limit for blend countries).</p> <p>Synthesis of interview data.</p> <p>Data analysis and synthesis of evidence within and across deep dives.</p> <p>Content analysis of IDA documents, including mapping of IDA policies, mechanisms, and implementation arrangements for the IDA Country Allocations.</p> <p>Quantitative data analysis, including correlations between (i) population and IDA Country Allocations, (ii) population and the share of the base allocation of the PBA, (iii) gross national income per capita and IDA Country Allocations per capita, and (iv) gross national income per capita and the share of the base allocation of the PBA.</p> <p>Quantitative data analysis on the proportion of the FCV Envelope for each recipient country, and limited portfolio review to assess whether projects that are financed by the FCV Envelope align with stated objectives and needs.</p> <p>Content analysis of IDA documents mapping policy changes for each financing mechanism, including criteria for access, financing terms, and implementation; changes to the components of the PBA formula (such as the weights, exponents, and sources of data); and robustness checks.</p> <p>Scenario analysis using different measures of needs and different relative weights for indicators in the PBA formula.</p>	<p>The definition of needs and identification of sound indicators is complex and poses analytical challenges. The analysis will focus on key explicit and implicit definitions of needs within IDA documents and resources.</p>

Evaluation Questions	Information Sources and Data Collection Methods	Data Analysis Methods	Risks and Mitigation Strategies
EQ3. How internally, externally, and temporally coherent are the IDA Country Allocations?	<p>IDA documents (Replenishment reports, Mid-Term Reviews, retrospectives, thematic reviews, special papers, implementation guidelines, co-chairs summaries, and press releases).</p> <p>External academic and policy literature.</p> <p>World Bank macroeconomic data and poverty indicators.</p> <p>IDA project portfolio data.</p> <p>Interviews with the IDA team.</p> <p>In-country groups for deep dives, interviews with country teams and clients and document reviews.</p> <p>Additional interviews with IDA participants and Bank Group management.</p>	<p>Development of country typologies based on similarities such as FCS and Small States but also on indicators such as the share of IDA resources in their budget.</p> <p>Limited portfolio review to determine the distribution of resource commitments across different country groupings.</p> <p>Synthesis of interview data.</p> <p>Data analysis and synthesis of evidence within and across deep dives.</p> <p>Content analysis of IDA documents to assess the internal, external, and temporal coherence of the various IDA country allocation mechanisms, as well as changes in rules, exceptions, and eligibility criteria over time.</p> <p>Desk review on the financing mechanisms of the IDA Country Allocations and analysis of different mechanisms proposed and used in the wider development community.</p> <p>Scenario analysis adjusting components to assess the internal and external coherence of the IDA Country Allocations.</p> <p>Synthesis of interview data.</p> <p>Quantitative data analysis (same as in EQ1 and EQ2).</p> <p>Data analysis and synthesis of evidence within and across country group deep dives.</p>	<p>Assigning judgment criteria to determine coherence. This will be mitigated by validating findings through interviews with stakeholders.</p>
EQ4. How transparent and predictable are the IDA Country Allocations?	<p>IDA documents (Replenishment reports, Mid-Term Reviews, retrospectives, thematic reviews, special papers, co-chairs summaries, and press releases).</p> <p>Literature on transparency standards.</p>	<p>Synthesis of findings for literature review on transparency standards for financing systems and user interfaces.</p> <p>Content analysis of IDA documents based on transparency standards.</p>	<p>Engaging former and current country officials familiar with the operation of the IDA Country Allocations over the period included in the evaluation may be</p>

Evaluation Questions	Information Sources and Data Collection Methods	Data Analysis Methods	Risks and Mitigation Strategies
	<p>Allocations, commitments, and disbursements data.</p> <p>Interviews with the IDA team.</p> <p>Interviews with country teams and clients and document reviews.</p> <p>Additional interviews with IDA participants and Bank Group management.</p>	<p>Review of IDA interfaces for transparency and ease of access for different stakeholders.</p> <p>Content analysis of information gathered through interviews to gain insights and triangulate findings from content and interface analysis.</p> <p>Quantitative data analysis of differences in allocations, commitments, and disbursements to assess predictability.</p> <p>Synthesis of interview data.</p> <p>Data analysis and synthesis of evidence within and across country group deep dives.</p>	<p>challenging. This issue will be mitigated by seeking out a wide range of stakeholders.</p>

Source: Independent Evaluation Group.

Note: CPIA = Country Policy and Institutional Assessment; CPR = Country Performance Rating; DSA = Debt Sustainability Analysis; EQ = evaluation question; FCS = fragile and conflict-affected situations; FCV = fragility, conflict, and violence; IDA = International Development Association; MDB = multilateral development bank; PBA = Performance-Based Allocation; PPA = Performance and Policy Action; PPR = Project Performance Rating; SDFP = Sustainable Development Finance Policy.