



**PARLIAMENTARY NETWORK ON THE WORLD BANK
RÉSEAU PARLEMENTAIRE SUR LA BANQUE MONDIALE**

World Bank Receives Record Funding Commitments for the 16th Replenishment of the International Development Association (IDA16)

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The World Bank's International Development Association (IDA), the arm of the institution that provides grants and loans to the world's poorest countries, announced on Wednesday that it has secured US\$49.3bn (37bn Euros) in funding commitments from the donor community for IDA's 16th project cycle, which will run from 2011 to 2014. Despite the global financial crisis, the commitments are 18% higher than the previous replenishment round in 2007, during which IDA raised US\$41.7bn.

The announcement came in Brussels on Wednesday, following the final meeting of IDA deputies and main donors. In total, 51 donors, including China, contributed to the current replenishment cycle. European Union countries account for 43% of the funding commitments. "The funding pledges show support from an extraordinary global coalition of donors and borrowers which have come together to ensure that even in these difficult economic times we offer hope and opportunity to the world's poor," World Bank Group President Robert B. Zoellick said in a [press release](#).

According to Ngozi Okonjo-Iweaka, World Bank Managing Director, the response by donors signals a shift away from viewing development funding as "aid" and towards a kind of "investment for the future" to help trigger global growth. Axel van Trotsenburg, World Bank Vice President for Concessional Finance and Global Partnerships, who was in charge of the replenishment process, in the same Dec 15 [press release](#) stated that the pledges "will not only help improve the lives of 200 million people, they also represent a vote of confidence in IDA and its ability to maximize the development impact of scarce tax payers' money."

According to the World Bank, IDA 16 funds will be used to:

- Immunise 200mn children;
- Extend health services to more than 30mn people;
- Improve water supplies to 80mn people;
- Recruit more than two million teachers;
- And build 80,000km of new roads.

The Bank on Wednesday also announced that donors and partners have endorsed a new "Crisis Response Window" within IDA to assist low-income countries in dealing with the impact of natural disasters and severe economic shocks. The funding window will include a special allocation for Haiti as it continues to recover from the 2010 earthquake.

Since 1960, IDA has provided US\$220bn in project funding to the world's poorest countries, averaging US\$14bn annually in the past two years. Roughly 20% of IDA funding is provided as grants, the remainder as interest-free, long-term loans, often with 35-40 year pay-off windows, including a 10-year grace period. Seventy-nine countries are eligible for IDA funding, 39 of which are in Africa.

Reaction

Reaction following the announcement was largely supportive, but also cautionary. "This is very good news for the poor across the world, particularly in Sub-Saharan Africa, where IDA's long standing support has already helped to achieve concrete results," H.E. Bingu wa Mutharika, President of Malawi and Chairman of the African Union, said in his comments to [The Financial](#). He added "We

applaud the sense of solidarity expressed by the donor community through this significant replenishment."

A number of NGOs expressed disappointment that donors had not used IDA replenishment as an occasion to advocate for changes in the way the World Bank operates, according to [AFP](#). Oxfam welcomed the news of the funding increase, but "urged the World Bank to more closely detail how it tracks and spends money in poor countries," AFP reports. Nora Honkaniemi, Advocacy Officer for the European Network on Debt and Development (Eurodad), speaking to [AFP](#), said that "donors have failed to use the momentum of the replenishment to leverage overdue changes in the World Bank." She added that poor countries "definitely need more support, but pushing aid through the Bank will not deliver the results they need."

In addition, Murray Worthy of the World Development Movement (WDM) warned that the World Bank "continues to be a major financier of dirty energy projects," and cautioned donors against "blindly supporting the World Bank and ignoring the obvious conflict between its stated desire to tackle climate change and its ongoing finance for the fossil fuel industry."

PNoWB and IDA 16

[The Parliamentary Network on the World Bank \(PNoWB\)](#) throughout the IDA replenishment process has implemented an [IDA 16 and Aid Effectiveness advocacy campaign](#) calling on donor governments to fully replenish IDA funds by meeting or exceeding IDA15 funding levels. Simultaneously, PNoWB in the campaign also calls on the World Bank to deepen its commitment to aid effectiveness in four key areas and through increased engagement with both donor and partner country parliamentarians throughout IDA 16 implementation, monitoring and reporting. The four areas identified by PNoWB's members are:

- Increasing country ownership;
- Strengthening country statistical/results measurement systems;
- Adding of a peer-review dimension to Country Assistance Strategy progress reports;
- And leading by example in health, nutrition and population programs.

PNoWB's IDA 16 and Aid Effectiveness campaign will continue throughout IDA 16 implementation, monitoring and reporting. "As the final funding cycle before the MDG due-date in 2015, IDA 16 is an opportunity to usher in ever-higher standards of aid accountability and effectiveness in multilateral development funding," Alain Destexhe, Belgian MP and PNoWB Chairman said. "PNoWB-- as a network of thousands of parliamentarians, many of them from IDA-eligible countries-- will work with the World Bank to ensure that its commitment to the principles of aid effectiveness is operationalized throughout IDA 16."

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