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IDA16 Mid-Term Review

ENHANCING IDA'S CAPACITY TO RESPOND TO CRISES

**IDA Resource Mobilization Department
Concessional Finance and Global Partnerships**

October 2012

ACRONYMS AND ABBREVIATIONS

| | | | |
|-------|--|--------|--|
| ADB | Asian Development Bank | IL | Investment Lending |
| AF | Additional Financing | IMF | International Monetary Fund |
| AFR | Sub-Saharan Africa | IRM | Immediate Response Mechanism |
| CAS | Country Assistance Strategy | ISR | Implementation Status Report |
| CLD | Community and Local Development | JICA | Japan International Cooperation Agency |
| CRW | Crisis Response Window | LCR | Latin America and Caribbean |
| DaLA | Damage and Loss Assessment | LEAP | Livelihood Empowerment Against Poverty |
| DFID | Department for International Development | LIC | Low-Income Country |
| DPL | Development Policy Lending | MDB | Multilateral Development Bank |
| DPO | Development Policy Operation | MDG | Millennium Development Goal |
| EAP | East Asia and Pacific | MDL | Moldovan Leu |
| ECA | Europe and Central Asia | MNA | Middle East and North Africa |
| ECF | Extended Credit Facility | MNT | Mongolian Tughrig |
| ERL | Emergency Recovery Loan | OECS | Organization of Eastern Caribbean States |
| FAO | Food and Agriculture Organization | PDNA | Post-Disaster Needs Assessment |
| FDI | Foreign Direct Investment | PDO | Project Development Objective |
| FISP | Farm Input Subsidy Program | PRGF | Poverty Reduction and Growth Facility |
| FY | Fiscal Year | PRSC | Poverty Reduction Support Credit |
| GDP | Gross Domestic Product | RSR | Rapid Social Response |
| GFDRR | Global Facility for Disaster Reduction and Recovery | SAR | South Asia |
| GFPMI | Global Foods Price Monitoring Index | SDR | Special Drawing Right |
| GNI | Gross National Income | SIL | Specific Investment Lending |
| ICPAC | IGAD Climate Prediction and Application Center | TTL | Task Team Leader |
| ICR | Implementation Completion and Results Report | UN | United Nations |
| IDA | International Development Association | UNHCR | United Nations High Commissioner for Refugees |
| IFRC | International Federation of Red Cross and Red Crescent Societies | UNOCHA | United Nations Office for the Coordination of Humanitarian Affairs |
| IGAD | Intergovernmental Authority for Development | WEO | World Economic Outlook |

TABLE OF CONTENTS

| | |
|--|----|
| Executive Summary | i |
| I. Introduction..... | 1 |
| II. Implementation of the IDA15 Pilot Crisis Response Window | 3 |
| A. Allocation Methodology | 3 |
| B. Commitments of Pilot CRW Resources | 7 |
| C. Disbursements of Pilot CRW Resources | 9 |
| D. Results of Pilot CRW Projects | 10 |
| III. Crisis Response Activities during IDA16..... | 15 |
| A. Response to the Earthquake in Haiti | 17 |
| B. Response to the Drought in the Horn of Africa | 19 |
| C. Plans for Reallocation of Unused CRW Funds..... | 23 |
| IV. Lessons Learned and Outlook..... | 24 |
| V. Issues for Discussion | 28 |

ANNEXES

| | |
|--|----|
| Annex 1: Final IDA15 Pilot Crisis Response Window Allocations and Total IDA Allocations for FY10 and FY11 (SDR million)..... | 29 |
| Annex 2: Examples of Results from Development Policy Operations Fully or Partially Financed with Pilot CRW Resources | 30 |
| Annex 3: Examples of Results from Health and Social Protection Projects Fully or Partially Financed with Pilot CRW Resources | 33 |
| Annex 4: Examples of Results from Urban Development Projects Fully or Partially Financed with Pilot CRW Resources | 35 |
| Annex 5: Pilot CRW Operations..... | 37 |

FIGURES

| | |
|--|----|
| Figure 1: Nominal GDP Growth for IDA Countries (2000-2011)..... | 2 |
| Figure 2: Crisis Impact by Quadrant..... | 4 |
| Figure 3: Pilot CRW Resource Distribution Based on Crisis Impact and Country Needs | 6 |
| Figure 4: Comparison of Response Times for Preparation of IDA Operations* | 9 |
| Figure 5: Horn of Africa Drought Response Plan..... | 21 |

TABLES

| | |
|--|----|
| Table 1: Regional Distribution of CRW Resources (FY10 and FY11) | 6 |
| Table 2: Choice of Instruments for Pilot CRW Financed Operations..... | 7 |
| Table 3: Sectoral Distribution of Pilot CRW Resources..... | 8 |
| Table 4: Pilot CRW Operations Disbursement Rate by Instrument..... | 10 |
| Table 5: Current Status of Project Development Objectives and Implementation Progress..... | 11 |
| Table 6: IDA16 CRW Resources for Haiti | 18 |
| Table 7: IDA 16 CRW Resources for the Horn of Africa..... | 22 |

BOXES

| | |
|--|----|
| Box 1: Results of a Pilot CRW Financed Operation: Second Development Policy Credit in Mongolia | 12 |
| Box 2: Results of a Pilot CRW Financed Operation: Community Driven Development in Benin | 13 |
| Box 3: Results of a Pilot CRW Financed Operation: Second Additional Financing for Agricultural Sector Development Project in Tanzania | 16 |
| Box 4: Overview of Most Affected Countries in the Horn of Africa | 20 |

Executive Summary

- i. **IDA has had a long standing involvement in different aspects of crises response since its establishment and has become one of the major actors in the mitigation of crises.** IDA assistance to countries struck by a crisis or emergency can take many forms, from impact assessments and helping develop a recovery strategy, to the provision of financial support. Such financial support is provided through a number of mechanisms tailored to the specific circumstances of the crisis and the countries affected, and range from restructuring of existing investment projects to new projects or additional financing to existing projects financed from the affected country's IDA allocation. In particularly severe cases, IDA has also provided exceptional allocations to assist affected countries. In addition, IDA provides support for improving capacity to address crisis impact, and for emergency preparedness and prevention, including through arrangements for disaster risk insurance and other risk transfer mechanisms.
- ii. **The severe food, fuel and financial crises that hit IDA countries during the IDA15 period prompted IDA to undertake a number of crises response initiatives, in addition to using existing flexibility to reprogram IDA resources, both in the project pipeline and through project restructuring.** These initiatives include the Global Food Crisis Response Program, the Rapid Social Response Program and the Infrastructure Recovery and Assets Program. IDA also fast-tracked projects through the Financial Crisis Fast Track Facility, introduced in late 2008.
- iii. **In 2009, it became clear that the severity of the global financial crisis and its wide and diverse impact across most IDA countries required additional and even more flexible support, leading to the launch of the Pilot Crisis Response Window (CRW).** The establishment of the Pilot CRW marked an important policy innovation, which, together with a range of development partners, provided additional resources to mitigate the impacts of the global financial crisis on a majority of IDA countries.
- iv. **The Pilot CRW provided support that was additional to a country's regular IDA allocation, with 56 non-oil exporting IDA-only countries being eligible.** Per-capita access to Pilot CRW resources was calibrated depending upon the level of crisis impact and pre-existing needs. Pilot CRW allocations were made in a two-stage process. The bulk of the resources were allocated in the first stage based on broad macro indicators (GDP impact and GNI per capita). In the second stage, additional allocations were made to countries with (a) the highest crisis impacts based on more detailed fiscal, social, poverty and employment impact assessments, (b) resource needs and availability, and (c) capacity to effectively use Pilot CRW resources to protect core spending on health, education, social protection, infrastructure, agriculture and rural development.
- v. **The Pilot CRW met expectations in terms of providing rapid and additional support to IDA-only countries.** Ultimately, a total of SDR923.4 million (US\$1,383.5 million) of Pilot CRW resources were committed through 75 operations in 46 countries that were either fully or partially financed by the Pilot CRW. Pilot CRW resources were delivered using a range of instruments, and sectoral distribution of Pilot CRW projects reflected a mix of shorter-term crisis mitigation and longer-term development and resilience-building interventions. In terms of

regional distribution, the majority (64 percent) of commitments in FY10 and FY11 were in Sub-Saharan Africa (AFR), with 19 percent going to South Asia (SAR), and Latin America and the Caribbean (LCR), Middle East and North Africa (MNA), Europe and Central Asia (ECA) and East Asia and the Pacific (EAP) accounting for the remaining 17 percent. In line with the aim of protecting core spending and mitigating crisis impact, a large share of Pilot CRW resources supported investments in the agriculture and rural development, health, education, social protection and infrastructure.

vi. **The flexibility in the choice of instrument and sector enabled a fast response by country teams and ensured alignment with country needs, and is starting to show results.**

At the same time, the relatively small amount of additional resources that each country received resulted in a relatively large number of smaller interventions, adding to the challenges of supervision of project implementation. Nevertheless, average disbursement rates of Pilot CRW financed projects are higher than those of regular IDA operations, and achievement of project development objectives and implementation progress of Pilot CRW projects as reported in project Implementation Status and Results Reports (ISRs) are largely satisfactory or moderately satisfactory. Projects financed by Pilot CRW resources are already showing benefits (especially Development Policy Operations which have been fully disbursed) and additional results are expected as more projects fully disburse.

vii. **For the IDA16 period, IDA Deputies called for a further strengthening of IDA's capacity to respond to severe natural disasters and economic crises in IDA countries, and help build their crisis resilience.**

They agreed to establish a dedicated Crisis Response Window and to set aside SDR1.335 billion to finance IDA's response to exceptionally severe crises and emergencies during the IDA16 period. This dedicated CRW drew upon the lessons learned from the implementation of the Pilot CRW on the need for increased selectivity in terms of country coverage based on crisis impact, relying on a broader range of indicators including fiscal indicators, and the need for early crisis diagnostics to assess the impact in various sectors to inform IDA's responses.

viii. **The establishment of the dedicated CRW signaled a paradigm shift from *ad hoc* funding arrangements to respond to crises, to a systematic approach**

that combines ex-ante preparation for unfolding crises with strengthened selectivity and rationalization of CRW financing to ensure timely, additional and predictable support to IDA countries severely impacted by natural disasters or severe economic shocks. Financing from the CRW has already been used to respond to the devastating earthquake that hit Haiti in January 2010, and to provide a fast and flexible response to the drought affecting multiple countries in the Horn of Africa.

ix. **To further quickly respond in the immediate aftermath of a crisis or emergency, IDA also introduced the Immediate Response Mechanism (IRM) in December 2011.** The IRM enables participating IDA countries to rapidly access up to 5 percent of their undisbursed IDA investment project balances following an emergency or crisis.

x. **The experience of IDA crisis response in IDA15 and IDA16 points to the need for continuous efforts to identify potential threats and vulnerabilities and react quickly to help**

countries prepare for future crises. One innovation in particular that is relevant given the increased vulnerability of many IDA countries to food price shocks is the work underway to develop an early warning global food price monitoring system. This tool is expected to further enhance IDA's capacity to promptly mobilize a response to food price shocks.

xi. **As agreed in the IDA16 Report, IDA Management would propose how to utilize unused CRW funding at the time of the IDA16 Mid-Term Review.** Management's proposal takes into account the utilization to date and likely demand for the remainder of the IDA16 period. It proposes to maximize the use of the remaining CRW funding by: (a) allocating SDR315 million to increase support for a large unfunded pipeline of regional projects that could be presented to the Executive Directors in FY14; (b) allocating SDR160 million to scale up financing to support faster progress on MDGs 4 and 5 (reduce child and maternal mortality); and (c) maintaining SDR370 million to finance possible crisis response needs in FY14, and if unused by the end of FY14, carry them over to IDA17. Given continued economic uncertainties and existing vulnerabilities, the availability of the reallocated resources for regional programs and MDGs 4 and 5 is contingent on the lack of demand for crisis response resources, i.e., if crises occur during FY14 resources not already committed for these purposes would be directed towards these crises' response.

I. Introduction

1. **IDA countries are subject to a variety of crises and emergencies that can undermine their economic and social development efforts.** These include natural disasters (e.g., droughts, earthquakes, floods, tsunamis and storms) and economic shocks such as those affecting commodity prices (e.g., food, fuel, primary commodity exports) and financial crises. IDA countries have limited capacity to address the impact of these crises given their financial resources, capacity weaknesses, infrastructure gaps, limited economic diversification, environmental vulnerabilities, widespread poverty and often poorly developed formal safety nets. The long-term development impact of such crises may include lower growth, destruction of infrastructure assets, lower government revenues and public resources for core development spending, and erosion of livelihoods.

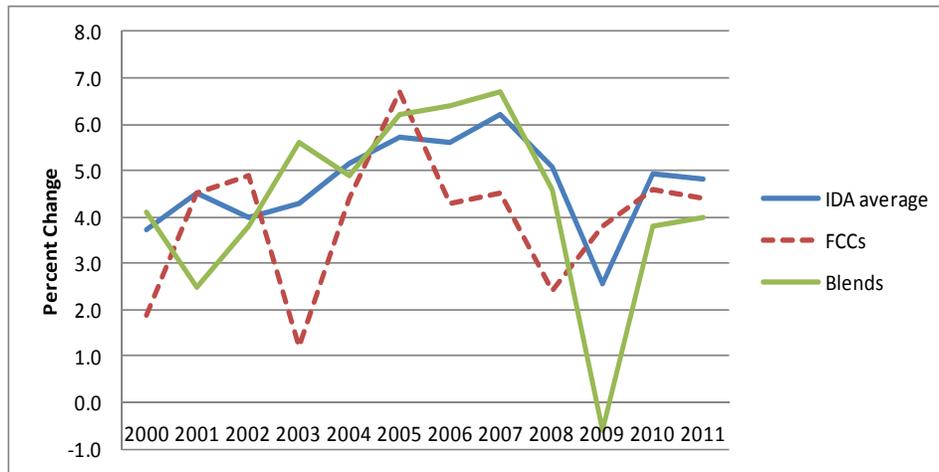
2. **IDA has had a longstanding involvement in different aspects of crises response since its establishment and has become one of the major actors in the mitigation of crises.** IDA's key comparative advantages in crisis response include its ability to link short-term crisis mitigation and long-term development objectives, its capacity to work closely with other organizations, its flexibility and global reach, and its ability to build on previous analytical work and a portfolio of projects under implementation. IDA assistance to countries struck by a crisis or emergency may include: (a) immediate support to assess crisis impact and develop a recovery strategy; (b) restructuring of existing investment projects; (c) new projects or additional financing to existing projects financed from the affected country's IDA allocation; and (d) in severe cases, exceptional allocations to assist affected countries. In addition, IDA provides support for improving capacity to address crisis impact, and for emergency preparedness and prevention, including through arrangements for disaster risk insurance and other risk transfer mechanisms.

3. **During IDA15, IDA responded to the intense food and fuel price volatility that affected a number of IDA countries in 2007-08 and again in 2010.** Financial support to affected countries was provided through the Global Food Crisis Response Program, the Rapid Social Response Program and the Infrastructure Recovery and Assets Program. IDA also fast tracked financing through the Financial Crisis Fast Track Facility, introduced in late 2008. In the context of a fixed resource envelope, these programs reflected flexible programming of IDA's allocations, restructuring of existing projects, drawdown of undisbursed resources in IDA project portfolios, and targeted support through trust funds.

4. **In 2009, it became clear that the severity of the global financial crisis and its wide and diverse impact across IDA countries required additional and flexible support.** The average economic growth rate in IDA countries slowed down to 2.5 percent in 2009 from 5 percent in 2008 (see Figure 1). The Europe and Central Asia region was the hardest-hit in terms of economic contraction, followed by the East Asia and the Pacific and Sub-Saharan Africa regions. The aggregate growth rate for AFR fell from 5.8 percent in 2008 to 1.4 percent in 2009, reflecting combined crisis effects, before rebounding in 2010. The impact of the global financial crisis was notable for the small, open IDA economies in the Latin America and Caribbean region, such as the Organization of Eastern Caribbean States (OECS) countries and Honduras, while downward pressure on remittances, exports, tourism receipts and foreign direct investment

impacted IDA countries in South Asia. For Djibouti and Yemen, the two IDA countries in the Middle East and North Africa region, the food and the financial crises had significant impacts at the household level.¹

Figure 1: Nominal GDP Growth for IDA Countries (2000-2011)



Source: Managing Crisis and Building Resilience: A Retrospective Review of IDA's Fifteenth Replenishment, 2012.

5. **As the financial crisis deepened, IDA responded to calls from the international community for additional resources by launching the Pilot Crisis Response Window (Pilot CRW).** The establishment of the Pilot CRW marked an important policy innovation, providing additional resources to mitigate the impact of the global financial crisis in a majority of IDA countries. Also, it emphasized concerted financing that included a range of development partners, reflecting the continued relevance of IDA's platform role.

6. **IDA Deputies identified crisis response as a special theme for the IDA16 Replenishment (FY12–FY14),** calling on IDA to further strengthen its capacity to respond to severe natural disasters and economic crises in IDA countries, and help build their crisis resilience. They recommended that IDA establish a dedicated Crisis Response Window and agreed to set aside SDR1.335 billion to finance IDA's response to exceptionally severe crises and emergencies during the IDA16 period. They also requested that a review of the implementation of the IDA15 Pilot CRW and an update on the implementation of the CRW during the IDA16 period, including plans for the reallocation of any unused resources, be presented at the IDA16 Mid Term Review (MTR).

7. **This report responds to the request for an update on the implementation of the Pilot CRW and also includes information on crisis-related activities undertaken in the context of IDA16.** It is structured as follows: Section II reviews the experience with the implementation of

¹ Impacts of the Triple Global Crisis on Growth and Poverty in Yemen. IFPRI Discussion Paper 00955 (Clemens Breisinger, Marie-Helen Collion, Xinshen Diao, Pierre Rondot), February 2010.

the IDA15 Pilot CRW. Section III discusses the implementation of the dedicated CRW during IDA16 and plans for reallocation of its unused funds. Section IV details lessons learned and outlook. Section V sets out issues for discussion.

II. Implementation of the IDA15 Pilot Crisis Response Window

8. **The establishment of the Pilot CRW followed calls from the Development Committee as well as from G20 leaders for IDA to help respond to the challenges faced by low income countries affected by the global financial crisis.**² The Pilot CRW was discussed at the IDA15 MTR in November 2009 and approved by IDA's Executive Directors in December 2009, and its implementation began in mid-January 2010.³

9. **The main objective of the Pilot CRW was to provide financial support, additional to the country's regular IDA allocation, to help the poorest countries respond to the impact of the global financial crisis.** Specifically, it supported activities aimed to (a) protect core spending on health, education, social protection, infrastructure, and agriculture and rural development, (b) finance programs addressing the poverty, social and economic impact of the crisis, and (c) build IDA countries' resilience to cope with future crises. The Pilot CRW was set up with SDR1.053 billion (US\$1.55 billion). Most of these resources (SDR806 million) were redeployed from internal IDA resources set aside for arrears clearance and re-engagement, SDR88 million were from IDA investment returns, and SDR158 million came in the form of an additional contribution from the UK.

A. Allocation Methodology

10. **Fifty-six non-oil exporting IDA-only countries were eligible for Pilot CRW resources, while 23 countries were excluded based on the following criteria:**

- Fifteen IDA blend countries with relatively higher GNI per capita and access to IBRD financing, and in several cases to market based finance;
- Four IDA-only countries that were significant net oil exporters (Angola, Chad, Republic of Congo and Nigeria) – while these countries were impacted by the crisis due to a significant decline in oil prices, they had also accumulated significant windfall gains from the high oil prices in the pre-crisis period; and
- Four countries with arrears to IDA and/or IBRD (Myanmar, Somalia, Sudan and Zimbabwe).

² See World Bank (2009) Development Committee Communiqué, Annual Meetings, October 5, 2009.

³ See World Bank (2009) Proposal for a Pilot IDA Crisis Response Window, IDA/R2009-0293, November 25, 2009; and Implementation Arrangements for the IDA Crisis Response Window, internal note to staff, January, 2010.

11. **Pilot CRW resources were allocated through a two-stage process, with 85 percent allocated in stage 1 and the remaining 15 percent in stage 2.** In stage 1, each country’s allocation was determined by classifying countries into four quadrants based on (a) the impact of the crisis as measured by the projected change in the GDP growth rate, comparing average growth rates before the crisis (2006-2008) and during the crisis (2009-2010), using data and projections from the IMF World Economic Outlook (WEO) database; and (b) pre-existing needs as measured by the country’s GDP per capita. The result of the classification is shown in Figure 2.

Figure 2: Crisis Impact by Quadrant

| | | Crisis Impact (decline in GDP growth) | |
|------------------------|--------------------------------------|--|--|
| | | Higher (decline in GDP growth above median) | Lower (decline in GDP growth below median) |
| Needs (per capita GNI) | Higher (per capita GNI below median) | Congo, DR, Cambodia, Ethiopia, Gambia, Liberia, Madagascar, Malawi, Mozambique, Niger, Rwanda, Tajikistan, Tanzania, Uganda | Afghanistan, Bangladesh, Benin, Burkina Faso, Burundi, Central African Republic, Eritrea, Ghana, Guinea, Guinea-Bissau, Haiti, Mali, Nepal, Sierra Leone, Togo |
| | Lower (per capita GNI above median) | Bhutan, Honduras, Kyrgyz Republic, Lao People's Democratic Republic, Lesotho, Maldives, Moldova, Mongolia, Nicaragua, Samoa, São Tomé and Príncipe, Solomon Islands, Sri Lanka, Timor-Leste, Vanuatu | Cameroon, Comoros, Côte d'Ivoire, Djibouti, Guyana, Kenya, Kiribati, Mauritania, Senegal, Tonga, Yemen, Zambia |

12. **The level of per capita allocations of the Pilot CRW resources was determined so as to give priority to countries that had either or both of higher crisis impact and higher needs.** Those that had both high impact and high needs received double the baseline allocation, while those with high crisis impact and low needs were 67 percent above the baseline. Countries with low crisis impact and high needs were 33 percent over the baseline and countries with low crisis impact and low needs received the baseline. In addition, each country received a base allocation of SDR0.5 million. The total allocation for any one country was capped at 5 percent of Pilot CRW resources. The resources were made available to countries on the same terms as their regular IDA allocations.

13. **In stage 2, the remaining Pilot CRW resources were subsequently allocated in accordance with more flexible criteria that gave priority to countries with:**

- *Highest crisis impact.* Additional country allocations were based on factors related to the fiscal, social, poverty and employment impact of the crisis.

- *Largest pre-existing needs.* Stage 1 measured pre-existing needs through per capita income. Stage 2 allowed for taking into account additional factors related to poverty and fragility.
- *Resource needs and availability.* Stage 2 took account of the amount of existing IDA resources available (including resources that could be freed up from the existing IDA portfolio) and other external resources.
- *Ability to effectively utilize resources.* Stage 2 also took account of each country's capacity to design and implement effective pro-poor expenditure programs to protect core spending on health, education, social protection, infrastructure, and agriculture and rural development.

14. **Ultimately, Pilot CRW resources were utilized by 46 out of 56 eligible countries.** Four African countries (Eritrea, Guinea, Madagascar and Niger) were not able to use their Pilot CRW allocations due to the status of their relationship with IDA during the commitment period. Given the small size of individual Pilot CRW allocations and the need for economies of scale in many of the EAP countries, the Region was allowed to allocate the combined stage 1 and 2 country allocations to the three countries that were most affected by the crisis (Lao PDR, Mongolia and Samoa⁴). These changes shifted the ratio between stage 1 and stage 2 from 85-15 to 80-20. The complete list of countries and their final allocations are attached in Annex 1.

15. **Twenty-seven countries received a stage 2 allocation amounting to, on average, nearly 55 percent of their stage 1 allocation.** However, this ratio varied widely among countries, from those that received very small additional allocations to cover variations in exchange rates during the project negotiation period to ten countries that more than doubled their stage 1 allocations. It should be noted that countries receiving the highest increases in their Pilot CRW allocations through stage 2 were small countries, and countries with either higher pre-existing needs, or large impacts of the crisis (e.g., on fiscal revenues, external balance or exports) that were not directly reflected in the GDP growth rate change indicators determining the stage 1 allocations. While the initial allocation model that included a small base allocation to each country favored the smallest countries, the use of a population-based allocation system resulted in seven countries receiving stage 1 allocations of SDR1.0 million or less. Thus, the percent increase from stage 1 to stage 2 allocations may appear significant for individual countries, though small in absolute terms.

16. **The final regional distribution of Pilot CRW resources was very close to the one envisaged in the December 2009 policy paper** (see Table 1). The fact that four countries from AFR were unable to use their Pilot CRW allocations explains a slightly lower share than expected for that region.

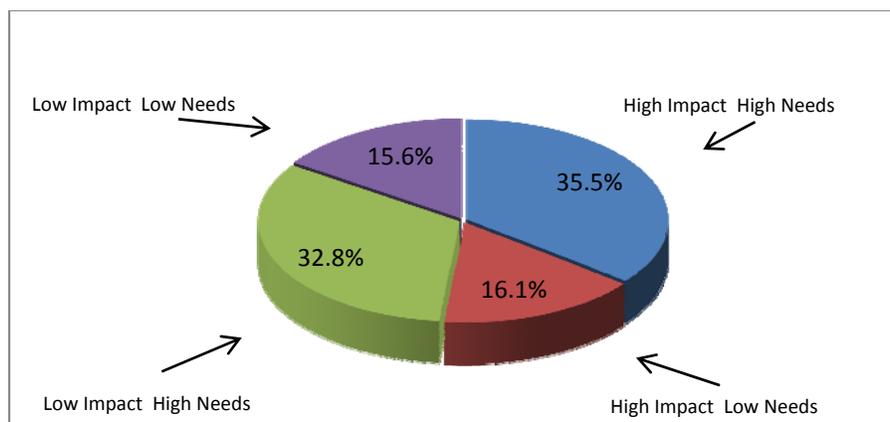
⁴ Along with a high crisis impact, in late 2009 Samoa was hit by a devastating tsunami, the worst natural disaster in EAP during the IDA15 period.

Table 1: Regional Distribution of Pilot CRW Resources (FY10 and FY11)

| Region | Commitment | |
|--------------|-------------|------------|
| | SDR million | % |
| AFR | 586 | 63.5 |
| MNA | 27 | 2.9 |
| ECA | 38 | 4.1 |
| EAP | 57 | 6.1 |
| SAR | 177 | 19.1 |
| LCR | 39 | 4.2 |
| TOTAL | 923 | 100 |

17. **Uncertainty and limited information on the expected impact of the crisis influenced the design of the allocation methodology.** In light of limited information, the allocation methodology aimed to avoid errors of exclusion to ensure that no IDA country that might potentially need crisis support would be excluded from the list of eligible recipients. Furthermore, the inclusion of the “pre-existing needs” criterion took account of the fact that several countries affected by the global financial crisis had also previously been impacted by other shocks (the food and fuel crises, natural disasters or internal conflicts) which had weakened their capacity to mount a crisis response. The allocation methodology was broadly effective in rationing scarce Pilot CRW resources, with 84 percent of total Pilot CRW resources going to countries with either high crisis impact or high needs and with 52 percent going to countries with high impact (see Figure 3). Stage 2 allocations allowed for better targeting on the basis of individual country situations, because regional management was able to rely on additional crisis impact information that had become available, as well as information on financial resources that had become available to eligible countries and their absorptive capacity. While this approach was appropriate in the situation when urgent support was needed and detailed data on crisis impact was limited, the Pilot CRW has yielded valuable lessons that have informed improvements in targeting under the IDA16 dedicated CRW.

Figure 3: Pilot CRW Resource Distribution Based on Crisis Impact and Country Needs



B. Commitments of Pilot CRW Resources

18. **A total of SDR923.4 million (US\$1,383.5 million) of Pilot CRW resources were committed through 75 operations to 46 countries that were fully or partially financed by the Pilot CRW.** Of this amount SDR147.1 million was committed through self-standing Pilot CRW operations, while SDR776.3 million was committed through operations partially financed with Pilot CRW resources. The total commitment amount for all operations receiving Pilot CRW resources was SDR3.3 billion. Of the 75 operations, 48 were new operations. New operations totaled SDR1.8 billion, which included SDR532.8 million of Pilot CRW resources. The remaining 27 operations were provided as additional financing to existing well-performing projects in countries' portfolios which were expected to have an impact on crisis mitigation or which faced a threat of not meeting project development objectives due to crisis-related financial constraints. These additional financing operations involved SDR1.4 billion of total IDA resources, including SDR390.6 million of Pilot CRW resources. The overall result is particularly impressive as it added to already scaled up IDA15 commitments (with average annual commitments of US\$14 billion compared to US\$10.9 billion during IDA14 and US\$8.3 billion during IDA13), and to a typical IDA portfolio of about 200 projects a year.

19. **Pilot CRW resources were delivered using a range of instruments.** About half (35) of the projects were Specific Investment Lending (SIL) operations amounting to SDR480 million. There were 21 Development Policy Operations (DPOs) amounting to SDR187 million of Pilot CRW financing, and 14 Emergency Recovery Lending (ERL) operations, amounting to SDR188 million. The DPOs were typically used to protect core-spending in countries facing falling fiscal revenues and widening deficits. The use of ERLs and additional financing of existing projects provided a way to rapidly respond to the crisis.

Table 2: Choice of Instruments for Pilot CRW Financed Operations

| | Number of projects | Total IDA Commitments with Full or Partial Pilot CRW Financing (SDR million) | Pilot CRW Commitments (SDR million) | Share of Instrument Type (%) |
|--------------------------------|--------------------|--|-------------------------------------|------------------------------|
| Adaptable Program Lending | 3 | 176 | 26 | 4.0 |
| Development Policy Operations | 21 | 550 | 187 | 28.0 |
| Emergency Recovery Lending | 14 | 594 | 188 | 18.7 |
| Financial Intermediary Lending | 1 | 38 | 38 | 1.3 |
| Specific Investment Lending | 35 | 1,928 | 480 | 46.7 |
| Technical Assistance Lending | 1 | 8 | 5 | 1.3 |
| TOTAL | 75 | 3,304 | 923 | 100 |

20. **The distribution by sector of Pilot CRW commitments reflected a mix of shorter-term crisis mitigation and longer-term development and resilience-building interventions (see Table 3).** While the Pilot CRW resources were not earmarked for a particular sector or theme, country teams were encouraged to: (a) focus on crisis-related interventions that could deliver rapid impact in protecting core spending on health, education, social protection, infrastructure, and agriculture and rural development; (b) managing the poverty, social and

economic impact of the crisis; and (c) building the countries' resilience to cope with possible future crises. As a result, the objectives of projects ranged from the preservation or development of safety nets, to irrigation programs to mitigate the rise in rural poverty, youth employment programs, development of health services or maintenance of transport infrastructure crucial to mitigate the economic crisis. The diversity of instruments available and the absence of thematic earmarking were important factors in the ability of country teams to respond to each country's crisis specific needs and circumstances.

Table 3: Sectoral Distribution of Pilot CRW Resources

| Sector | Number of operations | Total IDA Commitments with Full or Partial Pilot CRW Financing (SDR million) | Pilot CRW Commitments (SDR million) |
|--|----------------------|--|-------------------------------------|
| Agriculture and rural development | 7 | 460 | 165 |
| Education | 3 | 51 | 18 |
| Energy | 5 | 267 | 55 |
| Economic policy | 17 | 422 | 142 |
| Finance and private sector development | 3 | 54 | 46 |
| Health | 6 | 294 | 115 |
| Poverty | 4 | 170 | 51 |
| Social protection | 11 | 400 | 149 |
| Transport | 7 | 509 | 59 |
| Urban | 10 | 608 | 103 |
| Water and sanitation | 2 | 69 | 20 |
| TOTAL | 75 | 3,304 | 923 |

21. **In line with the objective of responding rapidly to crisis needs, operations using Pilot CRW resources were on average prepared faster than regular IDA operations.** As shown in Figure 4, the average time from project concept to approval was 6.8 months and from approval to effectiveness was 4 months, lower than normal project processing times. TTLs reported that flexibility in the choice of instruments led to frequent use of additional financing, DPLs and ERLs which in turn contributed substantially to faster processing times. Preparation was also faster in situations where interventions were able to rely on existing systems for project implementation. Further efforts are ongoing to accelerate IDA's crisis response, including through the consolidation of investment lending policy and the recent introduction of the Immediate Response Mechanism (IRM – see para. 53-55). Nevertheless, expediting deliveries of CRW projects, while important, needs to be balanced with maintaining project quality.

Figure 4: Comparison of Response Times for Preparation of IDA Operations*

| | Eligibility | Instrument | Time |
|--|--------------|------------|--|
| Lending operations (OP/BP 10.00; OP/BP 8.60) | IDA and IBRD | IL, DPL | <ul style="list-style-type: none"> • Average time from concept to approval - ILs 14.3 months, DPLs 6.9 months • Average time from approval to effectiveness – ILs 6.0 months; DPLs 2.7 |
| Crisis Response Window (IDA15 Pilot) | IDA-Only | IL, DPL | <ul style="list-style-type: none"> • Average time from concept to approval 6.8 months • Average time from approval to effectiveness 4.0 months |
| Emergency Response (OP/BP 8.00) | IDA and IBRD | IL | <ul style="list-style-type: none"> • Average time from concept to approval 7.4 months • Average time from approval to effectiveness 4.1 months |
| Portfolio Restructuring | IDA-Only | IL | <ul style="list-style-type: none"> • Average time from concept to approval 8.4 months • Average time from approval to effectiveness 2.5 months |

* Including additional financing operations.

C. Disbursements of Pilot CRW Resources

22. As expected, the choice of instruments was a major factor in determining the speed of disbursement of Pilot CRW resources, justifying the recommendation to rely on fast-disbursing instruments in the Pilot CRW Implementation guidelines. All 21 DPOs have fully disbursed, accounting for US\$830 million in disbursements. Disbursements were also higher where additional financing was used, since this builds on existing well functioning projects and the mechanisms developed for their implementation. The average disbursement rate of SILs with additional financing was 51 percent, while the disbursement rate for new Pilot CRW financed SILs averaged 29 percent. As of end-FY12 the overall estimated disbursement rate of IDA projects with a Pilot CRW component was 51 percent,⁵ significantly higher than the 19 percent disbursement rate of all IDA operations that were approved during FY10-11 and that did not have Pilot CRW components. While the flexibility in the choice of instruments was welcome in enabling fast response of the country teams and ensuring the alignment of the response with the country needs, the versatility offered by the Pilot CRW resulted in a relatively large numbers of smaller interventions (the average size of the operations fully financed by the Pilot CRW was SDR13.4 million), thus adding to the implementation supervision challenge of regional teams.

⁵ Note that disbursements of Pilot CRW resources are estimated on the basis of the total IDA disbursements of projects with full or partial Pilot CRW financing.

Table 4: Pilot CRW Operations Disbursement Rate by Instrument

| | Total IDA Disbursements with Full or Partial Pilot CRW Financing (US\$ million) | Disbursement rate⁶ (%) |
|--------------------------------|--|--|
| Adaptable Program Lending | 102 | 39 |
| Development Policy Operations | 830 | 100 |
| Emergency Recovery Lending | 518 | 59 |
| Financial Intermediary Lending | 30 | 53 |
| Specific Investment Lending | 1,025 | 35 |
| Technical Assistance Lending | 3 | 21 |
| TOTAL | 2,509 | 51 |

D. Results of Pilot CRW Projects

23. **Although outcomes from each of the 75 Pilot CRW operations cover a broad spectrum, they are all relevant to the Pilot CRW’s main objective:** protecting core spending on health, education, social protection, infrastructure, agriculture and rural development and financing programs managing the poverty, social and economic impact of the crisis. Available information broadly indicates that along with focusing on short-term measures for mitigation of crisis impact on the vulnerable, a large share of Pilot CRW projects also supported activities related to building resilience to future crises, as well as protecting investments envisaged in the country strategy that were potentially jeopardized due to the focus on more immediate crisis mitigation activities.

24. **The Project Development Objective (PDO) ratings of Pilot CRW financed projects indicate that 52 projects have been satisfactory and an additional 14 projects moderately satisfactory in achieving or progressing towards achievement of their PDOs.⁷** The ratings on progress in implementation for ongoing projects, based on the latest Implementation Status and Results Report (ISR), indicates that 23 projects are fully on track, and an additional 28 projects are likely to meet the PDOs by the closing of the projects, although they might currently be progressing somewhat slower than initially envisaged.

⁶ The Business Warehouse system does not distinguish CRW funds from regular IDA funds. The rate, therefore, indicates a percentage share of total approved commitments that have been disbursed for projects financed fully or partially by Pilot CRW resources.

⁷ The review is based on latest ISR data for the on-going projects and ICR ratings for closed projects. Some DPLs which were closed do not have yet available ICRs and have not been included in this analysis. The total number of projects with the PDO ratings is, therefore, 70, while 54 on-going projects also have ratings for implementation progress.

Table 5: Current Status of Project Development Objectives and Implementation Progress

| Status | Implementation Progress | Project Development Objectives |
|---------------------------|-------------------------|--------------------------------|
| Satisfactory | 23 | 52 |
| Moderately Satisfactory | 28 | 14 |
| Moderately Unsatisfactory | 3 | 4 |

25. **Since most projects receiving Pilot CRW funding are still under implementation, a systematic and comprehensive assessment of the results of the Pilot CRW will take more time.** An in depth assessment will also need to confront complex methodological challenges. First, at an aggregate level, since Pilot CRW resources were used with other interventions to help IDA countries address the impact of the global financial crisis, attribution of specific results to Pilot CRW funding will be difficult. Second, for projects with mixed funding it will be challenging to separate the impact of Pilot CRW resources from that achieved by other IDA funding. At this time, the best evidence that is available comes either from DPOs (which have been fully disbursed), and, in the case of SILs, from project and country teams and project ISRs.

26. **Outcomes from DPOs.**⁸ In line with the Pilot CRW objectives, DPOs aimed at balancing the short-term focus on preserving core spending with the long-term strengthening of countries' resilience to potential future crises. All 21 DPOs that had Pilot CRW funding (SDR550 million, of which SDR187 million from the Pilot CRW) in four regions (AFR, EAP, ECA and SAR) have been closed. Box 1 presents the example of the CRW financed DPO in Mongolia. Additional examples, presented in more detail in Annex 2, include:

- **Malawi:** increasing economic growth and poverty reduction through enhanced agricultural productivity, increased private sector investments, improved household resilience to shocks and improvements in fiscal management;
- **Moldova:** complementing an IMF-supported program for fiscal correction with measures to improve the composition of the budget and structural measures to stimulate economic recovery; and
- **Samoa:** economic recovery, improved delivery of key infrastructural services, and protection of the vulnerable.

⁸ Although all of the DPOs have been closed, the ICRs for a number of them have not yet become available. This is partially due to the fact that programmatic DPOs may have the ICR prepared following the closure of the entire program series. Also, even for the DPOs that were last in the series, but that have closed more recently, the ICRs are not yet available.

Box 1: Results of a Pilot CRW Financed Operation: Second Development Policy Credit in Mongolia

Crisis Impact: Mongolia, which heavily relies on mining revenues (accounting for a third of fiscal revenues and almost 80 percent of exports), was doubly hit by the global financial crisis through a decline in commodity prices and financial turbulence. Both the fiscal and external current account balances swung from surpluses into large deficits, foreign exchange reserve losses mounted as the Bank of Mongolia attempted to defend the de facto currency peg and an overheated banking sector experienced large local currency outflows (two banks eventually failed), and the economy, which had experienced sustained growth of above 9 percent on average from 2004 to 2008, contracted by 1.6 percent in 2009. Finally, severe winter conditions in 2009-2010 compounded the effects of the recession on the poor. The shock exposed underlying weaknesses in the policy environment. These included excessive budgetary reliance on volatile mineral revenues, inadequate savings during the boom period which saw large increases in unsustainable expenditures and untargeted social transfers, and an overheating and under-regulated banking sector.

CRW Allocation: IDA provided a mix of tailored advice and public outreach on fiscal policy and social protection, and financial support together with the IMF, the ADB and JICA. Along with its regular IDA allocation (SDR39.1 million for FY10-11), Mongolia received additional financing of SDR24.5 million from the Pilot CRW. The additional resources were used to finance the Second Development Policy Credit (SDR19.7 million) and Mongolia Multi-Sector Technical Assistance Project (SDR4.8 million).

Project Objectives: Through the Second Development Policy Credit (fully financed by the Pilot CRW) IDA supported (a) fiscal policy reforms aiming to improve capital budget planning and execution; (b) social protection reforms aiming to reduce poverty and protect the poor from future shocks by better targeting of social welfare interventions; and (c) financial sector reforms aiming to stabilize banking sector, and further improvements of the policy framework for mining industry. The success of the reforms was enhanced by public outreach efforts among parliamentarians, civil society, and media to help build consensus on the reforms, as well as by the Multi-Sector Technical Assistance Project, that is supporting enhancement of the Government's capacity for policy making, regulation and implementation in the fiscal, social, and financial sectors.

Project Results: The project, which closed in June 2011, was rated satisfactory since it had achieved all its PDO indicators, including:⁹

- Enactment and implementation of the Fiscal Stability Law (FY10) and the accompanying Integrated Budget Law (FY12) enabled improvement of public investment planning and budgeting, strengthening of medium-term fiscal framework and prioritization on maintenance of basic infrastructure (i.e., repair and maintenance expenditures reached MNT37.9 billion, surpassing the target figure of MNT33.4 billion);
- Enactment of the Social Welfare Law enabled substantial consolidation of categorical benefit programs, introduction of a means tested poverty benefit that targets social protection to the poorest households, and improvement of long-term sustainability of social welfare;
- Progress in overall stabilization of the banking sector;
- Achievement of compliance with the Extractive Industries Transparency Initiative, and improvements in the policy framework for mining.

27. **Outcomes from Specific Investment Lending (SIL).** With a total of 35 operations amounting to SDR480 million of Pilot CRW financing, SIL projects were the most widely used instrument. Pilot CRW financed SIL projects were concentrated in some sectors (social protection, health, agriculture, infrastructure and urban development), hence outcomes from these sectors are highlighted in the following few paragraphs. Overall, these projects reflected a mix of shorter-term crisis mitigation and longer-term development and resilience-building objectives, including the preservation or development of safety nets, irrigation programs to

⁹ Implementation Completion and Results Report, ICR2165, March 2012.

mitigate the rise in rural poverty, youth employment programs, development of health services or maintenance of transport infrastructure crucial to mitigate the economic crisis.

Box 2: Results of a Pilot CRW Financed Operation: Community Driven Development in Benin

Crisis Impact: In Benin, real GDP growth is estimated to have slowed to 2.7 percent in 2009, compared with 5 percent in 2008, due to weaker demand for exports, notably from Nigeria, lower inflows of remittances and foreign direct investment, and lower cotton prices. The external current account deficit widened to 13.3 percent of GDP, reflecting a sharp decline in transit trade, weaker cotton exports and a decline in workers' remittances. A stimulus package introduced in 2009 to address the crisis, combined with flat revenues, led to a weakened fiscal position. Despite significant fiscal consolidation, the deficit widened from 3.5 percent in 2008 to 7.0 percent in 2009.

CRW Allocation: Along with its regular IDA allocation (SDR121 million for FY10-11), Benin received additional financing of SDR14.5 million from the Pilot CRW. The additional financing was used to support the Sixth Poverty Reduction Development Policy Operation (SDR6.5 million) and to provide additional financing for the National Community Driven Development Project (PNDCC, SDR8 million). PNDCC is a major provider of health, education, and water and sanitation infrastructure in Benin.

Project Objectives: The additional financing to PNDCC aimed to allow completion of the original project activities as the Government was unable to provide the funding it had committed to on account of the crisis. The project also supported technical assistance for the development of Benin's social safety net system that would help cushion the impact of future crises. The bulk of the project financed the costs associated with the execution of 295 already identified community sub-projects in health, education, water, and roads. The grant also supported the completion of other activities under the original project, such as institutional capacity building and commune-level multi-village sub-projects. The project was restructured to create a new component for technical assistance on social safety nets. The PDO and results indicators were also restructured, and the project was extended by 16 months.

Project Results: The project met or exceeded all six of the core results indicators, including:

- 1,535 community infrastructure projects were completed (against the target of 1,400), including 295 supported under the Pilot CRW;
- 3,170 additional classrooms were built or rehabilitated from project interventions;
- Number of health facilities constructed, renovated and/or equipped reached 144;
- Percent of female beneficiaries from the project reached 42 percent;
- Number of people in rural areas provided with access to improved water sources under the project was 25,250 relative to a target of 10,000;
- Number of improved community water points reached 101;
- Technical assistance on safety nets resulted in the preparation and adoption by Government of (i) a comprehensive Social Safety Nets Review, and (ii) a Feasibility Assessment for a new program of safety nets that can be scaled up in times of crisis.

The project, which closed in April 2012, was rated satisfactory since it had achieved all its PDO indicators and its Implementation Progress (IP) indicators. The Government of Benin requested a follow up operation to mainstream community driven development into the country's decentralization program and to pilot the safety net program developed through the technical assistance supported by Pilot CRW resources. This project, called the Decentralized Community Driven Services Project (SDR29.6 million IDA credit), was approved by the Executive Directors on May 3, 2012.

28. **Outcomes from social protection and health projects.** In line with the focus on supporting the most vulnerable, almost 50 percent of all the SIL projects that received Pilot CRW financing were projects in social protection and health. With 11 operations in four regions (AFR, MNA, ECA and LCR) amounting to SDR400 million (of which SDR149 million from the Pilot CRW), **social protection** was one of the sectors most often selected for crisis response interventions. The projects focused on providing immediate assistance to vulnerable populations through cash transfers, public works programs, grants for income generating activities and micro-credits, while supporting the development of a sound and more transparent safety net system that would allow faster and more efficient interventions in the future. The crisis further undermined the ability of relatively weak **health systems** in a number of IDA countries to achieve and sustain health results, threatening to deter already achieved progress and impede future progress. Six Pilot CRW financed projects in health (amounting to a total of SDR294 million, of which SDR115 million from the Pilot CRW), therefore focused on increasing access to and coverage of basic health services and treatment and prevention of communicable diseases. The Community Driven Development Project in Benin (Box 2) is a project that combines both social protection and health sector objectives. Additional examples of social protection and health operations include (more details on these operations are presented in Annex 3):

- **Liberia:** expanding access of poor and young Liberians to temporary employment programs and improving youth employability, through community works and skills training;
- **Yemen:** improving access to basic social services for the poorest communities through community and local development and labor-intensive work programs;
- **Honduras:** building an improved social protection system based on a conditional cash transfer program, development of mechanisms and instruments for targeting of beneficiaries, monitoring compliance, making payments and improving transparency; and
- **Afghanistan:** supporting the delivery of basic health and hospital services to the poor and population living in rural areas.

29. **Outcomes from agriculture and rural development and urban development projects.** Pilot CRW resources were also frequently used in agriculture and rural development and urban development. The Pilot CRW supported seven projects in the **agriculture and rural development** sector (SDR460 million, including SDR165 million from the Pilot CRW) in three regions (SAR, EAP and AFR) aiming at greater food security and reduced vulnerability, improvements in resource management, infrastructure, access to agricultural markets and advances in agricultural technology. An example of a Pilot CRW financed project in this area is presented in Box 3. Ten projects in **urban development** in four regions (AFR, LCR, MNA and SAR; amounting to SDR608 million of which SDR103 million from the Pilot CRW) mostly aimed to prevent significant cuts in basic urban infrastructure investments, while creating opportunities for job creation for the most vulnerable populations. Additional examples of these operations include (more details are provided in Annex 4):

- **Democratic Republic of Congo:** addressing near-term impacts of the financial crisis and urgent rehabilitation and social needs;
- **Haiti:** support to respond to the combined impact of a devastating earthquake of early 2010 and the global financial crisis; and
- **Côte d'Ivoire:** increasing access to, and improving the quality of, urban infrastructure facilities by scaling-up basic urban services in some of the country's poorest communities, as well as further strengthening management capacity and extending network coverage of basic urban services in Abidjan, Bouake and other selected cities.

III. Crisis Response Activities during IDA16

30. **Building on the experience with the Pilot CRW and other World Bank Group crisis response initiatives,¹⁰ efforts have continued in the context of IDA16 to further enhance IDA's ability to respond to different types of crises and emergencies.** During the IDA16 Replenishment negotiations, IDA Deputies supported the establishment of a dedicated Crisis Response Window within IDA. Funding for the dedicated CRW was capped at 5 percent of total IDA16 replenishment resources, and donors provided funding in the amount of SDR1,335 million, representing 4.1 percent of the IDA16 envelope towards this cap.¹¹ The establishment of the dedicated CRW signaled a paradigm shift from ad hoc funding arrangements to respond to crises and the Pilot CRW, to a systematic mechanism to provide timely, additional and predictable financing to IDA countries severely impacted by severe exogenous shocks. The CRW was designed to take into account lessons from the experience of the Pilot CRW and other World Bank crisis response initiatives, in particular with respect to country targeting and selectivity.

¹⁰ The World Bank Group's Response to the Global Economic Crisis, Phase I, IEG, September 2010

¹¹ Report from the Executive Directors of IDA to the Board of Governors, Additions to IDA Resources: Sixteenth Replenishment, IDA16: Delivering Development Results (March 18, 2011).

Box 3: Results of a Pilot CRW Financed Operation: Second Additional Financing for the Agricultural Sector Development Project in Tanzania

Crisis Impact: The global economic crisis, together with insufficient rainfall, resulted in an upward pressure on already high input and food prices, leading to increasing vulnerability of many people to food insecurity, loss of jobs and livelihoods and many people falling below poverty lines, with over 1.6 million people estimated to be food insecure in 2010.

CRW Allocation: Along with its regular IDA allocation (SDR642.8 million for FY10-11), Tanzania received additional financing of SDR62.8 million from the Pilot CRW. The additional resources were used to support the Second Additional Financing for the Agricultural Sector Development Project (SDR104.9 million, with SDR23.1 million from the Pilot CRW), Second Additional Financing for the Tanzania Social Action Fund (SDR145.6 million, including SDR23.1 million from the Pilot CRW), the Transport Sector Support Project (SDR214.3 million, including SDR10 million from the Pilot CRW), and the Strategic Cities Project (SDR107.4 million, including SDR6.6 million from Pilot CRW).

Project Objectives: The Second Additional Financing for the Agricultural Sector Development Project (ASDP) contributes to key elements of the Government's strategy to deal with the impact of the global economic crisis and scale up irrigation investments to mitigate the impacts of future drought spells in the country. It specifically: (a) protects public investment in the agriculture sector by supplementing government budget resources; (b) strengthens food security by mitigating impacts of economic and climate shocks through increased investment in irrigation; and (c) protects employment in agriculture by stabilizing agricultural production. Small-scale irrigation investments will provide smallholder farmers reliable access to water to absorb periodic shocks caused by climatic variability and climate change, and ensure higher and more stable agricultural outputs, lower food prices, and ultimately, increased food security, income growth and spur additional rural employment.

Project Results: Despite good progress in implementation of key project components, both the overall project implementation progress and progress towards achievement of the PDO is moderately satisfactory, mainly due to slow progress in achieving the key PDO outcome indicators related to adoption of improved technologies (seeds, fertilizers and mechanization). Available household level data, however, indicates that there has been progress achieved in a number of areas:¹²

- Total number of direct project beneficiaries reached 228,000 (including 46,000 women), and the number of smallholder households participating in contract farming and marketing outgrower schemes reached 2,7 million (compared to 821,000 baseline, and exceeding 1,4 million target);
- Ratio of processed exported agricultural products to total agricultural exports, and flow of private funds into agriculture sector exceeded end-target values: the ratio of processed exported agricultural products have reached 27.4 percent (compared to end-target of 23 percent), while the private funds into agriculture have reached 691,000 million TZS (end-target was 463,000 million TZS);
- Number of irrigation schemes increased to 1,325 (compared to baseline 1,000), and the area under irrigation has increased to 345,690 ha (compared to 249,992 ha baseline), both expected to meet the end-target values of 1,520 schemes and 380,000 ha by 2013;
- Utilization of improved livestock breeds increased from 2 to 4 percent, and use of tractors from 3 to 4.4 percent, both likely to meet the end-targets (5 percent for both);
- Positive improvements are noted in planning and implementation of project activities; technology generation and dissemination; and improvements in institutional capacity;
- The commodity value chain approach was introduced to improve investment prioritization at local level, enhance coherent and comprehensive planning, better coordination of sector support and services delivery at local level, and allow concentration of resource in a few priority commodities and interventions for greater impact.

¹² Implementation Status and Results Report, Seq. No: 13, June 2012.

31. **CRW resources are meant to be part of a concerted international effort and are only accessed as a last resort financing in cases of an exogenous shock such as major natural disaster or a severe economic crisis affecting multiple countries.** In case of exceptionally severe natural disasters, the CRW aims to complement UN efforts to provide emergency relief, by supporting IDA's efforts aimed at strengthening safety nets for the affected population and restoring basic physical assets that were destroyed by the disaster. In case of severe economic shocks that affect a number of countries,¹³ CRW resources could be used to mitigate the impact on vulnerable groups and to protect core development spending at risk. On an exceptional basis CRW financing could also be granted in the event of a severe price shock that did not result in the benchmark 3 percent GDP growth decline, if (a) the shock was broad-based and deemed severe in terms of fiscal impact, (b) there is a consensus that a concerted international response is needed, and (c) existing IDA allocations of affected countries are deemed insufficient to provide adequate response. While all IDA countries are potentially eligible, actual access to CRW resources must be linked to country-specific circumstances (e.g., crisis impact, access to alternative sources of financing).

32. **Since its establishment, the dedicated CRW has been used to provide additional resources in the wake of the devastating earthquake that hit Haiti in January 2010, as well to provide a rapid and flexible response to the drought in the Horn of Africa.** The section below provides an update of the implementation of the dedicated CRW so far in the IDA16 period and plans for reallocation of its unused funds.

A. Response to the Earthquake in Haiti

33. **Of the US\$500 million (SDR329 million) allocation to support reconstruction after the Haiti earthquake in 2010, US\$295 million (SDR194 million) has been committed** (see Table 6). All projects being implemented with CRW resources aim to deliver services rapidly while building institutional capacity for the medium term.

34. **Three on-going projects are being successfully implemented.** *The Education for All Adaptable Program Grant II* expands a tuition waiver program set up by IDA and co-financed by other donors which provides primary school access to 230,000 children per year (of which 100,000 financed by IDA). Each cohort is financed for a full six years. The project also improves education quality, will qualify 3,300 additional teachers (4,000 teachers died in the earthquake), and feeds 100,000 children every day. Public expenditure and governance work in the sector aims to improve financial sustainability and quality in the sector. With 96 percent of Haiti's population at risk for natural disasters, the *Disaster Risk Management and Reconstruction Project* devotes substantial resources to reducing the vulnerability of communities (through flood prevention, emergency shelter, soil consolidation), strengthening civil protection units nationwide, preparing the public for disasters (evacuation drills), and incorporating disaster risk into Government policy decisions. IDA16 resources have made it possible to build on and

¹³ The CRW targets crises resulting in a widespread or a regional year-on-year projected decline of GDP growth of at least 3 percent points in a significant number of IDA countries.

expand efforts launched with exceptional IDA15 resources provided in 2008, after a series of severe storms and a hurricane. Activities to reduce vulnerability bring immediate benefits to the Haitian population while protecting physical, social and economic investments. IDA will also continue to enhance agricultural services to farmers. In line with the importance of agriculture in Haiti's economy, the *Re-launching Agriculture Project* supports the Government's National Agriculture Investment Plan. The project increases small farmers' access to extension services and training on animal and plant health in priority regions and develops capacity in the Ministry of Agriculture. IDA also supports the improvement of food security by monitoring food price data, providing contingency financing for shocks in IDA16 projects, and carrying out analytical work. Opportunities to develop hedging and risk management tools, such as commodity derivative products, are being examined.

35. **Two additional operations were approved by IDA's Executive Directors in September 2012 and an Economic Reconstruction and Growth Support DPO is expected to be delivered by end of 2012.** The planned *Rebuilding Energy Infrastructure and Access Project* would invest in improving access to quality electricity services and improve the commercial viability of the sector. With an electrification rate of 15 percent, the lack of reliable electricity is a fundamental constraint on living conditions and economic growth. IDA will also increase its support to repairing critical infrastructure and improving the air safety navigation system at Port au Prince Airport, through the proposed additional financing for the *Infrastructure and Institutions Emergency Recovery Project*. The project will also rehabilitate two road segments in the North to lift bottlenecks on tourism and local economic development supported under the Jobs Creation and Growth Project planned for late FY13. The remaining US\$185 million are expected to be invested in jobs and growth, health, nutrition and social service delivery, regional development outside of Port au Prince by end-2013, and a second budget support operation.

Table 6: IDA16 CRW Resources for Haiti

| Project ID | Project Name | Date of Approval | Commitments (US\$ million) | Disbursements (US\$ million) |
|-------------------|--|-------------------------|-----------------------------------|-------------------------------------|
| P124134 | Education for All Project - Phase II | 12/1/11 | 70 | 9.8 |
| P126346 | Disaster Risk Management and Reconstruction | 12/1/11 | 60 | 5.2 |
| P126744 | Relaunching Agriculture II | 12/1/11 | 40 | - |
| P120895 | Infrastructure and Institutions Emergency Recovery Project AF | 9/27/12 | 35 | - |
| P127203 | Rebuilding Energy Infrastructure and Access | 9/27/12 | 90 | - |
| P127208 | Econ. Reconstruction and Growth Support (DPO) | Planned 12/12 | 20 | - |
| P123974 | Jobs Creation and Growth Project | Planned 2/13 | 65 | - |
| P123706 | Ensuring Health, Nutrition and Social Services for the Vulnerable Population | Planned 3/13 | 50 | - |
| | Econ. Reconstruction and Growth Support (DPO II) | Planned Q2 FY14 | 20 | - |
| | Haiti Economic Development Plateau Central | Planned 6/13 | 50 | - |
| TOTAL | | | 500 | |

36. **IDA support through the exceptional CRW resources has evolved into a significant platform for the delivery of aid since the earthquake.** IDA has piloted approaches that are now being scaled up by other donors in water, education, health and housing. IDA serves as a convener and plays a leadership role in budget support, disaster risk management, neighborhood reconstruction, private sector development and doing business. The World Bank's track record for managing complex multi-donor trust funds also positioned IDA well to play a key role in facilitating multi-donor support for responding to the earthquake.

37. **Rapid growth in the size of the portfolio in a low capacity and fragile environment requires flexibility and intensive support for project preparation and implementation.** In Haiti, IDA works in close partnership with the Government, the UN and other donors to build up the government's capacity to implement CRW projects. Bank executed implementation arrangements were used in the immediate aftermath of the earthquake to optimize complementarities and maximize impact. However, in light of the importance of building capacity, sustained efforts are being made to deliver rapid results while strengthening Government capacity and working through Government agencies. To achieve these goals, the focus is on injecting substantial financial management, procurement and disbursement capacities in Government's core systems and line ministries, providing hands-on implementation support to the Government, and intensifying efforts to strengthen the Government's overall capacity.

38. **IDA's efforts, together with those of other donors, leverage and complement various Trust Funds.** Knowledge sharing, including through South-South cooperation with Brazil (on social safety nets) and Indonesia (on earthquake reconstruction), as well as analytical work on key issues related to poverty and reconstruction, underpin these programs. The activities supported incorporate lessons from the 2011 World Development Report on fragility and conflict by aiming to strengthen the institutional capacity of the Government to promote stability, investing in jobs and in private sector growth with an emphasis on increasing the economic empowerment of women, and using the flexibility provided by IDA rules and guidelines to respond with agility and speed to a rapidly evolving and fragile environment. The program also tries to maximize synergies between products and investments within the World Bank program as well as through joint IDA-IMF support for national level reforms to improve the business environment, access to finance and support for small and medium-size enterprises.

B. Response to the Drought in the Horn of Africa

39. **In 2011, Executive Directors approved the use of CRW resources to help respond to the drought in the countries in the Horn of Africa.** At that time, the Horn of Africa, one of the poorest sub-regions in Sub-Saharan Africa,¹⁴ was suffering from the worst drought in over half a century. Over 13 million people (including 2 million children under the age of 5) in Djibouti, Ethiopia, Kenya and Somalia were affected by the crisis (see Box 4). The situation was aggravated by long standing fragility and conflict and the rapid growth of the refugee population

¹⁴ GNI per capita in 2009 of US\$620 (compared to US\$1,125 for Sub-Saharan Africa).

posing additional challenges related to the scarcity of available resources and increasing public health risks due to malnutrition, lack of access to potable water and overcrowding.

40. **To help the region cope with the crisis, IDA presented to Executive Directors a comprehensive Horn of Africa Drought Response Plan with IDA financing of US\$1.88 billion (see Figure 5).** Of this, US\$250 million was financed from the CRW.¹⁵ The plan supports affected countries through three phases:

- *Rapid response*, focusing on high-impact operations to strengthen safety nets and recovery over the first six months;
- *Economic recovery*, focusing on livelihood recovery, restoration of livestock production, resilience and preparedness over the medium term; and
- *Drought resilience* activities over the next five years, focusing on risk financing, investment in drought resistant agriculture, and climate-resilient investments.

Box 4: Overview of Most Affected Countries in the Horn of Africa¹⁶

IDA facilitated conducting detailed post-disaster needs assessments (PDNA) in Kenya and Djibouti, led by the respective governments and in partnership with the EU and the UN.

In **Kenya** the PDNA analyzed the impact of four years of consecutive drought and estimated the negative impact at more than US\$12 billion. The impact was the most severe on the livestock sector (70 percent), and the drought is estimated to have slowed Kenya's economic growth by 2.8 percent per annum. Overall, the recovery and reconstruction needs were assessed at US\$1.8 billion, and an additional US\$2.1 billion is needed for building long-term drought resilience capacity.

In **Djibouti** the PDNA found that the GDP growth slowed by 3.9 percent during the drought. The drought effects are estimated to be more than US\$177 million, primarily linked to losses in agriculture estimated at US\$96 million, or 54 percent of all the impact, and another large impact on water sources (90 percent of ground water wells are non-functional because of salinity and contamination). The needs for recovery and resilience are estimated at US\$215 million for the next 5 years.

Since the PDNAs, the food security situation in the Horn of Africa has improved and the number of people affected has declined by one-third to 9 million, but the situation remains precarious. Below average rain forecasts, lack of access to food and continued conflict in Somalia provide a grim and sobering outlook for the region. Somalia remains the country under most stress with one third of its population, about 2.3 million people, still at humanitarian emergency level. Furthermore, about 300,000 drought-affected refugees, mostly Somalis, who migrated to Kenya's Dadaab and Kakuma camps still remain, and the number of Somali refugees in Ethiopia's Dollo Ado camp increased sharply by an additional 150,000 refugees. Prevailing extremely hot and dry conditions in the pastoral areas of northern Kenya, southern Ethiopia and southern Somalia have resulted in the deterioration of vegetation imperiling livestock herds.

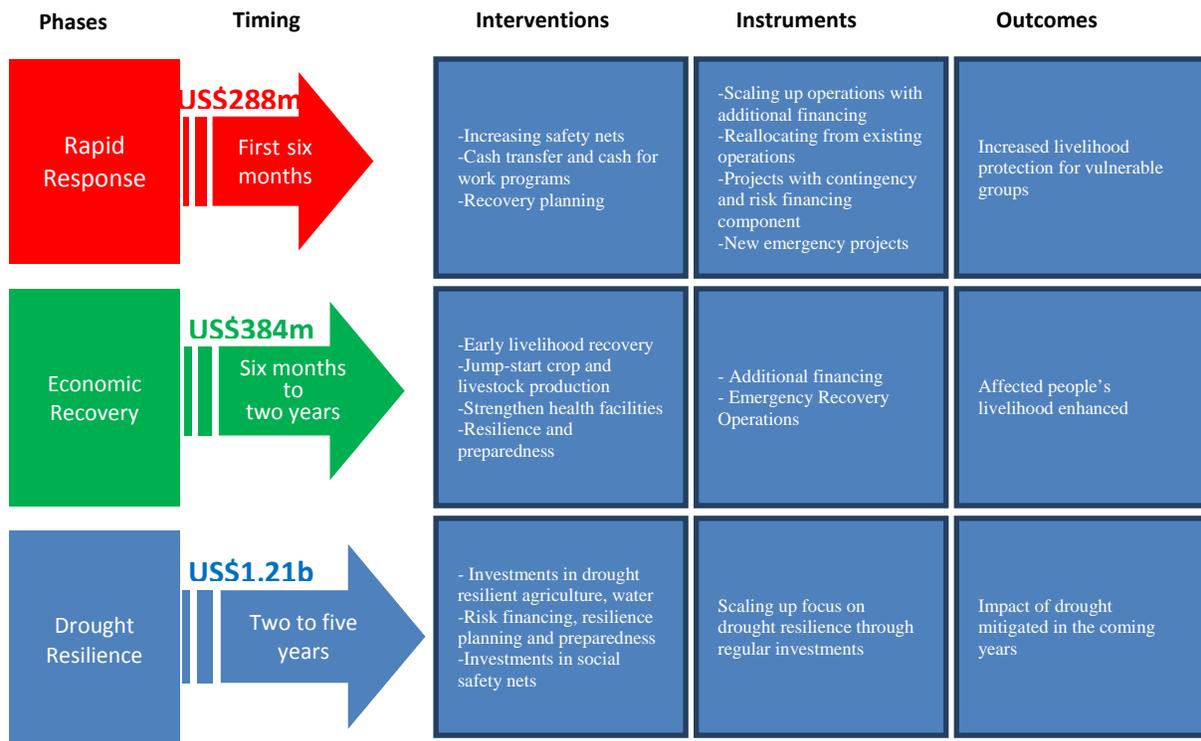
¹⁵ World Bank (2011) Proposed IDA Crisis Response Window Support to the Drought Emergency in the Horn of Africa.

¹⁶ Vulnerability in the Africa Region: Drought in the Horn of Africa and Sahel, Briefing to the Executive Board of Directors, Talking Points, May 8, 2012.

41. **The US\$1.88 billion Horn of Africa Drought Response Plan includes financing from various sources: restructured ongoing projects, new projects or additional financing from IDA16 country allocations, CRW resources, and trust funds.** In the Horn of Africa, IDA has worked in close partnership with national governments, UN agencies (e.g., UNHCR and FAO), the European Union (EU), the International Federation of Red Cross and Red Crescent Societies (IFRC), the Intergovernmental Authority for Development Climate Prediction and Application Center (ICPAC), other regional organizations, non-governmental organizations, and the private sector. Operations have built on existing and newly generated knowledge, and sharing of best practices.

42. **The CRW allocation of US\$250 million for the Response Plan constituted an important element of the drought response package.** The CRW allocations for Ethiopia, Kenya and Djibouti met the test of being financing of last resort and filling an existing resource gap. Furthermore, the CRW process helped frame the overall Bank response to the crisis, from the early impact and needs assessment, to mounting a rapid response (the first CRW financed operation was approved in September 2011), to regular monitoring and reporting.

Figure 5: Horn of Africa Drought Response Plan



43. **As shown in Table 7, seven operations with partial or full CRW financing have been approved amounting to SDR540 million (US\$845 million), including SDR121.5 million**

(US\$190 million) from the CRW. Of this, US\$113 million has been disbursed so far. Some of the notable contributions made by those projects include: (a) regionally, the *Horn of Africa Emergency Health and Nutrition Project* supported refugee camps in Kenya and Ethiopia by expanding implementation of a health and nutrition package of services. Nearly 600,000 people (of which 51 percent female) benefited from the project directly. In the Dadaab Camp (Kenya), 35,449 supplemental feeding sessions were conducted with malnourished children, pregnant and lactating women, tuberculosis patients, and people living with HIV/AIDS; 8,500 children (6-18 months of age) underwent growth monitoring and received lipid nutrient supplementation; community management of acute malnutrition was implemented, reaching 18,627 children; polio immunization campaign was conducted covering 100 percent children (under 5); 970 camp residents received mental health services; 61,000 long lasting insecticide-treated bed nets were procured; and 47.5 km of water pipelines installed, along with 69 emergency tap stands and 97 permanent tap stands. In the Dollo Ado Camp (Ethiopia), 5,850 malnourished children were provided with nutritional rehabilitation and care in supplemental feeding centers; 24,433 children (under 5) are receiving monthly support through the Blanket Supplemental Feeding Program; 100 percent of new arrivals from Somalia (aged 6 months to 30 years) were vaccinated against measles; and the water supply was improved. (b) in Ethiopia the contingency risk financing facility, supported by the *Productive Safety Net Program III Additional Financing*, enabled improved food consumption for 6.5 million chronic and 0.3 million transitory food insecure people; and (c) in Kenya, as a result of the *Kenya Health Sector Support Project Additional Financing* the targeted number of direct project beneficiaries has exceeded over 8 million people to date.

Table 7: IDA16 CRW Resources for the Horn of Africa

| Project ID | Project Name | Approval Date | Total IDA Financing (US\$ million) | CRW Commitments (US\$ million) | Disbursements (US\$ million) |
|--------------|--|---------------|------------------------------------|--------------------------------|------------------------------|
| P127949 | Regional Emergency Health and Nutrition Project | 9/15/11 | 30 | 30 | 30 |
| P126430 | Ethiopia Productive Safety Net III Program Additional Financing | 2/28/12 | 270 | 70 | 70* |
| P119736 | Kenya Agriculture Drought Recovery Project | Planned | 52 | 35 | - |
| P126637 | Kenya Water and Sanitation Project Additional Financing | 5/10/12 | 427 | 20 | - |
| P074091 | Kenya Health Sector Support Project Additional Financing | 12/19/11 | 100 | 57 | 13 |
| P130328 | Djibouti Employment and Human Capital Safety Net Additional Financing | 6/12/12 | 5 | 5 | - |
| P130515 | Djibouti Rural Community Development and Water Mobilization Additional Financing | 6/12/12 | 8 | 3 | - |
| P130493 | Djibouti Power Access and Diversification Additional Financing | 6/12/12 | 5 | 5 | - |
| | Unallocated** | | | 25 | - |
| TOTAL | | | 897 | 250 | 113 |

* While US\$50 million is being transferred to the Productive Safety Net Program (PSNP) Risk Financing Facility, the remaining US\$20 million will remain in the project to replenish the Facility after it has been triggered for a second time. The funds are considered as disbursed as the aim of CRW allocations was to replenish the risk financing facility.

** Of US\$50 million that were initially allocated to the Regional Drought Resilience and Livestock Recovery Project, US\$25 million have been reallocated to the Kenya Agriculture Drought Recovery Project (increasing its CRW financing to US\$35 million), while the remaining US\$25 million is yet to be allocated.

44. **IDA's response to the Horn of Africa drought provided valuable lessons, which are helping strengthen the ongoing response and informing IDA's approach to addressing the drought now hitting the Sahel.** First, using established implementation mechanisms of existing projects or partnering with agencies which have ongoing programs in place (i.e., FAO and UNHCR) enables IDA to respond swiftly in preventing further food insecurity while saving lives. Second, availability of adequate technical and budgetary resources is vital for rapid finalization of activities critical for preparation of crisis response projects (i.e., field scoping visits, impact assessments, recovery and reconstruction planning, etc.). Third, IDA's internal processes for project preparation and disbursements through government systems can be challenging for rapid response. To help address this last point, the Immediate Response Mechanism has recently been approved to enable IDA countries to rapidly access up to 5 percent of their undisbursed IDA investment project balances in order to cover the financing gap between crisis and the access to IDA resources (see para. 53-55). Fourth, the Horn of Africa drought shows that drought, fragility and conflict are often intertwined, hence long term resilience, risk reduction and fragility need to be addressed in tandem. Finally, along with adequately planning for a rapid response period (experience in the implementation of the Horn of Africa response plan demonstrates that this phase is likely to take 9 months or more), it is important to realize that an effective response to drought risk and climate change requires long term structural transformation and reform.

C. Plans for Reallocation of Unused CRW Funds

45. **As agreed in the IDA16 Report, IDA Management would propose how to utilize unused CRW funding at the time of the IDA16 Mid-Term Review.** Management's proposal would take account of utilization to date and likely demand for the remainder of the IDA16 period. After deducting the amounts used for Haiti and the Horn of Africa drought emergency, about SDR845 million of CRW funding remains. While the likelihood of additional countries requiring CRW resources in the last year of the IDA16 replenishment remains high, it is recognized that it is critical to maximize the use of these resources during the IDA16 period.

46. **There are two areas in IDA where additional resources could make an important development impact:**

- First, the combination of strong demand and an improving regional project portfolio has led to a strong but currently unfunded pipeline of regional projects.¹⁷ Provided additional resources are made available, these projects could be submitted to IDA's Executive Directors for approval during FY14, the last year of IDA16. Management thus proposes to reallocate SDR315 million to the IDA regional program to support increased demand for financing for regional projects from all regions, and enable some of the unfunded pipeline of regional projects to be presented to the Executive Directors in FY14;

¹⁷ See IDA Regional Integration Program: Progress Update and Review of the Provision of Grants to Regional Organizations, October 2012.

- Second, progress on MDG 4 (reduce child mortality) and MDG 5a (reduce maternal mortality) is lagging behind. Of the 75 countries with the highest burden of maternal and child mortality, only 23 countries are ‘on-track’ to achieve MDG 4, only nine countries are ‘on track’ to meet MDG 5a, and only eight countries are ‘on track’ to achieve both. Management proposes to allocate SDR160 million to scale up financing aimed at supporting faster progress on MDGs 4 and 5. These resources would complement potential additional donor resources for the same purpose. Management will provide additional details on the proposed reallocation to support MDGs 4 and 5 to Deputies and Borrower representatives in the context of the IDA16 MTR discussions.

47. **The two proposed reallocations would leave SDR370 million with which to respond to potential crises during FY14.** If unused by the end of FY14, the resources would be carried over to IDA17. Given continued economic uncertainties and existing vulnerabilities, the availability of the reallocated resources for regional programs and for MDGs 4 and 5 is contingent on the lack of demand for crisis response resources, i.e., if crises occur during FY14, resources allocated for these two purposes, but not already committed, could be directed back to responding to these crises.

IV. Lessons Learned and Outlook

48. **Several lessons have emerged so far from IDA’s broad response to the global financial crisis:**

- IDA’s global reach, multi-sectoral presence and deep country knowledge made it a valuable partner for client countries as they designed and implemented interventions to respond and adapt to exogenous shocks.
- Experience to date has emphasized the importance of up to date global, regional and country-level sectoral and analytical work. This is needed to build on best practices while tailoring crisis response to specific country needs and circumstances, and identifying the most efficient channels to protect core spending and mitigate the crisis impact on the poor. Experience in implementing the CRW has underscored IDA’s comparative advantage in adjusting to very diverse country-specific situations, to rapidly supporting the most affected sectors, and supporting this with sound analytics. Decisions were informed by, for instance, annual Global Monitoring Reports; reports on various topics such as the global financial crisis and trade, the impact of the food crisis, the potential impacts of the economic downturn on poverty, labor markets and employment, analysis of the gender implications of the crises, analysis on protecting core fiscal spending for growth and poverty reduction, work on the design of policies to assist the most affected, vulnerable countries and populations, and on the impacts of the crisis on the MDGs; crisis-related topics on the financial sector;¹⁸ country-based infrastructure

¹⁸ See for instance “Dealing with the Crisis: Taking Stock of the Global Financial Crisis.” (FPDVP Note No. 1, 2009).

diagnostic advocating for continued maintenance of infrastructure assets and preservation of the pipeline of infrastructure projects during the crises¹⁹).

- The existence of IDA country project portfolios offered IDA a way to intervene quickly through additional financing (which represented over 40 percent of Pilot CRW resources) or through new projects that were well aligned with existing implementation capacity. For instance, the strategic combination of rapid social response resources in Liberia with the Pilot CRW financed Youth, Employment and Skills Project allowed for greater flexibility and synergies, while The Economic Recovery Emergency Development Project in Moldova built significantly on the on-going dialogue and reforms supported by the result-based financing SIL.
- IDA's close coordination with other development partners, notably the IMF, UN, regional development banks and bilateral partners, helped to fill in critical gaps within the broader envelope of emergency assistance and ensure that IDA resources were targeted where they were most needed. For instance, in many countries where there is significant presence of multiple donors, e.g., the Kyrgyz Republic in 2010, IDA support formed a critical part of a bigger package of assistance to the country in the aftermath of economic and civil crisis, thus increasing the impact of the Pilot CRW contribution.
- Experience also underscored the importance of better understanding – and helping countries prepare for – the impact of multiple crises occurring simultaneously or in close proximity. Climate change is expected to increase such trends, with projected significant changes in the magnitudes and frequencies of natural disasters and food crises in many IDA countries. The multi-country and sector nature of natural disasters also requires a broader, longer-term framework to facilitate sustained high level of IDA investments to build countries' resilience over time.
- Experience re-emphasized the need for a continuous focus on strengthening countries' capacity to mitigate crises and improve their resilience, both within the regular country allocations and by using additional catalytic funding. Some CRW resources were used for such crisis preparedness, building on synergies with other catalytic funding sources such as the Rapid Social Response and the Global Facility for Disaster Reduction and Recovery (GFDRR).²⁰

49. The Pilot CRW filled a key gap in the aid architecture for systematic assistance to poor countries facing major shocks on core spending and on the poor, and met expectations

¹⁹ See for instance World Bank Group Progress Report FY09: Infrastructure Recovery and Assets Platform-Sustainable Infrastructure Action Plan (INFRA-SIAP), December 2009.

²⁰ Launched in 2009, the Rapid Social Response program was put in place to help low-income countries build social protection systems to increase their preparedness to protect their populations in future crises. The GFDRR's mandate includes fostering an enabling environment at the country level to increase investment in disaster mitigation practices, facilitate knowledge sharing about disaster risks reduction and sustainable disaster recovery, and create adaptive capacities for limiting the impact of climate change.

in terms of rapidly committing additional resources to IDA-only countries in sectors where this assistance was needed most. The flexibility of the Pilot CRW both in terms of diversity of instruments and absence of thematic earmarking was an important factor in the ability of country teams to respond to each crisis-affected country's specific needs and circumstances. Also, IDA's ability to quickly conduct additional diagnostics related to crisis impact in various sectors played an important role in the rapid identification of appropriate crisis response activities. As a result, the Pilot CRW enabled a quicker response, with an average time from project concept to approval of 6.8 months and from approval to effectiveness of 4 months, lower than normal project processing times. However, ensuring swift responses was particularly challenging given the large number of Pilot CRW financed small projects in an overall environment where the IDA15 envelope had already been increased. This emphasized the need for greater selectivity in terms of country coverage, reliance on a broader range of indicators including fiscal indicators and the need for early crisis diagnostics to assess the impact in various sectors to inform IDA response.

50. **Experience with the Pilot CRW and lessons from other World Bank crisis response initiatives informed the design of the dedicated CRW in IDA16.** It highlighted the need for increased selectivity in terms of country coverage based only on crisis impact, and strengthened the case for flexibility in terms of sectoral support and choice of instruments. The selectivity of country coverage in the case of economic crises was strengthened significantly in the design of the dedicated CRW introduced in IDA16 by: (a) restricting the use of the CRW to exogenous crises resulting in a widespread or a regional year-on-year GDP growth decline of 3 percentage points or more in a significant number of IDA countries; (b) defining allocations only based on country crisis impact and not including pre-existing needs; (c) also taking into account, along with the GDP growth decline, the fiscal impact of the crisis to determine a country allocation; and (d) retaining the use of the two stage approach to allow for better targeting, while capping the size of stage at 25 percent of the total Pilot CRW envelope.

51. **The CRW framework helped to rapidly commit additional resources to crisis-affected countries, avoiding the need to design a new allocation methodology when a crisis hits.** While under the Pilot CRW this eligibility and allocation methodology first had to be designed and approved before it was possible to prepare a response package, this methodology is now in place for the dedicated CRW. This has been critical in providing urgent and flexible financial support to Haiti and countries in the Horn of Africa under the dedicated CRW.

52. **IDA will continue to monitor the CRW, and where appropriate suggest options for increased innovation and refinement either to the CRW or in other complementary areas of IDA support.** Some areas where additional innovations are already ongoing are in IDA's intermediation in a number of catastrophe swaps for Malawi (the latest covering 2011-2012 maize growing season), the establishment of the **Immediate Response Mechanism** and the development of the **Global Food Price Monitoring Index (GFPMI)**.

53. **In December 2011, IDA’s Executive Directors approved the Immediate Response Mechanism²¹ which has significantly enhanced IDA’s capacity to respond immediately to situations of crisis.** While emergency response operations are designed principally to provide support for medium-to-longer term recovery efforts and crisis mitigation, clients’ feedback has in the past highlighted the need to accelerate funds disbursement to address low income countries’ high priority financing needs immediately following a crisis or emergency event. The IRM is designed to address this gap by significantly shortening the time between an eligible crisis²² and access to IDA resources to within weeks rather than months of an emergency. Such immediate access would require that, at the request of the borrower, contingent emergency response components be included in selected existing IDA investment projects and/or mainstreamed in new investment operations.

54. **The IRM would allow IDA countries to rapidly access up to 5 percent of their undisbursed IDA investment project balances following an emergency or crisis,** while encouraging countries to proactively prevent and prepare to respond to crises in a rapid and efficient manner. Small states and countries with small undisbursed balances will be able to access up to 5 percent of their undisbursed IDA investment project balances or up to US\$5 million, whatever is higher. The IRM’s limit minimizes the risk to existing investments, while enabling IDA to better support more immediate crisis mitigation activities. Eligible expenditures might include among others: the financing of activities to jump start economic activity, support for well-targeted safety net programs to mitigate the impact on vulnerable groups, repair or restoration of basic physical assets, and protection of critical development spending such as on health and education.

55. **Country participation in the IRM is voluntary and IDA staff is working with interested borrowers to support their efforts to put in place the required implementation arrangements.** The IRM is being broadly disseminated in IDA countries. Thus far, Bangladesh has already included contingent components in two of its projects, while a number of countries in AFR, ECA, SAR, and EAP have indicated interest in the initiative.

56. **The experience of the CRW also points to the need for continuous efforts to identify potential threats and vulnerabilities and react quickly to help countries prepare for future crises, particularly in the area of food prices.** To effectively identify and monitor unfolding, multi-country food crises IDA is developing a Global Food Price Monitoring Index (GFPMI). The GFPMI is an early warning system that aims to capture both a country’s exposure to a shock and its capacity to deal with its effects. The index should enable analysis of global trends by comparing global food prices against a historical threshold, and monthly monitoring and identification of countries in the same region that exceed a threshold of domestic prices and have

²¹ For details on the IRM design see “Proposal for an IDA Immediate Response Mechanism”, IDA/R2011-0303, November 2011.

²² The IRM could be used in cases of natural disasters, or severe economic shocks including food crises, or in responding to other crises and emergencies. Specifically, a crisis or emergency is defined for IRM eligibility in the same way as it is defined in OP8.00, “an event that has caused or is likely to imminently cause a major adverse economic and/or social impact associated with natural or man-made crises or disasters”.

at least one area of macroeconomic vulnerability (defined around debt, fiscal deficit and current account deficit). This index, which is currently being tested, could be used to assess the threat and potential severity of food crises and allow for early interventions and better targeting.

V. Issues for Discussion

57. Staff would welcome the Deputies' views regarding:

- Progress made to date in implementing the Pilot CRW
- Efforts made in IDA16 to further strengthen IDA's ability to respond to crises through the dedicated CRW and the IRM
- Management's proposal for reallocation of unused CRW resources

**Annex 1: Final IDA15 Pilot Crisis Response Window Allocations
and Total IDA Allocations for FY10 and FY11 (SDR million)**

| Country | Regular IDA Allocations FY10-FY11 | Pilot CRW Total | Share of Pilot CRW | Country | Regular IDA Allocations FY10-FY11 | Pilot CRW Total | Share of Pilot CRW |
|--------------------------|-----------------------------------|-----------------|--------------------|-----------------|-----------------------------------|-----------------|--------------------|
| Benin | 121 | 14.5 | 12.0 | Laos | 59.9 | 18.95 | 31.6 |
| Burkina Faso | 246.7 | 23.9 | 9.7 | Mongolia | 39.1 | 24.5 | 62.7 |
| Burundi | 83 | 10.2 | 12.3 | Samoa | 25.8 | 13.2 | 51.2 |
| Cameroon | 110.3 | 18.9 | 17.1 | EAP | 124.8 | 56.7 | 45.4 |
| Central African Republic | 36.4 | 12.5 | 34.3 | Kosovo | 36.5 | 4.3 | 11.8 |
| Comoros | 3.1 | 1 | 32.3 | Kyrgyz Republic | 109.5 | 10.4 | 9.5 |
| Congo, DR | 469.6 | 26.5 | 5.6 | Moldova | 74.5 | 7.4 | 9.9 |
| Cote d'Ivoire | 98.1 | 19.7 | 20.1 | Tajikistan | 39.8 | 15.6 | 39.2 |
| Ethiopia | 860.3 | 57.2 | 6.6 | ECA | 260.3 | 37.7 | 14.5 |
| Gambia | 10.3 | 7.1 | 68.9 | Guyana | 10.7 | 1.2 | 11.2 |
| Ghana | 679.6 | 31.3 | 4.6 | Haiti | 124.3 | 16.1 | 13.0 |
| Guinea-Bissau | 11.7 | 12.7 | 108.5 | Honduras | 104.1 | 12.3 | 11.8 |
| Kenya | 594.3 | 39.1 | 6.6 | Nicaragua | 69.6 | 9.4 | 13.5 |
| Lesotho | 33.2 | 10 | 30.1 | LCR | 308.7 | 39.0 | 12.6 |
| Liberia | 99.5 | 21.7 | 21.8 | Djibouti | 7.2 | 2 | 27.8 |
| Malawi | 248.7 | 27.3 | 11.0 | Yemen | 147.4 | 25 | 17.0 |
| Mali | 179.5 | 17.8 | 9.9 | MNA | 152.6 | 27 | 17.5 |
| Mauritania | 22.5 | 10.3 | 45.8 | Afghanistan | 257.5 | 45.1 | 17.5 |
| Mozambique | 380.1 | 42.9 | 11.3 | Bangladesh | 2210.6 | 32.7 | 1.5 |
| Rwanda | 182.9 | 19 | 10.4 | Bhutan | 24.6 | 2.3 | 9.3 |
| Sao Tome and Principe | 4.6 | 0.7 | 15.2 | Maldives | 11.2 | 1 | 8.9 |
| Senegal | 139.1 | 12.7 | 9.1 | Nepal | 326.8 | 57.9 | 17.7 |
| Sierra Leone | 49.4 | 18.4 | 37.2 | Sri Lanka | 203.9 | 37.8 | 18.5 |
| Tanzania | 642.8 | 62.8 | 9.8 | SAR | 3,034.6 | 176.8 | 5.6 |
| Togo | 71.1 | 8.6 | 12.1 | | | | |
| Uganda | 441.2 | 46.2 | 10.5 | | | | |
| Zambia | 185.7 | 13.2 | 7.1 | | | | |
| AFRICA | 6,004.7 | 586.2 | 9.8 | | | | |

| | | | |
|------------------|----------------|---------------|------------|
| IDA Total | 9,887.7 | 923.35 | 9.3 |
|------------------|----------------|---------------|------------|

Annex 2: Examples of Results from Development Policy Operations Fully or Partially Financed with Pilot CRW Resources

The Third Poverty Reduction Support Credit (PRSC3) in Malawi (SDR35.6 million, of which SDR9.2 million from the Pilot CRW), supported the Government's efforts to cope with the impact of the global crisis. The program supported the development of a medium-term plan for the Farm Input Subsidy Program (FISP) which enabled smallholder farmers to use improved maize seed varieties and resulted in an increase in maize yield to 2.29 metric tons per hectare (compared to 1.45 metric tons per hectare in 2004/05, and surpassing the target set at 1.60 metric tons). The availability and lower prices of maize at local markets have also enabled poor households to access maize when they run out of their own production, thus cushioning them against agriculture-related shocks. Building on good progress made under the PRSC1-2 in improving the business environment, the PRSC3 also supported the completion of the case audits at the High Court. This has enabled the transfer of all commercial cases to the Commercial Court, and reduced the average number of days it takes to settle commercial disputes from 120 to 96 days. The PRSC3 also supported Government's efforts to build its in-house capacity to determine and assess macro-weather insurance coverage and improve predictability of maize markets and complement physical storage of maize stocks. In economic governance, the PRSC3 supported the revision of the budget classification to establish stronger links between the budget and the Malawi Growth and Development Strategy, and the procurement review of 2009/10 FISP that improved focus on value for money and reduced waste in public spending. It also supported the development of an Action Plan for the Human Resource Management Information System review and civil service personnel audit (the personnel audit carried out in 2008 identified around 700 people who were on the payroll, but were not working). Good progress has also been made in the area of public debt management as the country's debt remains sustainable and substantial improvements have been made in debt policy formulation and debt management capacity.

The Economic Recovery DPO for Moldova (SDR16.6 million, of which SDR7.4 million from the Pilot CRW) provided financial support needed to address the impact of the global financial crisis (including the need to address a fiscal deficit of 6.3 percent of GDP in 2009) and helped focus the reform agenda by complementing an IMF-supported program for fiscal correction with measures to improve the composition of the budget and structural measures to stimulate economic recovery. The project, which closed in December 2010, was rated satisfactory since it achieved its PDOs and met core results indicators, including: (a) the fiscal allocation for road maintenance and repair works was increased from MDL 242 million in 2009 to MDL 582.9 million in 2010; (b) the share of investment subsidies in total subsidies increased from 40 to 53 percent, and the share of subsidies to individual farmers from 20 to 24 percent; (c) improved targeting of social assistance through the gradual conversion of nominal compensation schemes into the new Targeted Social Assistance (TSA) increasing the share of social assistance recipients to the poorest (86 percent of TSA recipients in bottom quintile, compared to 27 percent for the nominal compensation systems); (d) increased price and volumes of wine exports due to trade liberalization (i.e., the price of grapes increased by 29.4 percent in 2010); (e) strengthened commercial viability of the energy sector through the Enactment of the Energy

Efficiency Law, a reduction in the accumulation of arrears to Moldovagaz and Termocom and setting up a heating tariff; (f) compensation to protect poor people from higher heating prices was provided to 177,000 beneficiaries in March 2010 and to 506,000 in December 2010; (g) barriers to private sector investments and Foreign Direct Investment in telecoms were removed and international connectivity was increased (from 12.8 gigabits per second (Gbps) in 2009 to 91.7 Gbps in 2010), and permits for electronic communications services were issued to three operators; and (h) the enactment of the Law establishing the Chamber of State Registration as a one-stop shop for business registration resulted in the reduction of time needed for business registration from 15 days in 2009 to 10 days in 2010. Moldova's strong performance in 2010 shows that the strategy worked well and the DPO in support of the Government's reform program proved effective.

The Economic Crisis Recovery Support Credit in Samoa (SDR13.2 million), fully financed by the Pilot CRW resources, supported the country's recovery from the severe consequences of the global economic crisis that were further aggravated by a devastating tsunami in September 2009. The program focused on: (a) economic recovery from the impact of the global economic crisis and tsunami; (b) protection of the vulnerable; (c) public financial management reform; and (d) improved delivery of key infrastructural services. The economic recovery was supported through the approval of a supplementary budget to finance the expenditures identified in the Emergency Reconstruction Plan, and a provision of a credit line to tourism operators affected by the tsunami. The 2009 supplementary budget provided a vital economic stimulus and source of financing for reconstruction. Following a 5.2 percent contraction of Samoa's economy in 2008/09 caused by collapsing remittances and declines in tourism and manufacturing due to global economic crisis, this stimulus was effective in stabilizing growth and revenues, with GDP declining by 0.2 percent in 2009/10, and growing by 2.0 percent in 2010/11. Government is now moving to normalize its fiscal stance, with the fiscal deficit expected to decline to around 6 percent of GDP in 2011/12. Substantial progress was made in reconstruction and rehabilitation of damaged housing and infrastructure. Supplies for reconstruction of all 502 destroyed and 360 damaged homes were distributed, and around 95 percent of distributed supplies were utilized largely as scheduled. Six new access roads, stretching more than 20 kilometers, were completed, allowing the establishment of communities in inland areas, away from tsunami risk. Credit lines provided to tourism operators contributed to reconstruction of 90 percent of tourism infrastructure that was affected by the tsunami. As a consequence, tourism numbers began to rise, with arrivals during the fourth quarter of 2010 increasing by 13 percent in comparison to the same quarter in 2009. The project was also highly satisfactory in protecting the vulnerable through a provision of a school fee waiver for all public, special needs, and missionary schools, in order to reduce the risk of declines in enrollment during a period of declining incomes for many households. The number of children that were not enrolled in primary school at the time of program implementation (estimated 550 children) was maintained and even slightly reduced. Similarly, the project was highly satisfactory in supporting the financial management reforms by ensuring the finalization of all pending audits and making the Land Transport Authority operational. The project introduced mechanisms to prevent delays in the preparation of public accounts, ensuring that the 2009/10 public accounts were submitted within four months of the end of the financial year (compared to a backlog cleared in 2009), and consolidated the systems for cash-flow management. Lastly, the project strengthened infrastructure service delivery by

supporting capacity building in the Office of the Regulator, which contributed to timely and successful privatization of SamoaTel. Overall, the operation was able to assist the government in maintaining the momentum of economic reforms at a time when it could have gone off-track owing to the diversion of attention and scarce capacity towards urgent recovery efforts.

Annex 3: Examples of Results from Health and Social Protection Projects Fully or Partially Financed with Pilot CRW Resources

The Youth, Employment and Skills Project in Liberia (SDR4 million, fully financed by the Pilot CRW) builds on an ongoing successful IDA project, and aims to expand access of poor and young Liberians to temporary employment programs and to improve youth employability, through community works and skills training. The community-based public works aim to create temporary employment and income opportunities for the poor and youth in particular. The Project also supports the development of Technical and Vocational Education Training, as well as formal and informal skills training programs in order to improve employability and employment. As of May 2012, over 800,000 days of temporary employment were created and 28,000 beneficiaries (51.6 percent of beneficiaries were women, and 72.8 percent younger than 35) in all of Liberia's 15 counties had participated in public works activities. Also, seven training providers are expected to train 1,200 youth by the fall of 2012.

The Social Fund for Development Project IV for Yemen (SDR38.7 million, of which SDR25 million from the Pilot CRW) supported the country's Community and Local Development (CLD) and Labor-Intensive Works programs. In the context of a large fiscal deficit facing Yemen, the CLD program financed improved access to basic social services, including health, education, water, and rural access road projects, focusing on the poorest communities. The labor intensive works program was used as a key safety net program to create temporary employment opportunities for the poor. The program was scaled up to initially cover 100,000 vulnerable people (eventually reaching 300,000 people) to bridge their consumption gap during shocks, while increasing the productive assets of communities and households. The CLD has become an extremely relevant and important program building/rehabilitating basic social infrastructure in the aftermath of the crisis. As of May 2012, under the labor intensive works program 779,000 employment days had been created; and under the CLD program, 2,173 classrooms had been constructed or rehabilitated benefiting 75,000 boys and 76,000 girls, 1,560 health personnel had been trained, and improved water resources had been provided to 32,000 households.

The Social protection Project in Honduras (SDR26.5 million, of which SDR12.3 million from the Pilot CRW) aims to support the Government's objective of building an improved social protection system by strengthening institutional capacity through design and implementation of a conditional cash transfer program and development of mechanisms and instruments for targeting of beneficiaries, monitoring compliance, making payments and improving transparency, and to increase school attendance among students in grades 1-6 and the utilization of preventive health services among families participating in the program. The flagship social assistance program in the country - Program Bono 10,000 – focuses on expansion of coverage and development of human capital. In less than two years since inception, the project has started piloting the use of electronic means of payment to improve the benefits delivery system, and has initiated a rigorous impact evaluation to measure its impact on key development outcomes such as education attendance and utilization of nutrition and preventive health services. The Program Bono 1,000 now reaches 345,000 poor families – 280,000 in rural and 65,000 in urban areas (of which 35,343 of rural families supported through the Project), with 34.7 percent of households in the poorest quintile receiving payments. As of June 2012, 94

percent of children under five participating in the Program had completed vaccination scheme, and 80 percent of pregnant women had received prenatal care. Seventy percent of students in grades 1-6 attended school regularly, and 95 percent of students graduated from the 5th to 6th grade (compared to 63 percent in May 2010) exceeding the initially targeted 80 percent by the end of the project.

The Strengthening Health Activities for the Rural Poor Project in Afghanistan (SDR51.9 million, of which SDR32 million from Pilot CRW) aims to support the delivery of basic health and hospital services to the poor and the population living in rural areas. The Project implementation has so far been satisfactory. Despite insecurity, overall access and coverage to basic services has increased, with almost 85 percent of the population living in districts where service providers are able to deliver a basic package of health services. The provision of these services has been enhanced through 346 health facilities (including 40 newly established ones), 156 of which are in the rural areas, and the expansion of sub-centers supplemented by community based health care implementation. Since 2009, 90 integrated maternal and child health and nutrition sites have been established, increasing the number births attended by skilled personnel. Also, the tuberculosis treatment success rate has been maintained, and number of current users of family planning increased.

Annex 4: Examples of Results from Urban Development Projects Fully or Partially Financed with Pilot CRW Resources

The Emergency Urban and Social Rehabilitation Project for the Democratic Republic of Congo (SDR146.5, of which SDR26.5 million from the Pilot CRW) has aimed at addressing some of the near-term impacts of the financial crisis and addressing urgent rehabilitation and social needs. Significant results have already been achieved under the project: 26,141 schools received payments, positively impacting the learning conditions of over 13 million pupils; rehabilitation of 17 km of roads in Kinshasa was completed, allowing 640,000 people living in isolated neighborhoods to have access to all-season roads; in efforts to prevent malaria, the number of people receiving bed nets in Kinshasa exceeded the original target (1,010,000), reaching 1,090,000 people; the share of children under five that are now sleeping under bed nets also exceeded the original target (60 percent), reaching 65 percent; at the same time, 2,800,000 bed nets are being distributed in the Bandundu province, and this is expected to benefit more than 5 million people. Ongoing works to expand the distribution network from the recently-rehabilitated Lukaya water treatment plant in the Western part of Kinshasa (expected to be completed in the fall of 2012) will enable 150,000 people living in low-income Kinshasa neighborhoods to have access to safe water. The project also enabled the Government to settle its debts to domestic suppliers during the years of war and instability. The 357 eligible creditors have been paid (out of 361), exceeding the targeted 95 percent (reaching 99 percent).

The Infrastructure and Institutions Emergency Recovery Grant in Haiti (SDR41.9 million, of which SDR16.1 million from the Pilot CRW), approved in March 2010, has aimed to provide urgent support to Haiti in response to the combined devastating earthquake and the impact of the global financial crisis by contributing to recovery and reconstruction of Haiti's critical infrastructure and reestablishment of basic institutional capabilities. The project implementation has been satisfactory and the project is on track to achieve its development objectives. So far, the project has provided support for the Ministry of Economy and Finance to help recover lost capacity. The project has also supported the Ministry of Public Works, Transport and Communications in: (a) carrying out building assessment, with more than 400,000 buildings assessed to date; (b) strengthening the capacity for rehabilitation work, with more than 500 engineers and 2,000 masons trained, 8 municipal divisions for quality control deployed, and 60 engineers hired to promote best practices for reconstruction nationwide; (c) completing urgent repairs on national road RN4 (one the main corridors of the country) and finalization of design studies for long-term repairs of key roads and bridge over Fauché River; (d) operationalizing the debris management plant, with approximately 50 percent of 700,000m³ of incoming rubble being reused (for platform construction, road construction/ rehabilitation/ maintenance); (e) undertaking canal cleaning operations in 2010 and 2011, which prevented major flooding in downtown tent-cities (22,000 lives at stake), with over 110,000m³ of materials extracted from 5 primary canals; and (f) identification of rehabilitation measures for air safety equipment at Port-au-Prince airport.

The Emergency Urban Infrastructure Project in Côte d'Ivoire (SDR90.2 million, of which SDR9.9 million from the Pilot CRW) aims to increase access to, and improve the quality of, urban infrastructure facilities by scaling-up basic urban services in some of the country's poorest

communities, as well as further strengthening management capacity and extending the network coverage of basic urban services in Abidjan, Bouake and other selected cities. This support was needed given the impact of the global financial crisis on the government's ability to finance the implementation of its poverty reduction strategy. So far, over 340,000 people in urban areas were provided with access to all-season roads within a 500 meter range, 4 million with access to regular solid waste collection, over 1 million with access to improved water sources, over 450,000 with access to improved sanitation and 5 municipal audits and municipal contracts were prepared to build management capacity for municipalities decision makers.

Annex 5: Pilot CRW Operations

| Region | Country | Name of Project | Lending Instrument | Total ²³ (SDR million) | Of which CRW (SDR million) | Approval Date | Disbursements (US\$ million) | % disbursed ²⁴ | Implementation Progress ²⁵ | Development Objectives |
|--------|----------------------|--|--------------------|-----------------------------------|----------------------------|---------------|------------------------------|---------------------------|---------------------------------------|------------------------|
| AFR | Benin | Sixth Poverty Reduction Development Policy Financing | DPL | 33.6 | 6.5 | 4/29/2010 | 52.6 | 100.0 | I | S |
| | Benin | Community Driven Development Project* | SIL | 42.1 | 8.0 | 7/06/2010 | 37.5 | 59.3 | MS | S |
| | Burkina Faso | Tenth Poverty Reduction Support Grant | DPL | 59.6 | 13.2 | 6/29/2010 | 91.9 | 100.0 | I | # |
| | Burkina Faso | Transport Sector* | SIL | 77.55 | 10.7 | 9/30/2010 | 55.4 | 47.6 | S | S |
| | Burundi | Emergency Energy Project | ERL | 10.2 | 10.2 | 9/30/2010 | 4.2 | 27.4 | S | S |
| | Cameroon | Urban and Water Development Support * | SIL | 72.2 | 18.9 | 9/28/2010 | 34.5 | 31.8 | MS | S |
| | Central African Rep. | Economic Management and Governance Reform Grant 3 | DPL | 5.8 | 5.8 | 9/17/2010 | 8.9 | 100.0 | I | MS |
| | Central African Rep. | Emergency Urban Infrastructure Rehabilitation and Maintenance* | ERL | 27.8 | 6.7 | 9/28/2010 | 24 | 57.5 | MS | S |
| | Comoros | Emergency Global Crisis Response | ERL | 3.5 | 1.0 | 6/1/2010 | 2.3 | 43.7 | S | S |
| | Congo, Dem Rep. | Emergency Urban and Social Rehabilitation Project PURUS emergency operation* | ERL | 146.5 | 26.5 | 6/18/2010 | 118.3 | 53.8 | MS | S |
| | Cote d'Ivoire | Emergency Urban Infrastructure Project* | ERL | 90.2 | 9.9 | 6/17/2010 | 111.4 | 82.2 | S | S |
| | Côte d'Ivoire | Economic Governance and Recovery Grant 3 | DPO | 58.8 | 9.8 | 5/4/2010 | 86.7 | 100.0 | I | MS |
| | Ethiopia | Agricultural Growth Program | SIL | 99.3 | 57.2 | 9/30/2010 | 31.5 | 21.1 | MS | S |
| | Gambia, The | Third Education Sector Project* | SIL | 9.3 | 3.7 | 6/29/2010 | 6.9 | 49.4 | MS | MS |
| | Gambia, The | Growth and Competitiveness | SIL | 8 | 3.4 | 9/30/2010 | 1.7 | 14.1 | MU | MU |
| | Ghana | Ghana Social Opportunities Project | SIL | 58.4 | 31.3 | 5/20/2010 | 25.7 | 29.3 | S | S |
| | Guinea-Bissau | Second Economic Governance Reform Development Policy Financing | DPL | 4 | 4.0 | 6/29/2010 | 6.2 | 100.0 | I | S |
| | Guinea-Bissau | Emergency Electricity and Water Rehabilitation Project | ERL | 8.7 | 8.7 | 7/23/2010 | 11.9 | 91.0 | S | S |
| | Kenya | Electricity Expansion Project | SIL | 217.4 | 19.7 | 5/27/2010 | 18.9 | 5.8 | S | S |
| | Kenya | Kenya Youth Empowerment Project | SIL | 38.7 | 19.4 | 5/4/2010 | 12.6 | 21.7 | MU | MU |
| | Lesotho | LS - PRSC II | DPL | 16.2 | 6.6 | 3/30/2010 | 24.4 | 100.0 | I | MS |
| | Lesotho | Integrated Transport Project* | SIL | 27.6 | 3.4 | 9/16/2010 | 23.2 | 56.0 | S | S |

²³ Total amounts include parent and supplemental projects.

²⁴ The rate indicates a percentage share of total approved commitments that have been disbursed.

²⁵ I represents project implemented but for which no rating is currently available; S represents satisfactory rating, MS moderately satisfactory rating, and MU moderately unsatisfactory rating.

| | | | | | | | | | | |
|-----|-----------------------|--|-----|-------|------|------------|-------|-------|----|----|
| | Liberia | Reengagement and Reform Support Program 3 | DPL | 7.5 | 4.1 | 9/30/2010 | 11.5 | 100.0 | I | # |
| | Liberia | Youth, Employment, Skills Project | SIL | 4 | 4.0 | 6/24/2010 | 4.7 | 78.2 | MS | S |
| | Liberia | Urban and Rural Infrastructure Rehabilitation* | SIL | 43.1 | 13.6 | 6/29/2010 | 41.2 | 63.6 | MS | S |
| | Malawi | Third Social Action Fund* | APL | 40.2 | 9.5 | 6/30/2010 | 53.3 | 88.3 | MS | S |
| | Malawi | PRSC-3 | DPL | 35.6 | 9.2 | 6/8/2010 | 52.7 | 98.5 | I | S |
| | Malawi | Irrigation and Rural Livelihoods Agricultural Development* | SIL | 36.2 | 8.6 | 9/20/2010 | 32.8 | 60.3 | MS | S |
| | Mali | PRSC 4 | DPL | 46.5 | 10.3 | 6/03/2010 | 70.3 | 100.0 | I | MS |
| | Mali | Rural Community Development* | SIL | 47.9 | 7.5 | 9/30/2010 | 45.9 | 63.8 | S | S |
| | Mauritania | Urban Development* | APL | 74.4 | 10.3 | 6/25/2010 | 28.8 | 25.8 | S | S |
| | Mozambique | Health Commodity Security Project | SIL | 25.7 | 25.7 | 9/30/2010 | 27.1 | 70.2 | MS | MS |
| | Mozambique | Water Services and Institutional Support* | SIL | 34.3 | 17.2 | 9/30/2010 | 13 | 25.2 | S | S |
| | Rwanda | RW-PRSG VI | DPL | 73.9 | 19.0 | 3/30/2010 | 108.0 | 100.0 | I | S |
| | Sao Tome and Principe | ST-Social Sector Support* | SIL | 5.9 | 0.7 | 5/4/2010 | 2.2 | 24.8 | MS | S |
| | Senegal | PRSC 4 | DPL | 28.4 | 6.2 | 6/1/2010 | 42.1 | 100.0 | I | # |
| | Senegal | Transport and Urban Mobility | SIL | 36.3 | 3.3 | 6/1/2010 | 6.0 | 11.0 | MS | S |
| | Senegal | SN-Water and Sanitation | SIL | 34.2 | 3.2 | 2/16/2010 | 16.1 | 31.3 | S | S |
| | Sierra Leone | Supplemental Financing to the Third Governance and Growth Credit | DPL | 11.1 | 4.7 | 6/11/2010 | 17 | 100.0 | I | S |
| | Sierra Leone | Youth Employment Support Project | ERL | 13.7 | 13.7 | 6/30/2010 | 8.5 | 41.3 | S | S |
| | Tanzania | Second Additional Financing for ASDP* | SIL | 104.9 | 23.1 | 5/28/2010 | 115.3 | 73.2 | MS | MS |
| | Tanzania | Second Additional Financing for Tanzania Social Action Fund II* | SIL | 145.6 | 23.1 | 6/4/2010 | 110.2 | 50.4 | S | S |
| | Tanzania | Transport Sector Support Project | SIL | 214.3 | 10.0 | 5/27/2010 | 57.0 | 17.7 | S | S |
| | Tanzania | Strategic Cities Project | SIL | 107.4 | 6.6 | 5/27/2010 | 35.5 | 22.0 | MS | S |
| | Togo | ERGG3 | DPO | 10.7 | 2.8 | 5/20/2010 | 16.0 | 100.0 | I | S |
| | Togo | Community Development Project* | ERL | 16.4 | 5.8 | 6/29/2010 | 21.4 | 86.9 | S | S |
| | Uganda | PRSC 8 | DPL | 65.9 | 26.4 | 9/30/2010 | 100.9 | 100.0 | I | S |
| | Uganda | Health System Strengthening Project | SIL | 85.7 | 19.8 | 5/25/2010 | 21.1 | 16.4 | S | S |
| | Zambia | Road Rehabilitation and Maintenance* | APL | 61.2 | 6.4 | 10/14/2010 | 20.3 | 22.1 | MS | MU |
| | Zambia | Increased Access to Electricity Services* | SIL | 13.6 | 6.8 | 9/22/2010 | 5.1 | 25.0 | MS | MS |
| EAP | Laos | PRSO 6 | DPL | 13.3 | 6.7 | 6/14/2010 | 20.5 | 100.0 | I | # |
| | Laos | LA-Upland Food Security Improvement Project | ERL | 10 | 6.6 | 4/27/2010 | 5.3 | 35.3 | MS | MS |
| | Laos | LA-Road Sector Project | SIL | 17.9 | 5.7 | 3/25/2010 | 13.5 | 50.2 | MS | MS |

| | | | | | | | | | | |
|--------------|-----------------|--|-----|----------------|--------------|------------|----------------|-------------|----|----|
| | Mongolia | DPC2 | DPL | 19.7 | 19.7 | 10/18/2010 | 31.0 | 100.0 | I | S |
| | Mongolia | Mongolia Multi-Sector Technical Assistance | TAL | 8 | 4.8 | 6/28/2010 | 2.5 | 20.8 | S | S |
| | Samoa | Economic Crisis Recovery Support Credit | DPL | 13.2 | 13.2 | 5/12/2010 | 19.5 | 98.4 | I | S |
| ECA | Kosovo | Sustainable Employment Development | DPL | 4.3 | 4.3 | 9/30/2010 | 6.6 | 100.0 | I | S |
| | Kyrgyz Republic | Emergency Support Operation | ERL | 46.4 | 10.4 | 9/30/2010 | 54.7 | 78.5 | MS | MS |
| | Moldova | Economic Recovery Development Policy Operation | DPL | 16.6 | 7.4 | 6/24/2010 | 25.4 | 100.0 | I | S |
| | Tajikistan | PDPG 4 | DPL | 16.9 | 5.7 | 6/23/2010 | 25.6 | 100.0 | I | S |
| | Tajikistan | Energy Emergency Project* | ERL | 16.9 | 9.9 | 5/6/2010 | 18.5 | 72.9 | MS | S |
| LCR | Guyana | Improving Teacher Education | SIL | 2.8 | 1.2 | 10/14/2010 | 1.2 | 28.5 | MS | S |
| | Haiti | Infrastructure and Institutions Emergency Recovery Grant | ERL | 41.9 | 16.1 | 3/18/2010 | 29.8 | 47.3 | S | S |
| | Honduras | Social Protection | SIL | 26.5 | 12.3 | 6/29/2010 | 13.9 | 34.9 | MS | MS |
| | Nicaragua | Fourth Roads Rehabilitation and Maintenance* | SIL | 67.1 | 9.4 | 6/1/2010 | 81.6 | 80.9 | S | S |
| MNA | Djibouti | Urban Poverty Reduction* | SIL | 3.9 | 2.0 | 6/10/2010 | 2.0 | 34.1 | MU | MU |
| | Yemen | Social Fund for Development IV | SIL | 38.7 | 25.0 | 3/30/2010 | 15.7 | 27.0 | MS | MS |
| SAR | Afghanistan | Strengthening Higher Education* | SIL | 39.3 | 13.1 | 6/2/2010 | 31.3 | 53.0 | MS | MS |
| | Afghanistan | Strengthening Health Activities* | SIL | 51.9 | 32.0 | 6/23/2010 | 50.0 | 64.1 | S | S |
| | Bangladesh | Emergency Cyclone Recovery* | ERL | 119.5 | 32.7 | 9/24/2010 | 58.0 | 32.3 | MS | MS |
| | Bhutan | Urban Development II | SIL | 7.75 | 2.3 | 4/29/2010 | 2.0 | 16.9 | MS | S |
| | Maldives | Economic Stabilization and Recovery Credit | DPL | 8.5 | 1.0 | 3/4/2010 | 12.9 | 100.0 | I | # |
| | Nepal | Social Safety Nets Program* | ERL | 42.1 | 29.5 | 5/26/2010 | 49.8 | 78.7 | MS | S |
| | Nepal | Nepal HNP and HIV/AIDS Support Project | SIM | 83.1 | 28.4 | 4/20/2010 | 33.1 | 26.5 | S | S |
| | Sri Lanka | SME | FIL | 37.8 | 37.8 | 9/7/2010 | 30.0 | 52.8 | S | S |
| TOTAL | | | | 3,294.1 | 923.4 | | 2,508.8 | 50.7 | | |