



## Advancing an IDA21 that works for Africa

**Context: IDA is a critically needed tool to bolster African development and resilience, especially in the wake of COVID-19 and ongoing health, economic, and climate risks.**

IDA represents the largest source of grants and low-cost loans for the world's 75 poorest countries, 39 of which are in Africa representing 70% of IDA's financing commitments. This source of financing is a critical tool for governments to propel economic transformation, job creation, and societal growth, and helps enable long-term investment in long-term projects with favorable terms that support fiscal growth and sustainability. IDA is also one of the few institutions that can leverage donor contributions at scale, making it excellent value for money.

IDA financing is critically needed now more than ever. The combined toll of the COVID-19 pandemic and subsequent economic downturn, accelerating climate change, food insecurity, growing debt distress, and other crises have led to what the World Bank is calling a "[historic reversal](#)" in economic growth in half of IDA countries, which in turn has widened the income gap with the wealthiest countries, stalled efforts to reduce poverty and hunger, and derailed progress toward the Sustainable Development Goals. The World Bank's own research finds that one out of three IDA countries are *poorer* today than before the onset of the COVID-19 pandemic.

A robust IDA21 replenishment would provide a strong counterweight to these trends — increasing affordable, concessional finance for some of the most vulnerable countries. The country-led model also ensures countries are in the driver's seat and able to mobilize funding to address diverse national development priorities, including unlocking potential for Africa's increasing youth population and tackling the growing global challenges of pandemics, climate change, and fragility.

**Need: A robust IDA21 replenishment that delivers on the diverse priorities of African countries.**

***To best support the needs and realities of African countries, IDA21 must:***

- Drive action toward a **replenishment that is significantly larger than IDA20, in real terms**. The final IDA replenishment financial package must be truly additional and should catalyze and complement other long-term investments that will advance resilience, growth, and equity. *Denmark's recent pledge to [increase its IDA contribution by 40 percent](#) should serve as a benchmark for other wealthy donor countries — donors must meet ambition and commitments with action and financing.*
- Advance a policy package and commitments that **support IDA21 countries to prioritize sustainable investments in human capital**, including actions to address

climate change, pandemics, and build resilience to emerging threats; expand access to health and nutrition; strengthen food security; advance gender equity; de-risk private sector investment; and supercharge job creation and economic transformation with a link to protecting the most vulnerable communities.

- **Uphold flexible and concessional lending terms** for IDA21 that facilitate wider access to IDA financing, especially for red light and debt-distressed countries, and allow greater maneuverability for countries to invest more in human capital and social sectors.
- **Prioritize and increase support for civic engagement and civil society participation** in all aspects of IDA21 operations, increase transparency and accountability, and ensure that promoting equity is at the center of IDA21 investments.

**Key Message and Call to Action:** In line with the [Abidjan Accord](#), we urge African ministers and all IDA shareholders to seize the opportunity of the World Bank Group-IMF Annual Meetings in October to push for a robust IDA21 replenishment that responds to the needs of African countries. Delivering the “biggest IDA ever” is an ambition that we must all work to achieve. IDA21 must also deliver financing on terms that work for countries facing severe economic headwinds and support the scale of investment needed in human capital, jobs, and resilience to secure Africa’s future.