

# PATHWAYS to OUTCOMES

IDA 21

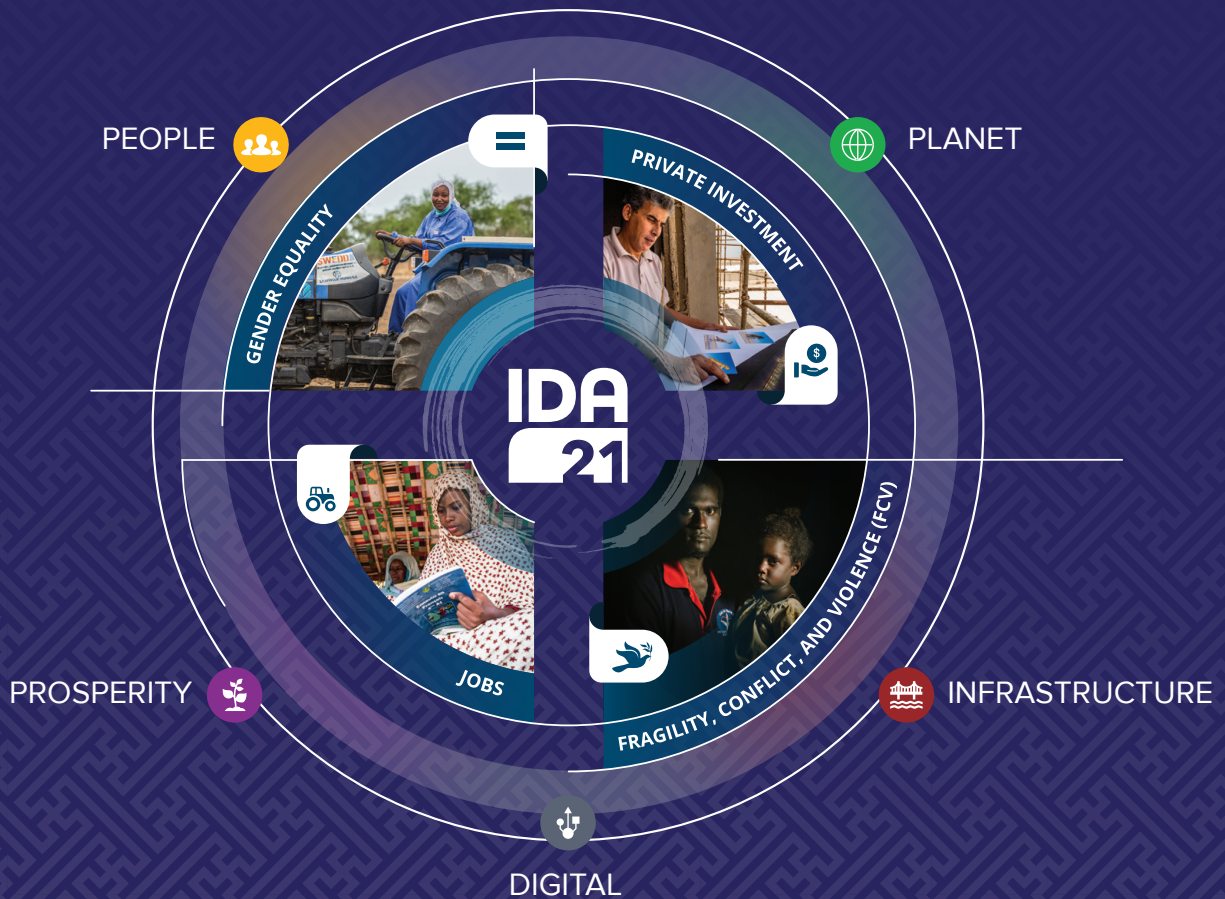




# LEVERAGING EXPERTISE FOR BETTER DEVELOPMENT OUTCOMES

The International Development Association (IDA) helps the world's poorest countries meet their development goals, with financial support for infrastructure and service delivery, and investments in the private sector. It also provides technical assistance and knowledge, and brings stakeholders together to strengthen policies, institutions, and markets. These interventions are just as important to IDA's work, and can unleash enduring outcomes by improving how governments function, or catalyzing private sector activity.

IDA21 will work with client countries across five focus areas—People, Planet, Prosperity, Digital and Infrastructure—and four lenses including Gender Equality, Fragility Conflict and Violence, Jobs, and Private Investment.



IDA tackles many challenges in its bid to build capacity and knowledge in client countries, strengthen institutions and create markets. Each of the following sections will highlight a specific challenge and how IDA is working to address it.



# PEOPLE

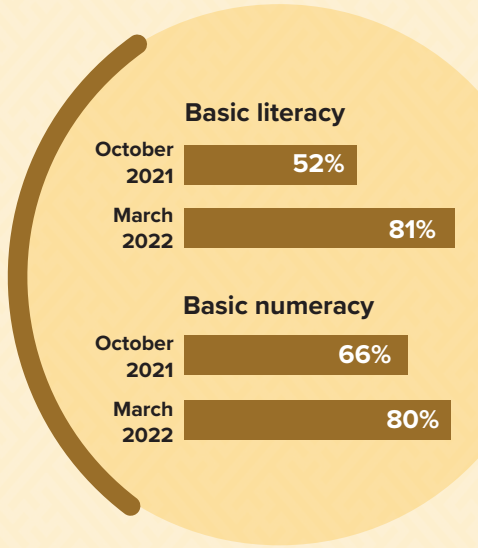
Investing in people is essential to ending poverty on a livable planet. Better lives and futures are only possible with equitable access to quality healthcare, education, and social protection. When countries invest in these areas, they also build resilience to crises. Education is a foundational challenge for many IDA countries and represents an important area of opportunity for IDA expertise and technical assistance, as this example demonstrates.

## ELIMINATING LEARNING POVERTY

While school attendance rates have increased globally, many students still fail to acquire basic literacy and numeracy, or the skills needed to succeed in the workforce. Yet policymakers systematically underestimate the severity of the challenge, resulting in insufficient investments in critical areas. IDA is helping raise awareness of the learning crisis, collaborating with partners to address it, increasing the availability of learning data, and enhancing the ability of post-secondary institutions to equip students with the appropriate skills.

### IMPROVING LITERACY AND NUMERACY IN NEPAL

To enhance foundational literacy and numeracy in **Nepal**, IDA joined forces with the Ministry of Education, Science and Technology to pilot the Teaching at the Right Level (TaRL) program which groups students based on proficiency, engaging them in instructional, play-based activities suited to their learning levels. Initial assessments revealed that 52 percent of children struggled with basic reading comprehension, while 66 percent could not solve simple subtraction problems. After the intervention, 81 percent of participants could read a paragraph in Nepali, and 80 percent could perform basic subtraction. The next step will be to implement a phased scale-up across the country.







## PROSPERITY

The growth and jobs challenges in IDA countries are becoming even more urgent in the face of demographic shifts, climate change, and technological disruption. Weak economic growth exacerbates inequality, and limits productive employment opportunities. The low average tax-to GDP ratio in IDA countries significantly limits the resources available for investment and social programs. Addressing capacity and policy constraints in tax systems is essential for unlocking the resources needed to drive sustainable growth.

### BUILDING MORE ROBUST ECONOMIES THROUGH EFFECTIVE TAXATION

Taxation secures funding to support the delivery of essential services, and fosters equity and economic inclusion. Many IDA countries lack the administrative capacity to design a fair, equitable and pro-growth tax system, and to enforce tax collection. IDA helps countries strengthen their fiscal and debt management by conducting broad fiscal analyses, enhancing debt transparency, providing technical assistance on tax administration and debt management, and delivering training and tools so governments can better evaluate the fiscal impact of policies.

#### MODERNIZING THE TAX SYSTEM IN PAKISTAN

In **Pakistan**, revenue accounts for less than 15 percent of GDP; the World Bank estimates it could reach 26 percent of GDP with 75 percent tax compliance. The World Bank Group has helped the country's Federal Board of Revenue (FBR) modernize its tax system to make it more effective at collecting taxes owed. In addition, with IDA support, FBR has published detailed tax expenditure and a tax gap analysis report that has helped increase revenue collection. The project has also established a system for taxpayers to pay online, and for government agencies, to share taxpayer data. By the middle of 2023, the project had brought 1.1 million new taxpayers onto the rolls and conducted 53 audits of large taxpayers.

**53 audits**  
of large taxpayers

**1.1 million**  
new taxpayers

**75 percent**  
tax compliance targeted





## PLANET

Nearly all types of natural capital are in decline. Multiple shocks, from intensified climate extremes to FCV are damaging the food system, resulting in a global food and nutrition security (FNS) crisis. Water insecurity is one of the greatest risks to economic progress, poverty eradication, and sustainable development. Air pollution reduces lifespans, claiming more lives each year than all wars and forms of violence. IDA is working on a variety of policy, capacity, and knowledge challenges to address the issues that affect the world's most vulnerable communities. The example below highlights food security – a rising crisis in IDA countries.

### GROWING SUSTAINABLE FOOD SYSTEMS

In 2023, 282 million people were acutely food insecure—the highest level in modern history. The international system supporting global food and nutrition security is complex and fragmented, and information gaps can hinder effective coordination. IDA is using its influence to align stakeholders, building partnerships and platforms to improve knowledge-sharing and coordination, and supporting the creation of country-level crisis-preparedness plans.

### STRENGTHENING REGIONAL COORDINATION IN SUB-SAHARAN AFRICA

In Sub-Saharan Africa, climate events are increasing in frequency and intensity, preventing countries from recovering before the next shock. In response, IDA has helped to establish regional Food Systems Resilience Programs (FSRPs)—one in Western and Central Africa and one in Eastern and Southern Africa. The FSRPs help countries to strengthen and modernize their food systems, providing a platform for sharing lessons about program implementation, aligning policies, improving trade, and enhancing crisis response. In Burkina Faso, Mali, Niger, and Togo, the FSRP has reached over 1 million beneficiaries with agricultural assets or services to increase production. Around 440,000 have accessed hydro- and agrometeorological advisory services, and the number of food-insecure people has been reduced by 31 percent in program areas.

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## INFRASTRUCTURE

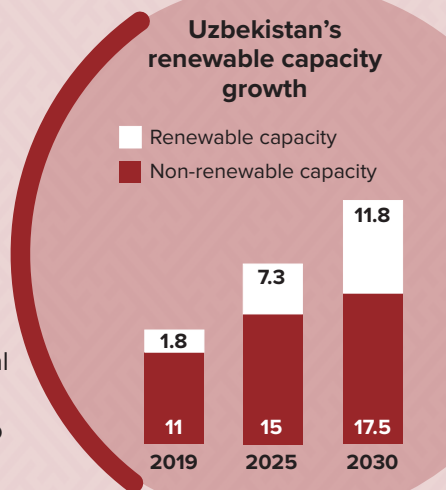
Green, inclusive, and resilient infrastructure is foundational for eliminating extreme poverty and boosting shared prosperity on a livable planet. Reliable and affordable transportation, water, sanitation, and energy are crucial for meeting basic household needs, connecting people to jobs, and unlocking economic opportunities. For businesses, robust infrastructure supports efficient operations, facilitates trade, and strengthens key sectors. It also enables access to innovation, education, and healthcare, while improving gender equality and enhancing resilience against economic and environmental shocks. As this example illustrates, IDA has a key role to play in mobilizing private sector investment in reliable, sustainable energy infrastructure.

### MOBILIZING PRIVATE INVESTMENT IN RENEWABLES

Energy is the backbone of a modern economy, yet in 2022, an estimated 685 million people worldwide still lacked access to electricity. To improve access to energy while meeting climate goals, developing countries must significantly scale up renewable energy, which requires attracting far greater private sector investment. IDA helps countries mobilize private investment in renewables by creating a strong enabling environment, enhancing utilities' capacity to work with the private sector, and building a pipeline of renewable energy projects.

### SUSTAINABLE SOLAR IN CENTRAL ASIA

In **Uzbekistan** IDA is playing a leading role in solar energy deployment through the Scaling Solar Program, providing comprehensive technical assistance and support for upstream policy, pre-feasibility work, and tendering processes. With this support, Uzbekistan launched its first large-scale renewable energy project, which now provides electricity to 31,000 households. IDA has been involved in many first-of-a-kind projects in the country through transaction advisory, capacity building, and financing and payment guarantees to strengthen the institutional capacity, financial sustainability, and operational performance of the transmission utility. They have contributed to Uzbekistan more than doubling its renewable energy goal to 25 gigawatts (GW) by 2030.







## DIGITAL

Digital technologies provide solutions to address development challenges: broadband access drives growth, job creation, and poverty reduction. Additionally, digital access is key to increasing efficiency and enhancing access to services across nearly every social and economic sector. The application of digital technologies is transforming the economies of developing countries, from streamlined government services, to more accessible and resilient private sector offerings, to precision agriculture that increases crop yields. Widespread, reliable digital connectivity is the cornerstone of digital inclusion, and IDA support on regulatory and capacity issues is critical, as this example shows.

### POLICY AND REGULATORY SUPPORT TO DRIVE DIGITAL DEVELOPMENT

To drive connectivity, IDA works with countries to strengthen policy and regulatory environments and capacity, reinforced by support for public and private investments to increase access to affordable broadband internet. IDA supports the creation of forward-looking, transparent legal, policy and regulatory frameworks that encourage private investment, competition, service quality and affordability.

#### DIGITAL CONNECTIVITY ACTIVATES JOB CREATION

Digital Connectivity is essential to creating jobs, improving education outcomes and helping lift people out of poverty. In **Ethiopia**, IDA facilitated a broad-based agreement with the government and stakeholders to establish an independent regulator, modernize the regulatory framework, liberalize the market, and initiate the privatization of state-owned Ethio Telecom. The ongoing Ethiopia Digital Foundations Project is deepening these reforms and expanding broadband services for public institutions and schools. By early 2024, there were an estimated 31.5 million additional 4G connections, and these measures are expected to create more than 1.5 million direct and indirect jobs.

**31.5 million**  
new 4G connections

**1.5 million**  
jobs created





## GENDER EQUALITY

Gender equality is crucial for development, yet women face significant legal, financial, and societal barriers that limit their economic opportunities. Globally, women have only two-thirds of the legal rights of men, with a 6 percent financial access gap in developing countries. Despite progress in dismantling legal, financial, and regulatory barriers, more efforts are needed to close gender gaps. IDA works to achieve meaningful progress toward equality by engaging the private sector, fostering stakeholder collaboration, and leveraging the work of other development institutions.

### A NEW FAMILY CODE SUPPORTS EQUALITY IN THE DRC

In 2016, leveraging IDA's convening power, civil society organizations in the **Democratic Republic of the Congo** successfully lobbied government to enact a new family code abolishing the requirement for married women to obtain their husband's authorization to sign legally binding documents. This pivotal reform enabled women to independently access employment, entrepreneurial opportunities, financial accounts, and loans. IDA supported the effective implementation of the Code through the Small and Medium Enterprise Development and Growth Project. This initiative promotes gender-friendly business regulations and provides self-employed women with technical assistance, capacity building and project management support, ensuring that the policy changes have a lasting impact on women's lives.





## FRAGILITY, CONFLICT AND VIOLENCE

Countries experiencing fragility, conflict, and violence (FCV) are marked by persistent poverty and declining human capital, threatening the achievement of development goals. By 2030, nearly 60 percent of the world's extreme poor will live in fragile and conflict-affected countries. IDA leverages a range of analytical tools to navigate complex environments, inform interventions, and deepen sensitivity to FCV in its country engagements.

### IMPROVING RESILIENCE FOR HAITI'S MOST VULNERABLE

In Haiti, the Adaptive Social Protection for Increased Resilience (ASPIRE) project supports almost 23,000 vulnerable households with a monthly cash transfer. This enables them to build resilience against the shocks of recurring violence or natural disasters. IDA also provides capacity building and policy support through this program: half of these families are provided with training in financial literacy and best practices in hygiene, nutrition, and maternal and child health. The project identified over 100,000 vulnerable households, helping other government and non-government programs prioritize their investments. The project supports the development of the institutions needed to deliver a national social safety net system, allowing for future expansion to other vulnerable groups.

**23,000**  
households with  
monthly cash transfer

**100,000**  
vulnerable households  
identified





## MORE AND BETTER JOBS

The working-age population of IDA countries is set to double by 2050, presenting an enormous jobs challenge for these economies. To tackle this challenge, IDA works on multiple fronts: promoting labor force participation, particularly for women and youth; addressing barriers to private investment; promoting skills; facilitating entrepreneurship and transitions to green sectors; improving the quality of labor market institutions; and expanding digital connectivity.

### BOOSTING PRIVATE-SECTOR EMPLOYMENT IN BANGLADESH

In **Bangladesh**, the Private Investment and Digital Entrepreneurship Project promotes private investment, job creation, and environmental sustainability in economic zones and software technology parks. Actual investments are generating nearly 45,000 jobs. The program benefits from IDA knowledge and technical assistance that supports the promotion of good governance, establishing core institutional capabilities, training and capacity building, reviewing licensing procedures, and implementing green EZ guidelines, inter alia. The program has also supported the development of a monitoring and evaluation framework for measuring economic impacts of the economic zones.

Investments  
are generating  
nearly

**45,000 jobs**





## MORE PRIVATE INVESTMENT

The private sector is an important partner in delivering innovative solutions and investments to tackle the enormous challenges of climate action, infrastructure and public services access, gender equality, sustained growth, and job creation. The average annual gap in estimated total spending needs for addressing these global challenges is in the order of \$347 billion per year for all IDA countries between 2023 and 2030. IDA works with governments to create an enabling environment for private investment that can cover this shortfall.

### MOBILIZING PRIVATE SECTOR INVESTMENT IN KENYA

In **Kenya**, IDA has worked with other World Bank Group institutions under the Mobilizing Finance for Development (MFD) approach to provide \$90 million since 2013 to kickstart Public/Private Partnerships (PPPs) under the **Infrastructure Finance/PPP Project** (IFPPP). Efforts have resulted in a new PPP law, stronger government capacity to manage PPPs, and a solid pipeline of projects in roads, health, and water and sanitation to advance Kenya's social and economic goals. IFPPP is expected to mobilize \$1.25 billion in private capital, and as of April 2023 had already mobilized about \$899 million. In addition to the work under IFPPP, the government of Kenya and IFC signed agreements for advisory services for PPPs in the water and housing sectors in 2022.

**New Private  
Investments**

**Mobilized  
\$899 million**

**Expected  
\$1.25 billion**



## THE ROAD FROM SEOUL

The calls for IDA knowledge and expertise will become ever more urgent as the world faces a compounding series of crises, including climate change and biodiversity loss, increasingly strained food and water systems, and fragility, conflict, and violence.

IDA21 responds to these development challenges and identifies opportunities, building upon experiences from IDA20. Progress achieved in past IDA cycles will continue to provide a strong foundation for greater impact. The IDA21 policy framework is designed to deliver impact at greater scale and speed with more flexibility to respond to client needs.

To meet the most urgent needs, IDA's work in strengthening institutions, advancing reforms, and building knowledge to complement its financing capacity will be critical. A strong IDA21 will take the lead in ensuring the World Bank Group delivers on its mission to reduce poverty and improve prosperity on a livable planet.

*“IDA is the best deal in development. More than the funds we deploy are the benefits people derive. Over the past decade, IDA has helped deliver health services to nearly 900 million people around the world, connected 117 million to reliable electricity, and delivered clean water to 94 million others. And helped more than 18 million farmers grow more, waste less, and improve their bottom line. We are doing all we can to ensure that IDA has the resources it needs to be effective.”*

**–Ajay Banga**, President, World Bank Group

The logo for IDA21 features the letters 'IDA' in a bold, white, sans-serif font. Above the letter 'A' is a stylized red sunburst or flame-like graphic. To the right of 'IDA' is the number '21' in a similar bold, white, sans-serif font. The entire logo is centered at the bottom of the page against a dark blue background with a repeating geometric pattern.