

**Chairman's Summary**  
**Second IDA13 Replenishment Meeting**  
**Addis Ababa, Ethiopia**  
**June 6-7, 2001**

1. The second meeting to discuss the 13<sup>th</sup> Replenishment of IDA Resources (IDA13) was held in the UN Conference Center in Addis Ababa, Ethiopia on June 6 and 7, 2001. Representatives of IDA donor countries participated in the meeting, along with six representatives of IDA borrowing countries from different regions, who joined the replenishment process for the first time. Representatives of the African and Asian Development Banks also attended, as observers. Singapore's presence at the meeting was particularly welcomed. Participants noted that replenishment documents related to IDA13 are now being publicly disclosed and available on the World Bank website, as previously agreed.
2. Participants expressed their gratitude to the United Nations Economic Commission for Africa for organizing a day-long session on June 5 to hear from and exchange views with selected African representatives of government, the private sector and NGOs. Participants welcomed the views provided on development challenges, policies and development cooperation in Africa, which will be a valuable contribution to the participants' deliberations during the IDA13 discussions.
3. Management reported on the work program for the replenishment. Participants discussed grants, and asked Management to do further work on this for the next meeting. Participants noted the status of the private sector development, environment and gender strategy papers, which are key IDA12 deliverables and will be completed by the end of the year.
4. Participants reviewed IDA's policy framework and its performance-based approach to lending, broadly endorsing the main elements and pointing to areas for further work. They discussed the work underway to improve the Country Policy and Institutional Assessment (CPIA) methodology and increase the efficiency and transparency of IDA's performance-based allocation system. They stressed the particular importance of good governance and further refinement in the treatment of governance factors, as well as strong links between IDA's performance-based allocation system, the country-driven PRSP process, and IDA's country assistance strategies (CASs). Participants highlighted the need for transparency and welcomed efforts to discuss methodology and ratings with borrowers.
5. Participants noted the important role Poverty Reduction Strategy Papers (PRSPs) can play in improving development effectiveness, including their implications for IDA's approach. They noted that PRSPs held considerable promise for improving aid coordination, reducing transaction costs, and increasing the development effectiveness of aid in reducing poverty. Participants agreed that IDA should continue to work toward ensuring clear country ownership of the PRSP process. They emphasized the central role of the CAS as IDA's business plan for PRSP support.

6. Participants agreed that support for country programs should use a mix of lending instruments (both investment and adjustment) and non-lending services. They noted that the Poverty Reduction Support Credit (PRSC) could be an effective instrument to help countries with sound policies to implement their poverty reduction strategies, within a consistent framework of macroeconomic and other policies. Participants indicated that expansion of the use of PRSCs should be strongly grounded in diagnostic economic and sector work, including on public expenditure, procurement, and financial management systems. Private sector development was seen as key to the development prospects of IDA borrowers, and participants encouraged further work on enhancing IDA's support in this area, including through exploration of new instruments and improvement of legal and judicial systems. Participants also highlighted the importance of agricultural and rural development and regional cooperation, including through trade.

7. Participants discussed the proposed commitment authority framework for IDA13 based on the latest lending projections. They noted the importance of adequate resources and asked Management to provide a range of options showing sustainable levels of lending on the basis of alternative levels of donor contributions and IDA internal resources.

8. Participants welcomed the proposal for guiding decisions on IDA's support for post-conflict countries, stressing the importance of striking a balance between the flexibility of a case-by-case approach and the need for a more systematic and transparent methodology. They requested further work on the level of allocations to post-conflict countries. They called for actions to increase the effectiveness of IDA's post-conflict grant facility. They encouraged IDA to maintain a supporting role vis-a-vis the UN and bilateral partners and to work speedily with the IMF and African Development Bank on the resolution of arrears problems, which affect a number of these countries.

9. Participants welcomed the OED Review of IDA 10-12, noting that it provided an excellent overview and analysis of IDA's performance and a strong platform for IDA13. They agreed with the report's conclusions that IDA's performance had improved markedly over the period and welcomed Management's positive response. They broadly endorsed OED's recommendations as important to strengthen IDA's development effectiveness, particularly by focusing on implementation, aligning resources to strategic priorities set by IDA's Deputies and consolidating existing IDA mandates, and they looked forward to a time-bound action plan for implementation. They encouraged IDA to adopt a longer-term approach focused on outcomes and including monitoring and evaluation of results and means of reporting on them.

10. Participants discussed the approach to their report on the IDA13 Replenishment.