

IDA18 DRAFT DEPUTIES' REPORT
Summary of Comments Received from the Public Posting and Actions Taken
December 2016

Source	Topic	Comments	Response/Action
Jeremy Lefroy	<i>JET</i>	I welcome the inclusion of 'Jobs and Economic Transformation.' May I respectfully suggest that this be: 'Jobs, Livelihoods and Economic Transformation' as 'jobs' implies only formal-sector employment whereas self-employment – in small business and agriculture, for example – plays an essential role in economic transformation.	We appreciate that you have raised the issue of informal economy. We have recognized the importance of the informal economy in the special themes papers that can be found on IDA's external website and that have been discussed in previous replenishment meeting. In addition, the policy commitments target agriculture through the Global Value Chains and its strong focus on agribusiness.
	<i>Financing</i>	I welcome the introduction of blended finance to increase the ability of IDA to support development. It is important that this is done carefully so that long-term financial liabilities are matched against long-term development impact.	Noted and agreed. In the Summary of Recommendations, we reflect that SUF support to blend and IDA-only countries (not at high risk of debt distress) on IBRD lending terms will enable high-quality, transformational single country and regional projects or programs with strong development impact. These operations will focus on interventions that would help clients remove critical constraints to development.
	<i>Refugee Sub-window</i>	I welcome the sub-window for refugees. This is particularly important for supporting education for refugees in crises which are increasingly protracted. Currently only some 3% of humanitarian spending is on education, leaving both a very substantial burden for host countries and millions of children and young people lacking a decent education.	Thank you. Attention to such longer-term development needs - beyond the humanitarian - is the intention behind this new sub-window.
	<i>Graduates</i>	I welcome the transitional support for IDA18 graduates. A smooth transition is always better than a 'cliff edge'.	Noted and agreed. This is the intention behind transition support.
Conservation International	<i>Migration</i>	"Migration Lens:" This lens makes sense provided it looks not only at the migration phenomenon, but also its drivers, including environmental degradation and conflict over resources such as water and land, and seeks to address these.	Any assessment of migration (migration 'home countries') would consider the factors that are driving migration patterns, which in many cases would include environmental and natural resource-related factors. The Bank's related efforts to address resource sustainability and climate resilience form an important complement to our work on reducing the drivers of migration.

<p>JET</p>	<p>The commitments in this area are surprising in their lack of consideration of the role of male and female smallholders</p>	<p>While there are no commitments targeting smallholders explicitly, the commitments related to inclusive Global Value Chains and Small and Medium Enterprises are likely to be highly relevant for smallholders, as will be the operationalizing of Jobs Diagnostics. Furthermore, the text reflects the related point that economic transformation starts with increased productivity in agriculture, which requires, among other things, equitable access to secure land tenure for men and women, credit and insurance, extension services, and electricity and irrigation, all of which have clear implications for smallholders.</p>
	<p>We would underscore that ending poverty and achieving economic transformation in these areas requires addressing the underlying conditions that have impeded agricultural productivity growth: the lack of secure land tenure for men and women, of equitable and adequate access to credit or insurance,ⁱ of equitable and adequate extension services, and of equitable and adequate electricity.</p>	<p>Agreed. We have made reference to these issues in the text on “Jobs and Economic Transformation”, as discussed above.</p>
<p>Jobs</p>	<p>This tool/work-stream should also consider that many people (and particularly women) remain <i>outside</i> the formal economy, often because of the lack of clear ownership rights for land or resources; economic transformation needs to address this issue.</p>	<p>We agree. Jobs Diagnostics assess the situation for workers in the informal economy, the factors that drive the scale and nature of the informal economy, and policy options to both raise the quality of jobs in the informal economy and to shift more jobs into the formal economy.</p>
<p>Agricultural Productivity</p>	<p>Proposed actions under objective "Supporting job creation through economic transformation" should provide necessary measures (e.g. screening projects for direct impacts contributing to deforestation; farmers adopting best management practices as well as improved agricultural technology) to support sustainable growth in agri-business sector to ensure that growth does not entail conversion of natural forest and landscapes.</p>	<p>Each of these suggestions are in line with our thinking, and reflected in IDA18. Screening projects will be in accord with the WBG safeguards, which include protections against adverse environmental impacts (including habitat conversion). The Climate Change Special Theme section of the paper recognizes that stakeholders appreciated the range of interventions to address climate change – including the focus on climate-smart agriculture, forests, deforestation, and land restoration – and recognized the inter-dependence of these critical issues with importance of integrated urban and transportation development, protected areas, secure land tenure, and protection of indigenous people’s rights.</p>

<p><i>Sustainable Development Goals</i></p>	<p>It is essential to bear in mind the Bank's commitment to achieve its goals "in a sustainable manner." This concept is referenced and para. 39 addresses linkages to SDGs, but it deserves to be further integrated. Sustainability is central to the SDGs and it should be to IDA; without it, achievements are short-lived and economic transformation will remain incomplete.</p>	<p>We have incorporated "in a sustainable manner" to the Bank's goals.</p>
<p><i>Climate</i></p>	<p>We support the overall objective to help borrowing countries deliver on (I)NDCs, SDGs and World Bank's twin goals of ending poverty and promoting shared prosperity in line with national development priorities. That said, IDA18 could be more effective in achieving these goals by acknowledging the dependence of many of the world's poor on nature and achieving sustainability through nature-based approaches. Furthermore, IDA18 could acknowledge that there is borrower demand for these types of approaches as identified in borrower country NDCs and national policy.</p>	<p>Thanks. Reflecting this suggestion, we have modified our discussion on Sustainable Development to indicate our intention to help IDA countries account for and manage their natural, physical and social capital to deliver green, inclusive and resilient growth.</p>
	<p>IDA's policy framework could benefit from increased commitment to conserving forests and sustainable land use by recognizing them as cost-effective and critical means for achieving resilience and other IDA18 goals. Nature-based solutions such as ecosystem based adaptation should be fully integrated to address both climate change mitigation and adaptation while achieving co-benefits. There should be a target for projects with identified co-benefits and these co-benefits should be articulated....the Bank could, and should, support a stronger focus on ecosystem management as part of an explicit response to climate change.</p>	<p>Noted. The importance of resilient ecosystems is now referenced explicitly in the Climate Change Special Theme discussion, recognizing that efforts to prevent emissions because of deforestation and degradation need to be increased to protect forests as a source of people's livelihoods, as a critical carbon sink, and as an ecological buffer from climate shifts. Furthermore, discussion of co-benefits is explicitly integrated throughout the text.</p>
	<p>The absence of any reference to securing land tenure for smallholder farmers, indigenous communities, and other forest-dependent communities is a particular concern given the potential of these groups both to sustainably improve agricultural productivity and to effectively conserve natural forests that provide multiple values (carbon storage, climate & water regulation, soil production & retention, water filtration & regulation, biodiversity habitat, recreational opportunity and cultural heritage) that underpin sustainable development.</p>	<p>The importance of secure land tenure for agricultural development, economic transformation and broader sustainability goals is now reflected in sections on the Jobs and Economic Transformation Special Theme, as well as the Climate Change Special Theme.</p>

		<p>SDG 13 (with targets for mitigation, awareness-raising and finance as well as adaptation) and IDA countries’ NDCs deserve at least equal commitment of IDA support.</p>	<p>We agree as to the importance of SDG13. IDA will work with clients to achieve the ambition of their NDCs, many which include mitigation components.</p>
		<p>The link between land and climate change is weak in the current draft report; it could be strengthened by ensuring that the critical role of reducing deforestation and protecting forestsⁱⁱⁱ (especially 3 coastal) for increasing resilience to climate change, for removing greenhouse gases (GHGs) from the atmosphere, and for conserving and increasing carbon stocks, is included. This Special Theme should include mention of the link with secure and equitable land tenure as an important step to sustainable land use, to mitigating emissions from through forest protection, and to increase climate resilience.</p>	<p>The text within the Climate Change Special Theme has been enhanced to reflect that efforts need to be increased to protect forests as a source of people’s livelihoods, as a critical sink to remove carbon dioxide from the atmosphere, and as an ecological buffer from climate shifts. The draft further recognizes that stakeholders appreciated the range of interventions to address climate change – including the focus on climate-smart agriculture, forests, deforestation, and land restoration – and recognized the inter-dependence of these critical issues with integrated urban and transportation development, protected areas, secure land tenure, and protection of indigenous peoples’ rights.</p>
		<p>On page 35 it is mentioned that land use emissions were mentioned in NDCs, but this is weaker than the claim that was made in the Climate Change Special Theme paper, which stated: “Increased emissions because of deforestation and degradation was also highlighted as a problem in 90 percent of the NDCs and efforts are being made to reverse it.”</p>	<p>The 90% figure is now included in consistency with the Climate Change Special Theme paper.</p>
		<p><u>Integrating resilience measures:</u> These should include 1) measures to sustain or restore “green infrastructure” that offers disaster risk reduction along with climate mitigation and other co-benefits, and 2) both social and ecological components, recognizing that gender and other factors determine communities’ resilience.</p>	<p>Discussion of these resilience concepts are now enhanced throughout the Climate Change Special Theme.</p>
		<p>Include support for economy-wide carbon pricing and low carbon development strategies reflecting the social cost of carbon.</p> <p>Carbon pricing, ideally through a carbon tax collected at the source/entry point and reflecting the social cost of carbon, is an administratively easy and economically efficient way to achieve DRM, and combined with removal of fuel subsidies, can create fiscal space to reduce other (unpopular) taxes so that such measures, when combined, achieve broad political support. Moreover, as a leader in</p>	<p>We appreciate you highlighting the importance of this issue. IDA18’s application of a shadow carbon price for operations in significant sectors should help countries to internalize social carbon costs in development efforts.</p> <p>On subsidies, the text reflects that IDA18 will use DPOs that support climate co-benefits. This could encompass energy policy and subsidy reform.</p> <p>Carbon pricing may be recognized in some country contexts as a valuable tool to increase domestic revenues</p>

		<p>carbon pricing the Bank can use its expertise to benefit its IDA clients.</p> <p>Carbon pricing that eliminates fossil fuel subsidies (as a first step) and reflects the social cost of carbon as a final goal can help address all three (policy, technology and finance) challenges, although resilience and sectoral issues such as land use will require further action.</p>	<p>and address climate change. Expertise across the Bank Group is available to clients to design domestically or regionally appropriate carbon pricing mechanisms.</p>
		<p>Renewable energy should be adapted to national and local circumstances.</p>	<p>Agreed. This view is consistent with IDA's strong support and assistance with attainment of countries' (I)NDCs.</p>
		<p>Forest Action Plan (FAP) that deserve to be reflected/integrated in IDA; financing for REDD+ /AFOLU remains far below its potential to deliver mitigation and other benefits.</p>	<p>Recognizing this, the text indicates that participants appreciated that the WBG Forest Action Plan and IDA18 will be aligned through the development of 10 country forest policy notes, which are expected to lead to large-scale, multisector programs promoting "forest-smart" development.</p>
		<p>This makes clear the importance of abatement (mitigation) to reduce vulnerability and protect development gains...Nature-based solutions such as REDD+ and ecosystem-based adaptation offer a low-cost option in many circumstances to achieve such outcomes.</p>	<p>IDA18 intends to continue working on innovative solutions for forest-based low-carbon development.</p>
		<p>Proposed actions should include that all IDA operations be screened for direct and indirect impacts on deforestation. The drafting of 10 programmatic policy notes is a very welcome commitment and should be built on by further integrating IDA-supported actions for forest conservation that achieves climate mitigation and co-benefits.</p>	<p>Thank you for suggesting this linkage. The Climate Change Special Theme now indicates that emissions from land use change and deforestation are frequently connected directly and indirectly to other development activities. Forest co-benefits are addressed as well, reflecting that forests are uniquely placed in the climate change agenda as they can deliver both emissions reductions and adaptation co-benefits.</p>
	<p><i>Land Tenure</i></p>	<p>While fully welcoming this theme, we note the importance of tenure security as a foundation of good governance is completely missing from these recommendations. This is surprising, since the Bank has done excellent work on this issue.</p> <p>Mainstreaming a governance approach to these reforms is essential. The Bank has recognized that innovations in technology and open data can help improve land</p>	<p>Thanks. We have now integrated discussion of land tenure and land governance into the Special Themes discussions on Jobs and Economic Transformation and Climate Change.</p>

		governance at scale; it remains key to achieving the Bank’s twin goals in a sustainable manner.	
	<i>Natural Capital Accounting</i>	Given the World Bank’s leadership in Natural Capital Accounting (NCA), and the importance of natural capital for many IDA countries, WBG should add a goal for IDA to support one IDA or transition country to integrate NCA into its System of National Accounts.	We have reflected the merits of Natural Capital Accounting in our discussion on Sustainable Development, indicating the importance of assisting IDA countries account for and manage their natural, physical and social capital to deliver green, inclusive and resilient growth.
IIED	<i>SDGs</i>	IIED urges the set of core indicators against which the World Bank delivers its results to reflect the new global framework for measuring development action as set out in the Sustainable Development Goals (SDGs)...IIED therefore calls on the World Bank to update its indicators to be consistent with the SDGs, putting sustainability at the centre of its lending measures	We appreciate IIED’s suggestions. The text discusses how IDA intends to help clients achieve the SDGs, including a section titled “Linkages to SDGs”. Moreover the section on IDA’s Results Measurement System shows how it is being refined to focus on SDG indicators and targets in line with WBG Twin Goals and IDA’s key engagement areas and comparative advantages. Furthermore, Annex I discusses how indicators are frequently aligned with the SDGs.
	<i>Water and Sanitation</i>	IIED recommends indicators measure water stress (SDG 6.4.2) and sustainability of investments in water and sanitation (as reflected in the SDG 6.1.1 and 6.2.1 indicators on "safely managed"). We note this was considered but rejected on grounds the definition has yet to be standardised – but the World Bank could help define it. Alternatively, we suggest the Bank tracks "sustainable access" incentivising a greater focus on results that last over the longer term and that water drawn from groundwater is sustainable	Thanks for raising this issue. Setting such a water stress standard is not a reliable indicator without a benchmark. The WB is engaging in discussions to better standardize the proposed measure, but finalization of SDG indicators rests with the UN.
	<i>Forests</i>	IIED welcomes the addition of the indicator on change in deforestation rate but the indicator on numbers of policy notes is inadequate as an interim indicator. IIED recommends indicators on: percentage of forest cover under sustainable management plans; percentage of forest cover owned by and, separately, with commercial use rights held by, communities and indigenous peoples; volume of production per labour unit by classes of, among others, forestry enterprise size (SDG 2.3.1).	The intent of IIED proposed indicators are included in IDA18 project and policy considerations, recognizing the inter-dependence of climate change, land use, land tenure and indigenous peoples' rights. The number of policies refers to the policy commitment but not the RMS indicator. The RMS indicator “Average annual deforestation change” has been harmonized with that of the World Bank Scorecard and is tracked.

<p><i>Food, Agriculture & Governance</i></p>	<p>The current indicators give little sense of how well the World Bank will provide opportunities to smallholder farmers or support the long-term resilience of the land they farm. Equally, given the lack of clarity around what climate smart agriculture really means, IIED proposes using SDG 2.4.1 (proportion of agricultural area under productive and sustainable agriculture), and defining sustainability in terms of how it contributes to food security and farmers' livelihoods over time, alongside an indicator around improved productivity despite climate effects on smallholder farming.</p> <p>IIED therefore urges the Bank to consider indicators such as the percentage of local government revenue generated directly from sources within the city and years since last census.</p>	<p>While the indicators IIED proposes would be valuable, only the current indicator has available and reliable data that can be regularly reported.</p>
<p><i>Climate Change</i></p>	<p>We propose an amended version of SDGs 1.5.3 and 13.1.1, to provide an indicator of national and subnational adaptation plans, generated and implemented. It is also critical that the World Bank tracks the amount of finance it invests directly into adaptation and clean energy, and how much private finance it mobilises. Instead, IIED suggests indicators are money mobilised per capita per country/region and the percentage of people covered by activities appearing in adaptation plans.</p>	<p>The WBG is making efforts to report annually on private finance mobilized for climate (see Annex 1, Table 1). However, inclusion of Subnational adaptation plans and other proposed indicators are not feasible at this time.</p>
<p><i>Energy</i></p>	<p>The current indicator on megawatts will continue to incentivise investment in new generation without considering the value of the energy to meet demand. At minimum, it should be disaggregated by clean and fossil fuel energy, but ideally also reflect value to the energy needed. The new indicator on plans to achieve sustainable energy for all is welcome, but IIED would encourage the World Bank to ensure this also supports long-term "whole of energy system" planning and management.</p>	<p>IDA18 commits to support the addition of 5 GW in renewable energy generation. The Bank's operations involve integrated and system-level examination of country sectors, to understand how our clients can best achieve their development objectives. So although we examine a country's energy system in effect when supporting power sector operations, inclusion of "whole of energy system" indicators is not feasible.</p>
<p><i>Cities</i></p>	<p>The commitment to "improved urban living conditions" conflates the many interventions needed to improve urban productivity and sustainability. Instead, IIED proposes that the World Bank tracks the actual changes most needed – the number of people with secure tenure, people with durable, permanent housing, the percentage with access to</p>	<p>The current indicator is the most pragmatic in terms of having reliable and regular data to report.</p>

		<p>piped drinking water and with urban solid waste regularly collected.</p>	
	<i>Gender</i>	<p>IIED welcomes the World Bank's efforts to disaggregate indicators by sex, but would encourage the Bank to also disaggregate by age, disability, ethnicity and religion.</p>	<p>While further disaggregation of indicators is desirable (e.g., by disability, ethnicity), the current focus on gender and FCS is the most pragmatic. Also, disaggregated data for age, disability, ethnicity etc is not available for all IDA countries.</p>
<p>International Rescue Committee/ Center for Global Development (questions specifically related to the refugee sub-window)</p>	<i>Systematic Inclusion of all stakeholders at all levels</i>	<p>The nature of the crisis and the target populations the IDA sub-window mean that a multi-stakeholder governance process is crucial. Paragraph 5 of Annex 5 outlines the process for project oversight, including a requirement for countries to coordinate with other development partners and humanitarian agencies. While we are grateful such an intent is laid out, coordination alone is not enough. The project planning requirement must be stronger and more specific: countries should demonstrate "evidence of coordination, including joint analysis and planning, with other development partners and relevant humanitarian agencies, in particular UN agencies." Working jointly with these actors should be a prima facie requirement for all refugee-supporting projects, and the emphasis on partnership should be elevated.</p> <p>Emphasis on partnership should be elevated not only in projects requirements but in the governance structure of the window – Key UN partners and local humanitarian and development actors within each country should be actively included and consulted in the individual project review process and, in addition to reviewing the policy frameworks for country eligibility.</p>	<p>We appreciate this important suggestion relating to the refugees sub-window. The priority is to ensure coordination with key stakeholders. We will strive to ensure joint planning, analysis and coordination where relevant, though this may not be feasible in every country context. These efforts are discussed in Annex 5.</p>
	<i>Specific eligibility criteria and protection policy frameworks</i>	<p>To ensure that the project development process produces the most targeted, evidenced-based, and effective projects possible, we propose that the following additional guidance be included to the oversight section of paragraph 5: 1) Requirement (ii) should be further defined as "analysis of the needs of refugees, impact on host communities, and related constraints to enabling refugees' self-reliance within the context targeted by the project." 2) Requirement (iii) should be further defined as "description of proposed</p>	<p>We welcome these suggestions to assess the refugee protection framework in a country. We agree that a regular review of progress in implementing country action plans should be encouraged and undertaken wherever feasible. It will be important to acknowledge that progress will not necessarily be linear and will take time. We will consider this as we develop the detailed implementation guidelines for the refugee sub-window.</p>

	<p>project development outcomes, activities, and beneficiaries." Emphasizing the focus on outcomes, rather than inputs or outputs, will encourage countries to think about the necessary pathways to achieve them, including policy reforms to remove constraints; 3) A requirement should be added for "analysis of the cost efficiency and/or effectiveness of proposed activities." Governments should be expected to pursue interventions that are the lowest-cost way to deliver and achieve desired outcomes. The World Bank should lead on setting cost analysis standards; 4) Guidance to prioritize PforR as a financial instrument of choice should be included in the IDA Deputies Report. Disbursement-linked indicators in these projects should get as far along the results chain as possible, i.e. refugee employment or income instead of work permits, or learning instead of enrollment.</p>	
<p><i>Instruments</i></p>	<p>Wherever possible financing should be delivered through Program for Results using the policy reforms outlined in action plans as key results indicators, to ensure governments are incentivized and supported to act on their commitments.</p>	<p>It will not be possible to use the P4R instrument under the refugee sub-window (which follows the general guidelines of the broader regional window). However, there are possibilities to include results-based financing arrangements (including Disbursement Linked Indicators) under the Bank's Investment Financing Instrument.</p>
<p><i>Outcome Driven Plans and analysis for effective results</i></p>	<p>Following additional guidance should be included in the oversight section of paragraph 5:</p> <p>Requirement (ii) should be further defined as "analysis of the needs of refugees, impact on host communities, and related constraints to enabling refugees' self-reliance within the context targeted by the project."</p> <p>Requirement (iii) should be further defined as "description of proposed project development outcomes, activities, and beneficiaries."</p> <p>A requirement should be added for "analysis of the cost efficiency and/or effectiveness of proposed activities."</p> <p>As noted above, Program for Results offers a unique way to deliver results for refugees and host communities while also strengthening government capacity to sustainably provide services and enforcing accountability, all of which</p>	<p>Thank you for these suggestions. We have adopted your proposals in requirements (ii) and (iii) into our text. A cost analysis can be carried out at the project level during project preparation but it should not be a requirement to access funds at the information note stage. Please see our comment on use of P4R, above.</p>

		are central goals of the refugee sub-window. Guidance to prioritize PforR as a financial instrument of choice should be included in the IDA Deputies Report.	
	<i>Priority activities with shared benefits</i>	With respect to activity priority (iv), A better reframing for this activity would be “to support livelihoods in host community areas, tailored to the needs and constraints of refugees and host community members.”	We are grateful for this suggestion and language proposal which we have incorporated in Annex 5.
	<i>Flexibly Scaled Financing terms</i>	We hope the World Bank will consider offering more flexible terms, perhaps scaling concessionality to estimated share of host community benefit rather than a rigid 50-50 split, such that financing agreements do not become the main barrier to enacting the policy and programming needed for long-term solutions in these countries.	To ensure a system that is simple to understand and communicate to clients, and that allows greater predictability, financing terms have been kept simple. Please note that financing from the sub-window will be provided on 100% grant terms for countries at high risk of debt distress and for projects that deal exclusively with refugees.
World Wildlife Fund	<i>Climate</i>	Financial and policy integration of NDCs will currently be prioritized in 10 countries but otherwise only be “reflected” in SCDs and CPFs. This appears to fall short of Climate Action Plan and Forest Action Plan goals for World Bank’s investments to be broadly more climate and forests smart in support of achieving IDA’s goals sustainably.	Thank you. The section on the Climate Change Special Theme specifies that all IDA SCDs and CPFs will incorporate climate and disaster risk considerations and opportunities and all operations screened for climate change and disaster risks so to integrate resilience measures. Attention to climate change will be central in IDA18's strategy and activities. Assistance to the ten countries in (I)NDC planning will be demand based.
		Encourage support to act within adherence to environmental safeguards so that policies and investments do not unintentionally cause damage to ecosystems and ecosystem services.	Any WBG activities that support implementation of the (I)NDCs must be in full compliance with WBG safeguards. Explicit reference is included in the section on Climate Change. Upon request from IDA Participants, we have also included the safeguards as a critical component of IDA’s Value for Money in that particular section of the report.
		Encourage IDA18 to more clearly reflect the connection between land use and climate change.	Noted. Our shared recognition is now more explicitly addressed in the section on the Climate Change Special Theme.
		Strive for broader ambition in supporting countries to achieve NDCs while ensuring environmental safeguards. We suggest that IDA18 support at least 20 countries to translate NDCs into specific policies and investment plans.	See responses regarding safeguards and (I)NDC support above.

		<p>As is planned for climate resilience, screen all IDA operations for potential contributions to greenhouse gas emissions.</p>	<p>Across IDA's activities we will apply GHG accounting and shadow carbon price for operations in significant sectors, and prepare a revised guidance note on discount rates. These measures will help to reflect climate in country and project level planning.</p>
		<p>Integrate natural capital and ecosystem services valuation, natural and nature-based solutions into development planning processes as alternative ways to achieve climate resilient, sustainable economic development.</p>	<p>This is a helpful suggestion. As mentioned above in reply to Conservation International, we will be available to help IDA countries account for and manage their natural, physical and social capital to deliver green, inclusive and resilient growth.</p>
<p><i>JET</i></p>		<p>Recommended Proposed Actions under Jobs and Economic Development, pg. 70: “WBG will deploy tools and resources [including those that assess the value of natural capital] from IDA and IFC to undertake 10 inclusive global value chain analyses in IDA countries to understand how they can contribute to economic transformation and job creation and, including through growth in agri-businesses, manufacturing, and services [to ensure low carbon, climate resilient and sustainable economic growth]...”</p>	<p>Thank you for suggesting this addition, which we integrated under “Sectoral and Thematic Engagement” early in the document to indicate its cross-cutting relevance.</p>
		<p>Recommended Proposed Actions under Jobs and Economic Development, pg. 71: “WBG will develop, [integrate tools that assess the value of natural capital] and make available for use in IDA countries a set of ex ante measurement tools and systems to assess the impacts of large-scale public and PPP investments targeting infrastructure and economic transformation on jobs, including pilot assessments on gender outcomes, [to ensure infrastructure investments are low carbon and climate resilient].”</p>	<p>We appreciate WWF’s attention to this issue. On natural capital, see above. Regarding the assessment of gender outcomes across development activities, we discussed mainstreaming gender considerations as broadly as possible within the Special Themes.</p>

<p>Oxfam</p>	<p><i>Private Sector Window</i></p>	<p>Oxfam’s position is that IDA funds should not be diverted away from public sector lending and that the Bank should only back private sector investments if the financing envelope is large enough to maintain current IDA funding levels for the public sector. This is especially true if IFC transfers to IDA stop.</p> <p>The final Deputies’ report should clarify how on-going monitoring will occur to ensure investment have a clear pro-poor impact. In our assessment, current IFC systems for monitoring poverty impact at the project level are insufficient.</p>	<p>We thank Oxfam for raising this concern. IDA18 will increase financing available through the public sector, and PSW’s operations will leverage private sector activities that are additional to IDA’s public sector work.</p> <p>The project eligibility criteria for the PSW requires that all PSW-financed projects support a clear poverty alleviation objective in line with IDA priorities and alignment with IDA18 special themes.</p>
		<p>The World Bank Group must also articulate clear criteria for investments of IDA funds that demonstrate benefits for the poorest within countries and that promote gender equality...We would like to see stronger language in the final report clarifying how investments in FCS will mitigate social risk.</p>	<p>IDA will have oversight of PSW to ensure that PSW operations conform with IDA priorities, including benefits for the poorest. In general, mitigating social risk frames several revisions to the IDA18 Report. The Special Theme section on Governance and Institutions states that domestic resource mobilization must also focus on the quality, fairness, and equity of domestic tax collection with an emphasis that revenues raised will not end up taxing the poor more heavily. With regard to gender, the section now elaborates that stakeholders highlighted the need for attention to gender issues throughout all of the policy commitments and to ensure a gender perspective is integrated into assessment and planning processes. We also state that women and men experience fragility and conflict differently and therefore have different needs, capacity and opportunities.</p>
		<p>We recommend the final report to indicate that IDA financing not be used to support or back investments in high and substantial risk FIs where it is almost impossible to track development impact due to the lack of transparency as to where those funds are going. In an effort to track development outcomes, we also propose that disclosure and strong supervision of FI sub-projects will help ensure that funds are reaching the intended beneficiaries.</p>	<p>In cases where IDA Private Sector Window (PSW) funding may be used to support Financial Intermediaries (FIs), IFC will follow its standard approach of working with its FI clients to ensure adequate and appropriate environment and social (E&S) management systems are in place. IFC focuses on helping our FI clients improve their capacity to assess and manage the E&S risks inherent in their own financing activities—in line with IFC’s Sustainability Framework. Higher risk FIs must adopt IFC’s Performance Standards. IFC provides support for the implementation of these standards and monitors compliance. IFC is improving its approach to supervision and providing more assistance</p>

			and advice to clients to enhance their E&S management systems, and will continue to do so. IFC is also working, within market norms, to evolve transparency practices with its FI clients.
		The private sector could have great added value in places that are riskier from a financial point of view (in terms of return on investment), but have potential to really make a difference for opening up new markets that can benefit the poorest, such as investments in companies producing renewable technologies that prioritize energy access for the poorest (eg. offgrid solutions) and generic medicine producers and medical technology companies in Africa. We would like to see these sectors promoted in the final report.	In line with your comment, we have designed the PSW not only to increase the volume of IFC's and MIGA's private sector investments in riskier markets, but also to broaden the reach of their investments into riskier, yet highly impactful sectors.
<i>Graduation in an era of high inequality</i>		We remain concerned that the current report maintains the operational Gross National Income (GNI) cutoff.	IDA has a holistic approach to graduation where GNI per capita and creditworthiness for IBRD resources are inputs, but not the sole determining factors for graduation. In fact, historically, all countries were well above IDA's per capita GNI cut off at the time of graduation.
		The Bank should target concessional funds to the types of programs and policies which will most strongly fight inequality.	Increasing inequality is recognized in the report as an issue. Projects will be selected according to IDA priorities; most centrally, eliminating poverty.
<i>Domestic resource mobilization</i>		Yet we are keen to see the Bank put more IDA financing toward progressive tax reforms as well as to improving tax collection. These specifics are currently missing from the Deputies' report.	The Bank's tax operations are designed with a focus on the quality, fairness, and equity of domestic tax collection with an emphasis that revenues raised will not end up taxing the poor more heavily. Text has been added to the Deputies report to reiterate this focus.
		<p>We also propose that the WBG review and update the Offshore Financial Centers (OFC) policy.</p> <p>Our research has shown that the current OFC policy is far from effective in fulfilling its intended task and there is a long way to go towards ensuring the WBG is not supporting clients who are avoiding taxes and using aggressive tax planning strategies.</p> <p>As such, we are very keen to see a review or rethinking of the OFC policy to make it a fully tax-responsible one.</p>	<p>The WBG welcomes the global discussion on tax transparency and is glad to see it take such priority.</p> <p>Tax evasion is unacceptable in a transaction in which the WBG is involved. The IFC, in particular, requires its project companies to comply with applicable law including tax law. The IFC also requires the exercise of due diligence to confirm that the structures in which it invests are chosen for legitimate reasons and are not being used for tax evasion.</p> <p>The OFC Policy uses the standards of the Global Forum on</p>

			Transparency and Exchange of Information for Tax Purposes (Global Forum) to assess jurisdictions that the WBG will accept for offshore vehicles in projects. The Global Forum has more than 132 member countries and is the international standard for assessing jurisdictions for tax transparency.
	<i>Gender</i>	<p>The strategy must be implemented in a way which recognizes the structural barriers to women accessing better work opportunities, including violence against women in the home, public spaces and workplaces, heavy and unequal responsibilities for unpaid care work, social norms and lower agency and decision making power. Programs must holistically address these barriers to be successful, interventions which cover one or two areas only will not be effective. Programs must also acknowledge the supply side of ‘better’ jobs requires the creation of decent work opportunities, and increased labor power and bargaining rights particularly for women. These will ensure that work opportunities support gender equality and economic growth, as well as greater gender equality supporting development. We welcome the acknowledgement that the WBG is well placed to address areas essential to reducing women’s economic inequality including infrastructure, agriculture and financial service delivery. We would like to see the report more forcefully recommend strong gender analyses for the WBG’s projects in these areas. Further, we would like the final report to more explicitly articulate the importance of IDA funding for education and health as keys to promoting gender equity. The gender recommendations in the final report should also promote tracking the impact of IDA support for private schools on gender equity, social inclusion, and wider impacts on the education system. Importantly, given the proposal for a portion of IDA funds to back private sector investments, and our research which has demonstrated that for-profit schools, and hospitals and health facilities that rely on fees exclude the poorest women and girls, we propose that IDA funds not be used to back those types of private sector investments.</p>	<p>Thank you. The World Bank recognizes that non-excludable access to education and health is critical for gender equity and empowerment. The Special Theme on Gender and Development thoroughly addresses this point, covering services, economic opportunities and capital. In particular, we indicate that serious first generation issues remain in closing gender gaps in human endowments, including in access to available services. Maternal mortality rates remain unacceptably high in many IDA countries. And in education, remaining gaps in enrollment and completion – both in primary and secondary school – tend to be concentrated in low-income countries or in conflict affected areas. To close these remaining gaps, efforts must be ramped up through proven interventions, such as conditional cash transfers and stipends, and through taking steps to guarantee girls’ and boys’ safety and security in schools.</p>
	<i>Climate</i>	Crucially in IDA countries, the Bank must ensure the strongest of standards and proper implementation of	Full implementation of the safeguards is expected in all World Bank Group operations. This commitment is now

		<p>safeguards and mitigation measures. Not one individual should be left further impoverished as a result of an IDA-financed project and while this should be a given, we recommend that this commitment be embedded in the IDA 18 paper.</p>	<p>expressed more explicitly, both in the Climate Change Special Theme section and in the Value for Money section.</p>
		<p>The Bank should also commit to closing the loopholes on damaging and unsustainable fossil fuel financing in IDA countries that is inconsistent with the Paris Agreement, as well as broader development goals. This would mean reviewing the WBG’s entire portfolio including Development Policy Loans/Grants, Technical Assistance, Advisory services and importantly Financial Intermediary lending. We hope the final report will explicitly promote these requirements.</p>	<p>IDA18 will be consistent with the Bank’s safeguards and the 2013 Directions for the World Bank Group’s Energy Sector.</p>
<p>Jean-Francois Tardif</p>		<p>In a context where the international community’s priority is the attainment Sustainable Development Goals (SDGs), just making reference to them in the text and reporting on them in the Results Measurement System (RMS) is not sufficient. To be allocated a greater share of global ODA than it currently has, IDA must specifically mention that it will be working with developing countries to identify ways to increase investments directly related to the SDGs.</p>	<p>We appreciate your comments. IDA18 will support countries in making progress towards the SDGs, which closely align with the WBG “Twin Goals” of eradicating extreme poverty and boosting shared prosperity in a sustainable manner. Given that SDGs contain a plethora of sustainable development objectives, and ultimately it is up to the countries to prioritize their own strategies to meet the SDGs – the IDA18 Deputies Report does not go into details about specific SDGs. Rather, the Report emphasizes that IDA will deploy the WBG’s new country engagement model, its convening power, global partnerships, and a new approach to mobilize resources to help countries make progress towards the SDGs in IDA18. Inclusion of specific SDG indicators in the IDA18 RMS furthermore demonstrates the effort devoted to actually track progress towards the SDGs. The World Bank is the leading MDB in this regard for making systematic reform to align the results framework – from corporate to the project level – with the SDGs. This in turn will strengthen the focus on essential capacity building needs to help countries report progress towards the SDGs.</p>
		<p>The current Growth, Opportunity, Gender and Jobs thematic priorities must explicitly recognize not that IDA investments in health and education are necessary (especially for women, as they do, too indirectly) but</p>	<p>Agreed. See Box 1 of the report.</p>

		<p>additionally, the Deputies Report must encourage investments in nutrition and early childhood development.</p>	
		<p>The Deputies draft must recognize that approaches such as microfinance and graduation programmes, successfully accompany extremely poor families to support them in becoming successful managers of productive assets.</p>	<p>This is a good point, and the Bank recognizes the relevance of these approaches, which are country-specific in their implementation.</p>
<p>Global Integrity</p>	<p><i>Operationalization of 2017 WDR</i></p>	<p>The proposed policy commitment is very weak and can be easily strengthened in two main ways:</p> <ul style="list-style-type: none"> • First, there should be specific reference to "adaptive programming" rather than the all-too-vague "adaptive approaches" • Second, the IDA Deputies Report should galvanize ambition in terms of operationalizing the World Development Report, both in terms of substance, and in terms of timing. <ul style="list-style-type: none"> - On substance, the IDA Deputies Report should draw on the World Bank's initial thinking about how to operationalize the WDR, including by building on existing experience with adaptive programming in fragile and conflict-affected states. - On timing, a vague commitment to have another look in two years' time is seriously disappointing. 	<p>We appreciate this incisive comment. Various methods of adaptive approaches exist both inside and outside the Bank – with adaptive programming representing one sub-set of these. The Bank is, therefore, actively exploring these many different approaches to inform a best fit solution for WBG operations.</p> <p>In regards to the operationalization of the WDR 2017:</p> <ul style="list-style-type: none"> • The WDR was presented to the Board in late-October. • Following this, the team is now launching a series of steps towards operationalization which includes: internal and external socialization, application of key ideas based on CMU and country-demand, and eventual implementation after drawing lessons of applications. • As part of this process, the findings of the report need to be internalized and translated into an operational strategy.
<p>Bank Information Center</p>	<p><i>Land tenure</i></p>	<p>IDA18 could be more effective in achieving its goals by acknowledging the dependence of many of the world's poorest people on forests and land and by investing in measures to protect forests and secure land tenure for forest-dependent communities. IDA's policy framework should specifically commit to protecting forests and supporting forest-dependent communities by recognizing such commitments as cost-effective and critical means of achieving goals set out by IDA18, the SDGs, (I)NDCs, and the Bank's twin goals. The absence of any reference to securing land tenure for forest dependent communities is of particular concern given the proven contribution of secure land tenure to combating climate change, protecting forests, and alleviating poverty.</p>	<p>We appreciate this helpful feedback. The importance of land as a cross-cutting issue for the Special Themes is highlighted by new discussion the Special Theme sections on Jobs and Economic Transformation and Climate Change.</p>

		<p>The importance of secure land tenure for poverty alleviation is completely missing from the report and should be added under both the governance and gender special themes, in line with the SDGs. Recommend adding the following policy commitments:</p> <ul style="list-style-type: none"> • Participants recommend expanding the definition of asset ownership to include land tenure of forest-dependent communities, women and smallholder farmers in line with the SDGs. • Participants recommend adding a link to the climate change special theme on the importance of securing land tenure for forest-dependent communities in mitigating emissions from land use through forest protection and in increasing climate resilience. 	<p>Noted. The text now addresses the importance of land tenure for increased agricultural production and economic transformation, and also broadly references important asymmetries that often exist in women's legal rights, which may include land tenure.</p>
		<p>The only mention of land use outside of the climate change special theme is in reference to Fragile and Conflict States (FCS) and reducing land use conflicts in FCS.</p>	<p>Agriculture is now discussed as a precondition for sustainable economic transformation. The Special Theme on Jobs and Economic Transformation, particularly Boxes 3 and 4 discuss the inter-connectedness of agriculture, natural resource exploitation, inclusiveness and rural-urban shift as part of a country's economic transformation.</p>
	<p><i>Climate</i></p>	<p>The link between land use and climate change is not made clear enough in the current draft report and could be strengthened by acknowledging the importance of reducing deforestation and protecting forests in the removal of greenhouse gases (GHGs) from the atmosphere, in conserving and increasing carbon stocks, and increasing resilience to climate change.</p>	<p>We concur with this sentiment and have enhanced discussion in the Climate Change Special Theme that increased emissions because of deforestation and degradation was highlighted as a problem in the (I)NDCs, and efforts need to be increased to protect forests as a source of people's livelihoods, as a critical sink to remove carbon dioxide from the atmosphere, and as an ecological buffer from climate shifts.</p>
		<p>It should be made more explicit to recognize the demonstrated demand by borrowers for protecting forests as a means of mitigating carbon emissions.</p>	<p>Please see discussion on forests as a carbon sink, directly above.</p>
		<p>IDA18 should include stronger and more specific commitments to reduce impacts on forests caused by its investments in other sectors.</p>	<p>In the Special Theme section on Climate Change, we elaborate on key issues putting pressure on forests: Participants appreciated the range of interventions to address climate change – including the focus on climate-smart agriculture, forests, deforestation, and land restoration – and recognized the inter-dependence of these</p>

			<p>critical issues with integrated urban and transportation development, protected areas, secure land tenure, and protection of indigenous peoples' rights.</p>
	<p><i>Citizen Engagement</i></p>	<p>The indicator included in the Draft Report only tracks projects with a beneficiary feedback indicator at the design phase, and should be revised to measure the share of new projects that track whether beneficiary feedback was in fact incorporated into project implementation. To satisfy the indicator, the project should be required to track:</p> <ol style="list-style-type: none"> 1) The ways that input from citizens was acted upon and communicated back to citizens 2) Input incorporated during project implementation, 3) Feedback from ordinary citizens, not ministry employees, consultants, etc., and 4) Engagement with direct and indirect beneficiaries. <p>Mainstreaming a responsible governance approach to these reforms is essential.</p>	<p>We agree that it is critical to track the share of projects implementing beneficiary feedback mechanisms systematically.</p> <p>The citizen engagement initiative was rolled out during the second half of FY15, introducing a new framework for collecting and using beneficiary feedback and new guidance for World Bank task teams. The first order of business has been to work with clients to introduce citizen engagement mechanisms into the design of new operations, and to ensure that these mechanisms are genuine two-way conversations with citizens or their representatives that close the feedback loop. As such, we chose an indicator for these early stages that would track whether or not new projects plan to engage with citizens during implementation, and we have monitored this closely. This provides Bank teams and departments rapid feedback on their progress, and creates a virtuous incentive framework.</p> <p>Teams are also aware that we will track whether or not these mechanisms have been implemented as the projects mature (you can find more details in the Strategic Framework on Mainstreaming Citizen Engagement into Operations). We are still working internally on how such progress will be tracked, but expect to begin reporting for FY19, when the cohort of projects approved after the initiative's rollout are three years old.</p>