How IDA Reduces Poverty

The International Development Association (IDA) provides grants and zero- to low-interest loans to the poorest countries to help boost their economic growth, reduce inequalities and improve people’s living conditions.

THE SITUATION ON POVERTY

700m+ people live in extreme poverty

2/3 ARE IN IDA COUNTRIES

400m in Sub-Saharan Africa
160m in fragile and conflict-affected situations

Poverty is exacerbated by:
- Fragility, conflict and violence
- Climate change and natural disasters
- Health crises and pandemics
- Debt

WHAT IS NEEDED TO REDUCE POVERTY?

Development investments that will transform countries:

- Infrastructure
- Social services
- Public administration and law
- Agriculture
- Industry and trade
- Finance

Economic growth, reduced inequalities and improved living conditions

A successful approach to development:

- Innovation
- Global knowledge with local leadership
- Cross-sectoral projects that transform economies

Financing to meet the needs of countries striving to meet the Sustainable Development Goals (SDGs)

Infrastructure
Social services
Public administration and law
Agriculture
Industry and trade
Finance

The world’s largest source of concessional financing to the poorest countries, with $75 billion for 2018-2020

IDA projects boost economic growth, reduce inequalities and improve people’s living conditions

HOW IDA WORKS

50+ donor country governments replenish IDA’s resources every 3 years

Allocate resources
The World Bank Group and partners execute projects
Analytical studies inform future work and policies

Execute projects

Measure & improve

Replenishment

...countries have graduated from IDA, meaning they may no longer rely on IDA support for economic development, and many have gone on to help finance IDA

IN IDA COUNTRIES, POVERTY HAS BEEN REDUCED

INCOME LEVELS

1999
2015

35% of people lived in extreme poverty in 1999; down from 50% in 1999, which is the equivalent of 60 million people

75 economically at-risk countries are eligible for IDA financing

75

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Sources
1. Databank.worldbank.org – Number of poor at $1.90 a day (2011 PPP) (millions), 2015
2. Databank.worldbank.org – Poverty headcount ratio at $1.90 a day (2011 PPP) (% of population), 1999 and 2015
3. Databank.worldbank.org – Number of poor at $1.90 a day (2011 PPP) (millions), 1999 and 2015

*based on countries’ income levels and performance