


# SECO-SDC FACTSHEET MULTILATERAL ORGANISATIONS

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 Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

State Secretariat for  
Economic Affairs SECO

Swiss Agency for Development  
and Cooperation SDC



## SWITZERLAND AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA, WORLD BANK GROUP)

### FACTS AND FIGURES

#### Mission

The World Bank's (WBG) mission is to fight global poverty and inequality. Its aim is to reduce extreme poverty to three percent and to increase the incomes of the poorest 40 percent of the people in every country by the year 2030. The World Bank Group is composed of the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for the Settlement of Investment Disputes (ICSID). IDA is the part of the World Bank Group that supports the world's poorest countries.

#### Institution (WBG)

**President:** Jim Yong Kim (USA)

**Headquarters:** Washington D.C., USA

**Member countries:** 189

**Number of country offices:** 132

**Number of staff** (as of June 2017): 15'983

**Established in:** IBRD (1944), IFC (1956), IDA (1960), ICSID (1966), MIGA (1988)

**Governing bodies:** The Board of Governors is the highest decision-making body and meets biannually to decide on the strategic orientation of the WBG. The 25-member Board of Executive Directors is responsible for the daily operational business. Since 1992, Switzerland has been head of a constituency consisting of 9 countries: Azerbaijan, Kazakhstan, Kyrgyz Republic, Poland, Serbia, Switzerland, Tajikistan, Turkmenistan, and Uzbekistan.

#### Switzerland

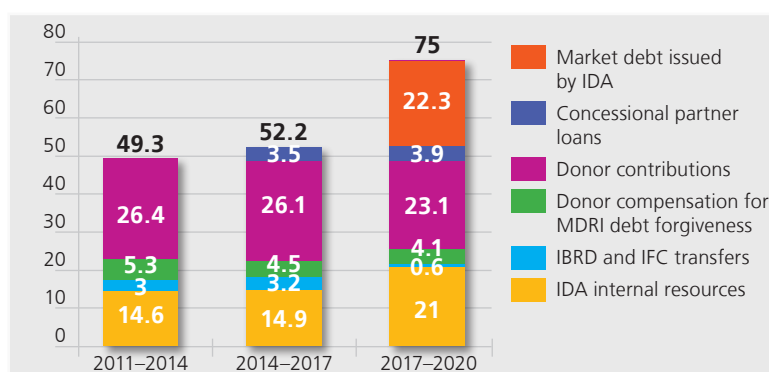
**Financial contribution to IDA:** 18th Replenishment (2017–2020): CHF 645 million (Swiss share of the replenishment: 2.14%, 9th largest contributor)

**Number of Swiss staff** (as of June 2017): 45

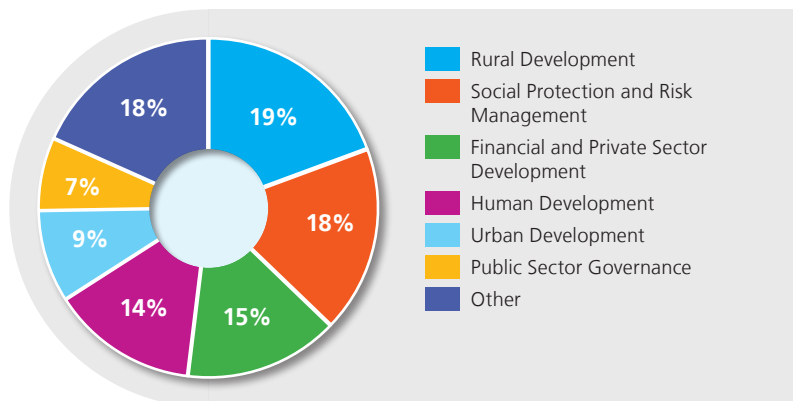
**Mandates to Swiss firms** (2017): 9 contracts totaling CHF 19 million

**Website:** [ida.worldbank.org](http://ida.worldbank.org)

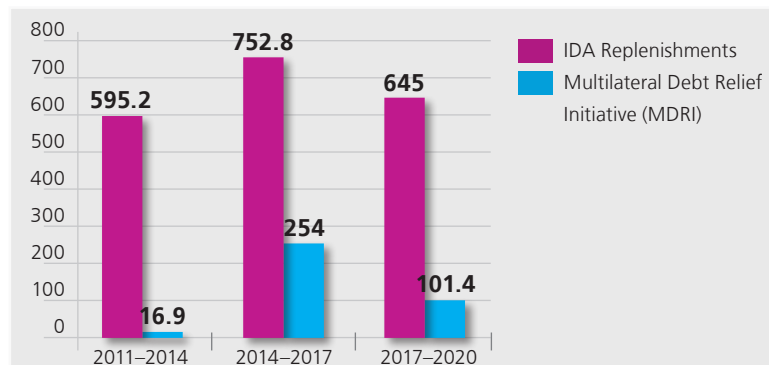
### IDA replenishments and lending volume (in USD billion)



### IDA lending by theme (fiscal year 2014: July 1, 2015 to June 30, 2016)



### Switzerland's financial commitments to IDA (in CHF million)



## IDA

The International Development Association (IDA) is the part of the World Bank Group (WBG) that provides assistance to the world's poorest countries. It lends money on concessional terms, meaning its loans have a zero or very low interest charge and repayments are stretched over 25 to 40 years. IDA also provides grants to countries at risk of debt distress and provides significant levels of debt relief. Since its inception, IDA has provided \$328 billion for investments in 112 countries. It is one of the largest sources of assistance for the world's 77 poorest countries and is the single largest source of donor funds for basic social services in these countries.

### IDA 18 (2017–2020)

The replenishment negotiations for the current funding cycle, known as IDA18, assembled a record USD 75 billion financing package by adjusting IDA's financing model to leverage its balance sheet on the international capital markets. This new business model answers the call of the Addis Ababa Action Agenda for multilateral development banks to maximize their resources and find innovative ways to finance the 2030 Agenda for Sustainable Development. IDA18 places a special emphasis on five thematic areas: climate; jobs and economic transformation; fragility, conflict & violence; governance and institutions; and gender.

The IDA18 financing package includes:

- Doubling of core resources to fragile countries (\$14 billion), including for the first time support to countries at-risk of fragility
- Increased financing for regional programs to expand regional integration and infrastructure (\$5 billion);
- A new sub-window for refugees and their IDA host governments (\$2 billion)
- Increased financing for crisis response (\$3 billion)
- A new Private Sector Window to mobilize private investment in IDA countries (\$2.5 billion)
- Increased non-concessional financing for lower risk IDA countries and IDA18 graduates (\$9 billion)

### Switzerland and IDA

The WBG is one of Switzerland's 15 priority multilateral partners according to the Dispatch on International Cooperation 2017–2020 and the five special themes of IDA18 correspond closely to Switzerland's development priorities. The contribution to IDA now constitutes the largest single contribution of Swiss Official Development Assistance (ODA), reflecting the importance and global relevance of the World Bank in helping Switzerland achieve its development goals. Switzerland has pushed for IDA to make a focused contribution toward the implementation and results monitoring of the 2030 Agenda, improve conditions for the private sector, and cooperate more closely with other development actors, such as the UN, especially in fragile contexts.

## Measuring Results

IDA has been a leader in holding itself accountable for the aid effectiveness of its operations, placing in the highest category in the Aid Transparency Index for the first time in 2014. The IDA Results Measurement System is a robust accountability and management framework that has contributed significantly to results monitoring and learning at all levels. For IDA18, policy measures and performance targets to support IDA countries have been revised to more closely align with the Sustainable Development Goals. IDA is also committed to strengthening data collection and statistical capacity at the country level in the years ahead.

## IDA'S SPECIAL THEMES



### Climate

IDA helps countries cope with climate change by bringing new solutions—such as better weather data and forecasting, drought resistant crops, pioneering disaster insurance and cyclone-resistant houses and warning systems. It also helps countries find innovative ways to harness renewable energy, farm with less water and chemicals and with better seeds, and reduce carbon emissions by making industries more efficient and sustainable. In Rwanda, for example, 204,000 households have lower energy costs thanks to a program that distributes fluorescent lamps to replace traditional lightbulbs kerosene lamps and batteries.

Thanks to Switzerland's coherent positions and coordinated action with other donors, most of the current World Bank country strategies define climate change as a priority issue. Switzerland has reinforced its commitment with contributions to climate-related initiatives such as the Global Facility for Disaster Reduction and Recovery (GFDRR)—which was recently co-chaired by Switzerland (2016–2017) and seeks to mainstream disaster risk reduction in the WBG's work and the Energy Sector Management Assistance Program (ESMAP), where Swiss financing focuses on energy efficiency in cities and on fossil fuel subsidy reforms.



### Jobs and Economic Transformation

600 million new jobs will have to be created over the next 15 years to prevent unemployment from rising. For the poor and vulnerable, moving job opportunities from lower to higher productivity activities serves as the main route out of poverty. IDA-supported projects help to ensure inclusion, connectivity and productivity. In Mali, for example, 45 percent of the rural population had access to an all-season road in 2015, up from 32 percent in 2007 thanks to IDA-financed road construction. In Nepal, more than 73 percent of graduates of vocational



Woman walking through a dry field in Mali.

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Evelyne and Adoko, fabric traders from Togo.

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training programs in 2015 were gainfully employed for at least six months after the training program, compared to 68 percent in 2014.

Switzerland actively promotes the jobs agenda and pushes the Bank to ensure its country partnership strategies include a particular emphasis on jobs. Switzerland complements this institutional dialogue with targeted financial interventions such as to the IFC-ILO Better Work Initiative, which in recent years has achieved its expected jobs targets in the garment industry in Vietnam, Indonesia, and Bangladesh. Switzerland sees a special opportunity to promote more and better jobs through the new Private-Sector Window in IDA18, which will allow for better collaboration between IDA and IFC to help de-risk investments in IDA countries.



Children in a war-torn classroom.

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### Fragility, Conflict and Violence

Around half the world's poor live in fragile or conflict-affected countries. Since 2000, IDA has provided more than \$28.5 billion to rebuild states recovering from conflict; make states resilient to threats including conflict, disease and humanitarian emergencies; and develop infrastructure to enable people to resume peaceful and constructive lives. For example, the Central African Republic Emergency Public Services Response Project has improved the capacity of the government to re-establish an operational government payroll and related financial management systems after the civil war, including a 50 percent increase in revenue collection from 2014 to 2015.

Switzerland has been a driving force in encouraging IDA to mainstream fragility and conflict-sensitive programming and has advocated for close partnership between the Bank and other development actors, in particular the UN, to elaborate joint regional, country and sector analyses to facilitate joint programming. Switzerland has been an inaugural donor to targeted initiatives such as the UN-World Bank Fragility and Conflict Partnership Trust Fund and the Global Program on Forced Displacement, both of which have been credited with strengthening the Bank's development response to crises, promoting dialogue, and generating evidence-based knowledge.



A new court house in Azerbaijan will make the judiciary process faster and more.

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susceptible to corruption, and better at delivering services. Thanks to IDA's work in Nigeria, for example, the number of public contracts awarded through open competition grew by 85 percent in 2015, up from 20 percent growth in 2009.

Switzerland attaches great importance to domestic resource mobilization, improved financial management and mitigating illicit financial flows through IDA's work. Switzerland has been a long time contributor to the Public Expenditure and Financial Accountability (PEFA) instrument, and has partnered with the Bank to conduct PEFA assessments in countries such as the Kyrgyz Republic, Peru, Serbia, and Tunisia. Switzerland also supports international efforts to end safe havens for corrupt funds through continued engagement with the World Bank's Stolen Asset Recovery Initiative (StAR), which is administered in conjunction with the UN Office on Drugs and Crime.



### Gender

IDA works to close gender gaps by getting—and keeping—girls in school, helping women gain access to land titles and other vital assets, and ensuring they can obtain financing to start businesses. In Pakistan, for example, women made up 78 percent of the more than 350,000 new borrowers who accessed micro-credit loans from 2009 to 2016 through the Pakistan Poverty Alleviation Fund. In Sri Lanka, 85 percent of students in 2015—88 percent of girls and 82 percent of boys—stayed in school through grade 11, an increase from 82 percent overall in 2011.

Switzerland places a high priority on gender issues and has been an advocate for the mainstreaming of gender dimensions in IDA's work, as well as for increased partnership with the UN and other development actors especially in respect to gender diagnostics, planning and budgeting and the collection of sex disaggregated data. Switzerland contributes to the World Bank's Umbrella Facility for Gender Equality, a unique, value-adding funding mechanism that finances experimental and innovative aspects of operations and generates groundbreaking evidence and outcomes. The Facility strives to generate better informed policy making at country level, enhance global knowledge, and increase demand for gender equality interventions through heightened awareness.



### Governance and Institutions

Countries with strong institutions prosper by creating an environment that facilitates private sector growth, reduces poverty, delivers valuable services and earns the confidence of their citizens. And yet, more than a third of IDA countries report tax revenues well below the level needed to fund basic state functions. IDA works with governments on managing public institutions and finances, as well as on public accountability and greater engagement with society. As a result, governments become more transparent, more accountable to their citizens, less



Helina works for a real estate construction firm in Ethiopia.

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## IDA'S CHALLENGES

In order to achieve the World Bank Group's twin goals, IDA must overcome a number of key challenges. First, it must ensure that its partner countries' debt remains sustainable, particularly now with the addition of non-concessional lending in the new financing model. Secondly, IDA's increased focus on fragility, conflict, and violence entails a larger risk regarding results: work in such contexts is difficult and complex and goals are harder to achieve than in non-fragile contexts. It is vital that IDA find a practical arrangement to partner with other development banks and the UN system to ensure that it can capitalize on their comparative advantages. Finally, there is significant pressure on IDA to increase private sector development in IDA countries. This entails not only successfully partnering with IFC and MIGA to implement the new IDA18 Private Sector Window, but to help ensure that the right framework conditions and business climate exist in IDA countries to allow the Private Sector Window to flourish.



LUXOR, Egypt. Employees at Rich Factory carefully sew men's underwear. Rich is a small business where the majority of the employees are young women from the neighborhood.

© Dominic Chavez/World Bank

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