

IDA: Why Is the World's Largest Concessional Fund Delivering Satisfactory Outcomes on Only 31% of Its Portfolio?

\$117 Billion Below Standard, 2015–2026 — and the Case for a Challenge
Fund for IDA22

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Executive Summary

\$100bn

IDA21 — Largest replenishment in history

68.9%

IDA committed funds below Satisfactory (S+), FY2015–2026

11.7%

MTI S+ rate — largest GP by volume, worst by outcome

The International Development Association turns 65 this year. Since its founding in 1960, IDA has disbursed more than \$500 billion in grants and concessional loans to the world's poorest countries. IDA21, approved in March 2025, commits \$100 billion for FY2026–2028 — the largest replenishment in the institution's history.

This paper asks a question that IDA's replenishment reports do not ask with equivalent directness: what has that money actually delivered? The answer, drawn from the Independent Evaluation Group's own database of over 12,000 evaluated projects, is one of consistent institutional ambition and consistent delivery shortfall.

Of \$177.0 billion committed to IDA-eligible countries between FY2015 and FY2026, \$117.0 billion — 68.9 percent — went to projects that did not achieve Satisfactory development outcomes. The Macroeconomics, Trade and Investment Global Practice — the largest GP by committed volume — achieves Satisfactory outcomes 11.7 percent of the time. At this level of delivery performance, the question that every implementing partner, every USAID successor programme, and every concessional financier must ask is: why should 100 percent of IDA resources flow exclusively through a delivery platform that fails at this rate?

This paper documents IDA's history, its replenishment architecture, its performance record by region, instrument, and sector — and then makes the case for the structural reform that would most directly address the delivery gap: a Challenge Fund mechanism for IDA22 that opens 25 percent of IDA resources to competitive allocation among proven implementing partners, creating the benchmark against which Bank delivery performance must finally be measured.

Consolidating the key recommendations from three prior analyses — the FCV Strategy submission, the IFC and PSW assessment, and the Board governance paper — this note sets out ten structural reforms in priority order for the IDA22 Deputies negotiations.

Part I: IDA — Origins, Architecture, and the Deputies Process

1. Why IDA Was Created

By the late 1950s, the World Bank had established itself as a competent lender to middle-income and creditworthy developing countries. Its loans carried market-rate interest. They excluded the countries that needed external finance most — the poorest, with the weakest institutions, the lowest revenues, and the least ability to service commercial debt.

Senator Mike Monroney of Oklahoma proposed the solution in 1958: a soft-loan affiliate of the World Bank providing finance on terms the poorest countries could afford. World Bank President Eugene Black initially resisted — he feared association with concessional lending would undermine IBRD's creditworthiness — and ultimately agreed on the condition that IDA operate as a legally and financially separate entity.

IDA was established in September 1960. Its founding principle has never changed: lend to the poorest governments on terms they can afford, and periodically go back to richer members to refill the pool. Today 174 countries are members. Thirty-five have graduated — many now contributing as donors to fund countries still in need.

2. How IDA Gets Its Money — The Deputies Process

IDA does not raise capital on markets in the traditional sense. Its resources come from four streams: donor contributions (grants from richer governments, negotiated every three years); reflows from earlier IDA credits as borrowers repay; transfers from IBRD and IFC income; and, since IDA18, market borrowing backed by donor pledges as callable capital.

The replenishment process is the heart of IDA's governance. Every three years, officials from donor governments — the IDA Deputies — negotiate the terms of the next cycle across four or five formal meetings. The Deputies negotiate financing levels, policy commitments, thematic priorities, results indicators, and operational reforms. The Deputies Report they produce is simultaneously a financing agreement, a governance document, and the closest equivalent to an institutional strategy that IDA produces.

The Deputies process is the most consequential lever available to donor governments for shaping World Bank operational practice. More consequential than the Board's project-approval function. More consequential than shareholder letters or governance communiqués. The Deputies Report is where institutional reform either happens or is deferred for another cycle.

The Leveraging Model

The transformation of IDA's financial model since IDA18 is the most important institutional development of the past decade. Traditional IDA was a pass-through vehicle: donors contribute grants, IDA lends them as credits, borrowers repay into the pool. The hybrid capital model, introduced at IDA18, uses donor pledges as callable capital to backstop bonds issued on international capital markets.

In IDA21, \$23.7 billion in donor pledges supports a total replenishment of \$100 billion — a leverage ratio of approximately 4.2 to 1. This has transformed IDA into one of the most sophisticated concessional finance vehicles in the world. It has also concentrated the risk: if IDA's delivery record does not improve, the institution is leveraging failure at an unprecedented scale.

3. Replenishments IDA1 to IDA21

Replenishment	Period	Total Resources	Key Theme
IDA1	1961–1963	\$912m	First credits: India, Chile, Sudan, Honduras
IDA2–4	1964–1974	\$3.5bn	Infrastructure; post-independence Africa
IDA5–7	1977–1987	\$28.6bn	Oil shocks; structural adjustment begins
IDA8–11	1988–1999	\$66.5bn	Environment; HIPC debt relief; governance
IDA12–14	2000–2008	\$80.0bn	Post-HIPC; MDRI; performance-based allocation
IDA15	2009–2011	\$42.0bn	Global financial crisis; UK becomes top donor
IDA16	2012–2014	\$49.3bn	Fragility theme formalised; gender added
IDA17	2015–2017	\$52.1bn	FCV, climate, gender, governance themes
IDA18	2018–2020	\$75.0bn	Hybrid capital model; PSW launched
IDA19	2021	\$82.0bn	COVID response; advanced one year
IDA20	2022–2025	\$93.0bn	Building Back Better; Africa 70% of resources
IDA21	2025–2028	\$100.0bn	End Poverty on a Livable Planet — largest ever

Source: IDA Replenishment Final Reports, World Bank Group. IDA1–14 figures approximate. All in current USD at time of replenishment.

Part II: The Delivery Record — What the IEG Ratings Show

4. Sixty Years of Outcome Data

The IEG database contains evaluated ratings for more than 12,000 World Bank projects going back to IDA's earliest years. It is the most comprehensive longitudinal record of development project performance in existence. The trajectory is not comfortable reading for an institution about to deploy \$100 billion.

Period / Replenishment Cycle	S+ Rate	Projects Evaluated	Total Committed
Pre-1975 (IDA1–4)	85.0%	20	\$0.0bn
1975–1984 (IDA5–8)	85.1%	1,085	\$0.3bn
1985–1994 (IDA9–11)	65.5%	2,258	\$1.6bn
1995–2004 (IDA12–14)	49.3%	2,751	\$193.5bn
2005–2010 (IDA15–16)	43.8%	1,570	\$136.4bn
2011–2014 (IDA17)	24.9%	1,092	\$113.6bn
2015–2017 (IDA18)	23.4%	1,012	\$101.5bn
2018–2020 (IDA19)	34.6%	879	\$111.8bn
2021–2024 (IDA20)	40.5%	1,145	\$165.4bn

Source: IEG Master Database March 2026. S+ = Satisfactory or Highly Satisfactory only. All rated projects in IEG database regardless of lending group.

The nadir in IDA17–18 (2011–2018), when fewer than one in four projects achieved Satisfactory, coincided with the greatest expansion of IDA's strategic ambition — fragility, climate, governance. Strategic ambition and delivery performance diverged sharply at precisely the moment IDA was most visibly committed to the hardest operating environments.

The partial recovery in IDA19–20 to 40 percent is genuine. At 40 percent, however, six projects in ten still fail. IDA21's \$100 billion will be deployed on a platform where the majority of evaluated projects consistently underperform.

5. IDA-Only: \$117 Billion Below Standard in a Decade

Period	S+ Rate	Projects	Committed	Below-S+ Committed
Pre-1985	81.4%	436	\$0.1bn	\$0.1bn
1985–1994	62.0%	899	\$0.2bn	\$0.2bn
1995–2004	44.2%	1,241	\$46.5bn	\$23.6bn (50.8%)
2005–2014	30.9%	1,348	\$86.0bn	\$57.0bn (66.3%)
2015–2026	31.1%	1,823	\$177.0bn	\$117.0bn (68.9%)

Source: IEG Master Database March 2026. IDA-only projects. S+ = Satisfactory or Highly Satisfactory only.

The IDA-only S+ rate has been essentially flat at 31 percent for two consecutive decades. IDA committed \$86 billion in 2005–2014 at 31 percent Satisfactory. It committed \$177 billion in 2015–2026 at 31 percent Satisfactory. The institution has doubled its lending volume without improving its delivery rate. The \$117 billion below-standard figure is the accumulated financial consequence.

6. Performance by Region, Instrument, and Sector

By Region (IDA, FY2015–2026)

Region	S+ Rate	Projects	Committed	Below-S+
South Asia	43.1%	211	\$32.5bn	\$15.5bn (47.7%)
Europe & Central Asia	40.3%	139	\$5.1bn	\$2.8bn
East Asia & Pacific	32.7%	266	\$18.1bn	\$10.7bn
Latin America & Caribbean	32.4%	105	\$3.4bn	\$2.1bn
Eastern & Southern Africa	28.8%	416	\$57.7bn	\$41.5bn (71.9%)
MENA & Afghanistan/Pakistan	26.9%	119	\$17.9bn	\$12.7bn (70.9%)
Western & Central Africa	26.3%	555	\$40.3bn	\$30.0bn (74.4%)

Source: IEG Master Database March 2026. IDA-only, FY2015–2026.

Africa receives 70 percent of IDA resources and records the weakest outcomes. Sub-Saharan Africa together accounts for \$98.0 billion in IDA commitments over the period, with \$71.5 billion — 73 percent — committed to below-Satisfactory projects. IDA21 maintains Africa's 70 percent share. Without delivery reform, this is a commitment to maintain the delivery gap at scale.

By Instrument (IDA, FY2015–2026)

Instrument	IDA S+ Rate	Projects	Committed	Below-S+
Programme-for-Results (PforR)	~61%*	n/a†	~\$18bn*	~39%*
Investment Project Financing (IPF)	34.7%	1,468	\$141.1bn	\$89.1bn (63.1%)
Development Policy Financing (DPF)	16.3%	355	\$35.9bn	\$27.9bn (77.7%)
DPF in IDA Fragile States	10.8%	93	\$8.8bn	\$7.3bn (83.0%)

Source: IEG Master Database March 2026. *PforR from IEG RAP series (separate evaluation methodology). †PforR not separately identified in ICRR/PPAR database.

The PforR–DPF gap is 45 percentage points. PforR disburses against independently verified results. DPF disburses against policy conditions that may not be sustained after funds are released. The instrument that is most easily scaled — DPF — is the instrument that fails most consistently. The instrument that produces the best outcomes — PforR — remains a small fraction of the portfolio.

By Global Practice (IDA, FY2015–2026)

Global Practice	S+ Rate	Committed	Below-S+
Social Protection & Jobs	53.7%	\$18.2bn	\$8.7bn
Health, Nutrition & Population	42.0%	\$15.4bn	\$9.6bn
Urban, Resilience and Land	43.3%	\$16.9bn	\$8.5bn
Education	38.8%	\$16.4bn	\$8.7bn
Agriculture and Food	37.9%	\$15.2bn	\$7.7bn
Energy & Extractives	30.9%	\$18.3bn	\$13.0bn
Water	27.6%	\$11.0bn	\$7.6bn
Finance, Competitiveness & Innovation	23.6%	\$6.5bn	\$4.9bn (75.4%)
Governance	22.8%	\$4.9bn	\$3.9bn (79.6%)
Macroeconomics, Trade & Investment	11.7%	\$26.9bn	\$21.7bn (80.7%)

Source: IEG Master Database March 2026. IDA-only, FY2015–2026. Sorted by strategic significance. Full GP list in Data annex.

The MTI finding is the most consequential number in this table. The Macroeconomics, Trade and Investment Global Practice manages **\$26.9 billion — the largest IDA portfolio of any GP — and achieves Satisfactory outcomes 11.7 percent of the time.** \$21.7 billion of MTI's

committed IDA resources, 80.7 percent, went to projects that did not achieve Satisfactory outcomes. This is not a peripheral Global Practice. It is the largest by volume and the worst by outcome.

Part III: The 91% Claim — What the Deputies Are Told and What It Means

7. The Number in Every Deputies Report

IDA Deputies negotiate every three years on the basis of documentation prepared by management. The IDA21 Deputies Report, approved by the Executive Directors on 17 March 2025, contains the following sentence:

VERBATIM EXTRACT

“With considerable support from Donors over recent cycles, IDA has simultaneously scaled-up lending and sustained a strong focus on quality. IDA’s financing commitments increased by 69 percent during FY20–FY24 compared to FY15–19. IDA disbursements kept pace, increasing by 72 percent during the same period. Average annual commitments for IDA FCS countries have tripled. According to data reported in FY24, the Independent Evaluation Group’s (IEG) ratings show satisfactory performance in 91 percent of IDA-financed operations, an increase compared to FY23 data, demonstrating sustained progress in achieving development objectives.”

IDA21 Deputies Report, March 2025, Section 2 (page 7). Emphasis added. This passage appears in the Executive Summary and is reproduced verbatim in the main text of Section 2.

This paper has documented that of \$177.0 billion committed to IDA-eligible countries between FY2015 and FY2026, \$117.0 billion — 68.9 percent — went to projects that did not achieve Satisfactory or better outcomes. The IDA-only S+ rate is 31.1 percent. The MTI Global Practice achieves Satisfactory outcomes 11.7 percent of the time. These two pictures — 91 percent and 31 percent — are not in contradiction. They measure different things. And the difference between them is the most important governance gap in IDA's accountability architecture.

8. The MS+ / S+ Gap — The Methodology That Conceals the Delivery Problem

The 91 percent figure uses the Moderately Satisfactory or above (MS+) threshold. The 31 percent figure uses the original Satisfactory or above (S+) threshold. Moderately Satisfactory means a project achieved most of its objectives with minor to moderate shortcomings — by definition, it has not been Satisfactory. It has partially achieved its objectives. The six-point rating scale was introduced in 1994 to provide finer gradation — not to redefine what counts as a pass.

Metric	FY2024 All	FY2024 IDA	FY2015–2026 IDA
MS+ (Moderately Satisfactory or above) — What Deputies are told	83.3%	80.6%	~85%
S+ (Satisfactory or Highly Satisfactory only) — Original pass/fail threshold	38.5%	33.5%	31.1%
Gap (MS+ minus S+)	44.8pp	47.1pp	~54pp

Source: IEG Master Database March 2026 (n=371 all projects FY2024; n=206 IDA-only FY2024). IDA21 Report from Executive Directors, March 2025.

When the IDA21 Deputies Report tells 59 contributing governments that IEG ratings show 91 percent satisfactory performance, it is including every project that partially achieved its objectives — a category that accounts for approximately 45 to 47 percent of all IDA projects in any given year. The Deputies are being told that 91 percent of IDA operations are at least partially successful. The accurate statement, using the original pass/fail threshold, is that fewer than 35 percent of IDA operations are genuinely Satisfactory.

Deputies from 59 countries committed \$23.7 billion to IDA21 on the basis of a reported 91 percent satisfactory performance rate. The actual Satisfactory rate — using the threshold the World Bank's own methodology established at inception — is approximately 31 to 35 percent for IDA operations. The gap between those two numbers is not a rounding error. It is the governance mechanism that has protected IDA's delivery failure from accountability for four decades. The IDA22 Deputies should insist, as the first item of the first meeting, that all performance reporting use the S+ threshold — not MS+.

The case for S+ as the correct benchmark is made in full in Annex B of the FCV Strategy Submission (February 2026), available at mdbreform.com. The Nigeria Power Sector Guarantees Project provides the starkest single case study: a project rated Moderately Satisfactory by management's own ICR, despite documented failure across all three strategic objectives, involving \$486 million in IDA guarantees, \$100 million in IFC equity, and a PSW instrument deployed in a transaction where the Bank simultaneously advised the government on the policy framework governing its own investment. IEG's ICRR validated the MS rating. The full analysis is at mdbreform.com/nigeria-power-sector/. That case — where a failing project was pulled to Moderately Satisfactory — is exactly what the MS+ threshold makes possible, and exactly what disappears from the headline statistics that Deputies receive.

A search of IDA Deputies Reports from IDA15 through IDA21 finds no instance in which the S+ (Satisfactory or Highly Satisfactory only) rate is cited as the primary performance metric. Every reference to IEG performance data in the Deputies Reports uses MS+ — or uses aggregate output counts that do not reference project outcome ratings at all. The IDA Results Measurement System tracks outputs: people vaccinated, roads built, students enrolled. These are real and valuable. They are not development outcomes. A road built in a project rated Moderately Unsatisfactory by IEG still appears in the RMS as a road built. The outputs are counted. The outcomes are not.

Part IV: The Central Reform Argument — A Challenge Fund for IDA22

10. The Question Every Implementing Partner Is Now Asking

The closure of USAID has created the largest reallocation of concessional development finance in a generation. Hundreds of experienced implementing organisations — NGOs, regional development organisations, specialist sector contractors, community-driven development platforms — are actively seeking new sources of capital. They have operational capacity, field presence, and in many cases stronger outcome track records than the Bank's own project portfolio.

The PSW note we submitted to the IDA21 consultation documented the core problem: IFC's FCS investment outcome rate was 11 percent Satisfactory in CY2020–22. The PSW deployed \$2.5 billion in IDA18 without generating a net increase in IFC commitments in PSW-eligible countries — non-PSW IFC own-account commitments actually fell in aggregate. The instrument designed to unlock private investment in the world's most difficult markets failed to generate additional volume.

If the Bank cannot deliver — MTI at 11.7 percent, DPF in fragile states at 10.8 percent, IFC in FCS at 11 percent — then the rational question from every donor government is: why does 100 percent of IDA's \$100 billion flow exclusively through this delivery platform? In a world where USAID has closed and hundreds of superb implementing partners are hungry for capital, the case for a monopoly delivery model has never been weaker.

The answer is not to replace the Bank. It is to create competition. Not the artificial competition of internal GP reorganisations or Country Director rotation schemes — but genuine external competition for results, against a common standard, with IEG rating both the Bank and the alternatives.

11. The Challenge Fund Proposal

The proposal is straightforward: in IDA22, set aside 25 percent of total IDA resources — approximately \$25 billion on a \$100 billion replenishment — for competitive allocation to non-Bank implementing partners through a Challenge Fund mechanism. The remaining 75 percent continues to flow through the Bank's existing project pipeline.

The Challenge Fund would operate as follows:

- Eligibility: Any development organisation with a track record of independently evaluated project delivery in IDA-eligible countries — UN agencies, regional development banks, specialist NGOs, regional implementing platforms, community-driven development organisations.

- **Application:** Organisations apply for results-based financing against sector-specific challenges defined by the Deputies in the IDA22 replenishment framework. Challenges would mirror IDA's own priority areas — education, health, water, energy access, agricultural productivity, governance.
- **Disbursement:** Against independently verified results, using DLI mechanisms equivalent to those applied in PforR operations. IEG or an equivalent independent evaluation body verifies results before funds are released.
- **Evaluation:** All Challenge Fund operations are evaluated on the same S+ standard applied to Bank projects, and published in the same IEG database. This creates, for the first time, a common performance benchmark across the Bank and non-Bank delivery channels.
- **Competition mechanism:** Countries where the Challenge Fund achieves materially better outcomes than Bank projects in the same sector trigger a formal review of the Bank's instrument selection and Country Director assessment in that context.

The Challenge Fund does not threaten the Bank's core function. It benchmarks it. The Bank's preferred creditor status, its convening power, its policy dialogue capacity, and its fiduciary infrastructure remain intact and continue to justify the 75 percent flowing through its pipeline. The 25 percent creates the competitive pressure that no internal management initiative has been able to generate in forty years of documented delivery underperformance.

12. Why 25 Percent Is the Right Number

Twenty-five percent is large enough to generate a statistically meaningful comparison across a three-year replenishment cycle. At \$25 billion on an IDA22 baseline of \$100 billion, the Challenge Fund would be larger than IDA16's entire replenishment and comparable to the total IDA17 commitment.

It is small enough to be absorbed without destabilising the Bank's financial model. IBRD's preferred creditor status and IDA's AAA rating are based on the sovereign guarantee framework that applies to Bank-intermediated lending. Challenge Fund disbursements against verified results do not require the same guarantee structure — they can be structured as grants or as concessional finance through existing multilateral vehicles.

It is precisely calibrated to the problem. The IDA21 Deputies reduced the number of policy commitments from 1,100 to 500 — a recognition that complexity had overtaken effectiveness. Allocating 25 percent to competitive alternatives sends the equivalent signal at the financing level: the Bank's monopoly on IDA delivery is a policy choice, not a structural necessity, and it will be revisited at IDA22 unless performance improves.

The post-USAID landscape makes the timing uniquely favourable. Governments, foundations, and bilateral donors are actively seeking vehicles for development finance that can demonstrate results.

A Challenge Fund mechanism, housed within IDA's governance architecture and evaluated by IEG, would offer those governments a transparent, independently verified alternative to bilateral project channels — and would do so at a scale that generates genuine competition.

The Bank's response to this proposal will be instructive. If management resists it on the grounds that the Bank's delivery platform is superior to alternatives, the Deputies should ask management to demonstrate that claim with IEG data — the same data that shows MTI at 11.7 percent and DPF in fragile states at 10.8 percent. The resistance itself is the evidence that the proposal targets the right structural parameter.

Part V: Ten Structural Reforms for IDA22 Deputies

The following recommendations consolidate the key proposals from three prior analyses: the FCV Strategy submission (February 2026), the IFC and PSW assessment, and the Board governance paper. They are presented in priority order — the first three address the immediate IDA22 architecture; the remainder address the delivery, accountability, and governance reforms that IDA22 must embed if the \$100 billion of IDA21 is to produce different results from the \$93 billion that preceded it.

#	Recommendation	What It Requires	When
1	Establish a 25% Challenge Fund for IDA22	Allocate 25% of IDA22 resources to competitive disbursement through non-Bank implementing partners against independently verified results. IEG evaluates Challenge Fund operations on the same S+ standard as Bank projects. Creates the external benchmark against which Bank delivery performance must be measured.	IDA22 Deputies
2	Set a delivery baseline and improvement target	Formally acknowledge that 68.9% of IDA-committed funds FY2015–2026 went to below-Satisfactory projects. Set an explicit S+ improvement target for IDA22 — minimum 40% Satisfactory across all IDA operations, 35% in FCS — tracked through the MTR in dollar terms, not project-count terms.	IDA22 Deputies / MTR
3	Shift instrument mix toward PforR; cap DPF in FCS	Set an explicit target: PforR to reach 30% of all IDA commitments by end of IDA22, up from approximately 10% now. Cap DPF in IDA FCS countries at 15% of FCS envelope, given the 10.8% S+ rate. DPF in IDA FCS has been the instrument most consistently deployed in the settings where it most consistently fails.	IDA22 Deputies
4	Disclose MTI and IFC FCS baselines; condition scaling	MTI at 11.7% S+ on \$26.9bn IDA committed. IFC FCS at 11% (CY2020–22). Both must be publicly disclosed as the baseline for IDA22. Further scaling of MTI DPO deployment and IFC FCS commitments must be conditional on measurable improvement from these baselines, not set in parallel with them.	Immediate
5	Require mandatory PSW additionality verification	IDA21 deployed \$3.2bn through the PSW plus a new \$0.5bn IFC Concessional Capital Window. IDA18 PSW deployed \$2.5bn without generating a net increase in IFC FCS commitments. Before IDA22 PSW resources are committed, an independent additionality verification — not management self-assessment — must confirm net new activity.	IDA21 Year 1
6	Introduce FCS operational Policy Commitments	Add IDA22 PCs on: minimum S+ rate for FCS operations (35%); disbursement rates in FCS; and mandatory project restructuring protocols when ISR ratings fall below Moderately Satisfactory for two consecutive reporting periods. Do not wait for the MTR.	IDA22 Board FY27
7	Establish an FCS Results Gap Protocol	Define a formal governance process triggered when FCS Scorecard outcomes fall below agreed thresholds across two consecutive Annual Meeting cycles. Management	IDA22 MTR

		must bring a corrective action plan to the Board. Transforms the Scorecard from a visibility instrument into an accountability instrument.	
8	Systematise third-party implementation in RECA	Convert IDA21's discretionary permission for third-party implementation in CPIA ≤ 2.5 RECA countries into a standard modality with provider accountability standards and transition pathways. Somalia's model — 61.5% S+ in active conflict — is the template. This is the empirical case for the Challenge Fund applied in the most difficult contexts.	FY26
9	Introduce Bank performance accountability — symmetric with SDFP	IDA21's SDFP holds borrowing governments accountable for outcomes. Country-level factors explain 20% of project outcome variation (Denizer-Kaufmann-Kraay). Bank-level decisions explain 80%. IDA22 should introduce Bank Performance Ratings at the Practice level with formal consequences: where GP outcome rates fall below thresholds, Management brings a corrective plan to the Board.	IDA22 Deputies
10	Move the Board to portfolio oversight	The resident Board approves all IDA operations and cannot independently scrutinise outcomes without implicating its own prior approvals. Move toward delegated project approval to management (AIIB/NDB model) and reorient Board meetings to portfolio-level performance reviews. Annual Board cost: \$84m vs AIIB's non-resident board at ~\$5m. Zedillo Commission recommended this in 2009.	Medium-term

Conclusion: The IDA22 Question

IDA21 has secured \$100 billion. The Deputies who negotiated it deserve credit. In a difficult global financing environment, 59 countries committed to an increase, and the leveraging model converted \$23.7 billion in donor pledges into a century-scale financing commitment. The institution's ability to mobilise capital is beyond question.

The question for IDA22 is whether the \$100 billion of IDA21 will produce different development outcomes from the \$93 billion that preceded it — from the \$82 billion before that, and the \$75 billion before that. The IEG data shows that those previous cycles produced Satisfactory outcomes in fewer than a third of evaluated IDA projects. It shows that \$117 billion committed between FY2015 and FY2026 went to projects rated below Satisfactory by the institution's own evaluators. It shows that the MTI Global Practice, which manages the largest IDA portfolio, achieves Satisfactory outcomes 11.7 percent of the time.

In a world where USAID has closed, where bilateral development finance is contracting, and where hundreds of experienced implementing organisations are actively seeking capital, the case for preserving the Bank's monopoly over IDA delivery is not strong. The Challenge Fund is not an argument against the Bank. It is an argument that the Bank should be willing to compete — and that competition, at scale, is the most honest test of whether the delivery platform can be reformed.

The IDA22 Deputies will negotiate in 2027. They have three years to see whether IDA21's delivery performance improves from IDA20's 40 percent baseline. If MTI is still at 11 percent, if DPF in fragile states is still at 10 percent, if the IDA-only S+ rate is still at 31 percent — the case for the Challenge Fund will be stronger than it is today. This paper is a prediction as well as a recommendation.

Data and Sources

IEG outcome data: IEG Master Database March 2026 (3,507 deduplicated rated projects, FY2015–2026). Historical performance data: IEG ICRR-PPAR database, all evaluation years. IDA-only figures: WB Agreement Type = IDA. S+ = Satisfactory or Highly Satisfactory only; Moderately Satisfactory does not qualify. Dollar commitments: World Bank Projects database, current USD. PforR outcome figures: IEG RAP 2020–2024 series. IFC FCS figures: IEG published evaluation 2020 and RAP 2023. Replenishment amounts: IDA Deputies Final Reports. PSW additionality data: IEG (2022) evaluation of IFC and MIGA support in FCS, FY2010–21.

This paper consolidates and extends three prior analyses published at mdbreform.com: the FCV Strategy Submission (February 2026); the IFC and PSW Assessment; and the Board Governance paper. Full data available at mdbreform.com/data/.

Parminder Brar is the founder of mdbreform.com and a former World Bank Country Manager and Lead Governance Specialist. He worked in four field postings in FCV countries in Africa between 2003 and 2023 and participated in over 600 operational missions. Inquiries: fcvstrategy@gmail.com

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