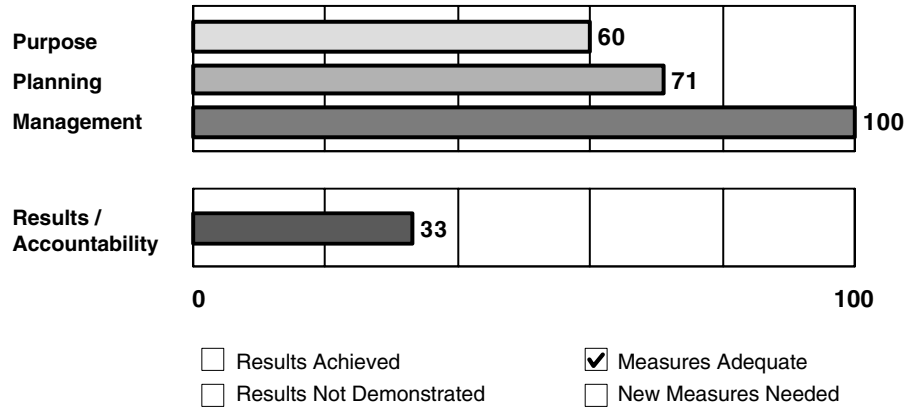


Program: International Development Association

Agency: Department of the Treasury

Bureau: International Affairs



Key Performance Measures

Year Target Actual

| | | | |
|--|------|------|-----|
| Long-term Measure: Universal primary education (Ensure that by 2015 children everywhere will be able to complete a full course of primary schooling) | 2015 | 100% | |
| | | | |
| | | | |
| Annual Performance Measure: Measles immunization rate (New measure) Indicator of progress in health | 2002 | | 58% |
| | 2004 | 60% | |
| | | | |
| Annual Performance/Efficiency Measure: Reduction in number of days required for business start-up (New measure) Indicator of progress in private sector development | 2002 | | 81 |
| | 2004 | 75 | |
| | | | |

Rating: Adequate

Program Type: Block / Formula Grants

Program Summary:

The International Development Association (IDA) is part of the World Bank. It provides both long-term zero-interest loans (so-called "concessional" lending) and grants to the poorest developing countries to finance investments in health, education, sanitation, and infrastructure.

The assessment primarily indicates that IDA lacks a system to measure, monitor, and evaluate overall results. Therefore, it is difficult to determine if IDA funding is having any measurable effect, and this difficulty is reflected in the Accountability/Results score. However, the recently concluded agreement to replenish the resources of IDA -- the IDA-13 replenishment agreement -- calls for the establishment of such a system. The agreement also identifies six pre-existing and widely-used indicators to serve as annual performance measures to track IDA's progress in health, education, and private sector development.

Additional findings include:

1. IDA is not the only provider of concessional lending. Other regional development banks have very similar programs.
2. The poorest developing countries should not borrow more money than they can afford to repay. IDA should provide more grants than it currently does.
3. The World Bank manages the IDA program well on a project-specific level. The successful establishment of the measurable results system will allow IDA to track its progress in meeting development objectives across the board.

In response to these findings:

1. By signing on to the IDA-13 replenishment agreement, the U.S. committed to provide \$850 million annually for the next three year (2003 through 2005). The Administration is also requesting \$27 million in 2004 to clear some of the \$73 million in arrears that the U.S. owes IDA.
2. The Administration will request an additional \$100 million for IDA in 2004 if IDA meets specific performance benchmarks and an additional \$200 million for IDA in 2005 if IDA makes satisfactory progress in the areas of health, education, and private sector development.
3. The Administration will continue to press IDA and other donors to increase the amount of grants that IDA provides.

Program Funding Level (in millions of dollars)

| <u>2002 Actual</u> | <u>2003 Estimate</u> | <u>2004 Estimate</u> |
|--------------------|----------------------|----------------------|
| 792 | 874 | 977 |