

**The World Bank and Regional Development Banks:  
status, challenges, opportunities and possible  
directions of travel**

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# A varied landscape

- 25-plus institutions
- Size and leverage
- Region, sub-region
  - Hard, soft terms
- Private, public focus
  - Policy, projects
  - Knowledge base
- World Bank/IMF lead

# Shared Characteristics:

Capital market links

Shareholder power

“Credit Culture”

Managerial Autonomy

Untied Suppliers

# Operations of World Bank and Regional Banks

- Net “hard” window lending now ...zero
- WB flows negative, compensated by RDBs
- Soft windows have \$6-7b +positive net flow
- Rising explicit grants (IDA)
- Rationing rules and performance allocations (CPIA)

# Some IDA specifics

- \$33b mobilised 2005-2007
- 40% internally funded
- 21% direct grants, including AIDS, conflict
- PRSP mandatory
- Allocations from \$10 to \$3 per capita

# Role of IDA/WB

- Largest multilateral in Africa, Asia
- Largest single donor in many countries (IDA)
- Present in most sectors and budget support
- Coordinator of aid (CGs)
- With IMF, administers debt relief...
- Assists PRSP process

# Some Policy Issues

- Regionals too much in WB image
- End-Game for grant expansion?
- Proliferation of “global” programmes
- PRSP: based on needs or resources?
- Reforming governance, voting shares

# Choices/Future Directions

- Relation with UN and UNDP indeterminate
- Decentralisation and regional banks
- Global Public Goods: who anchors? [UN/WB]
- Conditionality-rhetoric or substance?
- Pivotal Role of US and new President
- A proven chameleon..
- But “imperial overstretch”..

# IDA: outstanding development credits and associated charge income

*In millions of U.S. dollars equivalent*

| <i>Region</i>                   | <i>2004</i>          |                                        | <i>2003</i>          |                                        |
|---------------------------------|----------------------|----------------------------------------|----------------------|----------------------------------------|
|                                 | <i>Charge Income</i> | <i>Development Credits Outstanding</i> | <i>Charge Income</i> | <i>Development Credits Outstanding</i> |
| Africa                          | \$344                | \$45,954                               | \$359                | \$42,579                               |
| East Asia and Pacific           | 123                  | 16,328                                 | 102                  | 15,072                                 |
| Europe and Central Asia         | 38                   | 4,864                                  | 28                   | 3,609                                  |
| Latin America and the Caribbean | 33                   | 4,770                                  | 26                   | 4,311                                  |
| Middle East and North Africa    | 27                   | 3,245                                  | 22                   | 3,034                                  |
| South Asia                      | 317                  | 40,582                                 | 279                  | 38,272                                 |
| Total                           | <u>\$882</u>         | <u>\$115,743</u>                       | <u>\$816</u>         | <u>\$106,877</u>                       |