

Financing Solutions for IDA-Eligible Countries



IDA: Supporting Countries Achieve Development Goals



International Development Association (IDA)

- **Intertwined and overlapping crises** are taking a disproportionate toll on the most vulnerable.
- **IDA provides highly concessional financing** to 75 low-income countries.
- Since 1960, **IDA has provided \$533 billion** for projects supporting climate benefits, education, access to basic services, job creation, and more.

Eligibility

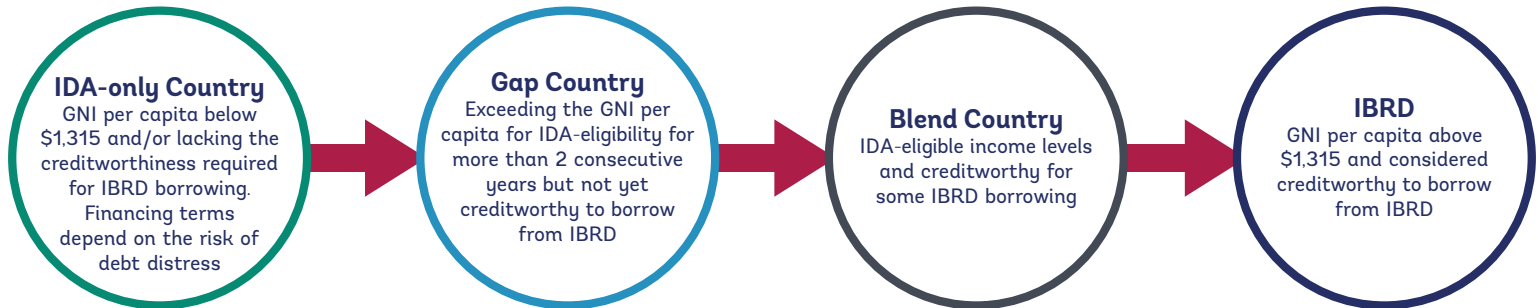
- **IDA eligibility** is mainly based on a country's creditworthiness, relative poverty, vulnerability and portfolio performance.
- **Creditworthiness** is the ability to serve new external debt at market interest rates over the longer term.
- **Relative poverty** is defined as GNI per capita below a threshold (GNI per capita threshold: \$1,315 for FY 2024).

Country Classifications for IDA

IDA-eligible countries are classified into three groups: **IDA-only**, **Gap**, and **Blend**.

As countries' per capita income increases and the risk of debt distress decreases, they gain access to different types of financing, including more market-based products.

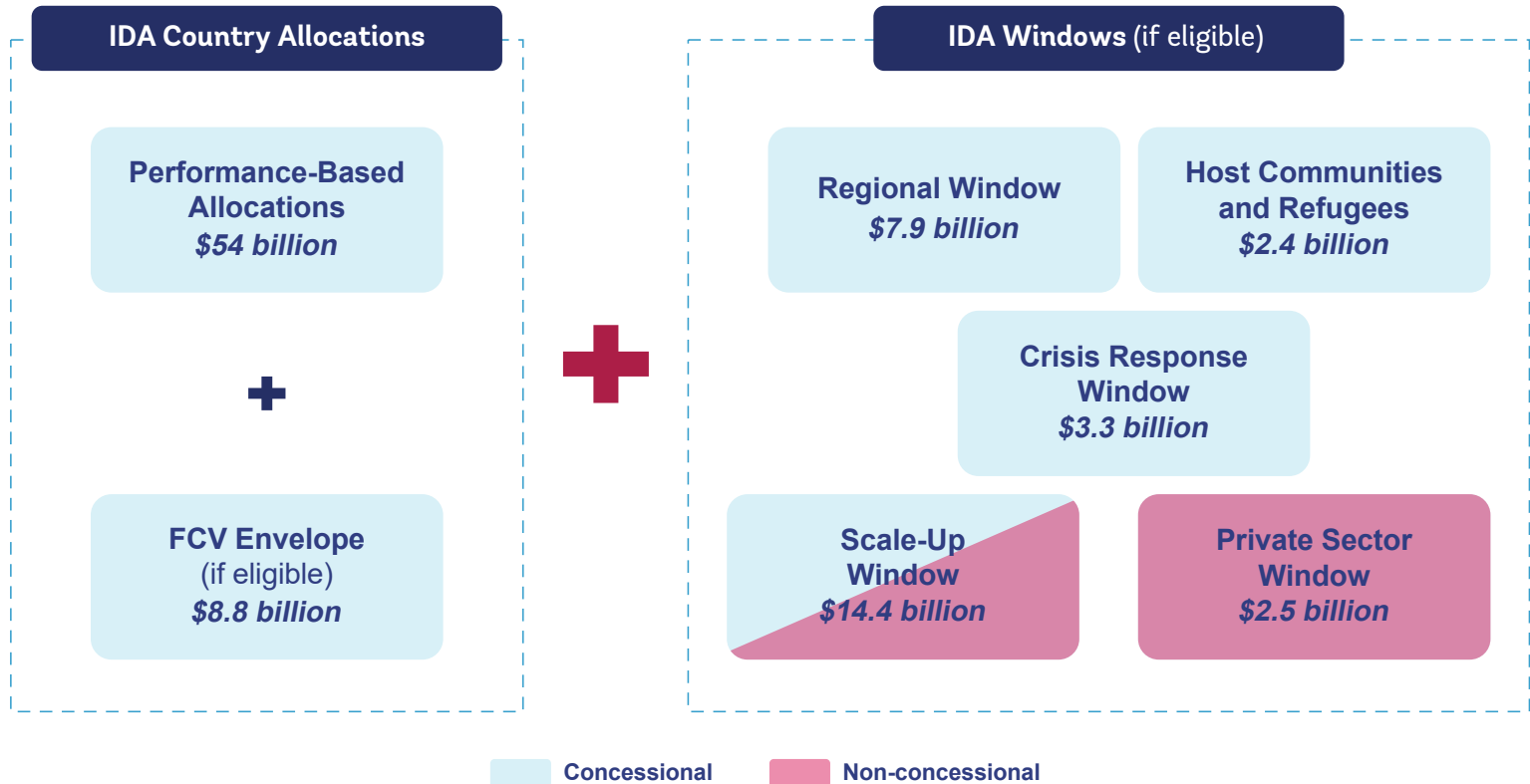
As countries graduate from IDA, they move on to the International Bank for Reconstruction and Development (IBRD) for middle-income borrowers.



*The GNI per capita figure is updated annually.

The Small Island Economies Exception also provides eligible Small States with per capita incomes above the IDA operational cut-off access to IDA resources.

IDA20 Allocations - Total \$93 Billion



IDA Windows: Additional Resources for Specific Challenges

Regional Window:

For supporting countries to find solutions to shared regional challenges, address issues of small and fragmented markets, and promote global or regional public goods.

Host Communities and Refugees Window:

For medium- to long-term development opportunities supporting both refugees and host communities.

Crisis Response Window:

For financing to respond to severe disasters, health emergencies, and economic crises, as well as slower-onset crises like disease outbreaks and food insecurity.

Scale-up Window (SUW):

For scaling up transformational projects such as (i) Regular-SUW on IBRD terms; (ii) Shorter-maturity Loan SUW on concessional terms.

Private Sector Window:

For mobilizing private capital in IDA-only and Fragile and Conflict-affected Situations. Blends concessional funds with IFC and MIGA investments/guarantees.

IBRD Enclave Loans:

For additional financing (at IBRD terms), over and above a country's IDA allocations and windows, for foreign exchange-generating projects where the revenue flows can be ring-fenced to service repayments of the loan.



Financial Advisory Services for All IDA Countries



World Bank Treasury Financial Products and Client Solutions team builds capacity for IDA clients.

Blended finance:

Customized financing solutions to reduce overall cost:

- Blending grants and highly concessional loans with IBRD or commercial financing;
- Structuring and design of credit enhancement products;
- Creating new sustainable financing platforms and funds;
- Developing new financial products, such as performance-based financing.

Financial risk management:

Building capacity on interest rate and currency risk management products including IDA Scale Up Window financing and non-IDA financing.

Commodity risk management:

Commodity hedging strategies, ranging from agriculture, energy, to minerals.

Sustainable finance:

Building capacity on climate finance strategies and new financing:

- Issuing green, social, sustainable, and sustainability-linked (GSSS) financing;
- Creating frameworks and regulations;
- Identifying eligible projects;
- Market sounding;
- Investor relations;
- Monitoring and reporting, and more.

Disaster risk management:

Increasing financial resilience to natural disasters through:

- Contingent financing;
- Catastrophe bonds and insurance solutions.

IDA to IBRD transition:

Helping clients understand IBRD financial products and services to ensure a smooth transition from concessional to non-concessional financing.



Financial Options for Unforeseen Shocks

IDA Contingent financing products:

Development Policy Loan with Catastrophe Deferred Drawdown Option (Cat DDO)

Immediate liquidity for the government budget to countries to address shocks related to natural disasters and/or health-related events, including pandemics.

Investment Project Financing with a Deferred Drawdown Option (IPF DDO)

Earmarked funds for a project or a public institution to ensure the continuity of operations, including backstopping institutions such as trade finance facilities, or bank guarantee funds.

Other solutions - Climate Resilient Debt Clauses:

IDA financing also offers protection for small states and small islands economies*, that are disproportionately vulnerable, against natural disasters. By including the Climate Resilient Debt Clause (CRDC) in their credit or loan agreement, eligible borrowers can defer principal, interest, and fee payments for severe earthquakes and hurricanes for up to two years in case of predefined disasters.

*IBRD and IDA-eligible Small State Economies, members of Small States Forum and Small Island Developing States as defined by UN.



IN FOCUS

Shorter Maturity Loans (SMLs)

SMLs are concessional IDA resources addressing short-term financing needs post-pandemic. They offer interest-free financing, to scale up investments for crisis response. In IDA20, they're available through Performance Based Allocation (PBA) or Scale-up Window (SUW).

PBA-SML

- **Eligibility:** All countries except those at high risk of debt distress.
- **Allocation limits:** 24% for IDA-only low risk, Gap, and Blend countries; 12% for IDA-only moderate risk countries.
- **Availability:** For all sectors and financial instruments (IPF, DPF, P4R).
- **Flexibility:** Countries manage allocation flexibly, encouraged to use within each fiscal year.

SUW-SML

- **Eligibility:** IDA-only countries at low* or moderate risk of debt distress; Gap and Blend countries, other than Small States at high risk or already in debt distress.
- **Allocation limits:** Regional allocations in proportion to the share of Country Allocations of eligible countries.
- **Availability:** For all sectors and financial instruments (IPF, DPF, DPF with Cat-DDO, P4R and Guarantees).
- **Flexibility:** Regions can manage SUW-SML flexibly, subject to country eligibility and caps.

*Countries that are facing debt vulnerabilities - as defined for the purposes of the Sustainable Development Finance Policy - can receive SUW-SMLs only if the agreed performance and policy actions have been implemented satisfactorily for the last FY.



IDA Financing Solutions by

COUNTRY GROUPS




FINANCIAL PRODUCTS FOR
IDA-Only Countries in HIGH Risk of Debt Distress

IDA-Only countries in high risk of debt distress are mostly eligible for grants*, with a few exceptions

SOURCE OF FUNDING	INSTRUMENTS ELIGIBLE	IDA PRODUCT	CONCESSIONALITY (grant element)**	GRACE PERIOD	FINAL MATURITY	INTEREST COST
PERFORMANCE BASED ALLOCATIONS AND FCV ENVELOPE	IPF, DPF & P4R	Grant	100%	Not Applicable	Not Applicable	Not Applicable
REGIONAL WINDOW	IPF, DPF & P4R***	Grant	100%	Not Applicable	Not Applicable	Not Applicable
CRISIS WINDOW	IPF, DPF & P4R	Grant	100%	Not Applicable	Not Applicable	Not Applicable
WINDOW FOR HOST COMMUNITIES AND REFUGEES (WHR)	IPF, DPF & P4R	Grant	100%	Not Applicable	Not Applicable	Not Applicable
IBRD ENCLAVE LOAN (if eligible)	IPF	Market based financing	Depends on the selected financial terms	Up to 19.5y	Up to 35y	
PRIVATE SECTOR WINDOW (PSW)	BFF, LCF, RMF, MGF****	Non-Concessional financing		Determined by IFC and MIGA		

*A cap on grants is applied for Country Allocation resources at \$3b per IDA cycle, or \$1b per FY, after which resources are committed on IDA regular credit terms (38-yr credits).

**The level of concessionality/grant element varies based on the currency of the loan. The figures provided here pertain to the grant element for USD loans only.

***Use of other instruments, such as Program-for-Results (PforR), is encouraged but currently requires Board waiver.

****Blended Finance Facility (BFF), Local Currency Facility (LCF), Risk Mitigation Facility (RMF), MIGA Guarantee Facility (MGF). Pricing for all PSW products determined by IFC and MIGA.


FINANCIAL PRODUCTS FOR
IDA-Only Countries in MODERATE Risk of Debt Distress

SOURCE OF FUNDING	INSTRUMENTS ELIGIBLE	IDA PRODUCT	CONCESSIONALITY (grant element)*	GRACE PERIOD (in year)	FINAL MATURITY	INTEREST COST AS OF JULY 1, 2024	
PERFORMANCE BASED ALLOCATIONS AND FCV ENVELOPE	IPF, DPF & P4R	Non-Small States	50-year credit	73%	10	50	0
			12-year concessional SML	36%	6	12	0
		Small States	Half grant and half 40-year credit	61%	10	40	SDR: 0.75% USD: 1.34% EUR: 0.75%
			12-year concessional SML	36%	6	12	0
REGIONAL WINDOW	IPF, DPF & P4R***	Financing terms are the same as those of the non-SML portion of the Performance Based Allocation					
CRISIS WINDOW	IPF, DPF & P4R	Financing terms are the same as those of the non-SML portion of the Performance Based Allocation**					
WINDOW FOR HOST COMMUNITIES AND REFUGEES (WHR)	IPF, DPF & P4R	IDA-Only countries that are subject to a Low Income Country Debt Sustainability Framework (LIC-DSF) and at moderate risk of debt distress receive 50 percent of the WHR financing as IDA Grants and 50 percent as 50-year Credits.					
IDA SCALE-UP WINDOW	IPF, DPF, P4R, and Guarantees	Regular	Market based financing	Depends on the selected financial terms	Up to 19.5y	Up to 35y	Pricing consistent with IBRD loan
		Shorter Maturity Loan (if eligible)	12-year concessional SML	36%	6	12	0
IBRD ENCLAVE LOAN	IPF	Market based financing	Depends on the selected financial terms	Up to 19.5y	Up to 35y	Pricing generally consistent with IBRD loan	
PRIVATE SECTOR WINDOW (PSW)	BFF, LCF, RMF, MGF****	Non-Concessional financing	Determined by IFC and MIGA				

*The level of concessionality/grant element varies based on the currency of the loan. The figures provided here pertain to the grant element for SDR loans only.

**For severe natural disasters (damages and losses > 1/3 of GDP), adjustments of financing terms are possible (based on updated Debt Sustainability Analysis in the aftermath of crisis).

***Use of other instruments, such as Program-for-Results (PforR), is encouraged but currently requires Board waiver.

****Blended Finance Facility (BFF), Local Currency Facility (LCF), Risk Mitigation Facility (RMF), MIGA Guarantee Facility (MGF). Pricing for all PSW products determined by IFC and MIGA.


FINANCIAL PRODUCTS FOR
IDA-Only Countries in LOW Risk of Debt Distress

SOURCE OF FUNDING	INSTRUMENTS ELIGIBLE	IDA PRODUCT	CONCESSIONALITY (grant element)*	GRACE PERIOD (in year)	FINAL MATURITY	INTEREST COST AS OF JULY 1, 2024	
PERFORMANCE BASED ALLOCATIONS AND FCV ENVELOPE	IPF, DPF & P4R	Non-Small States	38-year credit	53%	6	38	SDR: 0.75% USD: 1.37% EUR: 0.75%
			12-year concessional SML	36%	6	12	0
		Small States	40-year credit	61%	10	40	SDR: 0.75% USD: 1.34% EUR: 0.75%
			12-year concessional SML	36%	6	12	0
REGIONAL WINDOW	IPF, DPF & P4R***	Financing terms are the same as those of the non-SML portion of the Performance Based Allocation					
CRISIS WINDOW	IPF, DPF & P4R	Financing terms are the same as those of the non-SML portion of the Performance Based Allocation**					
WINDOW FOR HOST COMMUNITIES AND REFUGEES (WHR)	IPF, DPF & P4R	Countries that are subject to a LIC-DSF and low risk of debt distress receive 50 percent of the WHR financing as IDA Grants and 50 percent as IDA Concessional Credits					
IDA SCALE-UP WINDOW	IPF, DPF, P4R and Guarantees	Regular	Market based financing	Depends on the selected financial terms	Up to 19.5y	Up to 35y	Pricing consistent with IBRD loan
		Shorter Maturity Loan	12-year concessional SML	36%	6	12	0
IBRD ENCLAVE LOAN	IPF	Market based financing	Depends on the selected financial terms	Up to 19.5y	Up to 35y	Pricing generally consistent with IBRD loan	
PRIVATE SECTOR WINDOW (PSW)	BFF, LCF, RMF, MGF****	Non-Concessional financing	Determined by IFC and MIGA				

*The level of concessionality/grant element varies based on the currency of the loan. The figures provided here pertain to the grant element for SDR loans only.

**For severe natural disasters (damages and losses > 1/3 of GDP), adjustments of financing terms are possible (based on updated Debt Sustainability Analysis in the aftermath of crisis).

***Use of other instruments, such as Program-for-Results (PforR), is encouraged but currently requires Board waiver.

****Blended Finance Facility (BFF), Local Currency Facility (LCF), Risk Mitigation Facility (RMF), MIGA Guarantee Facility (MGF). Pricing for all PSW products determined by IFC and MIGA.

FINANCIAL PRODUCTS FOR IDA GAP Countries

SOURCE OF FUNDING	INSTRUMENTS ELIGIBLE	IDA PRODUCT	CONCESSIONALITY (grant element)*	GRACE PERIOD (in year)	FINAL MATURITY	INTEREST COST AS OF JULY 1, 2024	
PERFORMANCE BASED ALLOCATIONS AND FCV ENVELOPE	IPF, DPF & P4R	Non-Small States	30-year credit	35%	5	30	SDR: 2.00% USD: 2.80% EUR: 1.40%
			12-year concessional SML	36%	6	12	0
		Small States	40-year credit	61%	10	40	SDR: 0.75% USD: 1.34% EUR: 0.75%
			12-year concessional SML	36%	6	12	0
REGIONAL WINDOW	IPF, DPF & P4R***	Financing terms are the same as those of the non-SML portion of the Performance Based Allocation					
CRISIS WINDOW	IPF, DPF & P4R	Financing terms are the same as those of the non-SML portion of the Performance Based Allocation**					
WINDOW FOR HOST COMMUNITIES AND REFUGEES (WHR)	IPF, DPF & P4R	Gap Countries that are subject to a LIC-DSF and at moderate risk of debt distress receive 50 percent of the WHR financing as IDA Grants and 50 percent as IDA Concessional Credits. Countries that are subject to a Market Access Country Debt Sustainability Analysis (MAC-DSA) receive 50 percent of the WHR financing as IDA Grants and 50 percent as IDA Concessional Credits					
IDA SCALE-UP WINDOW	IPF, DPF, P4R, and Guarantees	Regular	Market based financing	Depends on the selected financial terms	Up to 19.5y	Up to 35y	Pricing consistent with IBRD loan
		Shorter Maturity Loan (if eligible)	12-year concessional SML	36%	6	12	0
IBRD ENCLAVE LOAN	IPF	Market based financing		Depends on the selected financial terms	Up to 19.5y	Up to 35y	Pricing generally consistent with IBRD loan
PRIVATE SECTOR WINDOW (PSW)	BFF, LCF, RMF, MGF****	Non-Concessional financing			Determined by IFC and MIGA		

*The level of concessionality/grant element varies based on the currency of the loan. The figures provided here pertain to the grant element for SDR loans only.

**For severe natural disasters (damages and losses > 1/3 of GDP), adjustments of financing terms are possible (based on updated Debt Sustainability Analysis in the aftermath of crisis).

***Use of other instruments, such as Program-for-Results (PforR), is encouraged but currently requires Board waiver.

****Blended Finance Facility (BFF), Local Currency Facility (LCF), Risk Mitigation Facility (RMF), MIGA Guarantee Facility (MGF). Pricing for all PSW products determined by IFC and MIGA.

FINANCIAL PRODUCTS FOR IDA BLEND Countries

SOURCE OF FUNDING	INSTRUMENTS ELIGIBLE	IDA PRODUCT	CONCESSIONALITY (grant element)*	GRACE PERIOD (in year)	FINAL MATURITY	INTEREST COST AS OF JULY 1, 2024	
PERFORMANCE BASED ALLOCATIONS AND FCV ENVELOPE	IPF, DPF & P4R	Non-Small States	30-year credit	35%	5	30	SDR: 2.00% USD: 2.80% EUR: 1.40%
			12-year concessional SML	36%	6	12	0
		Small States	40-year credit	61%	10	40	SDR: 0.75% USD: 1.34% EUR: 0.75%
			12-year concessional SML	36%	6	12	0
REGIONAL WINDOW	IPF, DPF & P4R***	Financing terms are the same as those of the non-SML portion of the Performance Based Allocation					
CRISIS WINDOW	IPF, DPF & P4R	Financing terms are the same as those of the non-SML portion of the Performance Based Allocation**					
WINDOW FOR HOST COMMUNITIES AND REFUGEES (WHR)	IPF, DPF & P4R	Blend Countries that are subject to a LIC-DSF and at moderate risk of debt distress receive 50 percent of the WHR financing as IDA Grants and 50 percent as IDA Concessional Credits. Countries that are subject to a Market Access Country Debt Sustainability Analysis (MAC-DSA) receive 50 percent of the WHR financing as IDA Grants and 50 percent as IDA Concessional Credits					
IDA SCALE-UP WINDOW	IPF, DPF, P4R, and Guarantees	Regular	Market based financing	Depends on the selected financial terms	Up to 19.5y	Up to 35y	Pricing consistent with IBRD loan
		Shorter Maturity Loan (if eligible)	12-year concessional SML	36%	6	12	0
IBRD ENCLAVE LOAN	IPF	Market based financing	Depends on the selected financial terms	Up to 19.5y	Up to 35y	Pricing generally consistent with IBRD loan	
PRIVATE SECTOR WINDOW (PSW)	BFF, LCF, RMF, MGF****	Non-Concessional financing	Determined by IFC and MIGA				

*The level of concessionality/grant element varies based on the currency of the loan. The figures provided here pertain to the grant element for SDR loans only.

**For severe natural disasters (damages and losses > 1/3 of GDP), adjustments of financing terms are possible (based on updated Debt Sustainability Analysis in the aftermath of crisis).

***Use of other instruments, such as Program-for-Results (PforR), is encouraged but currently requires Board waiver.

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IDA Financial Solutions in Action

CASE STUDIES


 CASE STUDY **BLENDED FINANCE**
TANZANIA Blending Scale-Up Windows to Maximize Savings

Tanzania secured the largest World Bank policy loan of \$500 million in the country's history to foster inclusive and resilient growth.

OBJECTIVE

Maximize the full range of concessional financing available from IDA and minimize the cost of borrowing for Tanzania.

SOLUTION

The financing blended IDA's concessional Shorter Maturity Loan with the market-priced, regular IDA Scale-Up Window loan.

OUTCOME

The blended package is expected to save Tanzania almost \$1 in interest cost for every \$3 it borrows.

World Bank Support

- **Analyzed Tanzania's debt profile** to understand its management constraints, and objectives
- **Provided financial scenarios for blending SML and SUW Regular loan products** to lower the cost and meet the government's fiscal and debt needs
- **Structured the \$500 million blended financing package** from two funding sources
- **Customized regular SUW loan terms** for a long grace period (10 years) that pushed out the principal repayments
- **Advised the Government and World Bank project teams** throughout loan negotiation cycle for timely delivery

[Read more here](#)



CASE STUDY SUSTAINABLE FINANCE

RWANDA

Structuring and Funding the Development Bank of Rwanda's Sustainability-Linked Bond

Development Bank of Rwanda (BRD) issued its inaugural \$30 million Sustainability-Linked Bond, supported by a credit enhancement through an IDA Shorter Maturity Loan. This was the first SLB by any national development bank globally.

OBJECTIVE

Develop new long-term funding sources for BRD to fund projects supporting Rwanda's sustainable development goals, at the lowest cost possible.

SOLUTION

BRD mobilized private capital by issuing the first-ever Sustainability-Linked Bond (SLB) in East Africa, using an innovative credit enhancement mechanism structured and funded by the World Bank.

OUTCOME

BRD diversified funding away from government resources and obtained financing at 7%, half the rate of a plain vanilla issuance (14%) As a result of the credit enhancement and the reinvestment yield of the collateral.

World Bank Support

- **Structured innovative credit enhancement** maximizing concessionality, replicable across the region
- **Provided technical assistance** for defining and calibrating the key performance indicators
- **Supported the preparation of the SLB framework**
- **Built capacity** for BRD to issue their first-ever bond in the capital markets
- **Reviewed key transaction documents:** investor presentation, pricing supplement, collateral agreement

Award Winning Bond Issuance



[Read more here](#)


CASE STUDY **DISASTER RISK FINANCE**
CARIBBEAN **Catastrophe Bond (Cat Bond) for the Caribbean Catastrophe Risk Insurance Facility (CCRIF)**

Dominica, Grenada, Haiti, St. Lucia, St. Vincent & Grenadines obtained hurricane and earthquake protection through World-Bank-issued Cat bond for CCRIF.

OBJECTIVE

Provide insurance coverage against natural disasters for CCRIF's 16 member countries, including IDA-eligible countries.

SOLUTION

The World Bank issued 3-year Cat bond linked to hurricane and earthquake risk, keeping proceeds ready for disbursement.

OUTCOME

CCRIF secured multi-year insurance access at fixed price, enhancing the stability of its risk transfer program.

World Bank Support

- **Issued \$30 million Cat Bond for CCRIF** in Insurance Linked Securities (ILS) market
- **Streamlined issuance process** in terms of time and cost by using the World Bank's Capital at Risk program to issue the cat bond directly, eliminating the need for a special purpose issuer
- **Provided advisory and investor relations support** throughout the process
- **Guided outreach and investor discussions**, leveraging World Bank's capital markets expertise

Did you know?

Innovations under the World Bank's new [Crisis Response Toolkit](#) allow countries to fund the transaction costs for cat bonds through a World Bank operation.

[Read more here](#)



CASE STUDY FINANCIAL RISK MANAGEMENT

MALAWI The World Bank's First IPF DDO for an IDA Country

Malawi de-risked the importation of essential goods through a \$60 million IDA Investment Project Financing with a Deferred Drawdown Option (IPF DDO). This is the first IDA IPF DDO approved by the World Bank.

OBJECTIVE

Develop new long-term funding sources for BRD to fund projects supporting Rwanda's sustainable development goals, at the lowest cost possible.

SOLUTION

The IPF DDO provides contingent financing to the Government of Malawi to serve as a safety net for letters of credit issued by local banks to import critical commodities. The IPF DDO ensures that the World Bank will assume the forex payment obligations of the local issuing banks in the event of a default.

OUTCOME

Malawi secured the \$60 million IPF DDO, which aims to revitalize the trade finance market, especially the importation of strategic commodities, such as fertilizers and essential pharmaceuticals which are crucial for food security and public health.

World Bank Support

- **Implemented the \$60 million IDA IPF DDO**, funded through Malawi's Performance-Based Allocation. This instrument allows recycling of released funds. When local issuing banks settle their payments on matured letters of credit, earmarked positions are freed up in the contingent financing to be reused to backstop new letters of credit. If unused, the \$60 million will be pulled back to Malawi's IDA envelope for other development projects.
- **Built Malawi's capacity on the financial terms and conditions** of the financial instrument, including the approval criteria, country limit, drawdown triggers, currency, and financial risk.
 - **Drawdown trigger:** Funds are released to a correspondent bank when a local bank fails to pay its obligations for a letter of credit issued for the importation of critical commodities.
 - **Drawdown period and renewal:** The drawdown period for this operation is three years, and Malawi has the option of renewing the IPF DDO for an additional three-year period.



COTE D'IVOIRE

CASE STUDY ENCLAVE LOAN

Using Future Cashew Export Revenue to Mobilize Additional Financial Resources Beyond IDA

Cote d'Ivoire secured a \$200 million enclave loan with credit enhancement features to support the Cashew Value Chain Competitiveness Project. This allowed the country to have access to additional financing (at IBRD terms), over and above its IDA allocation.

OBJECTIVE

Structure a large volume, cost-effective and long-term, transparent financing scheme for the project without requiring additional budget resources from the government.

SOLUTION

An enclave loan to Cote d'Ivoire's Conseil du Coton et de l'Anacarde: including credit enhancement features, where future cash flows from the project are ringfenced to service loan repayments.

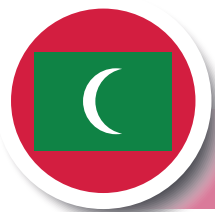
OUTCOME

The \$200 million equivalent IBRD loan, a market-based product but still more concessional than commercial rates, enabled the government to support the cashew industry without crowding out the IDA resources.

World Bank Support

- **Clarified the financial viability** of the project
- **Explored financing options** and performed financial analysis
- **Structured an appropriate financial scheme**
- **Explained the financial scheme and terms**, including the loan covenants, to the borrower, the government, and other stakeholders
- **Executed the transaction** in collaboration with the Bank's Legal Finance team—setting up the escrow accounts at a commercial bank, setting up security interest in the account balance and inflows, and leading negotiations among the parties to put the transaction into contractual agreements

[Read more here](#)


CASE STUDY COMMODITY RISK MANAGEMENT ADVISORY

MALDIVES

Capacity Building on Commodity Hedging Strategy

The World Bank provided technical assistance on commodity hedging to the Maldivian authorities to help them reform their subsidy program.

OBJECTIVE

Build capacity on measuring fiscal exposure to commodity prices and analyzing risk management strategies. As the Maldives is highly dependent on fossil fuels for energy generation, it has severe impact on fiscal accounts, hindering efforts to transition to clean energy.

SOLUTION

Provided technical assistance to measure the fiscal accounts' exposure to commodity prices and analyze market-based strategies to manage exposure to commodity price risk.

OUTCOME

As a result of the workshops with the Ministry of Finance, the State Trading Organization and the Monetary Authority, Maldives plans to include commodity risk management in short-term fiscal strategy.

World Bank Support

- **Provided workshops** for Ministry of Finance, State Trading Organization, and Monetary Authority
- **Measured exposure and established commodity price risk tolerance levels**
- **Evaluated alternative risk management instruments** (both physical and financial)
- **Modelled alternative price scenarios** and potential savings under adverse conditions
- **Reviewed country cases** involving price risk management programs in peer countries
- **Discussed necessary regulatory framework** for risk management program execution

List of IDA-Eligible Countries AS OF OCTOBER 2023*

N°	ECONOMY	GNI PER CAPITA (US\$) AS OF FY24	LENDING ELIGIBILITY	RISK OF DEBT DISTRESS AS OF OCT. 2023	ELIGIBLE FOR IDA SUW REGULAR LOANS	ELIGIBLE SUW-SML
1	Afghanistan	NA	IDA	High		
2	Bangladesh	2820	IDA	Low	SUW	SUW-SML
3	Benin	1400	IDA	Moderate	SUW	SUW-SML
4	Bhutan	NA	IDA	Moderate	SUW	SUW-SML
5	Burkina Faso	840	IDA	Moderate	SUW	SUW-SML
6	Burundi	240	IDA	High		
7	Cabo Verde	4140	Blend	Moderate	SUW	SUW-SML
8	Cambodia	1700	IDA	Low	SUW	SUW-SML
9	Cameroon	1660	Blend	High		SUW-SML
10	Central African Republic	480	IDA	High		
11	Chad	690	IDA	High		
12	Comoros	1610	IDA	High		
13	Congo, Democratic Republic of	590	IDA	Moderate	SUW	SUW-SML
14	Congo, Republic of	2060	Blend	In debt distress		
15	Cote d'Ivoire	2620	IDA	Moderate	SUW	SUW-SML
16	Djibouti	3180	IDA	High		
17	Dominica	8460	Blend	High		
18	Eritrea	NA	IDA	****		
19	Ethiopia	1020	IDA	High		
20	Fiji	5270	Blend	MAC DSA	SUW**	SUW-SML**
21	Gambia The	810	IDA	High		
22	Ghana	2350	IDA	In debt distress		SUW-SML
23	Grenada	9340	Blend	In debt distress		
24	Guinea	1180	IDA	Moderate	SUW	SUW-SML
25	Guinea-Bissau	820	IDA	High		
26	Guyana	15050	IDA	Moderate	SUW	SUW-SML
27	Haiti	1610	IDA	High		SUW-SML
28	Honduras	2740	IDA	Low	SUW	SUW-SML
29	Kenya	2170	Blend	High		SUW-SML
30	Kiribati	3280	IDA	High		
31	Kosovo	5590	IDA	MAC DSA	SUW**	SUW-SML**
32	Kyrgyz Republic	1410	IDA	Moderate	SUW	SUW-SML
33	Lao PDR	2360	IDA	In debt distress		
34	Lesotho	1260	IDA	Moderate	SUW	SUW-SML
35	Liberia	680	IDA	Moderate	SUW	SUW-SML
36	Madagascar	510	IDA	Moderate	SUW	SUW-SML
37	Malawi	640	IDA	In debt distress		
38	Maldives	11030	IDA	High		

N°	ECONOMY	GNI PER CAPITA (US\$) AS OF FY24	LENDING ELIGIBILITY	RISK OF DEBT DISTRESS AS OF OCT. 2023	ELIGIBLE FOR IDA SUW REGULAR LOANS	ELIGIBLE SUW-SML
39	Mali	850	IDA	Moderate	SUW	SUW-SML
40	Marshall Islands	7920	IDA	High		
41	Mauritania	2160	IDA	Moderate	SUW	SUW-SML
42	Micronesia Fed. Sts. Of	4130	IDA	High		
43	Mozambique	500	IDA	High		
44	Myanmar	1210	IDA	Low	SUW	SUW-SML
45	Nepal	1340	IDA	Low	SUW	SUW-SML
46	Nicaragua	2090	IDA	Moderate	SUW	
47	Niger	610	IDA	Moderate	SUW	SUW-SML
48	Nigeria	2140	Blend	MAC DSA	SUW**	SUW-SML**
49	Pakistan	1580	Blend	MAC DSA	SUW**	SUW-SML**
50	Papua New Guinea	2730	Blend	High		
51	Rwanda	930	IDA	Moderate	SUW	SUW-SML
52	Samoa Independent State of	3630	IDA	High		
53	Sao Tome and Principe	2410	IDA	In debt distress		
54	Senegal	1640	IDA	Moderate	SUW	SUW-SML
55	Sierra Leone	510	IDA	High		
56	Solomon Islands	2220	IDA	Moderate	SUW	SUW-SML
57	Somalia	470	IDA	In debt distress		
58	South Sudan	NA	IDA	High		
59	Sri Lanka	3610	IDA	MAC DSA	SUW**	SUW-SML**
60	St. Lucia	11160	Blend	Moderate	SUW	SUW-SML
61	St. Vincent and the Grenadines	9110	Blend	High		
62	Sudan	760	IDA	In debt distress		
63	Syrian Arab Republic	NA	IDA	N.A.		
64	Tajikistan	1210	IDA	High		
65	Tanzania	1200	IDA	Moderate	SUW	SUW-SML
66	Timor-Leste	1970	Blend	Moderate	SUW	
67	Togo	990	IDA	Moderate	SUW	SUW-SML
68	Tonga	NA	IDA	High		
69	Tuvalu	7210	IDA	High		
70	Uganda	930	IDA	Moderate	SUW	
71	Uzbekistan	2190	Blend	Low	SUW	SUW-SML
72	Vanuatu	3560	IDA	Moderate	SUW	SUW-SML
73	Yemen Republic of	NA	IDA	Moderate		
74	Zambia	1170	IDA	In debt distress		
75	Zimbabwe	1500	Blend	In debt distress		

*For latest information visit <https://ida.worldbank.org/en/financing>, and download the most current file on IDA Country Allocations.

**Considered on a case-by-case basis.

***The latest DSA is not publicly available as of end-September 2023.



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