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# Evaluation of Canada's Payments to the International Development Association

## Summary

### Evaluation results

The world's poorest countries, served by the International Development Association (IDA), lag behind on key measures and targets for economic and social development. The IDA is part of the World Bank and its activities were found to be broadly relevant to addressing these development gaps. Canada's contributions to the IDA are aligned with the federal government's priorities and with the government's new Feminist International Assistance Policy. The contributions align with the Official Development Assistance Accountability Act (ODAAA).

The Department of Finance Canada manages Canada's IDA contributions effectively and efficiently. In its engagement with the World Bank, the department has supported Canada's key international assistance priorities well. However, some opportunities exist for the department to:

1. better manage consultations with civil society organizations, as required by the ODAAA
2. better report on the effectiveness of Canada's significant IDA contributions in achieving poverty reduction objectives

Countries that receive financing from the IDA have demonstrated progress on key measures of poverty reduction and development, especially in the areas of human development and access to basic services that are fundamental to human dignity. The evaluation found that the IDA could further improve its contribution to the development outcomes of countries that receive financing from the IDA. To do so would require the World Bank to enhance its institutional effectiveness by:

1. designing projects based on a thorough assessment of conditions that can potentially affect planned development outcomes
2. improving the quality of its supervision during project implementation

Overall, the evaluation finds that Canada's payments to the IDA provide good value for money in supporting sustainable poverty reduction and economic growth in poor countries.

The evaluation made the following 3 recommendations to further improve the operation and performance of Canada's IDA contribution program:

1. The International Finance and Development Division should ensure that the Minister of Finance has access to the views and recommendations of the participants of the latest ODAAA consultations before the Minister approves Canada's pledge to make IDA replenishments.
2. The International Trade and Finance Branch should continue its efforts to strengthen the quality and completeness of its reports to Parliament, with a greater focus on the effectiveness of IDA programs and initiatives in order to meet the ODAAA reporting requirements.

3. The Department of Finance Canada should raise the issue of the significant risks to the development outcomes of IDA-financed projects in its engagement with the World Bank and during future IDA replenishment consultations. The department should emphasize the need for concrete World Bank management commitments to address issues during project planning and approval, and suboptimal supervision during project implementation.

The International Trade and Finance Branch has agreed to the recommendations and provided a Management Response and Action Plan.

## About the IDA and Canada

The International Finance and Development Division, within the International Trade and Finance Branch of the Department of Finance Canada, manages Canada's contributions to the IDA. Established in 1960, the IDA is the world's largest multilateral source of concessional financing for the poorest countries. It is one of the World Bank Group's main lending arms and provides development credits, grants and guarantees to the world's poorest countries. This financing aims to increase economic growth, reduce poverty and improve living conditions.

Canada is a founding member of the IDA, and its sixth largest donor. Since 1960, Canada has contributed US\$11.1 billion.<sup>[1]</sup> From the 2012 to 2013 fiscal year<sup>[2]</sup> to the 2019 to 2020 fiscal year, Canada's average annual contribution to the IDA is set to be C\$441.61 million.

## About the evaluation

This evaluation was conducted by the Corporate Management and Evaluation Division of the Department of Finance Canada between March 2017 and December 2017. The main objective of the evaluation was to

assess the relevance and performance (that is, the effectiveness, efficiency and economy) of Canada's payments to the IDA, with a special focus on compliance with the ODAAA. The evaluation covered approximately CAD\$2.59 billion in statutory payments to the IDA over the 6-year period starting in the 2011 to 2012 fiscal year. This evaluation supports the periodic evaluation requirement of all programs and spending based on risks, departmental information needs, and priorities in accordance with the Policy on Results, which was implemented in November 2017. The need for this evaluation was established through the mandatory annual evaluation planning exercise.

<sup>1</sup> Canada's cumulative contribution from 1960 to June 30, 2017.

<sup>2</sup> The World Bank's fiscal year runs from July 1 to June 30. The Government of Canada's fiscal year runs from April 1 to March 31.

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