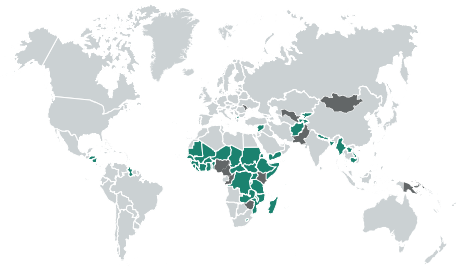


IDA Graduation

Transition Finance Toolkit

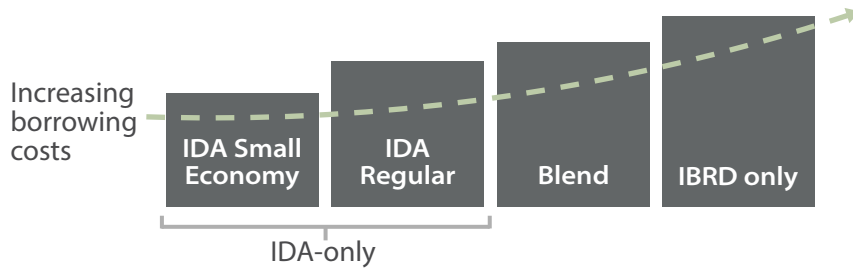


The **International Development Association (IDA)** is the part of the World Bank Group that offers concessional loans and grants to the world's poorest countries. IDA commitments in the fiscal year 2017/2018 totalled USD 24 billion.

- **59 countries** are classified as IDA-only; **17 countries have Blend status** (IDA and IBRD)
- **44 countries** have graduated from IDA since its founding; **9 countries** have re-gained access

Note: All statistics as of 2018

TRANSITION PROCESS



Graduation Criteria

- Transition starts when income per capita exceeds for two consecutive years IDA's operational cutoff (USD 1 175 Atlas method) for FY2020.
- IDA decision to graduate a Blend country to IBRD-only status is based on an assessment of the country's macroeconomic prospects, risk of debt distress, vulnerability to shocks, institutional constraints, and levels of poverty and social indicators.
- Countries can request a creditworthiness assessment by the International Bank for Reconstruction and Development (IBRD) to be classified as "Blend".

TRANSITION IMPACT



Concessionality

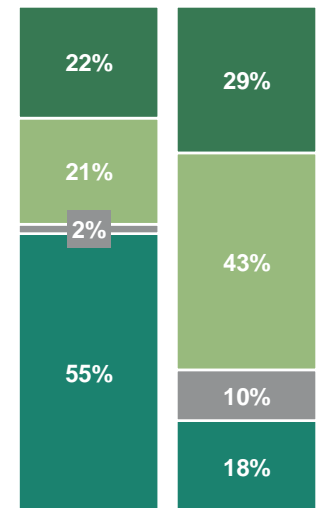
- Graduation from IDA implies a gradual increase in lending costs from the World Bank (see table below).
- After completed transition to "IBRD only," countries can only access IBRD resources (see lending terms below).

| Terms | IDA Small Economy | IDA Regular | Blend* | IBRD |
|----------------------|-------------------------|-------------|----------------|--|
| Maturity (years) | 40 | 38 | 30 | Up to 35 years maximum maturity; up to 20 years average maturity |
| Grace period (years) | 10 | 6 | 5 | |
| Lending rate | Fixed concessional rate | | | Reference rate + spread |
| Repayment schedule | Fixed | Fixed | Fixed/Flexible | Flexible |

*Blend terms apply to blend countries and IDA countries with GNI per capita above the operational cut-off for more than two consecutive years, known as "gap" countries.



External Financing Mix



IDA: ↓ ODA ↑ OOF ↑ FDI
Non-IDA: ↓ ODA ↑ OOF ↑ FDI ↑ Remittances



Other Implications

IBRD's 2018 capital package prioritises support to IDA graduates and new blend countries aiming to make resources available to replace IDA financing.



Key Resources

- [Viet Nam Transition Finance Pilot](#)
- [IDA Borrowing Countries](#)
- [IDA Graduates](#)
- [IDA18 Midterm Review](#)
- [The Transition Finance Toolkit \(https://oe.cd/tf-toolkit\)](#)

RECENT GRADUATES

Bolivia (2015), Sri Lanka (2015), Viet Nam (2015)