



PBAS and BRAM

7 September 2020

Agenda

Overview of PBAS



PBAS in IFAD11



PBAS in IFAD12



BRAM



Next Steps



Enabling IFAD to...



1

Allocate resources transparently and predictably.



2

Provide a performance incentive for member countries, particularly in regard to the quality of policies and institutions in the rural sector.



3

Allocate resources according to need when countries perform equally well.

PBAS formula for IFAD11

Country allocations are based on the **score that each country obtains in the PBAS**, which represents the **relative share** of the country on the **overall PBAS resources**, calculated as:



$$\text{Country Score}_i = (\text{RuralPop}^{0.405} \times \text{GNIPC}^{-0.265}) \times (1 + \text{IVI})^{0.95} \times (0.35\text{RSP} + 0.65\text{PAD})$$

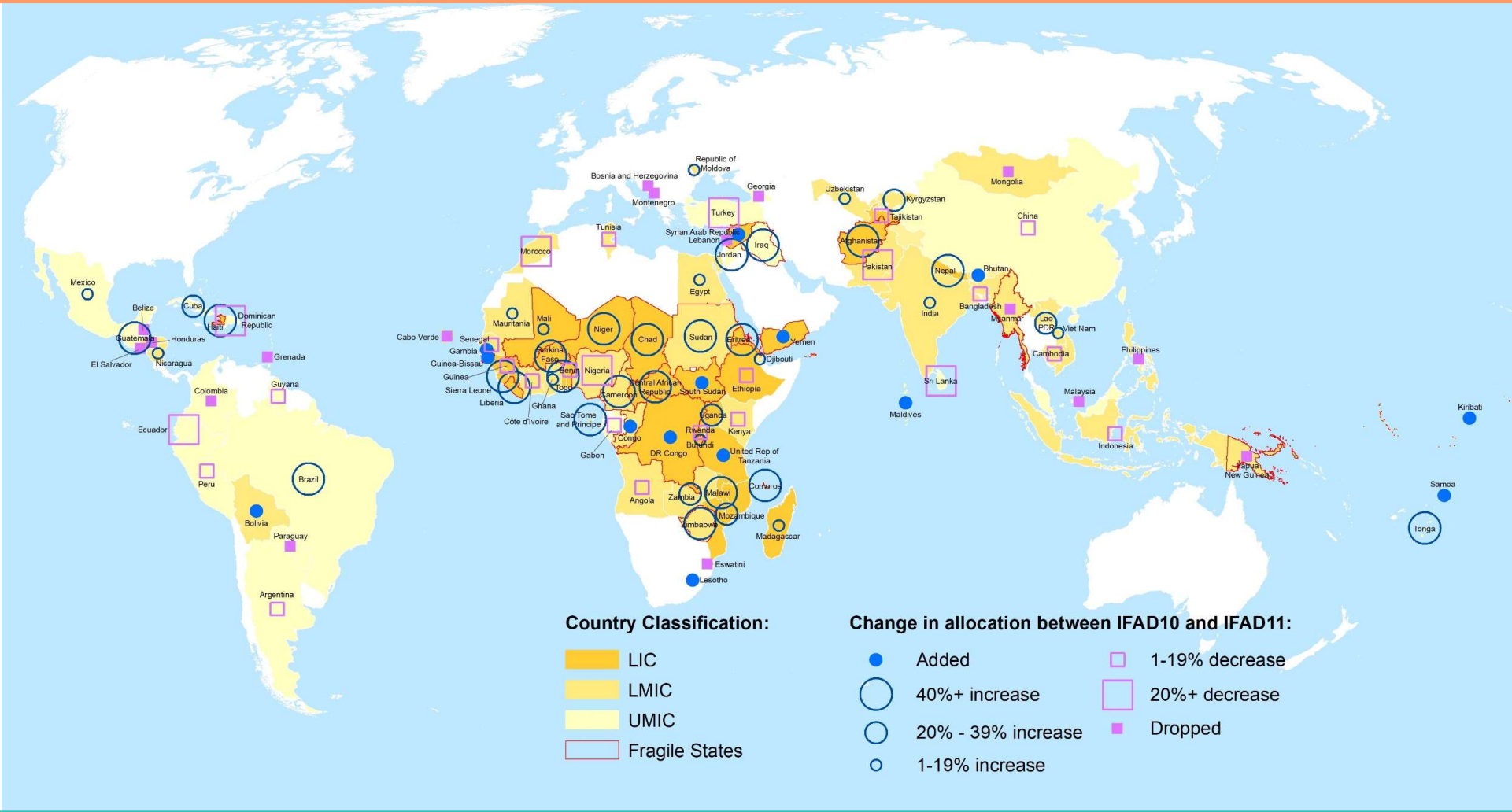
Country
NEEDS
(59%)

Country
PERFORMANCE
(41%)

Key allocation results IFAD 11

- Country selectivity: 80 countries
- Min Allocation: US\$4.5m
- Max Allocation: 5% of POLG
- Sub-Saharan Africa: 59% of core
- Fragile: 25% - 30% of core
- Highly Concessional: ~66% (2/3)
- LICs and LMICs: 90% of core
- UMICs: 10% of core

PBAS in IFAD11 increased resources to the poorest



CORE RESOURCES

59%
Sub-Saharan Africa

Target: 45%
Above target

90%
LICs & LMICs

Target: 90%
On target

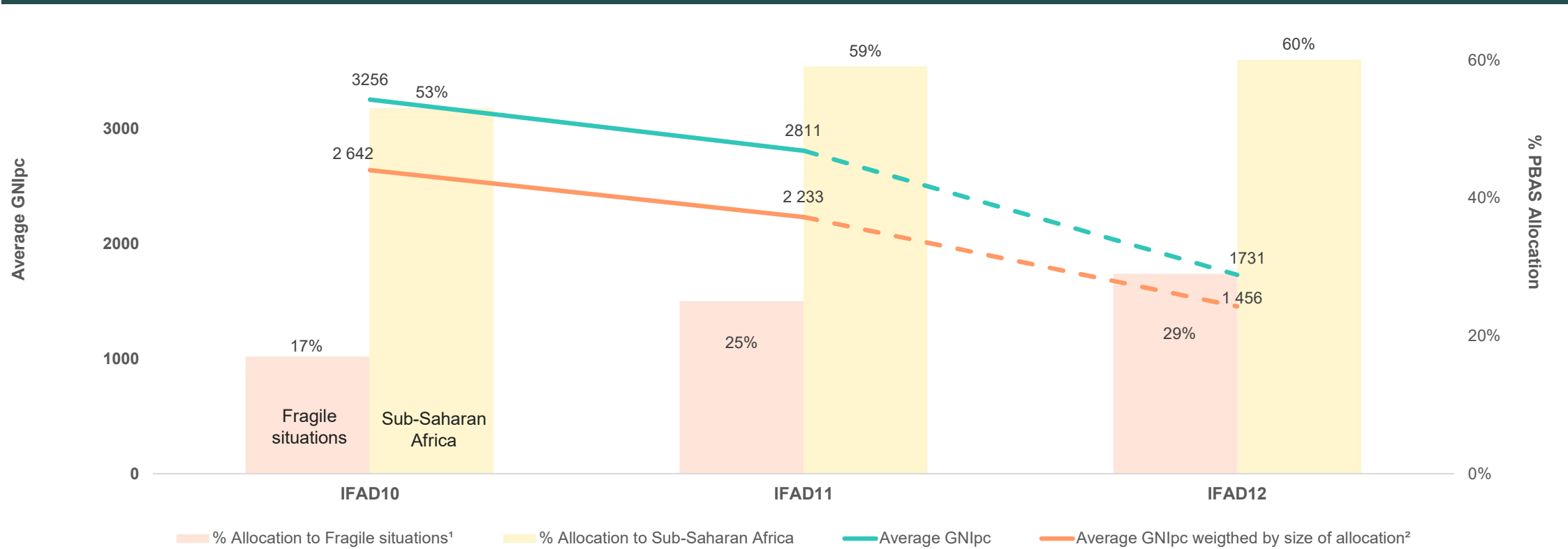
25%
Fragile Situations

Target: 25-30%
On target

And projected PBAS in IFAD12 will reinforce this trend

IFAD12 projections 

Reaching the poorest of the poor: GNIpc of countries receiving financing through PBAS

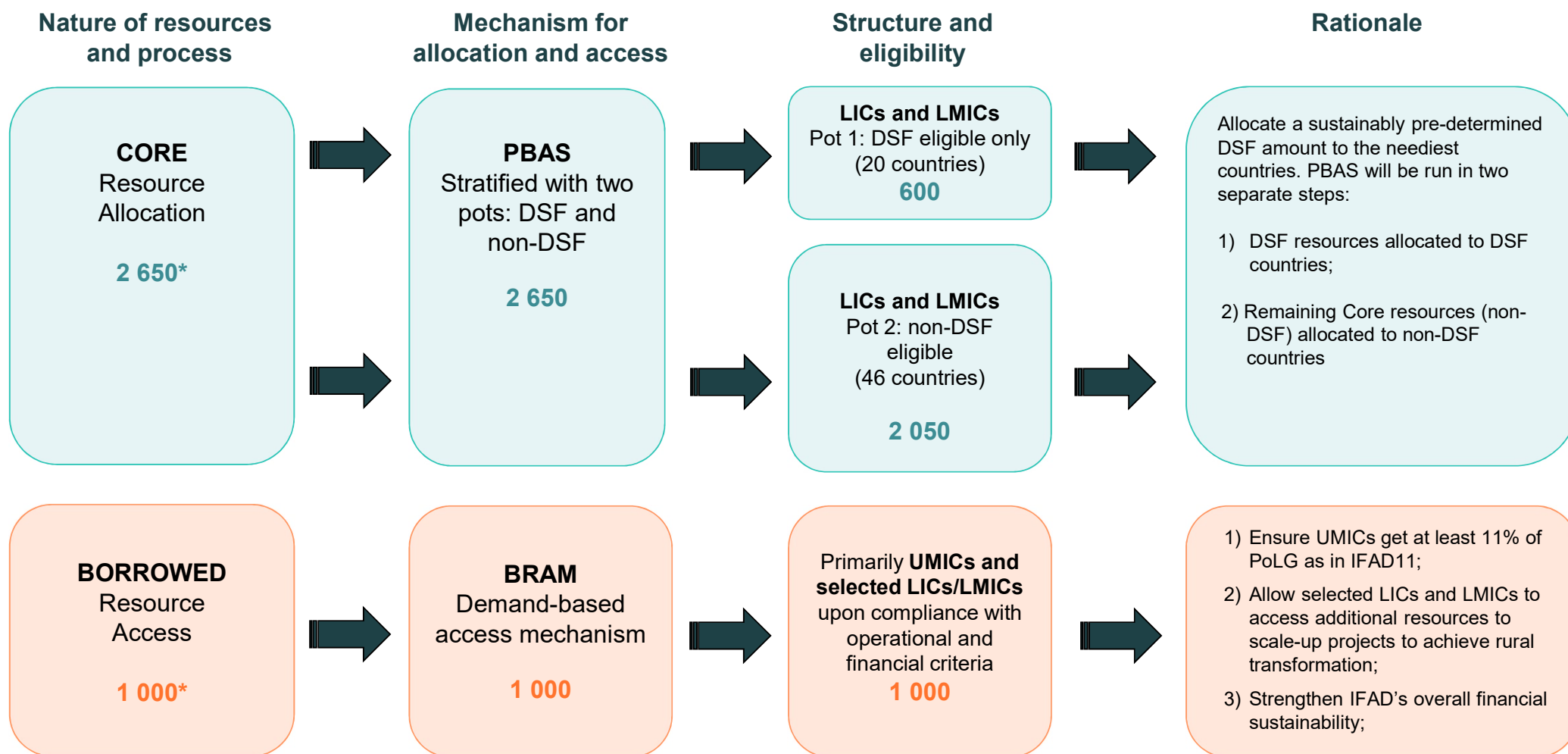


¹For IFAD11 and IFAD12 amounts refer to actual and projected allocations respectively. Fragility is assessed using the WB List of Fragile Situations FY17, FY19 and FY20 for each Replenishment Cycle. Fragility and SSA refer to Core Resources only.

Resource allocation and access in IFAD12

Overall structure and PBAS/BRAM interactions – Example Scenario D

IFAD12 projections 



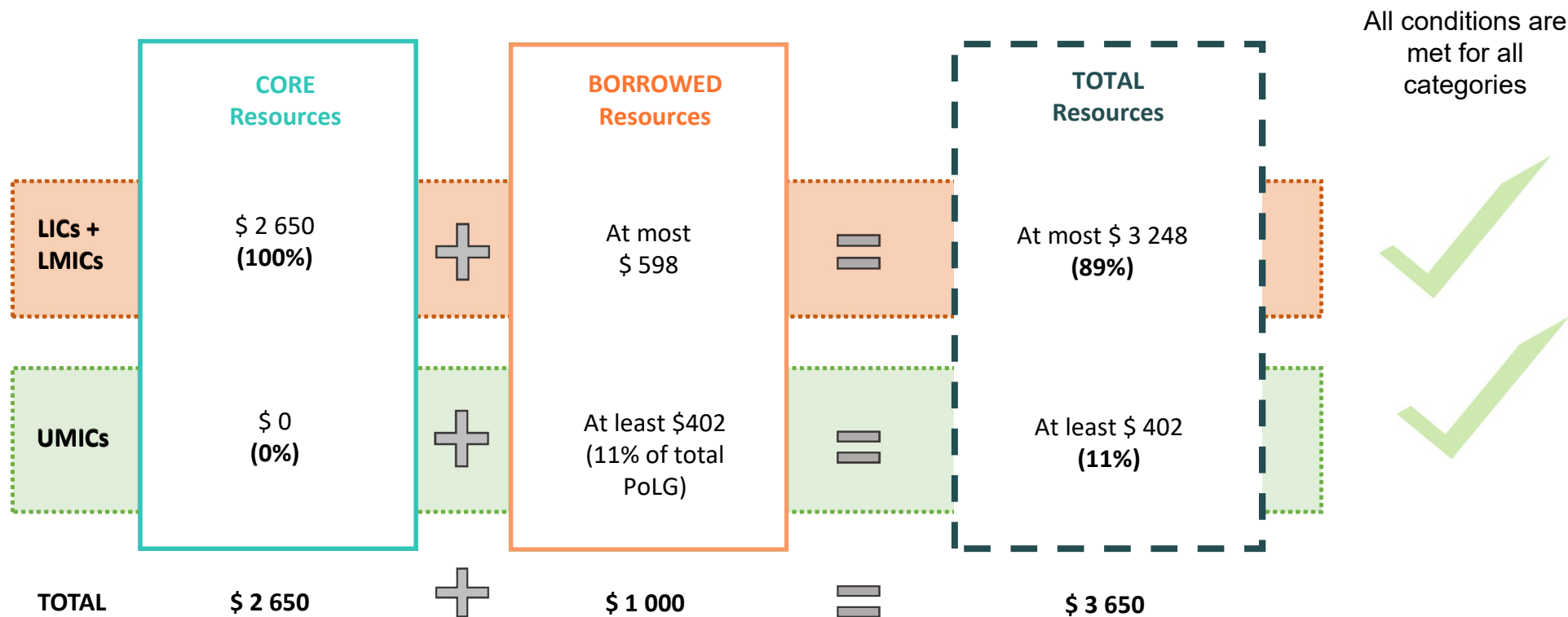
*All figures are based on Scenario D Mid-High as presented in the Business Model Paper

Resource allocation and access in IFAD12

Assumptions regarding take up of core and borrowed resources

IFAD12 projections 

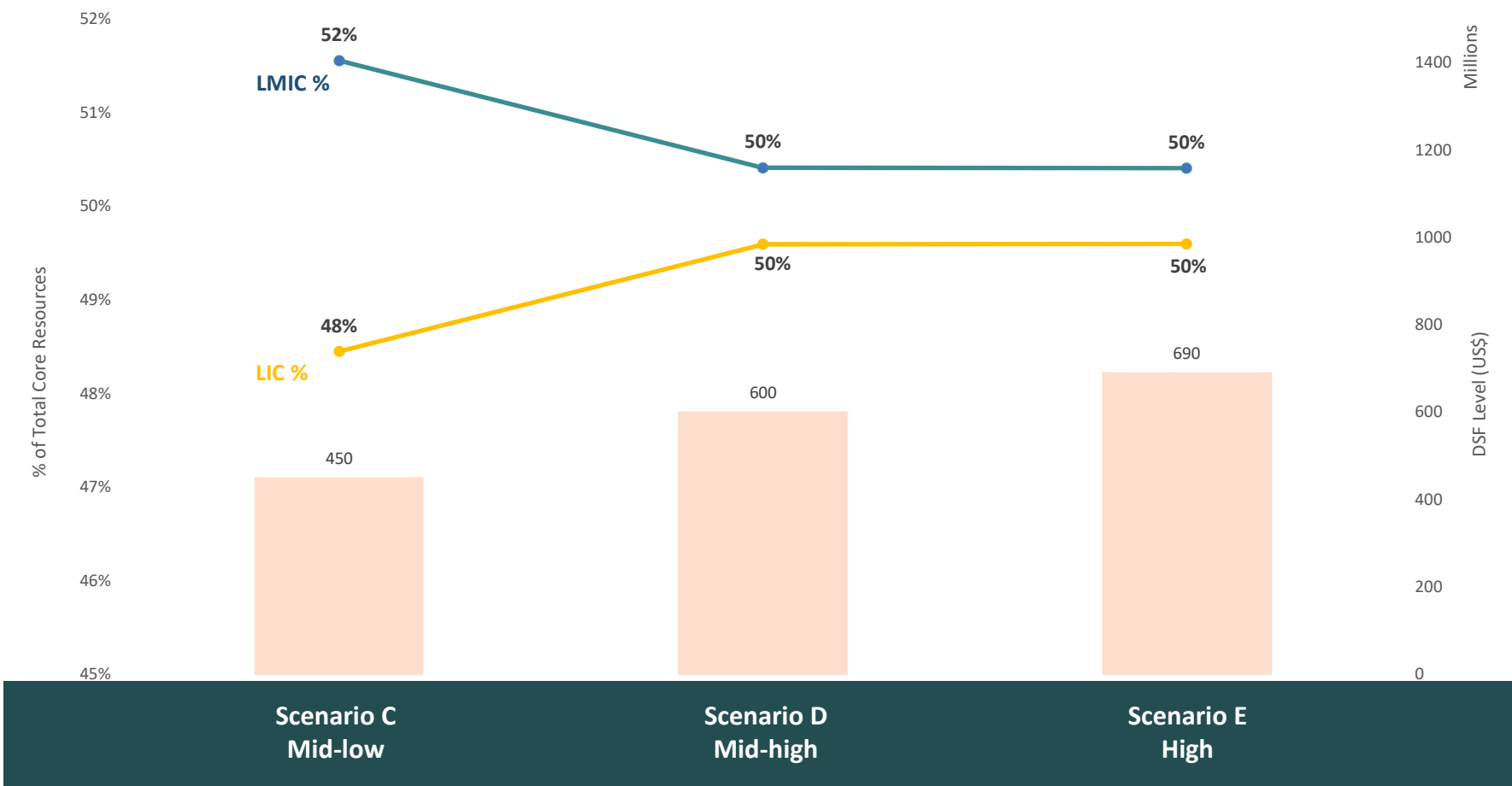
Example from Scenario D – Mid High



PBAS in IFAD12: Resources to LICs depends on DSF

IFAD12 projections 

Reaching the poorest of the poor: A strong replenishment is key for Low Income Countries
-Core Resources distributed through PBAS-



PBAS and IFAD12 : LICs / LMICs ratios

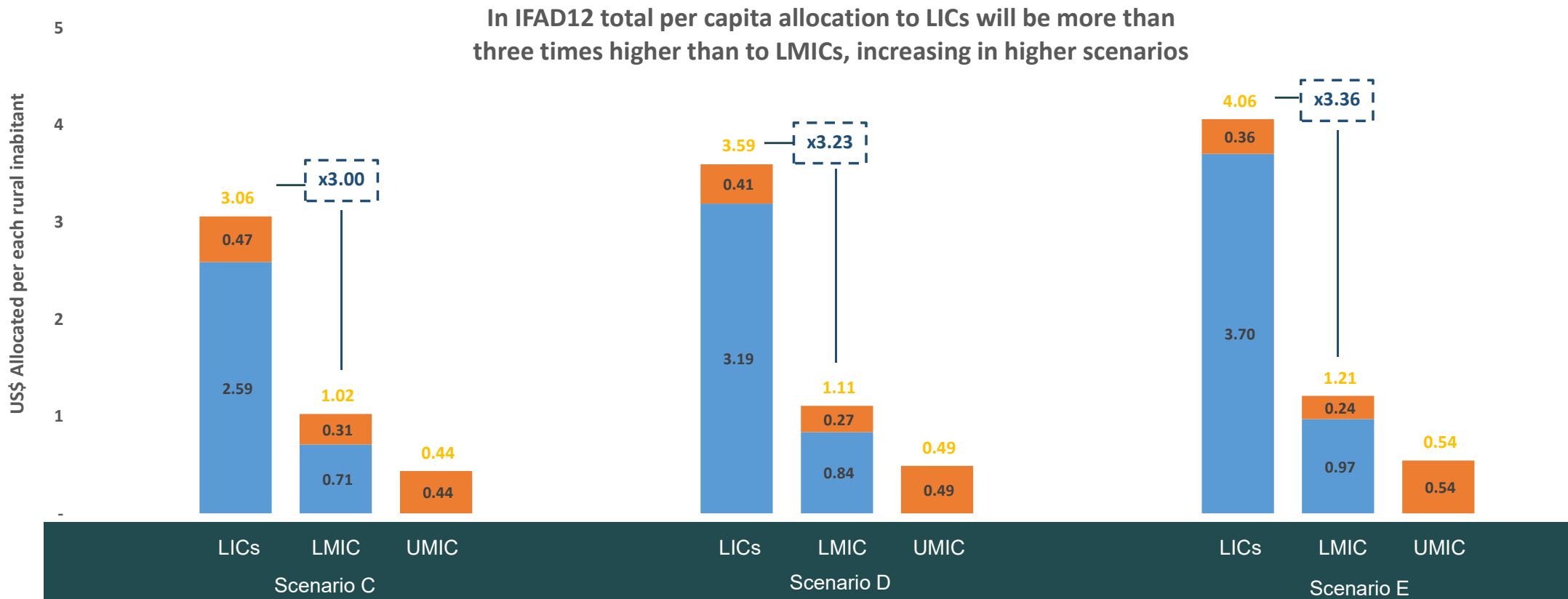
The poorest rural people in the poorest countries receive more IFAD resources per capita

IFAD12 projections 

LICs comprises 27 countries with 412 million of rural population
 LMICs includes 35 countries with 1597 million of rural inhabitants

■ Borrowed

■ Core



Principles and Eligibility for the BRAM

BRAM



Principles

Alignment with IFAD mandate and
development effectiveness

Demand from governments

Financial safeguards



Eligibility

Eligible **LICs and LMICs & UMICs**

Up to 80 / 20 distribution of all resources

At least 11% for UMICs

Additional borrowers (non IFAD11) within
ceiling of total number of IFAD countries



Eligible **LICs** and **LMICs** with PBAS resources can **scale, expand** and **deepen** programmes to generate synergies with PBAS



Can fund **multi-phased approaches** or projects which have **expanded** impact

UMICs access **equal or greater finance** to continue addressing pockets of rural poverty when demonstrating demand



1

Do members agree that the new formula has performed well in IFAD11, and will perform well for LICs and LMICs in IFAD12?

2

What is the work plan for the PBAS WG going forward, and what is needed from management to facilitate its work?

Questions and discussion

Any questions?



Thank you