



STORIES OF IMPACT

IDA, THE WORLD BANK'S LOW
INCOME FUND IN AFRICA

APRIL 2024



“THERE IS NO DOUBT OF IDA’S BENEFIT TO AFRICA.”

Dr Kalyalya, Governor of the Bank of Zambia, and Former Borrower Representative for IDA18 & IDA19

African countries desperately need affordable finance to respond to crises, invest for the future, create jobs and transform their economies. The World Bank’s International Development Association (IDA) is the single largest source of low-cost financing.

These impact case studies show IDA in action. They showcase the transformative potential of IDA in areas like renewable energy, agrifood systems, climate resilience, health, and gender equality.



IDA PLAYS A VITAL ROLE IN PROVIDING AFFORDABLE FINANCE TO THE POOREST COUNTRIES.

- It has supported women, girls, youth, and marginalized groups, as well as key economic sectors like agriculture, healthcare, and infrastructure.
- Over 18 million people benefited from improved access to electricity in Nigeria, Kenya, Zambia and Senegal;
- 75,000 women have received business skills training and productive grants through The Girls' Education and Women's Empowerment and Livelihoods (GEWEL) in Zambia;
- Cash transfers have reached 981,000 vulnerable households, predominantly headed by women in Nigeria.

WITHOUT IDA

- Without IDA Africa would see vulnerable populations suffering due to limited access to affordable finance and support.
- Extreme weather conditions, lack of economic opportunities, and growing debt burdens threaten to undermine government capacity to respond to families who are struggling. Countries would further deteriorate, worsening poverty, inequalities and climate resilience.



NIGERIA

**EMPOWERING PEOPLE LED
INNOVATION IN A CHALLENGING
ENVIRONMENT**



- Nigeria will soon have one of the youngest and largest working-populations in the world with over 200 million people¹. But the economy has stagnated since 2014 and there are not enough jobs for the 3.5 million Nigerians entering the labor force every year.
- With inflation hitting 33.2% in March 2024 families are struggling with higher food prices and cost of living. But with 80% of federal government revenue going to service debt²³ the government has limited space to respond.⁴
- This is where IDA comes in. The largest and most preferred lender.⁵ Over the last nine years, the country received \$10.9 billion from IDA.⁶ That money has achieved remarkable results:⁷
 - **7.1 million** people received new or improved electricity services⁸
 - **3 million** people benefited from 2,900 new or rehabilitated classrooms and 1,214 health centres between 2009 and 2018.
 - **1.9 million** children under the age of two were immunized in partnership with Gavi.
 - **1.7 million** households have received social services.
 - **981,000** vulnerable households, 92% of which are headed by women, have received cash transfers allowing them to invest in health and education.
 - **620,440** births were attended by a health professional (2018).
 - **123,560** people benefited from agricultural land improvements, such as irrigation and drainage services.
 - **53,677** pregnant women with HIV received antiretroviral prophylaxis in partnership with the Global Fund on AIDS, TB and Malaria (2016).
 - **25,000** women received life skills training.
 - **3,000** were trained in vocational skills
 - **97.7%** of the population received an oral polio vaccine coverage with no reported cases of wild poliovirus since August 2016 - in partnership with Gavi.
 - **55%** of public contracts were published online increasing transparency.
- Nigeria became an IDA donor for the first time during IDA19, granting it a seat at both the donors' and borrowers' decision-making tables.⁹
- Between 2014 and 2019, 13 out of 19 objectives in Nigeria's country plan were achieved and 5 mostly achieved.¹⁰



KENYA

**HUGE PROGRESS AT RISK
DUE TO DEBT DISTRESS**

- Kenya's significant political and economic reforms have led to sustained growth and stability.¹¹ But COVID-19 hit Kenya's economy hard, disrupting trade and tourism followed by a prolonged drought. The country faces inequality, youth unemployment, poor accountability, climate change, weak private sector investment, and vulnerability to economic shocks.¹² Citizens are discontent due to high cost of living and regional insecurity.¹³ Kenya is now at a high risk of debt distress; public debt increased from 39%-73% of GDP in the decade to 2023 and debt service now consumes 55% of government revenues.¹⁴ The country desperately needs more concessional finance.
- IDA accounts for about 30% of Kenya's outstanding external debt¹⁵ and, over the last nine years, has supplied \$9 billion to deliver the following impacts.¹⁷
- **4.5 million** people, including 2.3 million women, benefited from Kenya's national safety net program for the poor and vulnerable in 2018
 - **3.6 million** people accessed essential health, nutrition, and population services to people from 2016 to 2018, along with immunization and skilled attendance for births.¹⁸
 - **3 million** Nairobi residents benefited from improved street lighting, pedestrian walkways, sanitation facilities, and fire stations.¹⁹
 - **1.2 million** people benefited from cash transfers with all payments made electronically using two-factor authentication.
 - **1,300 km** of new transmission lines, substations, and upgrades to existing infrastructure upgraded, benefiting over 3 million people.²⁰
 - **1,041** young people received startup grants, and 2,600 received life skills, technical, and entrepreneurship training between 2016 and 2018, leading to increased employability and economic empowerment.





ZAMBIA

**ADDRESSING THE BURDEN
OF DEBT DISTRESS AND
SEVERE DROUGHT**



- Zambia, a landlocked and politically stable country in Southern Africa, is richly endowed with natural resources and the second largest producer of copper on the continent. Its population is expected to double in 25 years.²¹ Yet, poverty is highly prevalent, worsened by limited job creation and declining labor earnings.
- The COVID-19 pandemic pushed the country into debt distress²² and in 2024, a cholera epidemic and severe drought adversely impacted agriculture and food production, electricity availability, and water supply.²³ Zambia's external debt to GDP ratio increased from 20.5% in 2014 to 85.6% in 2020.²⁴
- In August 2022, the IMF Board approved about US\$1.3 billion 38-month Extended Credit Facility arrangement to help restore macroeconomic stability.²⁵ Ongoing debt restructuring is required.²⁶
- High debt servicing obligations left the Zambian government with limited fiscal space for essential public services like healthcare and education, as well as investments in high-growth sectors that could drive future economic prosperity. Which is where IDA's support is so critical.
- Zambia received \$1.7 billion²⁷ (loans and grants) in disbursements from IDA between FY2015 and FY2023²⁸ leading to the following results:
 - **2.9 million** people received essential health, nutrition, and population services, of whom 2.5 million were women, between 2012-2018.²⁹
 - **98,000** farmers benefited from the Zambia Agribusiness and Trade Project (ZATP) has improved market access.³⁰
 - **75,000** women received business skills training significantly raising their income and happiness.³¹
 - **500,000** people benefitted from access to electricity between 2009 and 2015³²
 - **23,986** households received investment in alternative livelihoods to build climate resilience³³



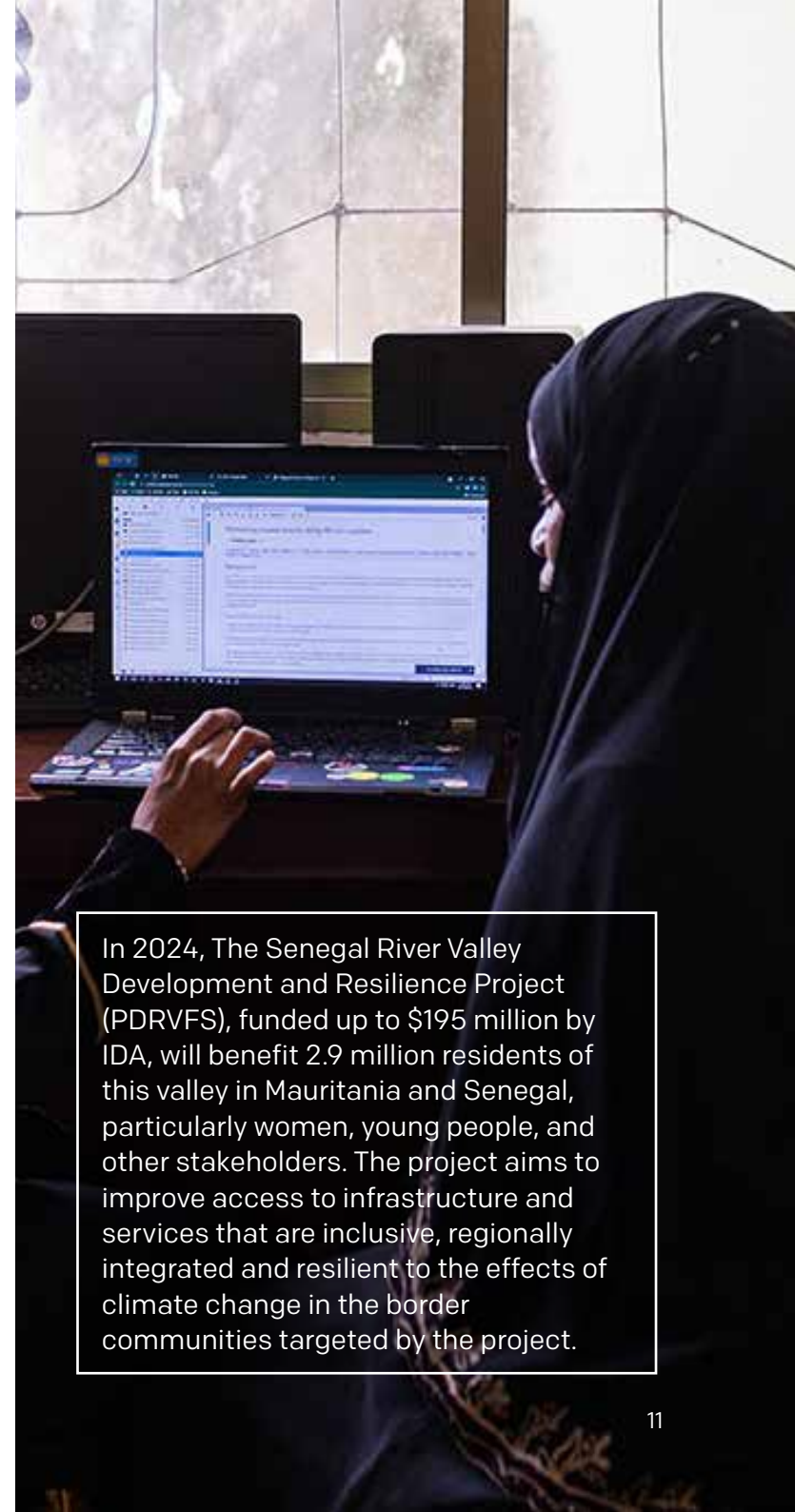
SENEGAL

**ADDRESSING THE BURDEN OF DEBT
DISTRESS AND SEVERE DROUGHT**

“IDA is a form of financing that Senegal appreciates very much, especially because it is linked to performance, which encourages the country to always improve its projects.”

Senior Government Official, Senegal

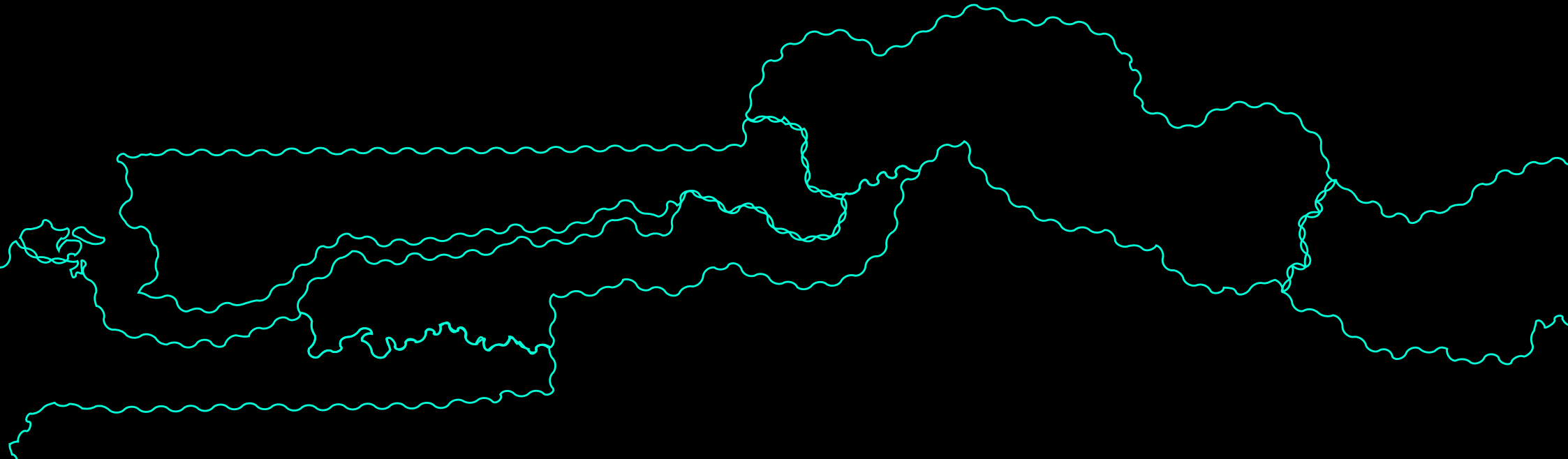
- Senegal recently elected the youngest president in Africa. But a decade of fast economic growth has not translated into a significant reduction in poverty due to a series of different shocks, resulting in the rise in food prices, energy, fertilizers and food products. Real GDP growth at about 3.7% fell short of expectations in 2023, mainly as the impact of the tense socio-political environment observed ahead of the presidential election impacted commercial activities, as well as a slowdown in key manufacturing domains such as the agrifood and textile related production.
- Vulnerable to climatic hazards and fluctuations in raw material prices (peanuts, cotton, fish, gold, phosphoric acid, Senegal is at moderate risk of debt distress.³⁴
- Over the last nine years, Senegal received \$3.3 billion from IDA which delivered the following impacts:³⁵
 - **8.9 million people** benefited from improved reliability of electricity services.
 - **2.3 million people** received health, nutrition, and population services
 - **371,860 households** benefited from the construction of 736 kilometers of electricity transmission and distribution lines.
 - **300,000 women** received antenatal care.
 - **180,000 people** in urban areas were provided with access to improved water sources.
 - **155,397 births** were delivered by skilled healthcare professionals
 - **144,000 people** benefited from reduced flood risks in peri-urban areas of Dakar; 74,800 were women.
 - National budget credibility, transparency, and accountability mechanisms were enhanced.



In 2024, The Senegal River Valley Development and Resilience Project (PDRVFS), funded up to \$195 million by IDA, will benefit 2.9 million residents of this valley in Mauritania and Senegal, particularly women, young people, and other stakeholders. The project aims to improve access to infrastructure and services that are inclusive, regionally integrated and resilient to the effects of climate change in the border communities targeted by the project.

GAMBIA

**CEMENTING THE TRANSITION TO
DEMOCRACY THROUGH ECONOMIC
DEVELOPMENT**





“The best thing I believe the World Bank Group (WBG) can do is to provide Job Opportunities to Youths of this country.”

*Government Official, Gambia*³⁶

- With a population of 2.5 million, Gambia is a fragile low-income country that transitioned to democracy in 2017, after 22 years of autocratic rule.³⁷ The country has made great strides and has built resilience to successive external shocks, including the COVID-19 pandemic and Russia’s war in Ukraine. Economic growth recovered to 5.6% in 2023, up from -0.2% in 2020.³⁸
- But with inflation running at 16.7%³⁹, the escalating cost of living makes it difficult to tackle poverty.⁴⁰ The country is highly vulnerable to flooding, storms, droughts, and coastal erosion.
- Gambia’s development plan to build energy and connectivity infrastructure, resilience to shocks and climate change and transform agriculture, human development and governance will cost US\$3.5 billion.⁴¹ But with a financing gap of US\$2.8 billion (80%), concessional funds are needed.
- With public debt to GDP at 84% and external debt to GDP at about 52% as of end-2022⁴² Gambia remains at high risk of debt distress.⁴³ Having successfully completed a three-year IMF Extended Credit Facility (ECF) program in mid-2023 the country has been unable to achieve its debt reduction targets due to increased spending needs and lower revenue following the Covid-19 pandemic. The IMF approved another 3-year ECF, totalling \$100 million from 2024 to 2026.
- Gambia has no choice but to pursue a prudent borrowing strategy only seeking new external financing on concessional or semi-concessional terms from multilateral and bilateral institutions like IDA.
- Over the last 9 years (2015-2023) IDA disbursed \$472 million to Gambia.⁴⁴ aligning with the key priorities of the Government’s National Development Plans and receiving highest ratings of effectiveness for work on education, health, and gender equity (though ratings in agriculture and Job creation were lower.⁴⁵ This funding delivered significant results including.⁴⁶
 - **1.1 million** people registered for birth and national health insurance.
 - **78,422** households received short-term cash transfers during COVID-19.
 - **27,000** farmers received 500 tons of improved climate-smart seeds (2022/23)
 - **A 23MW solar plant** with 8MWh battery storage reduced generation costs and carbon emissions and aided financial sustainability.

ENDNOTES

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Assembled by The ONE Campaign which fights for a more just world by demanding the resources needed to deliver equal opportunities and healthier lives in Africa.