

IDA'S CRISIS RESPONSE WINDOW: LEARNING LESSONS TO DRIVE CHANGE

DISCUSSION PAPER



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The Centre for Disaster Protection works with developing countries to find better ways to manage the risks of disasters and to deliver earlier, more cost-effective support for people when disasters occur. One element of the Centre's work is influencing global policy on financing responses to disasters. This series of papers was commissioned to provide analysis, ideas and recommendations for the upcoming nineteenth replenishment of the International Development Association. The series comprises Discussion Papers and Policy Briefs, all available at www.disasterprotection.org.

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Discussion papers represent 'work in progress' documents that are intended to inspire discussion and debate. They reflect the views of their authors and not necessarily the views of the Centre for Disaster Protection. For more information email info@disasterprotection.org.

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● ACRONYMS AND ABBREVIATIONS

| | |
|-------------|--|
| ADRFi | Africa Disaster Risk Financing |
| AF | Additional Financing |
| Cat DDOs | Catastrophe Deferred Drawdown Options |
| CERCs | Contingent Emergency Response Components |
| CERF | Central Emergency Response Fund |
| CRW | Crisis Response Window |
| DPF | Development Policy Financing |
| DREF | Disaster Relief Emergency Fund |
| GCRP | Global Crisis Response Platform |
| GFDRR | Global Facility for Disaster Reduction and Recovery |
| GRiF | Global Risk Financing Facility |
| IDA | International Development Association |
| IEG | Independent Evaluation Group |
| IHR | International Health Regulations |
| IPF | Investment Project Financing |
| IRM | Immediate Response Mechanism |
| ISR | Implementation Status Reports |
| MTR | Mid-term Reviews |
| NWOW | 'New Way of Working' |
| OCHA | United Nations Office for the Coordination of Humanitarian Affairs |
| PforR / P4R | Programme-for-Results |
| PID | Project Identification Documents |
| PAD | Project Appraisal Documents |
| RMR | Risk Mitigation Regime |
| TAR | Turn Around Regime |
| WHO | World Health Organisation |

● EXECUTIVE SUMMARY

The World Bank's International Development Association (IDA) Crisis Response Window (CRW), established in 2010, is a major crisis-financing mechanism with potential to allocate almost US\$3 billion under the current IDA18 cycle. Since its official inception, the CRW has allocated US\$3.1 billion across 24 crisis episodes, contributing 30% of IDA's overall disaster-response financing during this period. This paper reviews the way in which the CRW has been used to date, and offers recommendations to inform discussions regarding the CRW's future as part of the 19th IDA replenishment, and more broadly the future of the global crisis risk financing architecture. It is based on a review of publicly available data on the CRW, including the CRW's own aggregate reporting found in replenishment, mid-term and retrospective reports for each IDA cycle, together with project level data collated from the World Bank website.

The CRW has been utilised flexibly across a wide range of different crisis contexts, including natural disasters, economic crises and public health emergencies; responding to both sudden shocks and slower-onset emergencies. It has also supported both short- and longer-term programming responses. Whilst the CRW-eligibility criteria differentiate between crisis types, they are better articulated for sudden shocks with a clear beginning and end point, rather than slow-onset disasters where swift action might mitigate crisis impact. Similarly, the CRW application and approval processes appear better adapted to medium- to long-term recovery and reconstruction efforts than to early action.

This reflects a gap across the range of crisis-response instruments, many of which can only be enacted after a crisis occurs. The CRW has not sufficiently defined its added value in relation to different crisis typologies, and therefore misses an opportunity to better complement other mechanisms and have greater impact across the crisis-response system.

KEY FINDINGS:

The World Bank is uniquely placed to drive change within the crisis risk financing architecture, given its knowledge of country context and local capacities, deep government relationships, convening power across international actors and its ability to link pre-crisis, immediate response with long-term development planning. **The CRW demonstrates clear comparative advantages in relation to other**

World Bank tools and the wider crisis response system, providing scale and flexibility across a range of crisis types and different phases of crisis response: from crisis mitigation and early recovery, through to longer-term reconstruction.

The CRW adds value by supporting government-led initiatives, so aligning IDA with national development plans, and disaster preparedness and risk reduction efforts.

IDA19 presents an opportunity to further improve the way in which the CRW operates, and to articulate more precisely its role within the IDA toolkit and more broadly. Looking ahead, the CRW could be used strategically to drive greater systematic change in the way in which crisis risk is financed by IDA and the international system.

There is relatively little analysis publicly available on CRW utilisation, beyond summary reports at the point of replenishment, mid-term review and end of IDA cycle retrospectives; these sources don't capture project-level performance data, nor do they assess the CRW in relation to broader crisis-response machinery. **Improved transparency would deepen the accountability of the CRW and make it clearer how it fits in the wider global crisis financing architecture.**

The utilisation and performance of CRW funds appears to differ by type of crisis. However, the expected process, timeframes and potential modalities are not articulated in detail according to a typology of crises. It is hard to determine what efficient use would look like, or against which standards the performance of the CRW should be measured in different circumstances. Whilst some cases of CRW use demonstrate extremely rapid approval and disbursement, many do not. Patterns of approval and disbursement are, to some extent, determined by the nature of crisis, typical types of response and modes of delivery.

The management of the CRW in terms of replenishment and approvals processes constrains its use, and does not appear to be evidenced by a clear analysis of anticipated demand. Replenishment reports do not describe the way in which levels of funds are committed at replenishment, nor whether this is based on any assessment, estimate or prediction of potential needs. More clarity is needed in terms of how upcoming risks have been assessed, and how the availability of non-CRW funds for crisis response has been taken into account. The paper concludes that IDA19 provides an opportunity to enhance the transparency of CRW, to report better on

its utilisation and impact in relation to crisis-response goals, and to articulate more clearly how it relates to the global crisis financing architecture. This would help to maximise the impact and value of the CRW in individual crises and serve to strengthen global crisis response more broadly.

Based on the findings of the review, the following recommendations are made to strengthen and renew the Crisis Response Window in IDA19:

- The CRW should better define its comparative advantages in relation to other mechanisms within the World Bank Crisis toolkit, and to the global crisis response system more broadly;
- The CRW should elaborate publicly on its eligibility criteria, according to different types of crisis, expanding particularly on how these are applicable in cases of slow-onset emergency, how the balance between different criteria is assessed, and how appropriate burden sharing and the principle of last resort are applied;
- The CRW should scrutinise its operational effectiveness and determine how its performance should be measured, with a focus on impact and on comparison with other international crisis response mechanisms;
- The CRW should enact better reporting on the use of funds at the level of individual crisis and individual project, so that its contribution and impact can be better understood in order to increase accountability and drive improved performance;
- The system for replenishing the CRW should be made more flexible and responsive, building on enhanced analysis of likely demand, including through the Global Crisis Response Platform.

● INTRODUCTION

The World Bank's International Development Association (IDA) Crisis Response Window (CRW), established in 2010 under IDA16, is a significant crisis financing mechanism with potential to allocate almost US\$3 billion under the current IDA18 cycle.

The CRW was initiated to strengthen the predictability and timeliness of IDA's crisis response. It helps IDA member governments respond to shocks such as economic crises, natural disasters (such as droughts, earthquakes, floods and storms) and public health emergencies by providing additional resources for recovery and reconstruction to mitigate crisis impacts. It aims to reduce disruption to long-term development trajectories by safeguarding core development spending¹ and funding additional needs. However, relatively little is known about the use of the CRW, or its impact.

While all IDA countries are potentially eligible for CRW support, decisions are made by the World Bank Board of Executive Directors based on country-specific circumstances, including the magnitude of crisis impact and access to alternative financing sources. Funding criteria under IDA18 are set out in an Annex on operation of the CRW², differentiated by three types of crisis (Economic Crises, Natural Disasters and Public Health Emergencies).

CRW finance is intended to be part of a wider international response, with appropriate burden sharing, and accessed as a last resort. It forms an important part of a larger World Bank crisis toolkit, and makes a significant contribution to global crisis response efforts, given its reach, scale and flexibility of focus. Over time, the wider sphere of crisis response in which it plays a part has evolved, with new understandings of potential crises and their impacts, new financing mechanisms, and a growing body of evidence on effective responses to crises (including an increasing focus on crisis prevention and preparedness across the World Bank Group and beyond). Successive IDA replenishment agreements have set out adaptations in the CRW's implementation framework, reflecting its ability to adapt as the demands for crisis response evolve,³ and lessons are learnt from implementation. A transparent governance process was

designed, allowing early consultation with the Board for guidance on potential use of CRW resources, before projects are prepared and submitted for approval. The CRW Eligibility Note was established as a way to systematise assessment of applications for CRW funds. It was also recommended that the CRW be accompanied by efforts to encourage donors to make additional contributions to the CRW, earmarked for specific crises, instead of going through trust funds⁴. A guide was developed, advising staff on how to apply for CRW funding in order to expedite the work of country units. It was also agreed that reallocations of unused funds would be proposed at the time of IDA Mid-Term Reviews (MTRs)⁵.

This paper reviews the way in which the CRW has been used to date, including trends in allocation, disbursement and modes of delivery. It also reflects on the CRW's comparative advantages, and its contribution to wider global efforts to prevent, prepare for and respond to crises. The paper examines how the CRW resources are tracked, and the quality and transparency of data relating to the projects it supports. Finally, the paper makes a number of recommendations that could be used to strengthen the CRW under IDA19.

¹ Prior to the CRW's creation, crisis support from IDA was ad hoc, and relied on project restructuring and reallocations from country portfolios, which entailed trade-offs with core development activities.

² http://ida.worldbank.org/sites/default/files/pdfs/1-crw_operation_of_the_crisis_response_window.pdf

³ Notably, following the 2014 Ebola epidemic, IDA Executive Directors agreed at the IDA17 MTR to expand the CRW's scope to cover public health emergencies.

⁴ World Bank, 2010.

⁵ This has been proposed under IDA18.

1

SECTION 1: METHODOLOGY AND OBSERVATIONS ON AVAILABILITY OF DATA

The report is based on a review of publicly available data on the CRW. Whilst internal World Bank reporting may be detailed, public information on the CRW consists largely of official aggregate reports at the point of IDA replenishment, MTRs, and end of cycle retrospectives. Replenishment reports set out the value of the CRW for the upcoming IDA cycle, alongside separate notes on the CRW process and eligibility. MTRs and retrospective reports capture data on CRW utilisation, summarising sectoral coverage, speed of allocations and first disbursements, as well as the type of crisis addressed. These reports are illustrative, but not comprehensive nor consistent; they do not present impact-focused analysis and nor highlight the effectiveness of the CRW contribution on a case by case basis. This makes it difficult to determine the efficiency and impact of CRW spending. Furthermore, summary reports reflect the performance of the CRW in relation to regular World Bank financing mechanisms, rather than in relation to the global crisis risk financing architecture.

There is little central reporting or collation of CRW-related data that is publicly accessible. However, an annex to the IDA18 mid-term CRW stocktake lists the projects funded, and supplies a breakdown of allocations by country/crisis. Based on the list, it was possible to piece together additional data from related project pages (and parent project pages) on the World Bank website. A clearer picture of CRW utilisation emerged from scrutiny of project-specific documentation such as Project Identification Documents (PID), Project Appraisal Documents (PAD), Implementation Status Reports (ISR), and reports of the Independent Evaluation Group (IEG), where projects had closed. Data that it was possible to extract included: type of crisis, commitment amounts, approval and effectiveness dates, disbursements amounts and dates, interest payments on credits, cancellations and performance ratings. Once a project had been confirmed as CRW-funded, data on commitments and disbursements was downloaded from the World Bank website.

In some cases, CRW allocations were integrated into larger multi-source commitments. Where CRW-specific elements of larger and longer-term project allocations were not clear, it has been assumed that the CRW-financed portion of an allocation was disbursed before other contributions, which may skew data towards faster disbursement schedules by CRW than occurred in reality. A few individual cases were outliers, and the data has been reported here in a way that takes account of that. The most obvious outlier case is the Haiti earthquake response, which saw multiple projects funded over a long time period, many starting long after the initial crisis and, indeed, occurring prior to the establishment of the CRW.

The date of the crisis was noted in most project documents, with the exception of economic crises or droughts, where it was rarely recorded. In these cases, the date of crisis was estimated based on a declaration of emergency by the national government or, in the case of economic crisis, by the date of economic/fiscal forecast detailed in the project documents. In neither case does this capture the lengthy prior periods when crises have been predicted and early action could have been considered.

Project documentation lacked explicit detail on how eligibility criteria were met, whether there were exceptional circumstances and how burden-sharing and last resort were determined; crisis impact descriptions were inconsistent. There was no detail on the specific expected impact of the CRW, in terms of its overall aims of safeguarding development and mitigating against disaster impact. Thus, it was difficult to scrutinise CRW decision-making, assess its contribution in cost-effectiveness terms and to determine the contribution of CRW allocations to wider crisis responses.

Once key data was compiled for all projects, the data was filtered by certain characteristics to highlight any trends, exceptions or other points of note. This analysis is reflected in the report.

2

SECTION 2: CRW ALLOCATIONS UNDER IDA16, IDA17 AND IDA18

2.1 OVERVIEW OF CRW ALLOCATIONS

Since its official establishment in IDA16, the CRW has allocated US\$3.1 billion across 24 crisis episodes, contributing 30% of IDA’s overall disaster response financing during this period⁶.

Table 1 details CRW allocations to date⁷, based on the list of country allocations contained in the CRW stocktake and data retrieved from individual project pages⁸. Allocations to single events range from extremely large responses of hundreds of millions of dollars across

multiple countries and projects, to allocations of US\$1.5 million+ for single projects, with small allocations generally being for crises in small island states with small populations and economies. The largest contributions were: US\$508 million to the Haiti earthquake response; US\$420 million to Ebola response; US\$360 million to the Horn of Africa/Yemen in 2017; US\$350 million to the Nepal earthquake response and US\$250 million to the Horn of Africa in 2011.

Table 1: CRW allocations per country and crisis⁹

| IDA | COUNTRY | PROJECT NAME | TYPE OF AID | TYPE OF CRISIS | CRISIS DATE ¹⁰ | APPROVAL DATE | AMOUNT (M USD) |
|-------|---------|--|-------------|----------------|---------------------------|---------------|----------------|
| IDA16 | Haiti | Haiti Education for All Project - Phase II | CRW grant | Earthquake | 12/01/2010 | 01/12/2011 | 70 |
| | | Relaunching Agriculture: Strengthening Agriculture Public Services II Project. | | | 12/01/2010 | 01/12/2011 | 40 |
| | | Disaster Risk Management and Reconstruction Project | | | 12/01/2010 | 01/12/2011 | 60 |
| | | Rebuilding Energy Infrastructure and Access Project | | | 12/01/2010 | 27/09/2012 | 90 |

⁶ World Bank, 2018, CRW stocktake.

⁷ Individual project totals largely tallied with country totals reported by the CRW. There were discrepancies for the Horn of Africa Drought in 2011 (CRW reported total was higher than the sum of individual project contributions detailed on project pages), and the Solomon Islands flood response in 2014, which was split across three projects, two of which presented conflicting information about the proportion from CRW.

⁸ Data that it was possible to extract include: commitment amounts, approval and effectiveness dates, disbursements amounts and dates, interest payments on credits, cancellations, and performance ratings from ISR and IEG reports.

⁹ Showing only the CRW allocation and not the financing of parent operations, or of the larger budget lines from multiple sources.

¹⁰ Noting that, in some cases, the crisis long pre-existed the declaration of a state of emergency.

| IDA | COUNTRY | PROJECT NAME | TYPE OF AID | TYPE OF CRISIS | CRISIS DATE ¹⁰ | APPROVAL DATE | AMOUNT (M USD) |
|-----|------------|--|-------------|----------------|---------------------------|---------------|----------------|
| | | AF for Infrastructure and Institutions Emergency Recovery Project | | | 12/01/2010 | 27/09/2012 | 35 |
| | | Business Development and Investment Project | | | 12/01/2010 | 21/05/2013 | 20 |
| | | Improving Maternal & Child Health through Integrated Social Services Project | | | 12/01/2010 | 21/05/2013 | 70 |
| | | Economic Reconstruction and Growth Development Policy Financing | | | 12/01/2010 | 18/06/2013 | 20 |
| | | Cultural Heritage and Tourism Sector | | | 12/01/2010 | 19/05/2014 | 45 |
| | | HT Centre & Artibonite Regional Development | | | 12/01/2010 | 19/05/2014 | 50 |
| | | Urban CDD Project AF | | | 12/01/2010 | 20/06/2014 | 7,5 |
| | Ethiopia | Additional Financing Productive Safety Net APL III Project | CRW credit | Drought | 01/07/2011 | 29/03/2012 | 70 |
| | Kenya | Additional Financing for Water and Sanitation Services Improvement Project | CRW credit | | 01/07/2011 | 10/05/2012 | 20 |
| | Regional | Horn of Africa Emergency Health and Nutrition Project | CRW grant | | 20/07/2011 | 15/09/2011 | 30 |
| | Kenya | Health Sector Support Project AF | CRW credit | | 20/07/2011 | 20/12/2011 | 56 |
| | Djibouti | DJ Crisis Response - Social Safety Net Project | CRW grant | | 20/07/2011 | 12/06/2012 | 5 |
| | | Second AF for Power Access and Diversification Project | CRW grant | | 20/07/2011 | 12/06/2012 | 5,2 |
| | | AF for Rural Community Development and Water Mobilisation Project | CRW grant | | 20/07/2011 | 12/06/2012 | 3 |
| | Samoa | Samoa Development Policy Operation | CRW grant | Cyclone | 12/12/2012 | 12/07/2013 | 10 |
| | | Agriculture and Fisheries Cyclone Response Project | CRW grant | | 12/12/2012 | 17/10/2013 | 5 |
| | | Enhanced Road Access Project | CRW grant | | 12/12/2012 | 17/10/2013 | 5 |
| | Mozambique | National Water Resources Development Flood Response Project | CRW credit | Flood | 12/01/2013 | 27/09/2013 | 32 |
| | | Roads and Bridges Management Maintenance Project Phase II - Additional financing | CRW credit | | 12/01/2013 | 13/12/2013 | 3,15 |
| | | | CRW grant | | 12/01/2013 | 13/12/2013 | 36,25 |

| IDA | COUNTRY | PROJECT NAME | TYPE OF AID | TYPE OF CRISIS | CRISIS DATE ¹⁰ | APPROVAL DATE | AMOUNT (M USD) |
|--------|-------------------------|--|-------------|----------------|---------------------------|---------------|----------------|
| | Tonga | Tonga Cyclone Ian Reconstruction and Climate Resilience Project | CRW credit | Cyclone | 23/12/2013 | 28/05/2014 | 6 |
| | | | CRW grant | | 23/12/2013 | 28/05/2014 | 6 |
| | St Vincent | Regional Disaster Vulnerability Reduction Project—Additional Financing | CRW credit | Flood | 24/12/2013 | 09/05/2014 | 19 |
| | St Lucia | Disaster Vulnerability Reduction Project | CRW credit | | 24/12/2013 | 14/06/2014 | 17 |
| IDA17 | Solomon Islands | Solomon Islands Rural Development Programme II | CRW credit | Flood | 01/04/2014 | 21/11/2014 | 2,5 |
| | | | CRW grant | | 01/04/2014 | 21/11/2014 | 1,5 |
| | | Recovery Financing Development Policy Operation | CRW grant | | 01/04/2014 | 21/11/2014 | 2 |
| | | AF(CRW) for SB-Rapid Employment Project | CRW grant | | 01/04/2014 | 31/07/2015 | 1,5 |
| | | | CRW grant | | 01/04/2014 | 18/11/2016 | 1,9 |
| | Bosnia | BiH Floods Emergency Recovery Project | CRW credit | Flood | 14/05/2014 | 30/06/2014 | 100 |
| | Liberia | Ebola response | CRW grant | Ebola | 08/09/2014 | 16/09/2014 | 52 |
| | Sierra Leone | | CRW grant | | 08/09/2014 | 16/09/2014 | 28 |
| | Guinea | | CRW grant | | 08/09/2014 | 16/09/2014 | 25 |
| | Liberia | Poverty Reduction Support Credit II | CRW grant | | 08/09/2014 | 12/11/2014 | 10 |
| | Guinea | Emergency Macroeconomic and Fiscal Support Grant | CRW grant | | 08/09/2014 | 13/11/2014 | 10 |
| | Sierra Leone | Ebola Emergency Response Project | CRW grant | | 08/09/2014 | 18/11/2014 | 98 |
| | Liberia | | CRW grant | | 08/09/2014 | 18/11/2014 | 115 |
| | Guinea | | CRW grant | | 08/09/2014 | 18/11/2014 | 72 |
| | Sierra Leone | Sierra Leone—Emergency Economic and Fiscal Support Operation | CRW grant | | 08/09/2014 | 17/12/2014 | 10 |
| | Malawi | Malawi Floods Emergency Recovery Project of Malawi | CRW credit | Flood | 14/01/2015 | 07/05/2015 | 40 |
| | | | CRW grant | | 14/01/2015 | 07/05/2015 | 40 |
| Tuvalu | Second Supplemental DPO | CRW grant | Cyclone | 15/03/2015 | 15/09/2015 | 3 | |

| IDA | COUNTRY | PROJECT NAME | TYPE OF AID | TYPE OF CRISIS | CRISIS DATE ¹⁰ | APPROVAL DATE | AMOUNT (M USD) |
|-------|---|--|-------------|----------------|---------------------------|---------------|----------------|
| | Vanuatu | Vanuatu Infrastructure Reconstruction and Improvement Project | CRW credit | Cyclone | 15/03/2015 | 17/06/2016 | 25 |
| | | | CRW grant | | 15/03/2015 | 17/06/2016 | 25 |
| | Nepal | Financial Sector Stability DPC2 | CRW credit | Earthquake | 25/04/2015 | 29/06/2015 | 50 |
| | | Earthquake Housing Reconstruction Project | CRW credit | | 25/04/2015 | 29/06/2015 | 200 |
| | | NP: Road Sector Development Project | CRW credit | | 25/04/2015 | 25/08/2016 | 50 |
| | Lesotho | Crisis Response AF to Social Assistance Project | CRW credit | Drought | 22/12/2015 | 03/12/2016 | 20 |
| | Liberia | LR-PRSC III (FY16) | CRW grant | Economic shock | 01/01/2016 | 17/11/2016 | 8 |
| | | Second AF LR Road Asset Management | CRW credit | | 01/01/2016 | 08/05/2017 | 12 |
| | Mozambique | Emergency Resilient Recovery Project AF | CRW credit | Drought | 01/04/2016 | 13/01/2017 | 20 |
| | | Mozambique Safety Nets | CRW credit | | 01/04/2016 | 10/03/2017 | 10 |
| | Malawi | Malawi Drought Recovery and Resilience | CRW grant | Drought | 14/04/2016 | 08/11/2016 | 9 |
| | | Second Additional Financing for Strengthening Safety Nets Systems and Fourth Malawi Social Action Fund | CRW grant | | 14/04/2016 | 08/11/2016 | 11 |
| | Sierra Leone | Productivity and Transparency Support Credit | CRW credit | Economic shock | 01/06/2016 | 30/06/2017 | 12 |
| | | | CRW grant | | 01/06/2016 | 30/06/2017 | 8 |
| | Chad | Fiscal Consolidation Support Programme (Development Policy Operations) | CRW grant | Economic shock | 01/07/2016 | 08/12/2016 | 80 |
| | Guinea | West Africa Agricultural Productivity Programme (WAAPP-IC) | CRW credit | | 01/07/2016 | 03/02/2017 | 15 |
| | | GN: Economic Governance Technical Assistance | CRW grant | | 13/07/2016 | 09/06/2017 | 7 |
| | Myanmar | Flood and Landslide Emergency Recovery Project (FLERP) | CRW credit | Flood | 31/07/2016 | 14/07/2016 | 100 |
| Haiti | Disaster Risk Management and Reconstruction Project | CRW grant | Hurricane | 04/10/2016 | 08/06/2017 | 20 | |
| | Relaunching Agriculture: Strengthening Agriculture Public Services II Project | CRW grant | | 04/10/2016 | 14/06/2017 | 35 | |

| IDA | COUNTRY | PROJECT NAME | TYPE OF AID | TYPE OF CRISIS | CRISIS DATE ¹⁰ | APPROVAL DATE | AMOUNT (M USD) |
|-------|-------------|--|-------------|----------------|---------------------------|---------------|----------------|
| | | Improving Maternal & Child Health through Integrated Social Services Project | CRW grant | Drought | 04/10/2016 | 14/06/2017 | 25 |
| | | HT Sustainable Rural and Small Towns Water and Sanitation Project | CRW grant | | 04/10/2016 | 14/06/2017 | 20 |
| | Madagascar | Social Safety Net Drought Response | CRW grant | | 10/11/2016 | 10/11/2016 | 20 |
| | Ethiopia | Productive Safety Net Project (PSNP 4) | CRW credit | | 01/12/2016 | 30/06/2016 | 100 |
| | | Additional Financing | CRW credit | | 01/01/2017 | 02/05/2017 | 100 |
| | Yemen | Yemen Emergency Crisis Response Project | CRW grant | | 28/01/2017 | 19/05/2017 | 125 |
| | Somalia | Somalia Emergency Drought Response and Recovery Project | CRW grant | | 02/02/2017 | 30/05/2017 | 20 |
| | | | CRW grant | | 02/02/2017 | 30/05/2017 | 30 |
| | Kenya | Additional Financing for the National Safety Net Programme for Results | CRW credit | | 10/02/2017 | 26/04/2017 | 35 |
| | South Sudan | South Sudan Emergency Food and Nutrition Security Project | CRW credit | | 20/02/2017 | 04/05/2017 | 50 |
| IDA18 | Yemen | Yemen Emergency Health and Nutrition Project | CRW grant | Health cholera | 14/05/2017 | 25/08/2017 | 70 |
| | | Second Additional Financing | CRW grant | | 14/05/2017 | 28/08/2017 | 130 |
| | Dominica | Emergency Agricultural Livelihoods and Climate Resilience Project | CRW grant | Hurricane | 18/09/2017 | 13/04/2018 | 20 |
| | | Housing Recovery Project | CRW grant | | 18/09/2017 | 13/04/2018 | 30 |
| | Tonga | Tonga Second Inclusive Growth Development Policy Financing: Supplemental Financing | CRW grant | Cyclone | 12/02/2018 | 18/07/2018 | 10 |
| | | AF Tonga Pacific Resilience Project | CRW grant | | 12/02/2018 | 18/07/2018 | 10 |
| | Mongolia | Economic Management Support Operation First DPF | CRW credit | Economic shock | 01/06/2016 | 30/11/2017 | 80 |

2.3 CRW CONTRIBUTIONS TO LARGER PROJECTS ALONGSIDE OTHER SOURCES

In many cases, CRW funds were allocated within single budget lines which drew on funds from multiple sources, including non-CRW IDA sources, as well as other World Bank and bilateral sources. Table 2 details these cases,

showing the relative contribution of CRW in larger budget lines..

Table 2: CRW allocations included in larger finance lines consisting multiple sources

| YEAR | CRISIS | PROJECT | TOTAL CONTRIBUTION (USD MILLION) | CRW CONTRIBUTION (USD MILLION) | CRW CONTRIBUTION (% OF TOTAL CONTRIBUTION) | OTHER SOURCES |
|------|-------------------|--|----------------------------------|--------------------------------|--|---|
| 2013 | St Vincent Floods | Regional Disaster Vulnerability Reduction Project—Additional Financing | 36.5 | 19 | 52.05 | IDA |
| 2012 | Ethiopia Drought | Additional Financing Productive Safety Net APL III Project | 370 | 70 | 18.92 | Multiple bilateral and multilateral donors |
| 2016 | Nepal Earthquake | Financial Sector Stability DPC2 | 100 | 50 | 50.00 | IDA |
| 2017 | Kenya Drought | Additional Financing for the National Safety Net Programme for Results | 50 | 35 | 70.00 | IDA |
| 2017 | Kenya Drought | Additional Financing for Water and Sanitation Services Improvement Project | 300 | 20 | 6.67 | Multiple bilateral and multilateral sources |
| 2018 | Tonga Cyclone | AF Tonga Pacific Resilience Project | 15 | 10 | 66.67 | IDA |
| 2014 | St Lucia Flood | Disaster Vulnerability Reduction Project | 41 | 17 | 41.46 | IDA |
| 2013 | Samoa Cyclone | Enhanced Road Access Project | 20 | 5 | 25.00 | IDA |
| 2016 | Myanmar Floods | Flood and Landslide Emergency Recovery Project (FLERP) | 200 | 100 | 50.00 | IDA |
| 2016 | Malawi Drought | Malawi Drought Recovery and Resilience | 104 | 9 | 8.65 | IDA |

| YEAR | CRISIS | PROJECT | TOTAL CONTRIBUTION (USD MILLION) | CRW CONTRIBUTION (USD MILLION) | CRW CONTRIBUTION (% OF TOTAL CONTRIBUTION) | OTHER SOURCES |
|------|-----------------------------|--|----------------------------------|--------------------------------|--|---------------|
| | Nepal Earthquake | NP: Road Sector Development Project | 50 | 45 | 90.00 | IDA |
| 2017 | Ethiopia Drought | Productive Safety Net Project (PSNP 4) Additional Financing | 108 | 100 | 92.59 | IDA |
| 2017 | Sierra Leone Economic Shock | Productivity and Transparency Support Credit | 22 | 12 | 54.55 | IDA |
| 2014 | Solomon Islands Flood | Recovery Financing Development Policy Operation | 5 | 2 | 40.00 | IDA |
| 2013 | Samoa Cyclone | Samoa Development Policy Operation | 15 | 10 | 66.67 | IDA |
| 2016 | Malawi Drought | Second Additional Financing for Strengthening Safety Nets Systems and Fourth Malawi Social Action Fund | 22.32 | 11 | 49.28 | IDA |
| 2016 | Madagascar | Social Safety Net Drought Response | 35 | 20 | 57.14 | IDA |
| 2014 | Solomon Islands Floods | Solomon Islands Rural Development Programme II (CRW credit) | 5 | 2.5 | 50.00 | IDA |
| 2014 | Solomon Islands Floods | Solomon Islands Rural Development Programme II (CRW grant) | 4 | 1.5 | 37.50 | IDA |

As Table 2 shows, in some cases, the CRW accounted for a small percentage of very large projects (e.g. Ethiopia and Kenya Droughts), to a large percentage of small projects (e.g. the Samoa Cyclone). The way in which burden sharing is calculated, and the use of CRW as a last resort in the absence of other financing is not clear from available project documents (this information is detailed internally to World Bank management and Board through the standardised Eligibility matrix, but these deliberations are not public). This makes it hard to assess the appropriateness and value of the CRW

contribution, relative to other IDA funding streams and to other global risk financing instruments. It is difficult, then, to attribute results to CRW contributions, because funds are pooled at whole-project level rather than being earmarked for specific components. It was also largely impossible to determine a disbursement schedule specific to CRW, as all funds were reported under a single finance number. This also makes it difficult to assess the CRW's operational performance.

2.4 USE OF CRW AS ADDITIONAL FINANCING TO ONGOING PROJECTS

The share of commitments channelled through additional and supplemental financing operations in the CRW is higher than that under the overall IDA portfolio. Additional financing allowed faster and more effective

delivery of the crisis response, as teams could tap into existing implementation channels. Table 3 lists the CRW grants and credits which supported existing projects as additional or supplemental financing.

Table 3: CRW allocations for additional or supplemental financing

| COUNTRY | TYPE OF CRISIS | PROJECT NAME | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) |
|------------|----------------|--|-------------|-------------|---------------|----------------|
| Haiti | Earthquake | AF for Infrastructure and Institutions Emergency Recovery Project | CRW grant | 12/01/2010 | 27/09/2012 | 35 |
| | | Urban CDD Project AF | CRW grant | 12/01/2010 | 20/06/2014 | 7.5 |
| Ethiopia | Drought | Additional Financing Productive Safety Net APL III Project | CRW credit | 01/07/2011 | 29/03/2012 | 70 |
| Kenya | Drought | Additional Financing for Water and Sanitation Services Improvement Project | CRW credit | 01/07/2011 | 10/05/2012 | 20 |
| | | Health Sector Support Project AF | CRW credit | 20/07/2011 | 20/12/2011 | 56.8 |
| Djibouti | Drought | Second AF for Power Access and Diversification Project | CRW grant | 20/07/2011 | 12/06/2012 | 5.2 |
| Mozambique | Flood | Roads and Bridges Management Maintenance Project Phase II—Additional financing | CRW credit | 12/01/2013 | 13/12/2013 | 3.15 |
| | | Roads and Bridges Management Maintenance Project Phase II—Additional financing | CRW grant | 12/01/2013 | 13/12/2013 | 36.25 |

| COUNTRY | TYPE OF CRISIS | PROJECT NAME | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) |
|-----------------|----------------|--|-------------|-------------|---------------|----------------|
| St Vincent | Flood | Regional Disaster Vulnerability Reduction Project—Additional Financing | CRW credit | 24/12/2013 | 09/05/2014 | 19 |
| Solomon Islands | Flood | AF(CRW) for SB-Rapid Employment Project | CRW grant | 01/04/2014 | 31/07/2015 | 1.5 |
| | | AF(CRW) for SB-Rapid Employment Project | CRW grant | 01/04/2014 | 18/11/2016 | 1.9 |
| Sierra Leone | Ebola | Ebola Emergency Response Project | CRW grant | 08/09/2014 | 18/11/2014 | 98 |
| Liberia | | Ebola Emergency Response Project | CRW grant | 08/09/2014 | 18/11/2014 | 115 |
| Guinea | | Ebola Emergency Response Project | CRW grant | 08/09/2014 | 18/11/2014 | 72 |
| Sierra Leone | | Sierra Leone—Emergency Economic and Fiscal Support Operation | CRW grant | 08/09/2014 | 17/12/2014 | 10 |
| Tuvalu | Cyclone | Second Supplemental DPO | CRW grant | 15/03/2015 | 15/09/2015 | 3 |
| Ethiopia | Drought | Productive Safety Net Project (PSNP 4) Additional Financing | CRW credit | 01/12/2015 | 30/06/2016 | 100 |
| Mozambique | | Emergency Resilient Recovery Project AF | CRW credit | 01/04/2016 | 13/01/2017 | 20 |
| | | Mozambique Safety Nets | CRW credit | 01/04/2016 | 10/03/2017 | 10 |
| Malawi | | Second Additional Financing for Strengthening Safety Nets Systems and Fourth Malawi Social Action Fund | CRW grant | 14/04/2016 | 08/11/2016 | 11 |
| Chad | Economic shock | Fiscal Consolidation Support Programme (Development Policy Operations) | CRW grant | 01/07/2016 | 08/12/2016 | 80 |

| COUNTRY | TYPE OF CRISIS | PROJECT NAME | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) |
|------------|----------------|--|-------------|-------------|---------------|----------------|
| Guinea | Economic shock | West Africa Agricultural Productivity Programme (WAAPP-IC) | CRW credit | 01/07/2016 | 03/02/2017 | 15 |
| Haiti | Hurricane | Disaster Risk Management and Reconstruction Project | CRW grant | 04/10/2016 | 08/06/2017 | 20 |
| | | Relaunching Agriculture: Strengthening Agriculture Public Services II Project. | CRW grant | 04/10/2016 | 14/06/2017 | 35 |
| | | Improving Maternal & Child Health through Integrated Social Services Project | CRW grant | 04/10/2016 | 14/06/2017 | 25 |
| | | HT Sustainable Rural and Small Towns Water and Sanitation Project | CRW grant | 04/10/2016 | 14/06/2017 | 20 |
| Madagascar | Drought | Social Safety Net Drought Response | CRW grant | 10/11/2016 | 10/11/2016 | 20 |
| Ethiopia | | Productive Safety Net Project (PSNP 4) Additional Financing | CRW credit | 01/01/2017 | 02/05/2017 | 100 |
| Kenya | | Additional Financing for the National Safety Net Programme for Results | CRW credit | 10/02/2017 | 26/04/2017 | 35 |
| Tonga | Cyclone | Tonga Second Inclusive Growth Development Policy Financing: Supplemental Financing | CRW grant | 12/02/2018 | 18/07/2018 | 10 |
| | | AF Tonga Pacific Resilience Project | CRW grant | 12/02/2018 | 18/07/2018 | 10 |

In these cases, data had to be drawn from parent projects under separate project numbers, in addition to project documentation under a project number relating only to the additional financing. In a few of these cases the CRW has repeatedly contributed additional funds to the same project, largely in drought-responses channelled through

established safety net systems. In other cases, the CRW has contributed financing to support long term projects that have additional needs or finance shortfalls after crisis, including the Kenya water and sanitation project, Djibouti power project and Mozambique infrastructure (roads and bridges).

2.5 WHAT ELSE DO WE KNOW ABOUT PROJECTS FUNDED BY CRW? WHAT ARE WE MISSING?

For most projects, a PID and a PAD are the main sources of information on the level of funding, rationale, expected activities and anticipated milestones. These give a detailed picture of what the CRW allocation will fund (whether solely or as pooled funding). Where project implementation has begun, further information is found in ISRs, and where a project has finished there may be an IEG report available. Disbursement schedules and cancellation rates are available in all cases, and are detailed in section 5. However, there are several shortcomings in these documents, in terms of their use in understanding the CRW's unique contribution.

There is little in most project documentation to indicate the timing and process that led to CRW being accessed, how final commitments compare to initial requests¹¹, and where requests were discouraged at initial consultation stage. Anecdotal evidence suggests that allocations are, in many cases, substantially lower than the figure initially requested, but there is little formal evidence to confirm this.

There is rarely a specific articulation of why CRW funds were requested in some cases and not others, how each project met the CRW criteria, how the level of contribution was decided, or how appropriate burden sharing was determined. It is therefore hard to know whether the decision relates to the scale of disaster impact, the gap in financing, or some other factor. There is rarely discussion noted of how remaining needs may be met, or what the impact will be if they are not¹². The way that crises are described and impact conveyed is inconsistent. It is difficult to compare cases, as crisis impact may be described variously in terms of GDP-loss, cost of reconstruction, number of people at risk, or in other terms. Whilst Post-Disaster Needs Assessments are mentioned in many cases, the articulation of how needs were determined is also inconsistent. There is little discussion of how the proposed approach constitutes good value for money and cost-effectiveness, in terms of potential impact and alternative approaches.

There is also little indication of reasons for suggested disbursement schedules, nor why these are often delayed. The rationale for slow disbursing funds could be made clearer. Where first disbursement is significantly

delayed, these cases should be explained, or funds should be cancelled¹³.

World Bank project documents do not explicitly require that these data be included; the extent to which they are seems determined by the individuals preparing the submission. Very few cases provided a clear rationale for the specific request of CRW funds, or noted the specific benefit of CRW funds over other sources—for example, in the case of economic shocks with fast single-tranche dispersal. As such, whilst publicly available project-level reporting gives a reasonable level of clarity around the design and implementation of projects, it does little to help track and assess the performance of CRW contributions against specific crisis-response criteria, or their contribution to broader efforts to respond to a crisis.

This lack of focus on crisis-impact reporting at project level makes it harder to report on the overall approach and impact of CRW at an aggregate level, in terms of its role within the wider crisis-response machinery. The Central Emergency Response Fund (CERF) could provide insights as to how reporting could be improved, offering a series of measures of performance, including timeliness and the added value of CERF funds; analysis of these metrics has been seen as a key driver in improving CERF's performance and accountability.

¹¹ The PID and PAD largely tally, and both follow initial discussion and agreement on the amount available.

¹² In many cases, a gap in financing still remained after CRW allocation.

¹³ There are several cases where longstanding commitments have not started disbursing after one year or more of approval. These will be explored below.

3

SECTION 3: CRW IN THE WIDER CRISIS RESPONSE LANDSCAPE

Given the evolution of crisis preparedness and response machinery, both within the World Bank and the wider global community as well as the clear trends in the nature and occurrence of crises and their impacts, it is timely to reflect on CRW's contribution to this overall picture of disaster preparedness, prevention and response.

3.1 THE CHANGING CONTEXT OF CRISIS

IDA countries are facing greater frequency and complexity of shocks and their consequences, which impact poor countries and communities disproportionately, both in terms of GDP-loss and number of deaths, as well as the impacts of shrinking economies due to crisis¹⁴. Whilst incidence of geophysical natural disasters peaked in the early 2000s—and remains elevated—the rate of hydrological, climatological and meteorological disasters has almost tripled, food insecurity has risen, frequency and impact of disease outbreaks has increased (exacerbated by population growth, urbanisation and migration), and numbers of refugees have risen¹⁵. Economic and financial crises occur irregularly, but inflict significant damage when they do. Crises also increasingly entail multidimensional hazards that span different forms of natural disaster, disease outbreaks, economic shocks, food insecurity and conflict. Growing evidence on the potential impacts of climate change on the earth's system also highlights likely future disaster risks, and necessitates reflection on the balance between prevention, preparedness and response (including earlier action).

Due to the protracted nature of many crises, humanitarian actors are increasingly present for long periods of time, and have expanded into longer-term service provision and efforts to build resilience. As such, humanitarian and development actors are increasingly found in close proximity. At the 2016 World Humanitarian Summit, the UN and World Bank

committed to bridge the humanitarian-development nexus, including aligning around collective outcomes as part of a 'New Way of Working' (NWOW) across the humanitarian-development divide. However, there remains divergence in purpose, modes of engagement and sequencing of humanitarian and development responses. These shifts make it crucial to reflect on the evolving role and functioning of the CRW as a complement to wider crisis tools and processes, within the World Bank and beyond.

¹⁴ UNISDR et al. 2016; Smith et al, 2017

¹⁵ CRED. Natural Disasters 2017. Brussels: CRED; 2018 EM-DAT file dated 02/07/2018.

3.2 CRW WITHIN THE WORLD BANK CRISIS TOOLKIT

The World Bank toolkit for addressing crises in IDA countries contains different sources of finance, including core country funds (the bulk of crisis-related funding) supplemented by various windows, regimes and Bank-administered resources, such as trust funds and regional risk pools, the new Global Risk Financing Facility (GRiF)¹⁶, and the CRW. This finance can be channelled through a range of instruments or tools at different phases, from prevention and preparedness to crisis response and recovery, including: Investment Project

Financing (IPF), Development Policy Financing (DPF), and Programme-for-Results (PforR, P4R); Catastrophe Deferred Drawdown Options (Cat DDOs¹⁷), Cat Bonds, Cat Swaps, Weather Derivatives, Contingent Emergency Response Components (CERCs) and the Immediate Response Mechanism (IRM)¹⁸. For severe disasters, complementary use of different tools often facilitates a World Bank response at scale. Table 4, below, illustrates the place of the CRW within the broader World Bank toolkit for this approach.

Table 4: CRW within the broader WB toolkit for addressing crisis

| | PREPAREDNESS & PREVENTION Elimination or mitigation of risks (prevention: e.g. climate resilient agriculture) and, where risks cannot be significantly mitigated, limit the ramifications (preparedness: e.g. early warning, safety nets, disaster response capacity) | RESPONSE Addressing needs in the immediate aftermath of a crisis, such as restoring basic services and livelihoods | RECOVERY Longer-term reconstruction and 'building back better' to strengthen resilience to future shocks |
|---------------------------|---|--|--|
| INSTRUMENTS/TOOLS | DPFs, IPFs, P4R | | |
| | | Cat DDOs | |
| | | Cat Bonds, Cat Swaps, Weather Derivatives, PEF | |
| | | CERCs, IRM | |
| SOURCES OF FUNDING | Country Allocations (performance-based allocation system, or PBA), Reallocations, Project Restructuring | | |
| | | Trust Funds (e.g. GFDRR), Risk Pools (e.g. CCRIF) | Country-specific Trust Funds |
| | | Crisis Response Window | |
| | Regional Programme | | |
| | Refugee Sub-Window, Risk Mitigation Regime (RMR), Turn Around Regime (TAR) | | |

¹⁶ The GRiF is a new financing mechanism of US\$145 million administered through a Multi Donor Trust Fund (MDTF) that aims to strengthen financial resilience of vulnerable countries and complement the existing climate finance and aid architecture.

¹⁷ The Cat DDO enables countries to secure pre-arranged contingency financing that can be disbursed quickly to address natural catastrophes,

including health-related events, with funds channelled after a drawdown trigger (typically the declaration of a state of emergency). The Cat DDO was extended to IDA clients under IDA18.

¹⁸ IDA adopted the IRM in 2011, which allows countries immediate access to a portion of the undisbursed balances of their IDA project portfolio in the event of an eligible crisis or emergency.

| | PREPAREDNESS & PREVENTION Elimination or mitigation of risks (prevention: e.g. climate resilient agriculture) and, where risks cannot be significantly mitigated, limit the ramifications (preparedness: e.g. early warning, safety nets, disaster response capacity) | RESPONSE Addressing needs in the immediate aftermath of a crisis, such as restoring basic services and livelihoods | RECOVERY Longer-term reconstruction and 'building back better' to strengthen resilience to future shocks |
|--------------------------|---|--|--|
| SAMPLE ACTIVITIES | Drought-resistant crops, irrigation systems, early warning systems, fiscal management and capacity | Scaled-up cash transfers, food and nutrition interventions, health treatments, disease containment, resumption of basic energy and transportation, macroeconomic stabilisation | Infrastructure reconstruction, earthquake-resistant building codes, strengthened public health systems |

Source: Adapted from World Bank, 2017b and the CRW Mid-Term Review Stocktake, 2018.

Whilst there are multiple financing options at each stage of crisis, the CRW potentially covers a very wide range of responses: both rapid, short-term responses and longer-term recovery initiatives. CRW financing can be channelled through DPFs, IPFs, or P4Rs and, as a source of surge financing, it complements reallocations of project funds through CERCs and the IRM. The CRW's comparative advantage is its flexibility to provide additional funds across a range of emergencies and timeframes, with the explicit aim of mitigating crisis impacts on longer-term development trajectories. The CRW aims to be faster to approve and disburse funds than regular World Bank programming, to address the most serious crises, and to complement other sources of funding—particularly as an option of 'last resort' where other funds are lacking. The CRW is not explicitly designed to support immediate crisis response, but rather to complement faster-acting financing mechanisms. However, there are areas of overlap which

become clearer in discussion of different types of crisis, below, where instances of rapid financing and short project timeframes illustrate support to crisis mitigation, or humanitarian response, and raise key questions around the need for early action.

Whilst CRW-funded projects often incorporate resilience building into recovery responses, the CRW does not support upstream pre-crisis resilience building. Within the World Bank, initiatives to improve crisis-preparedness and response are brought under the auspices of the Global Crisis Response Platform (GCRP), which was created in 2018 to engender a more coherent and strategic approach to crisis management. However, there remains a gap in instruments to invest in prevention and preparedness¹⁹. It will be crucial, at the point of replenishment for IDA19, for the CRW to revisit its relative role alongside these other components of the World Bank crisis-response toolkit, as the pivot towards crisis prevention continues.

¹⁹ Clarke, D and Dercon, S (2019), Beyond Banking: Crisis Risk Finance and Development Insurance in IDA19. Discussion Paper, Centre for Disaster Protection, London.

3.3 CRW'S ROLE IN THE GLOBAL CRISIS RESPONSE SYSTEM

Global financing for crisis response includes public and private sources domestically, regionally and internationally. These encompass a range of purposes, from immediate emergency response and humanitarian aid, rapid response to prevent decline in development, and medium- to long-term recovery and reconstruction, often with elements of resilience building and disaster risk reduction incorporated²⁰. Whilst not explicitly applicable to upstream interventions, such as capacity building for crisis risk management, the CRW plays a role in maintaining the focus on building back better and integrating preparedness for future disasters into crisis response. In IDA countries receiving CRW funds, other financing was received from the CERF, the Disaster Relief Emergency Fund (DREF), bilateral donors, foundations and non-governmental sources, as well as the private sector. In some cases, finance was accessed through insurance²¹.

IDA, and the CRW specifically play unique roles within this system. IDA has focused on strengthening countries' long-term resilience before crises strike, as well as supporting recovery through the CRW. IDA's comparative advantages include its ability to link short-term crisis mitigation and long-term development objectives through different financing windows. A key advantage of CRW funding is its ability to support government-led response, recovery and reconstruction efforts at scale. This is particularly significant in cases of economic crisis, although they have not received as much CRW funding as other types of crisis. The CRW also has capacity to work collaboratively with other organisations, and to build on current and previous work at country or regional level through established relationships and coordinated government plans. The CRW has potential to further strengthen national capacities and systems, whether by utilising and strengthening established social safety net systems, or by working with government counterparts on delivery of long-term reconstruction. However, the CRW does not necessarily incentivise crisis preparedness through use of regular IDA²². The potential scale and flexibility of scope are further distinct advantages of the CRW. Further, the use of credits, as well as grants, enables it to reflect different economic circumstances in different countries, and to set incentives accordingly.

The CRW supports many interventions that might also be financed by traditional humanitarian and development donors, such as food and nutrition interventions, safety nets and livelihoods, as well as post-disaster reconstruction. Whilst the CRW is seen as complementing humanitarian responses, it has also been used to support them directly. For example, CRW funds have been used to finance health responses in Yemen and Somalia that were implemented by UNDP, FAO or UNICEF, following special dispensation to support projects implemented outside of governmental structures. Whilst this displays flexibility in modes of delivery, it calls into question the added value of the CRW, where it may have been less costly for World Bank shareholders to fund UN agencies directly through bilateral channels. In addition, CERF allocations are made to UN agencies to ensure rapid response to new, sudden-onset emergencies, to rapidly deteriorating conditions in an existing emergency, and to support underfunded emergencies. As such, where CRW funds are channelled through alternative delivery mechanisms, the specific imperatives, the alternatives considered, and the measures put in place to ensure value for money should all be stated.

The CRW has the potential to work well alongside new mechanisms such as the GRiF, providing complementary sources of funding, with the CRW particularly utilised for disasters that do not trigger insurance payouts. Self-reporting by the CRW focuses on comparison with regular IDA financing. However, it bears comparison with other crisis response mechanisms, to enable CRW funds to be understood within the wider context.

²⁰ Watson, C, Caravani, A, Mitchell, T, Kellett, J, Peters, K. 2015. Financing for Reducing Disaster Risk: 10 Things to Know. ODI and UNDP: London

²¹ Particularly in small-island states prone to tropical storms.

²² Clark, D. and Dercon, S. (2019) op cit.

4

SECTION 4: AVAILABILITY OF FUNDS AND THE REPLENISHMENT PROCESS

In order to understand the availability of funds in the CRW over time, replenishment amounts and dates were compared with amounts committed over time. This helped to determine the amount available at the time of commitment of CRW funds, and the amount remaining after the commitment. The IDA17 MTR reported CRW allocations to date, showing the amount remaining in the CRW pot, but this had not been reported under IDA16, and was not included explicitly in the IDA17 retrospective. This was found to be a useful way to reflect the use of CRW funds and should be reported as standard.

4.1 FUNDS ALLOCATED TO THE CRW TO DATE AND TOTALS COMMITTED

The CRW was piloted under IDA15, as a response to the 2008/09 global economic crisis. At the MTR point of IDA15, US\$1.4 billion of Pilot-CRW funds were committed through 75 operations to 46 countries,

supporting investments in agriculture, rural development, health, education, social protection, and infrastructure. Learning from these operations informed the more permanent establishment of the CRW.

Table 5: IDA replenishments and total allocations by IDA cycle

| | REPLENISHMENTS USD | ALLOCATIONS DURING IDA CYCLE | REMAINING UNALLOCATED |
|--------------------|-----------------------------|------------------------------|-----------------------------|
| IDA16 | 2,005,611,000 ²³ | 934,000,000 | 1,068,710,550 ²⁴ |
| IDA17 (INITIAL) | 900,000,000 ²⁵ | 760,500,000 | n/a |
| IDA17 (ADDITIONAL) | 900,000,000 | 994,000,000 | 45,000,000 |
| IDA18 | 2,940,000,000 | 350,000,000 | n/a |

Source: IDA replenishment and mid-term reports

²³ Reported as SDR 1.335 billion in the IDA16 replenishment, with the agreed exchange rate of 1.50233, which was set as 5% of the IDA envelope. (World Bank. 2010. *Effective foreign exchange reference rates for IDA16 and MDRI update*. Washington, DC: World Bank.)

²⁴ Note that the IDA16 MTR saw US\$473 million of unused CRW resources reallocated to the IDA Regional Programme.

²⁵ Initial allocation of US\$900 million topped up with additional US\$900 million mid cycle.

Funds allocated to IDA16 were high, due to a specific allocation of US\$508 million to the Haiti earthquake response, incorporated into the initial CRW replenishment. Beyond Haiti, CRW allocations were low during IDA16. Funds remaining at the end of IDA16 were not carried over, however the initial IDA17 CRW allocation was roughly equivalent to the amount left from IDA16.

Under IDA17, US\$900 million was allocated initially, but was almost fully committed in the first year due to exceptionally high demand. A further US\$900 million was committed at the IDA17 MTR, as well as an amendment to eligibility criteria to cover public health emergencies, prompted by the Ebola epidemic in West Africa in 2015. The additional funds were also fully allocated by the end of IDA17. This period saw multiple severe crises that received significant CRW funding, notably the Ebola epidemic in West Africa (US\$420 million), famine response in the Horn of Africa and Yemen (US\$360 million), and the Nepal earthquake (US\$300 million).

A very small amount remained at the end of IDA17, and the IDA18 replenishment reflected fresh commitments. At the MTR point of IDA18, however, it was proposed that CRW funds be reallocated due to lack of CRW-eligible crises.

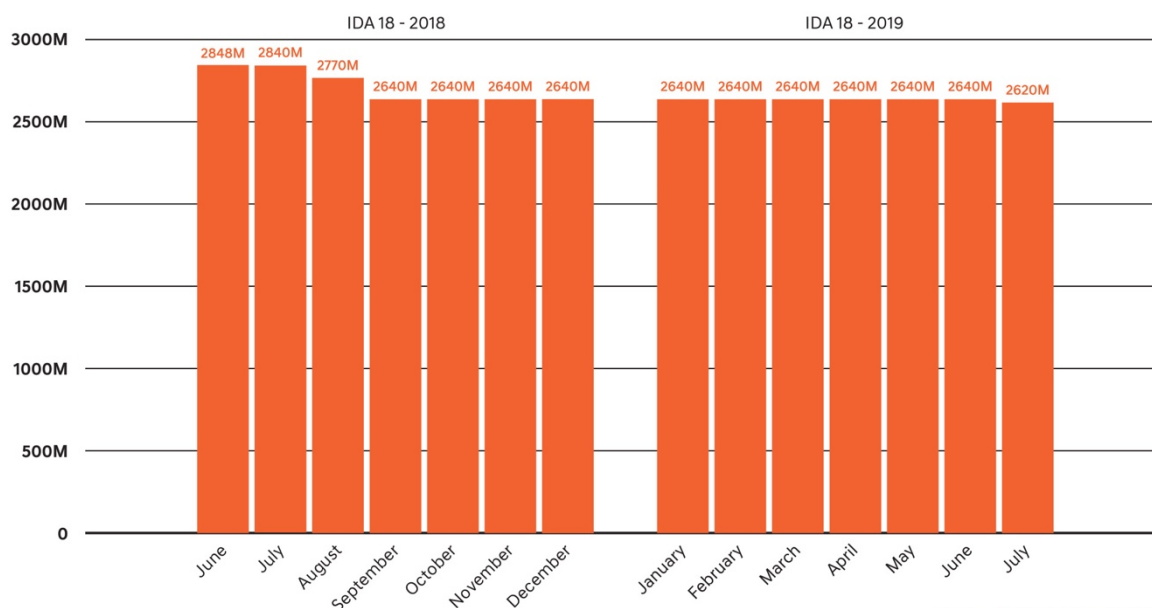
4.2 CHALLENGES WITH THE SIZE OF THE CRW FUND — TOO MUCH OR TOO LITTLE?

As noted above, during IDA17, the CRW received a replenishment mid-cycle after nearly depleting its funds, whereas funds allocated under IDA16 and IDA18 remained underutilised. Replenishment reports do not describe how the level of funds committed at replenishment is determined, nor whether this is based on any assessment, estimate or prediction of potential needs.

Where funds remain under-utilised, the CRW makes provision for them to be reallocated outside of the CRW. Under IDA16 this did not happen; rather, remaining funds appear to have formed the basis of the IDA17 CRW

replenishment. Demand for CRW resources was modest during IDA18 up to the MTR (compared to earlier replenishments), due to low incidence of CRW-eligible crises (see Figure 1). US\$350 million (or 12%) of CRW resources were allocated, of which US\$200 million were used to respond to the cholera outbreak in Yemen. There were additional eligible crises, but these countries were able to access alternative sources of funding²⁶. The pace of IDA18 CRW usage suggests that US\$1–1.5 billion could remain unallocated, and proposals were made to reallocate these funds at the MTR.

Figure 1: Depletion of the overall CRW allocation during the first year of IDA18—Amount available when new CRW commitments were made, USD (current amount)



Source: Individual project financial reports on World Bank website

The reasons for this lack of demand have not been sufficiently explored in CRW reporting—for example, the impact of other emerging financing mechanisms or a lack of severe crisis impacts. The reports also failed to reflect on what crisis impacts had been predicted for the IDA18 period compared to what had occurred.

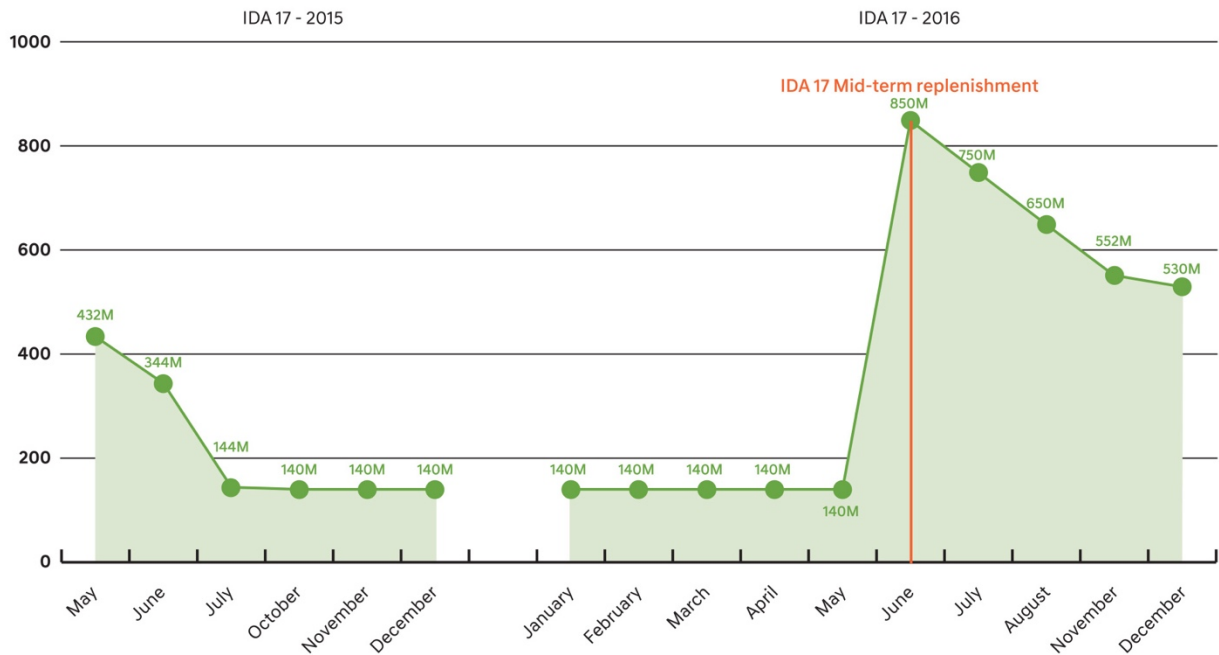
Where funds were subject to over-demand, there was also no specific discussion of the implications of this in CRW reporting—simply that there was high demand and further funds were committed at the MTR point.

²⁶ For example, following the Ebola outbreak in the Democratic Republic of Congo in May 2018, the PEF deployed a US\$12 million grant from its cash window, and US\$80 million of credits from CERC activation was available.

Figure 2, below, demonstrates the activity of the CRW leading up to and following the IDA17 mid-cycle replenishment. It is notable that prior to this replenishment, no CRW commitments were made over

an 11-month period from July 2015 to June 2016, despite there being several longstanding crises that were subsequently funded following replenishment.

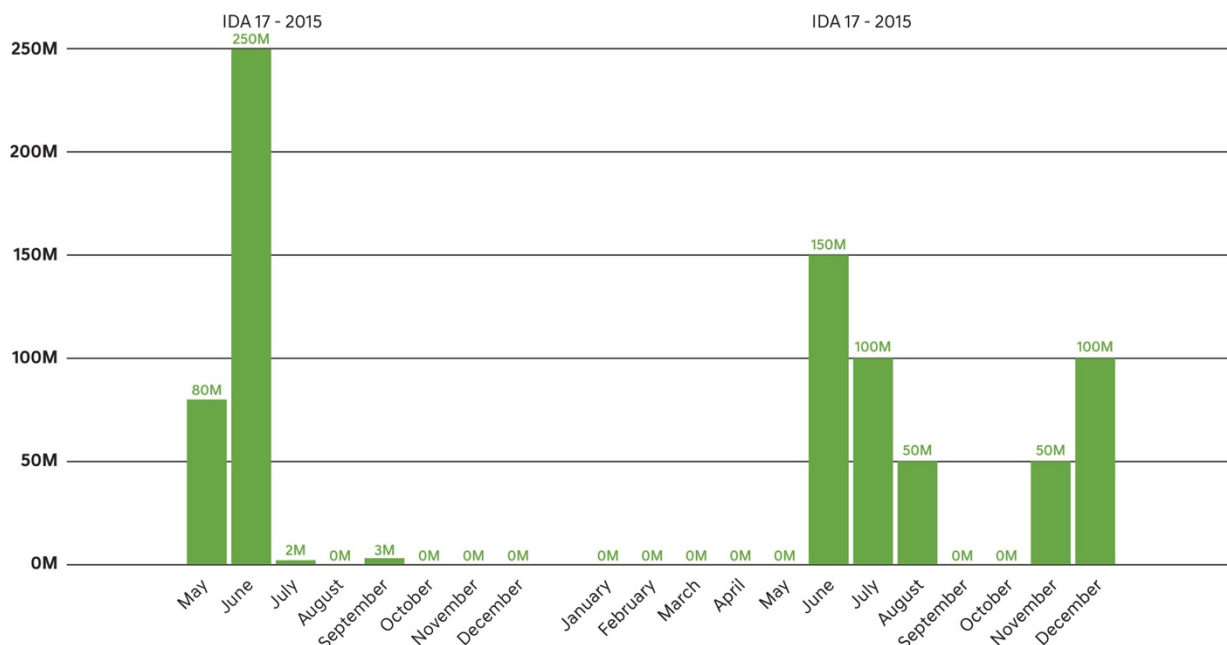
Figure 2: Depletion and replenishment of the CRW mid-cycle under IDA17 (amount available over time)



Source: Individual project financial reports on World Bank website and IDA mid-term and retrospective reporting

Figure 2 demonstrates allocations made before and after the mid-cycle replenishment; Figure 3 below highlights that CRW allocations start again immediately after the mid-cycle replenishment. New commitments were made totalling US\$450 million between June and December 2016.

Figure 3: CRW commitments before and after the IDA17 mid-cycle replenishment



Source: Individual project financial reports on World Bank website

Table 6 shows key data for all projects approved in the six months following the replenishment mid-IDA17, including the number of days between crisis and project specific date is given for the start of the crisis, particularly in economic crises (where the date attributed is generally the date of economic forecasts which made the scale of crisis apparent as cited in project documents), and other slow-onset disasters such as drought (where the date given is the declaration of a state of emergency). In both of these types of disaster, the date of crisis attributed actually came long after crisis impacts were first predicted. In some cases, World Bank sources have noted that initial discussions on accessing CRW finance happened prior to the replenishment, whilst the formal process was initiated later.

Table 6: List of projects with CRW allocation approved within 6 months of the IDA17 mid-cycle replenishment (chronological by date of crisis)

| CRISIS DATE | APPROVAL DATE | TYPE OF CRISIS | PROJECT NAME | COUNTRY | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) |
|-------------|---------------|----------------|--|-----------------|----------------|---------------------------|
| 01/04/2014 | 18/11/2016 | Flood | AF(CRW) for SB-Rapid Employment Project | Solomon Islands | 1.9 | 486 |
| 15/03/2015 | 17/06/2016 | Cyclone | Vanuatu Infrastructure Reconstruction and Improvement Project | Vanuatu | 50 | 460 |
| 25/04/2015 | 25/08/2016 | Earthquake | NP: Road Sector Development Project | Nepal | 50 | 488 |
| 31/07/2015 | 14/07/2016 | Flood | Flood and Landslide Emergency Recovery Project (FLERP) | Myanmar | 100 | 349 |
| 01/12/2015 | 30/06/2016 | Drought | Productive Safety Net Project (PSNP 4) Additional Financing | Ethiopia | 100 | 212 |
| 22/12/2015 | 03/12/2016 | Drought | Crisis Response AF to Social Assistance Project | Lesotho | 20 | 347 |
| 01/01/2016 | 17/11/2016 | Economic shock | LR-PRSC III (FY16) | Liberia | 8 | 321 |
| 14/04/2016 | 08/11/2016 | Drought | Malawi Drought Recovery and Resilience | Malawi | 9 | 208 |
| 14/04/2016 | 08/11/2016 | Drought | Second Additional Financing for Strengthening Safety Nets Systems and Fourth Malawi Social Action Fund | Malawi | 11 | 208 |
| 01/07/2016 | 08/12/2016 | Economic shock | Fiscal Consolidation Support Programme (Development Policy Operations) | Chad | 80 | 160 |
| 26/09/2016 | 10/11/2016 | Drought | Social Safety Net Drought Response | Madagascar | 20 | 45 |

Source: Individual project documentation on World Bank website (project pages)

Of the projects approved in the six months following replenishment, all but two (economic shock in Chad and drought in Madagascar) were formally declared or recognised, prior to the replenishment. Approvals for crises that were declared during the period when CRW funds were low have timeframes between crisis occurrence and funding approval ranging from 212 to 488 days, and averaging 342 days (or approximately 11.4 months). Several of these were for drought-response as additional financing for social safety net programmes, which should be fairly rapid, particularly given that the crisis dates noted here are when crisis was declared, and not when it was first predicted.

These data highlight the long period between the occurrence of the crisis²⁷ and approval of funding for the majority of these cases, particularly those that happened longer before the replenishment. The lack of available funding appears to have had an impact, as crises that happened long before the replenishment had longer

waiting times. Whilst it is assumed that initial approval (board discussion) and project preparation took place earlier, the fixed point of replenishment at mid-term seems to have influenced approval timeframes.

Notably, the response to the Madagascar drought—which occurred shortly after the replenishment was made—was much more rapid than any of the other approvals for drought-related responses during that year, taking just 45 days from the declaration of crisis to approval of funds. This further raises the question of whether decisions to fund these operations were delayed, due to the lack of available finance in the CRW at the time of crisis occurrence, or for some other reason.

During the period mid-IDA17, when funds in the CRW were depleted, a series of new IDA-eligible crises occurred, and growing demand for CRW resources would have been becoming increasingly clear (see Table 7).

Table 7: Crisis occurring when CRW funds were depleted during IDA17 (chronological by date of crisis)

| CRISIS DATE | APPROVAL DATE | TYPE OF CRISIS | PROJECT NAME | COUNTRY | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) |
|-------------|---------------|----------------|---|------------|----------------|---------------------------|
| 31/07/2015 | 14/07/2016 | Flood | Flood and Landslide Emergency Recovery Project (FLERP) | Myanmar | 100 | 349 |
| 01/12/2015 | 30/06/2016 | Drought | Productive Safety Net Project (PSNP 4) Additional Financing | Ethiopia | 100 | 212 |
| 22/12/2015 | 03/12/2016 | Drought | Crisis Response AF to Social Assistance Project | Lesotho | 20 | 347 |
| 01/01/2016 | 17/11/2016 | Economic shock | LR-PRSC III (FY16) | Liberia | 8 | 321 |
| 01/01/2016 | 08/05/2017 | Economic shock | Second AF LR Road Asset Management | Liberia | 12 | 493 |
| 01/04/2016 | 13/01/2017 | Drought | Emergency Resilient Recovery Project AF | Mozambique | 20 | 287 |
| 01/04/2016 | 10/03/2017 | Drought | Mozambique Safety nets | Mozambique | 10 | 343 |

²⁷ Note that, in some cases, no specific date is given for the start of the crisis, particularly in economic crises (where the date attributed is when economic

predictions were made), and other slow-onset disasters such as drought (where the date given is the declaration of a State of Emergency).

| CRISIS DATE | APPROVAL DATE | TYPE OF CRISIS | PROJECT NAME | COUNTRY | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) |
|-------------|---------------|----------------|--|--------------|----------------|---------------------------|
| 14/04/2016 | 08/11/2016 | Drought | Malawi Drought Recovery and Resilience | Malawi | 9 | 208 |
| 14/04/2016 | 08/11/2016 | Drought | Second Additional Financing for Strengthening Safety Nets Systems and Fourth Malawi Social Action Fund | Malawi | 11 | 208 |
| 01/06/2016 | 30/06/2017 | Economic shock | Productivity and Transparency Support Credit | Sierra Leone | 20 | 394 |

Source: Individual project documentation on World Bank website (project pages)

These included drought situations in Ethiopia, Lesotho, Mozambique, and Malawi, that received financing of US\$170 million after the replenishment, largely to support scale-up of social safety net programmes. In these cases, the listed date of crisis is generally when a national emergency was declared, and/or the national government officially requested CRW help (not the likely much earlier date when drought forecasting would have been made). Whilst the opportunity to replenish at mid-term was therefore valuable, it is not sufficiently flexible. Furthermore, reporting of the replenishment does not articulate whether these needs were taken into account.

This highlights the need to predict potential demand for CRW resources, and also to institute a more rapid facility for topping up the CRW pot outside of the MTR process. In its original conception, the CRW was also envisaged as a vehicle for donors to channel additional funds as an alternative to context-specific multi-donor trust funds. In a handful of cases, CRW funds were programmed alongside other donor contributions, although the manner in which these projects came about is not discussed, and it is therefore difficult to assess whether the CRW acts as a catalyst for other sources of funding.

5

SECTION 5: ANALYSIS OF CRW USAGE

5.1 SPEED OF CRW FROM CRISIS, TO COMMITMENT, TO DISBURSEMENT

The CRW self-reports that CRW operations ‘have disbursed faster’ than regular IDA-funded operations, with a median time from approval to disbursement of 4.8 months (approximately 144 days), compared with 7.1

months (or 213 days) for other IDA operations²⁸. They also state the median times of stages in the processing cycle of CRW-financed operations, as detailed in Table 8

Table 8: Processing timeframes for CRW from crisis to commitment and to disbursement as reported by CRW (median)

| PROCESSING STAGE | NUMBER OF DAYS |
|--|------------------|
| From crisis to technical briefing (to CRW Board) | 86 ²⁹ |
| From technical briefing to first CRW operation | 42 |
| From first CRW operation to first disbursement | 107 |
| TOTAL disaster to first disbursement | 235 |

Source: MTR stocktake

The use of medians and exclusion of some cases in the CRW’s reporting here make it difficult to understand the full range of processing timelines, and masks many outlying cases. As each crisis is unique, and played out in different political and institutional contexts, greater scrutiny by type of crisis is needed.

The research team was able to reconstruct data relating to speed of commitments, effectiveness and first disbursement by making assumptions about crisis dates where they were not stated. For example, drought was determined to start from the date when a state of emergency was declared, as this appears to trigger the

CRW process in many cases where national governments may not previously have requested help. Economic crises were determined to start when the annual budget predictions highlighted the depth of crisis, as noted in project documentation. In both of these cases, the nature of the crisis would have been known prior to this—therefore, if anything, the dates identified suggest CRW processing times appear than in reality.

²⁸ MTR stocktake.

²⁹ These figures exclude slower-onset disasters such as drought and health-related crises, where start dates are difficult to determine.

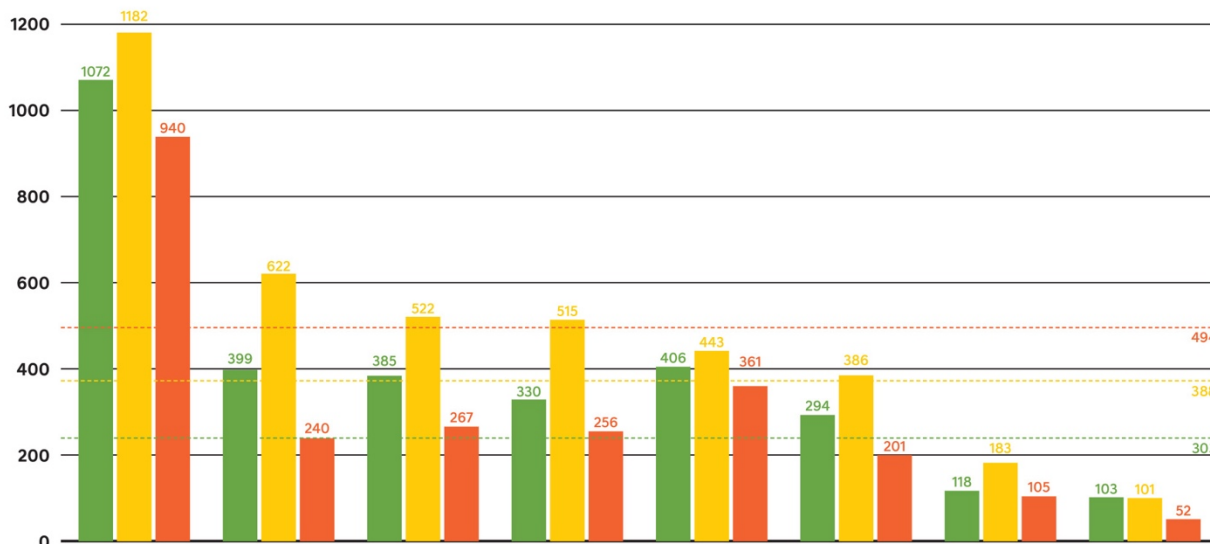
Table 9 and Figure 4, below, demonstrate the average number of days in the processing sequence from crisis, to commitment, to effectiveness (technically the start of implementation), and from crisis to first disbursement.

Table 9: Average number of days between crisis to commitment, effectiveness and disbursement³⁰

| | AVERAGE DAYS FROM CRISIS TO COMMITMENT | MEDIAN DAYS FROM CRISIS TO COMMITMENT | AVERAGE DAYS CRISIS TO EFFECTIVENESS | MEDIAN DAYS CRISIS TO EFFECTIVENESS | AVERAGE DAYS CRISIS TO FIRST DISBURSEMENT | MEDIAN DAYS CRISIS TO FIRST DISBURSEMENT | AVERAGE NUMBER OF DISBURSEMENTS |
|--------------------|--|---------------------------------------|--------------------------------------|-------------------------------------|---|--|---------------------------------|
| CYCLONE | 256 | 198 | 330 | 264 | 515 | 397 | 5.2 |
| DROUGHT | 201 | 208 | 294 | 279 | 386 | 363 | 5.8 |
| EARTHQUAKE | 940 | 989 | 1072 | 1121 | 1182 | 1248 | 17.71 |
| ECONOMIC SHOCK | 361 | 66 | 406 | 85 | 443 | 111 | 3.25 |
| HEALTH (EBOLA) | 52 | 331 | 103 | 362 | 101 | 422 | 3.77 |
| FLOOD | 267 | 234 | 385 | 332 | 522 | 477 | 9.8 |
| HEALTH (CHOLERA) | 104 | 105 | 118 | 118 | 183 | 183 | 2.5 |
| HURRICANE | 240 | 205 | 399 | 399 | 622 | 634 | 1.66 |
| AVERAGE ALL CRISES | 350 | 234 | 443 | 336 | 547 | 422 | 7.67 |

³⁰ Excluding cases where projects are not yet effective, or disbursements have not yet commenced.

Figure 4: Average number of days between crisis and commitment, effectiveness and first disbursement, by type of crisis



- Average days crisis to effectiveness
- Average days crisis to first disbursement
- Average days from crisis to commitment

Source: Individual project documentation on World Bank website (project pages)

This shows clear differences by type of crisis, which will be discussed further below. Whilst some cases demonstrate extremely rapid approval and disbursement, many do not. The average time from crisis date to commitment is 350 days, whilst the average time from crisis to first disbursement is 547 days³¹.

Table 10 presents these data, giving average time, differentiated by crisis-type, but excluding the case of Haiti.

It should be noted that many projects involve multiple disbursements over a long time period, and in many cases these disbursements have not yet been completed. Thus, the average number of disbursements is generally higher than those shown, particularly for longer-term reconstruction projects. The extremely high number of disbursements relating to earthquake response reflects the exceptional nature of the response in Haiti, discussed further below, and it is useful to consider these figures without numbers from Haiti.

³¹ It should be noted that the crisis dates are not all clear cut. In the case of rapid-onset disasters such as floods, cyclones, or earthquakes these are clear. In the case of slow-onset cases, crisis dates have either been estimated as the time when the magnitude of crisis became clear (such as economic shocks when deficit predicted during budgeting), or have been taken as the date of declaration of a national emergency (as in the case of drought—which does not accurately reflect when the crisis was first predicted).

Table 10: Average number of days between crisis to commitment, effectiveness and disbursement (excluding Haiti)

| | AVERAGE DAYS FROM CRISIS TO COMMITMENT | MEDIAN DAYS FROM CRISIS TO COMMITMENT | AVERAGE DAYS CRISIS TO EFFECTIVENESS | MEDIAN DAYS CRISIS TO EFFECTIVENESS | AVERAGE DAYS CRISIS TO FIRST DISBURSEMENT | MEDIAN DAYS CRISIS TO FIRST DISBURSEMENT | AVERAGE NUMBER OF DISBURSEMENTS |
|----------------------------|--|---------------------------------------|--------------------------------------|-------------------------------------|---|--|---------------------------------|
| CYCLONE | 256 | 198 | 330 | 264 | 515 | 397 | 5.2 |
| DROUGHT | 201 | 208 | 294 | 279 | 386 | 363 | 5.8 |
| EARTHQUAKE (WITHOUT HAITI) | 206 | 65 | 352 | 278 | 490 | 399 | 2.66 |
| ECONOMIC SHOCK | 361 | 66 | 406 | 85 | 443 | 111 | 3.25 |
| HEALTH (EBOLA) | 52 | 331 | 103 | 362 | 101 | 422 | 4.77 |
| FLOOD | 266 | 234 | 385 | 332 | 522 | 477 | 9.8 |
| HEALTH (CHOLERA) | 104 | 105 | 118 | 118 | 183 | 183 | 2.5 |
| HURRICANE (WITHOUT HAITI) | 207 | 207 | 323 | 323 | 466 | 466 | 1.66 |
| AVERAGE (ALL CRISES) | 216 | 173 | 300 | 279 | 398 | 363 | 7.67 |

Figure 5: Average number of days between crisis and commitment, effectiveness and first disbursement, by type of crisis

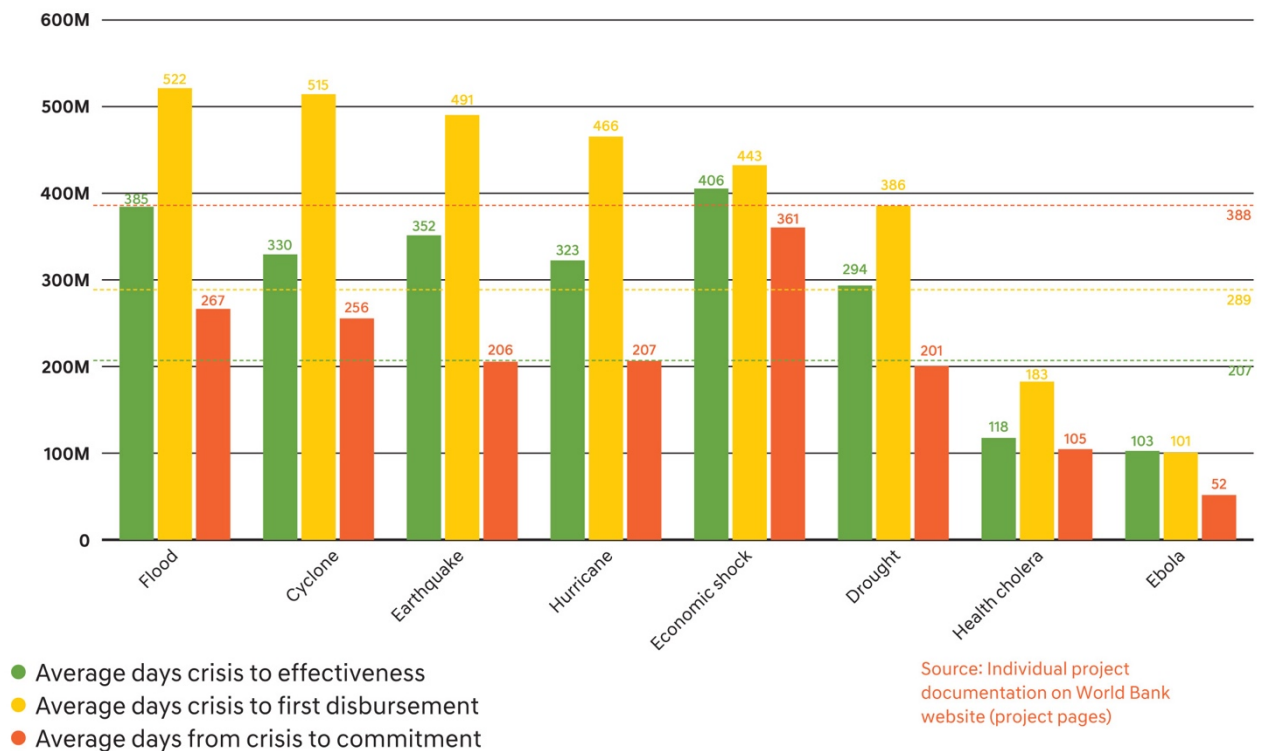


Table 10 illustrates lower mean-average times of 216 days from crisis to commitment, and 398 days from crisis to first disbursement, though with a high range by type of crisis. Even excluding Haiti, it remains notable that for all types of slow-onset crisis (including economic shocks, health crises and drought), average processing times are lower than for sudden shocks with a clear start date. This, in part, reflects the fact that crisis would have been predicted over a longer period, and discussions around use of CRW funds are sometimes initiated prior to declaration of crisis or formal request from IDA member states. For example, in the case of Ebola, a rapid processing time of 52 days from declaration of crisis to project commitment fails to convey that the scale of the crisis was known some months before national declarations of states of emergency. However, it also reflects the nature of response, with CRW funds in these cases variously used to contribute directly to government budgets (as in economic crisis and the Ebola response),

through existing mechanisms (as in drought responses through safety net systems) and through ongoing programmes of existing operational agencies (including UNDP UNICEF and FAO). Further, in all of these cases, relatively swift action held the potential to reduce the long-term impacts of the crisis. It is unclear from reporting whether the timing did, in fact, achieve this.

High differentials between mean averages and medians in the case of economic shocks and health crises reflect the widely differing nature of these cases, with some cases demonstrating extremely fast processing, and others, longer time periods. In the case of Ebola, for example, funding was made in three successive waves to each of the countries involved, with the first round of approvals being relatively rapid. This further highlights the exceptional nature of many of the cases of CRW utilisation. These are explored further below.

5.2 HOW MUCH OF THE CRW HAS BEEN DISBURSED TO DATE?

CRW reporting heavily emphasises how much has been *allocated* to date, in response to which kinds of crisis, and through which mechanisms. However, the team found little consolidated reporting of what had been

disbursed to date, nor any collated information to show whether these disbursements were according to schedules set out at approval stage.

Figure 6: Total amounts disbursed by CRW up to December 2018 against commitments made under each IDA cycle

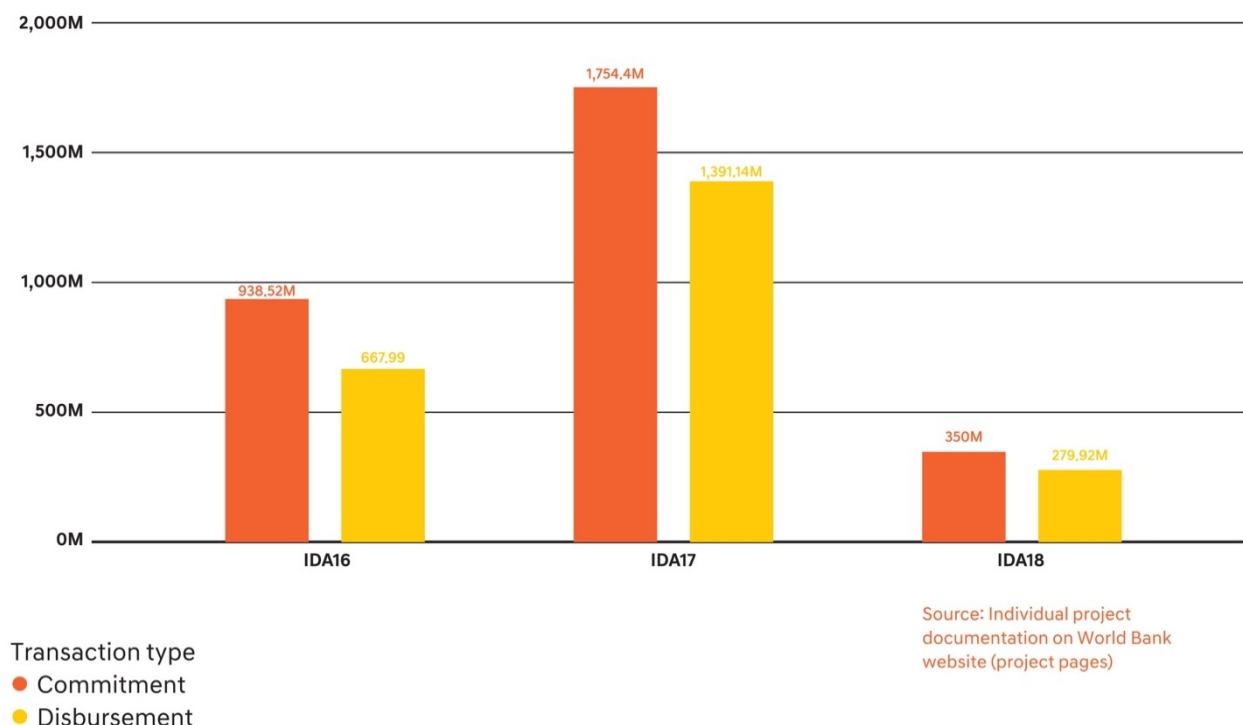


Figure 6, above, highlights that some committed funds remain undisbursed after long periods. US\$270 million of funds committed under IDA16 remain undisbursed at the mid-point of IDA18, and US\$360 million of funds committed under IDA17 remain undisbursed at the same point. There was little indication of official cancellation of these commitments in the majority of cases.

Only seven CRW-funded projects to date reported cancellations; all CRW grants committed under IDA16.

In most cases, the cancellations were very small percentages of the total allocation. As demonstrated below in Table 11, only US\$25 million cancelled from an original commitment of US\$90 million (committed to rebuilding energy infrastructure after the Haiti earthquake) constituted a significant percentage cancellation.

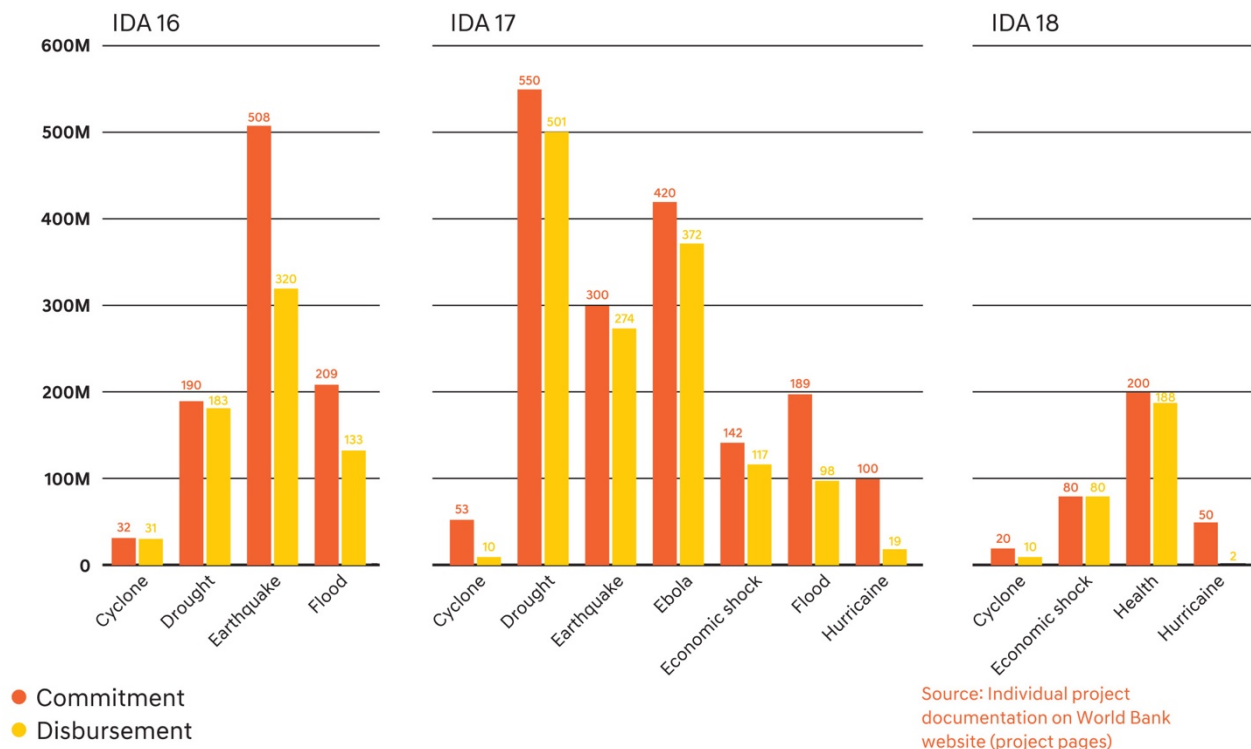
Table 11: Cancellations of CRW commitments to date

| COUNTRY | PROJECT | CRISIS | APPROVAL DATE | ORIGINAL COMMITMENT (\$ MILLION) | AMOUNT CANCELLED (\$ MILLION) | DATE CANCELLATION REPORTED |
|----------|---|------------|---------------|----------------------------------|-------------------------------|----------------------------|
| Kenya | Health Sector Support Project AF | Drought | 20/12/2011 | 56.8 | 0.23 | 01/07/2018 |
| Djibouti | Second AF for Power Access and Diversification Project | Drought | 12/06/2012 | 5.2 | 0.32 | 01/09/2015 |
| Haiti | Urban CDD Project AF | Earthquake | 20/06/2014 | 7.5 | 0.07 | 01/06/2017 |
| Haiti | Haiti Education for All Project—Phase II | Earthquake | 01/12/2011 | 70 | 0.002 | 01/12/2018 |
| Haiti | Rebuilding Energy Infrastructure and Access Project | Earthquake | 27/09/2012 | 90 | 25 | 01/01/2018 |
| Samoa | Agriculture and Fisheries Cyclone Response Project | Cyclone | 17/10/2013 | 5 | 0.002 | 01/11/2017 |
| Tonga | Tonga Cyclone Ian Reconstruction and Climate Resilience Project | Cyclone | 28/05/2014 | 6 | 0.014 | 01/12/2018 |
| Tonga | Tonga Cyclone Ian Reconstruction and Climate Resilience Project | Cyclone | 28/05/2014 | 6 | 0.027 | 01/01/2019 |

Source: Individual project documentation on World Bank website (project pages)

It is illustrative to consider the disbursement rate according to types of crisis. Figure 7 highlights that in the case of drought, economic shock and health crises, most allocations are fully or almost fully disbursed to date. However, in the case of natural disasters, large amounts remain undisbursed after many years. This reflects the longer-term nature of reconstruction projects, with their inherent risk of project delays, lack of alternative funding sources, and shifting needs and costs compared to the design phase.

Figure 7: Disbursement to December 2018³² against original commitment for different types of crisis under each IDA cycle



Speed of the CRW process varies according to the type of crisis, with health crises being addressed most rapidly, and earthquake responses most slowly. The CRW supports a wide range of activities, with both short- and long-term timeframes. These will be explored further, below, according to type of crisis, to understand patterns in terms of speed of approvals and disbursement, levels of funding, and types of project and delivery mechanism.

³² Noting, as above, that publicly available data for some projects was not up to date at the time of data collection.

5.3 CRW USE FOR PUBLIC HEALTH EMERGENCIES

The CRW has been deployed twice for public health emergencies, including the cholera outbreak in Yemen (part of an ongoing complex emergency), and the multi-country Ebola epidemic; US\$200 million was allocated

to Yemen and US\$420 million to the Ebola crisis. The CRW reports that these two cases accounted for 20% of CRW allocations to date, US\$620 million in total³³.

Table 12: CRW allocations for public health emergencies: CRW allocations for public health emergencies

| EMERGENCY | PROJECT NAME | CRISIS DATE | COUNTRY | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | DAYS APPROVAL TO FIRST DISBURSEMENT | NUMBER OF DISBURSEMENTS |
|----------------------------------|--|-------------|--------------|----------------|---------------------------|-------------------------------------|-------------------------|
| WEST AFRICA EBOLA CRISIS 2014 | Ebola response | 08/09/2014 | Liberia | 52 | 8 | 12 ³⁴ | 1 |
| | Ebola response | 08/09/2014 | Sierra Leone | 28 | 8 | 12 | 2 |
| | Ebola response | 08/09/2014 | Guinea | 25 | 8 | 12 | 3 |
| | Poverty Reduction Support Credit II | 08/09/2014 | Liberia | 10 | 65 | 77 | 1 |
| | Emergency Macroeconomic and Fiscal Support Grant | 08/09/2014 | Guinea | 10 | 66 | 45 | 1 |
| | Ebola Emergency Response Project | 08/09/2014 | Sierra Leone | 98 | 71 | 71 | 10 |
| | Ebola Emergency Response Project | 08/09/2014 | Liberia | 115 | 71 | 102 | 9 |
| | Ebola Emergency Response Project | 08/09/2014 | Guinea | 72 | 71 | 102 | 10 |
| | Sierra Leone— | 08/09/2014 | Sierra Leone | 10 | 100 | <11 | 1 |

³³ CRW stocktake, 2018.

³⁴ All initial CRW funds to support Ebola response were fully disbursed within 12 days of approval.

| EMERGENCY | PROJECT NAME | CRISIS DATE | COUNTRY | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | DAYS APPROVAL TO FIRST DISBURSEMENT | NUMBER OF DISBURSEMENTS |
|----------------------|--|-------------|---------|-------------------|---------------------------|-------------------------------------|-------------------------|
| | Emergency Economic and Fiscal Support Operation | | | | | | |
| Yemen cholera crisis | Yemen Emergency Health and Nutrition Project Second Additional Financing | 14/05/2017 | Yemen | 200 ³⁵ | 103 | 78 ³⁶ | 5 |

Source: Individual project documentation on World Bank website (project pages)

In public health emergencies and epidemics, the CRW is triggered when an IDA country has declared a national public health emergency, and the World Health Organisation (WHO) has also declared that the outbreak signifies potential international importance under WHO's global alert and response system, in accordance with International Health Regulations (IHR), 2005. As such, these crises would have been predicted for some time prior to their official declaration. Nonetheless, overall health-related crises had relatively rapid processing times in terms of approval and time to first disbursement; extremely rapid in the case of the early Ebola crisis response, with the shortest time being 12 days and the longest time being 102 days.

³⁵ The Yemen project consisted of two grants, of US\$130 million and US\$70 million to UNICEF and WHO respectively.

³⁶ Average of two different grants.

CRW SUPPORT TO THE EBOLA CRISIS RESPONSE

CRW allocations to the Ebola response were atypical, in that they were approved in several stages, with three separate allocations going to each of three countries.

The initial allocations were made extremely rapidly, within eight days of the crisis being declared, and the bulk of funding was disbursed within 12 days. In several of these projects, funds were disbursed in single tranches to support government efforts.

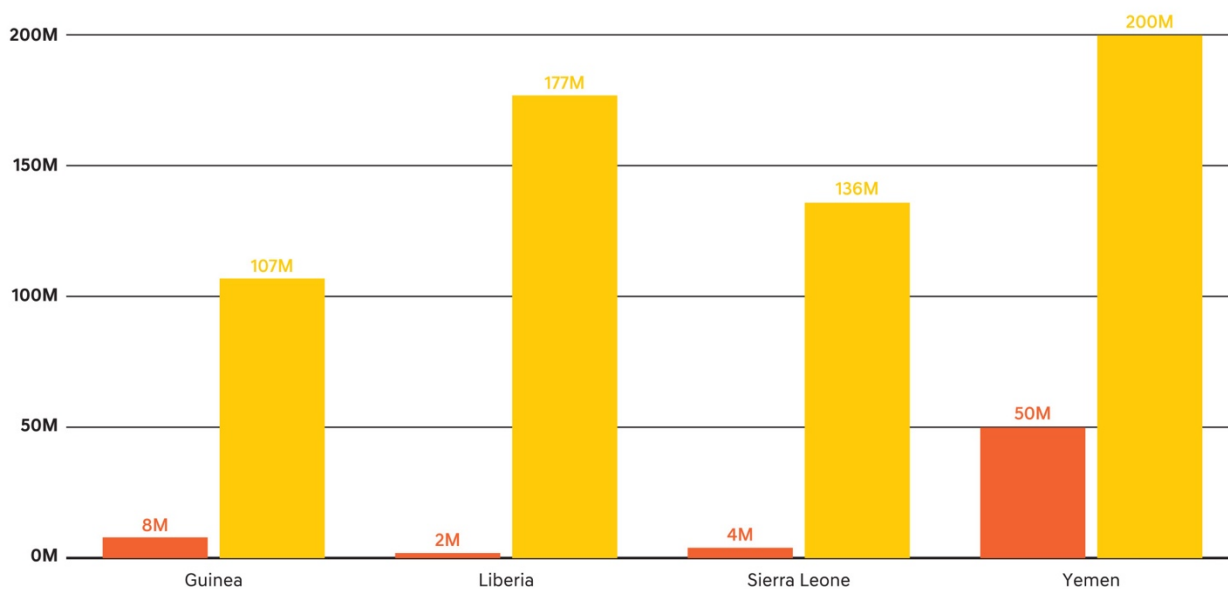
These were separate country-based finance lines, although presented in a single project appraisal document. The allocations were given based on recognition of the exceptional nature of the crisis in terms of scale, substantive negative economic impacts, and potential further spread, including the threat to neighbouring countries and the rest of the world. The initial grants were framed as complementing efforts already led by the WHO, in coordination with the United Nations, to mitigate the health and socio-economic impacts of the crisis. The initial request noted that a further request might be forthcoming, given the evolving nature of the crisis. Subsequent, larger allocations were made to these responses after a further nine

weeks. This staged approach demonstrates how CRW financing can be applied to both immediate needs and longer-term support.

Additionally, in each country a grant of US\$10 million was made for general fiscal support to development budgets, in recognition of the strain crisis puts on governments. These were also disbursed rapidly in order to prevent further damage through the governments' lack of capacity to fulfil its plans. Whilst the early commitments were a mix of grants and credits, the later ones were grant-based only, reflecting an increasing understanding of the risk to the countries' economies.

The Ebola crisis was unique for the CRW, in combining a rapid emergency response in line with broader humanitarian responses, with subsequent fiscal support to protect development trajectories, and in demonstrating the potential of the CRW to act rapidly. It should be noted that, whilst the CRW response was clearly rapid compared to its normal timeframes, the overall international response, led by the WHO, was criticised for being slow to act to contain the disease.

Figure 8: CERF and CRW allocation by country for public health emergencies



CERF allocation and CRW allocation for Public health crisis

- CERF allocation
- CRW allocation

Overall, for health emergencies, the CRW made very high levels of contribution compared to other pooled funds, demonstrated above in Figure 8, in relation to the CERF. **This demonstrates the potentially unique role of CRW in crises where large amounts of funding are needed**, and the potential scale of its impact, relative to other crisis response mechanisms.

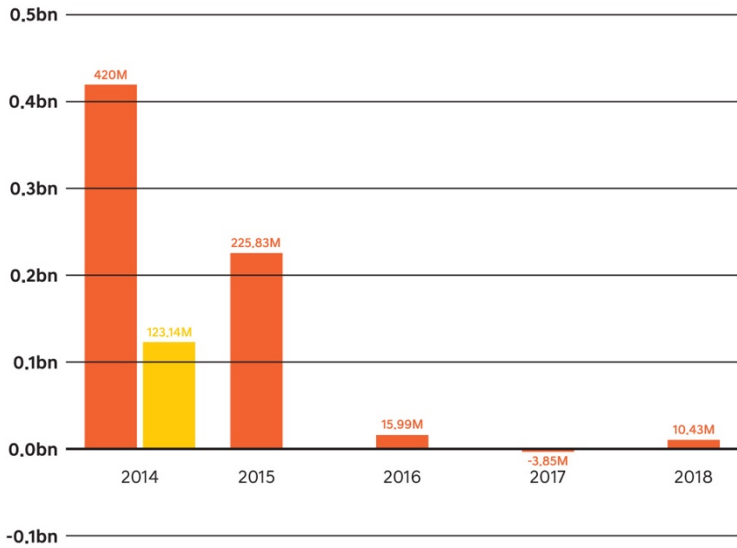
For health crises, funds were disbursed in a relatively short timeframe by CRW standards, with significant proportions disbursed within a year of approval.

Figure 9, below, shows patterns of commitment and disbursement for the two health-related crises, cholera and ebola.

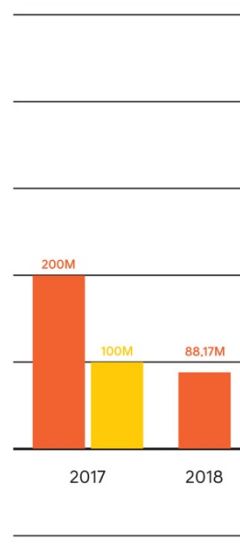
Figure 9: Patterns of commitment and disbursement for Health Crises

Ebola crisis CRW amount and Transaction type

- Commitment
- Disbursement



Cholera crisis CRW amount and Transaction type

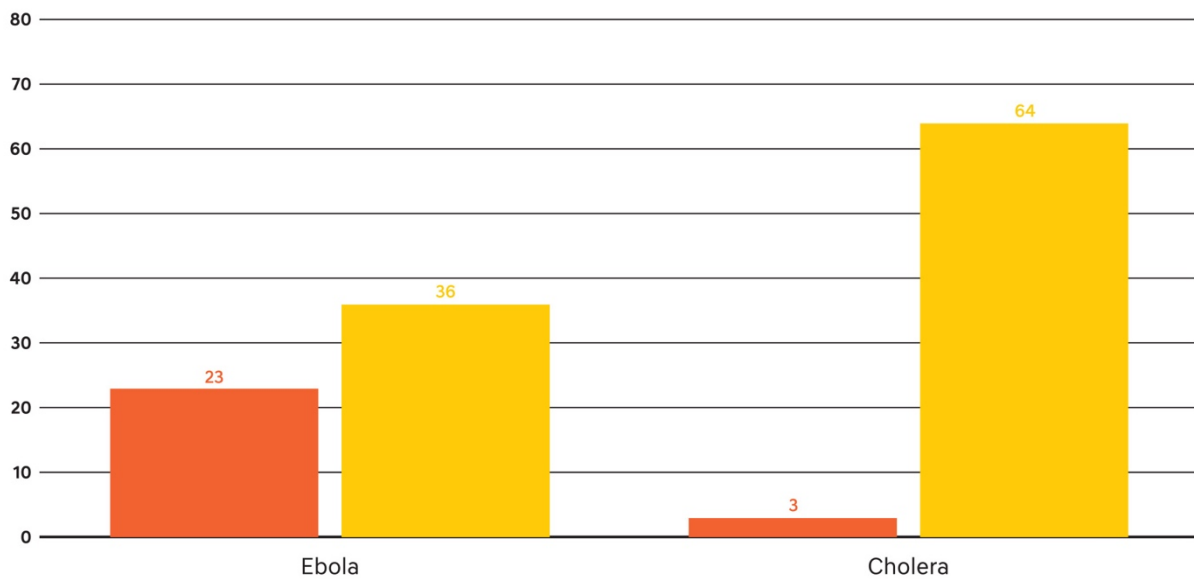


As noted above, the speed of disbursement was relatively rapid in the case of health crises by CRW standards. However, compared to the speed of disbursement for other pooled funds, this was slow, as illustrated by comparison with the CERF allocations for the same crisis events³⁷.

³⁷ It should be noted that, in the case of the CERF, disbursement does not always equate to immediate use.

Figure 10, below, compares the number of days between project approval and first disbursement, for both CRW and CERF contributions to these crises.

Figure 10: Number of days from approval to first disbursement of CERF and CRW in health crises



Number of days from approval to first disbursement

- CERF
- CRW

Although CRW-funded projects went beyond traditional humanitarian responses, they were nonetheless designed to mitigate crisis impact by helping the Government of

Sierra Leone meet health needs, in addition to other aspects. As such, they were time-critical, and a fast response could have increased impact.

YEMEN HEALTH CRISIS: AN ALTERNATIVE DELIVERY MODEL FOR CRW

The CRW responded to two types of crisis in Yemen in 2017. Within the context of the Horn of Africa drought, CRW provided US\$125 million towards a US\$200 million programme delivered by UNDP. Subsequently, in response to a cholera outbreak, CRW provided grants of US\$130 million and US\$70 million, to UNICEF and WHO, respectively.

These cases demonstrate the potential flexibility of the CRW to support alternative delivery mechanisms in contexts with low government capacity. The CRW is largely designed to support national governments in their programming responses to crises, and almost all CRW contributions go to government led initiatives. For Yemen, a special dispensation was sought to allow delivery through the international humanitarian

system. As shown above, the CRW contribution to the Yemen cholera outbreak was substantial, particularly in relation to the contribution from the CERF for comparable activity.

This approach has been rare for the CRW³⁸, but demonstrates the potential of the fund to support early humanitarian and development programming: helping to limit the impact of crises in the context of complex emergencies, where government capacity to act is low, and international organisations and NGOs have existing programmes and delivery mechanisms. However, the potential for this kind of use should be articulated explicitly in eligibility criteria, so that parameters are established.

³⁸ Other cases being: a US\$30 million grant to UNHCR to respond to the 2011 Horn of Africa Drought, and US\$50 million to support the ICRC and the FAO in response to the drought in Somalia in 2017.

5.4 CRW USE IN RESPONSE TO DROUGHT AND/OR FAMINE

The CRW reports that it has allocated US\$800 million to date on drought response (MTR CRW stocktake, 2018), over four episodes of drought (three of which were regional). This represents 26% of CRW allocations and includes two of its largest responses: US\$360 million to the Horn of Africa/Yemen drought in 2017 and US\$250

million to the Horn of Africa drought 2011. The CRW also responded to the 2016 El Nino drought with responses in Ethiopia and southern Africa. These cases met the distinct CRW criteria of being large crises with multi-country spill overs. Table 13, below, presents key data for CRW allocations in cases of drought.

Table 13: List of CRW allocation to drought crises (chronological by crisis date)

| COUNTRY | PROJECT NAME | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | CRISIS TO EFFECTIVENESS (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|----------|--|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|--------------------------------|---------------------------------------|-------------------------|
| Ethiopia | Additional Financing Productive Safety Net APL III Project | CRW credit | 01/07/2011 | 29/03/2012 | 70.00 | 272 | 608 | 392 | 336 | 1 |
| Kenya | Additional Financing for Water and Sanitation Services Improvement Project | CRW credit | 01/07/2011 | 10/05/2012 | 20.00 | 314 | 636 | 532 | 322 | 2 |
| Regional | Horn of Africa Emergency Health and Nutrition Project | CRW grant | 20/07/2011 | 15/09/2011 | 30.00 | 57 | 100 | 61 | 43 | 3 |
| Kenya | Health Sector Support Project AF | CRW credit | 20/07/2011 | 20/12/2011 | 56.80 | 153 | 374 | 313 | 221 | 19 |
| Djibouti | DJ Crisis Response— Social Safety Net Project | CRW grant | 20/07/2011 | 12/06/2012 | 5.00 | 328 | 617 | 540 | 289 | 18 |
| | Second AF for Power Access and Diversification Project | CRW grant | 20/07/2011 | 12/06/2012 | 5.20 | 328 | 617 | 546 | 289 | 5 |

| COUNTRY | PROJECT NAME | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | CRISIS TO EFFECTIVENESS (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|------------|---|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|--------------------------------|---------------------------------------|-------------------------|
| | AF for Rural Community Development and Water Mobilisation Project | CRW grant | 20/07/2011 | 12/06/2012 | 3.00 | 328 | 739 | 545 | 411 | 23 |
| Ethiopia | Productive Safety Net Project (PSNP 4) Additional Financing | CRW credit | 01/12/2015 | 30/06/2016 | 100.00 | 212 | 363 | 238 | 151 | 1 |
| Lesotho | Crisis Response AF to Social Assistance Project | CRW credit | 22/12/2015 | 03/12/2016 | 20.00 | 347 | 462 | 430 | 115 | 4 |
| Mozambique | Emergency Resilient Recovery Project AF | CRW credit | 01/04/2016 | 13/01/2017 | 20.00 | 287 | 698 | 525 | 411 | 1 |
| Madagascar | Social Safety Net Drought Response | CRW grant | 10/11/2016 | 10/11/2016 | 20.00 | 45 | 155 | 111 | 110 | 12 |
| Ethiopia | Productive Safety Net Project (PSNP 4) Additional Financing | CRW credit | 01/01/2017 | 02/05/2017 | 100.00 | 121 | 272 | 156 | 151 | 1 |
| Yemen | Yemen Emergency Crisis Response Project | CRW grant | 28/01/2017 | 19/05/2017 | 125.00 | 111 | 181 | 124 | 70 | 2 |
| Somalia | Somalia Emergency Drought Response and Recovery Project | CRW grant | 02/02/2017 | 30/05/2017 | 20.00 | 117 | 146 | 120 | 29 | 5 |
| | | CRW grant | 02/02/2017 | 30/05/2017 | 30.00 | 117 | 176 | 138 | 59 | |

| COUNTRY | PROJECT NAME | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | CRISIS TO EFFECTIVENESS (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|-------------|--|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|--------------------------------|---------------------------------------|-------------------------|
| Kenya | Additional Financing for the National Safety Net Programme for Results | CRW credit | 10/02/2017 | 26/04/2017 | 35.00 | 75 | 138 | 112 | 63 | 3 |
| South Sudan | South Sudan Emergency Food and Nutrition Security Project | CRW credit | 20/02/2017 | 04/05/2017 | 50.00 | 73 | 189 | 106 | 116 | 8 |
| Mozambique | Mozambique Safety Nets | CRW credit | 01/04/2016 | 10/03/2017 | 10.00 | 343 | 636 | 560 | 293 | 8 |
| Malawi | Malawi Drought Recovery and Resilience | CRW grant | 14/04/2016 | 08/11/2016 | 9.00 | 208 | 320 | 279 | 112 | 1 |
| | Second Additional Financing for Strengthening Safety Nets Systems and Fourth Malawi Social Action Fund | CRW grant | 14/04/2016 | 08/11/2016 | 11.00 | 208 | NA | 279 | NA | 0 |

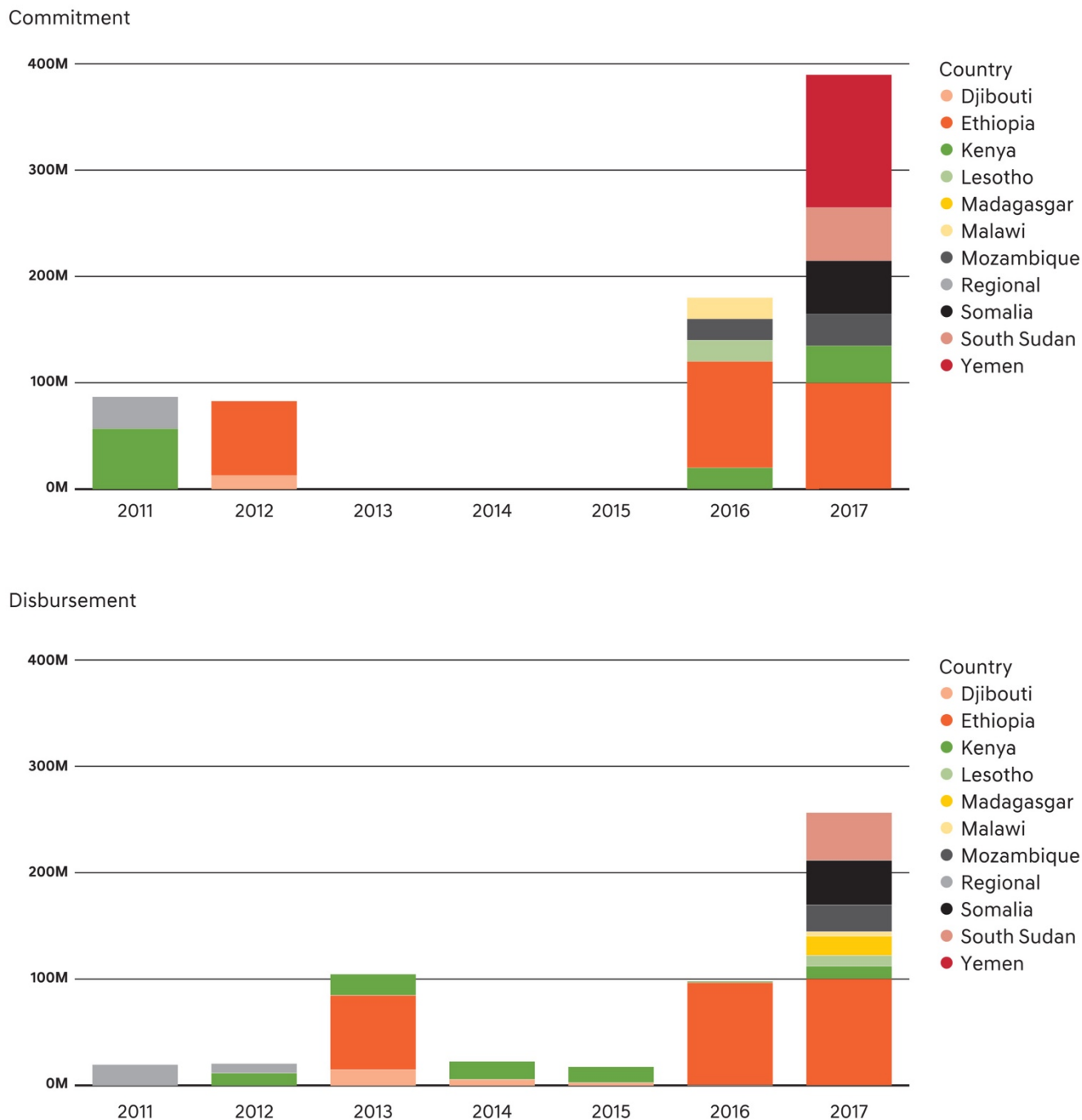
Table 13, above, highlights a wide range in processing times and disbursement patterns, with some projects involving a single disbursement (notably three approvals to support social safety nets in Ethiopia after different incidences of drought), and others regular disbursements over long time periods (including the support to social safety nets in Djibouti, which disbursed regularly over several years).

Social protection programmes, in particular, were a common vehicle for channelling CRW funds in drought response, as they can be rapidly scaled up during crises, and often have pre-identified beneficiaries that target vulnerable groups. 29.9% of CRW funds have been allocated to social protection programmes to date³⁹. Given the ability to predict drought, and the model of Additional Finance to existing projects requiring scale-up, the speed of commitment and disbursement is not particularly fast. The constraining factors appear to be the need to amass larger pools of funding from multiple donors, lack of CRW funds during IDA17, and the need for governments to recognise the scale of crisis prior to starting the CRW process. For CRW funds, commitments in many cases were triggered by a government declaration of emergency, though the nature of the crisis may have been evident for a long time. Once the CRW commitments were made as a response to drought/famine, the first disbursements were made fairly quickly.⁴⁰

³⁹ CRW MTR stocktake.

⁴⁰ Date of reporting published by the World Bank project pages uses the first day of the month when the commitment or disbursement are made.

Figure 11: CRW drought response commitments and disbursements over time (by country)



Many allocations in cases of drought were disbursed over a long time period of several years, calling into question the nature of drought response, and whether it is aiming to mitigate impacts. The overlap with ongoing crisis preparedness, resilience building, and prevention activities makes it hard to define the CRW's added value in drought response, particularly given that this is not explicitly addressed in the eligibility note (despite the

distinct nature of drought crises compared to sudden natural disasters). Figure 11 demonstrates the variable patterns of disbursement for drought responses.

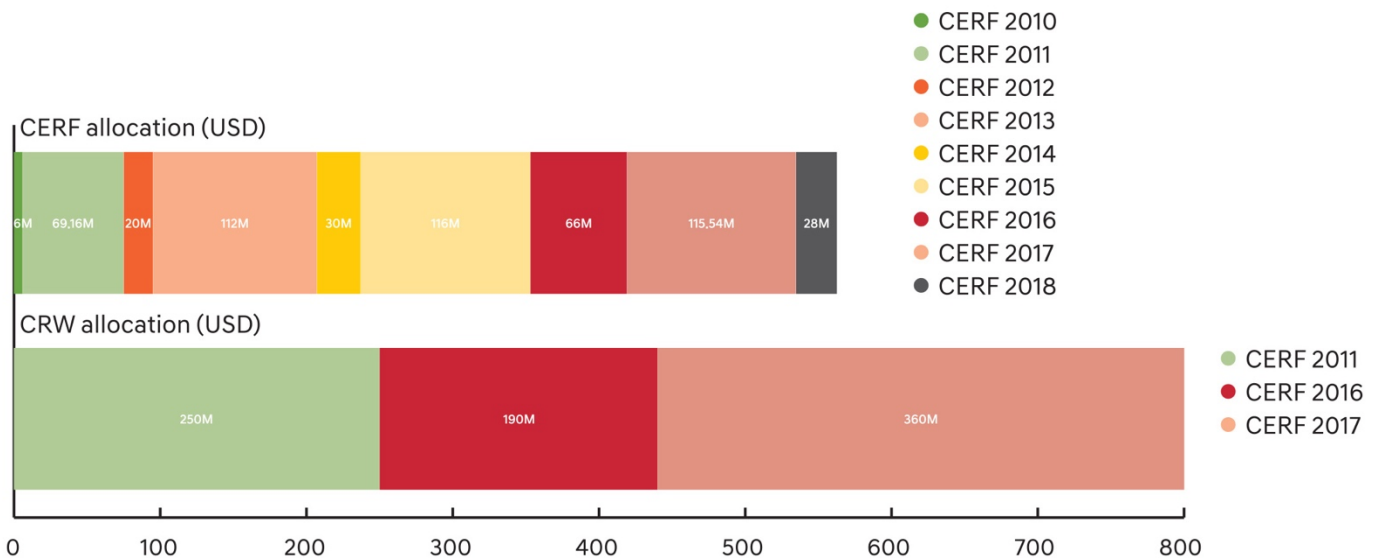
These show variable patterns with some responses disbursing rapidly and others disbursing gradually over extended periods.

Another common vehicle for delivering drought response is to work through international agencies, including the Food and Agriculture Organisation (FAO) and the UN. As noted above, the CRW funded several drought interventions to be delivered by international agencies, receiving special dispensation to do so. In these cases, commitment and disbursement were relatively rapid, and performance ratings (from ISRs and IEG reports) were higher than in regular project delivery through government.

Drought response is, perhaps, where CRW-funded interventions are closest to interventions funded through CERF and other humanitarian mechanisms. Many projects are relatively short in timescale, and require urgent action to save lives, as compared with reconstruction-type activities after other crises. However, the rationale for alternative delivery mechanisms and the means to determine eligibility should be clarified, so that CRW parameters around support to local systems and government plans are established.

Figure 12, below, contrasts CERF allocations and CRW allocations to crises where both funds contributed. It can be seen that the CERF provided funds more frequently, but in smaller amounts. Together with rapid processing times to first disbursement, this generally meant that the CERF responded to emerging drought situations before official declaration of a national emergency, providing funds in the years preceding and following the peak of crisis (the peak being when CRW responses were seen).

Figure 12: CERF and CRW commitment to drought and famine crises over time in cases with funding from both sources



5.5 CRW USE FOR ECONOMIC CRISES

The CRW has been deployed twice for economic shocks, covering the regional economic crisis in West Africa, and the crisis in Mongolia. These represent 7% of total CRW allocations to date, and total US\$230 million.

The CRW targets severe economic crises caused by exogenous shocks that affect multiple countries, where the crisis results in widespread year-on-year projected decline of GDP

Table 14: List of projects with CRW allocations in response to Economic shock presents key data for CRW use in cases of economic shock.

growth of at least 3%. CRW support may also be granted on an exceptional basis, in the event that: a severe price shock that might not have resulted in a GDP-growth decline of 3 percentage points; if the shock is broad-based and has several fiscal impact; there is a consensus that a concerted international response is needed; and, the existing IDA allocations of affected countries are deemed insufficient to provide an adequate response.

Table 14: List of projects with CRW allocations in response to Economic shock

| COUNTRY | PROJECT NAME | TYPE OF AID | CRISIS DATE ⁴¹ | APPROVAL DATE | AMOUNT (USD M) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|--------------|--|-------------|---------------------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| Liberia | LR-PRSC III (FY16) | CRW grant | 01/01/2016 | 17/11/2016 | 8 | 321 | 362 | 41 | 1 |
| | Second AF LR Road Asset Management | CRW credit | 01/01/2016 | 08/05/2017 | 12 | 493 | NA | Not disbursed yet | |
| Sierra Leone | Productivity and Transparency Support Credit | CRW credit | 01/06/2016 | 30/06/2017 | 12 | 394 | 422 | 28 | 1 |
| | | CRW grant | 01/06/2016 | 30/06/2017 | 8 | 394 | 422 | 28 | 1 |
| Guinea | West Africa Agricultural Productivity Programme (WAAPP-IC) | CRW credit | 01/07/2016 | 03/02/2017 | 15 | 217 | 392 | 175 | 13 |

⁴¹ Noting that there was rarely an official declaration of crisis, and these dates are conservative estimates of when the severity of crisis was evident from economic forecasts.

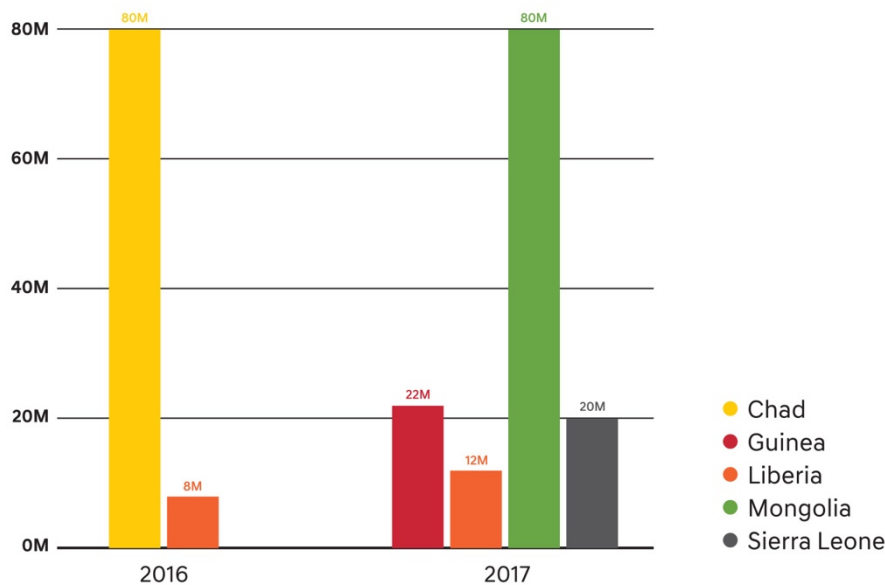
| COUNTRY | PROJECT NAME | TYPE OF AID | CRISIS DATE ⁴¹ | APPROVAL DATE | AMOUNT (USD M) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|----------|--|-------------|---------------------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| | GN: Economic Governance Technical Assistance | CRW grant | 13/07/2016 | 09/06/2017 | 7 | 331 | 595 | 264 | 8 |
| Chad | Fiscal Consolidation Support Programme (Development Policy Operations) | CRW grant | 01/07/2016 | 08/12/2016 | 80 | 160 | 167 | 7 | 1 |
| Mongolia | Economic Management Support Operation First DPF | CRW credit | 01/01/2016 | 30/11/2017 | 80 | 699 | 727 | 28 | 1 |

Support after economic shocks was given as a mix of grants and credits. Allocations were made to Liberia, Sierra Leone and Chad in response to an economic crisis with regional implications; Chad received the largest allocation by far, see **Error! Not a valid bookmark self-reference.**, below. The additional allocation to Mongolia was also large. It should be noted that the crisis dates for economic shocks are not precise, and largely reflect when a deficit was reported during fiscal planning; the times between crisis and approval are

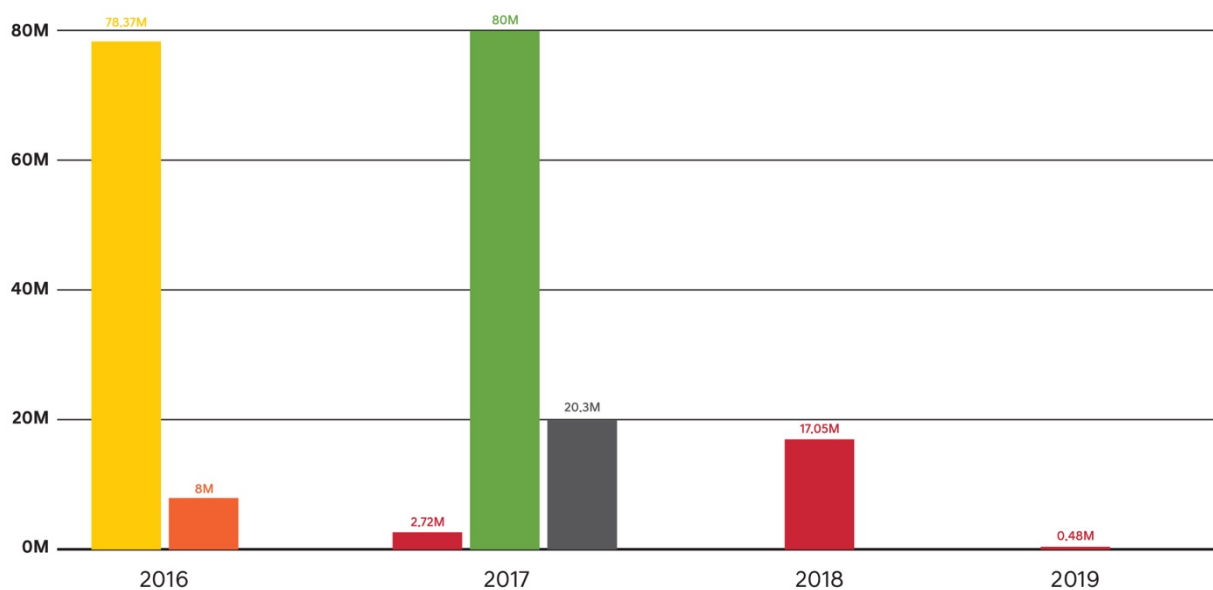
therefore not particularly insightful. However, the times between approval and effectiveness or first disbursement are fairly rapid for these crises. Many of these allocations were given as budget support to existing government plans or programmes which did not require a long development process. They were largely disbursed over very short periods, sometimes as a single tranche. There are some anomalies, however. For example, US\$12 million allocated to Liberia in 2017 has not started disbursing (but has yet not being cancelled).

Figure 13: CRW commitments and disbursement over time for economic shock crisis

CRW amount committed to each country per year



CRW amount disbursed per country per year



ECONOMIC CRISIS IN WEST AFRICA

In 2016, the CRW approved funds to four countries in West Africa experiencing an economic shock. These met several of the recently amended criteria allowing for support in cases of economic crisis. One such criteria is that this was an economic crisis caused by an exogenous shock and affecting a significant number of countries. CRW criteria also state that the use of CRW funds can be considered if the crisis results in widespread year-on-year decline of GDP growth of at least 3 percentage points in a significant number of IDA countries.

It is notable that the project documentation for these crises is more explicit than in other cases in its use of CRW funds, how they meet the relevant criteria, and why CRW funds were deemed the most appropriate financing source. They also clearly flagged the process undertaken to secure the funding. For example, in the Project Appraisal Document for a crisis response in Chad, the following were clearly noted:

- The proposed operation met the key conditions for the use of quick disbursing Supplemental Financing, in part because the fiscal crisis was exceptional and of unexpected magnitude, and also because Chad had exhausted its statutory and exceptional advances from a regional bank and was unable to access funds from other sources in a reasonable timeframe. A clear explanation of the expected impact was given as ‘the gross domestic product is projected to decline by 3.5% in 2016’, which demonstrates eligibility according to CRW criteria;

- The timeframe on which the management informed the Executive Directors of its intention to allocate an indicative amount of US\$80million to support the Government of Chad;
- That there was additional information pertaining to the use of the CRW in this crisis, in a note entitled ‘IDA Crisis Response Window Support for Liberia, Sierra Leone, Guinea and Chad in Response to the Commodity Price Shock’ dated 5th October 2016, as well as a clear eligibility matrix;
- A clear explanation as to the complex causal factors that led to the crisis and exacerbated its impact, which included commodity prices declining, security challenges, regional displacement and recession in key regional powers.

These points were remarkable because they were unusual, and yet, this is core information in ensuring transparency in the use of CRW funds. It was hard to find other examples that included even one comparable point clearly articulated.

The potential utilisation of CRW-financing to prevent decline in development trajectories and protect core government functions and plans is one of the most compelling comparative advantages of the CRW. In such cases where few other actors would be mandated to engage or able to act at scale, the potential return on CRW investments is

high, although difficult to demonstrate in terms of a counterfactual. For example, in the case of Chad being able to pay military salaries in a time of fiscal crisis and high insecurity could contribute to avoidance of state collapse, but this is difficult to attribute or quantify. Efforts could, however, be made to assess and report the value for money of these allocations.

5.6 CRW USE RESPONDING TO EARTHQUAKES

The CRW has allocated 26% of its funds to earthquake response, totalling US\$808 million across two crises in Haiti and Nepal.

times reflect funding delays prior to this. Table 15 illustrates the key data for CRW-funded responses to earthquakes.

The largest ever CRW allocation was US\$508 million for the Haiti earthquake. This skews the data, because it happened prior to IDA16, and so processing

Table 15 Key data for projects funded by CRW in response to earthquakes

| COUNTRY | PROJECT NAME | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (USD M) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|---------|--|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| Haiti | Haiti Education for All Project—Phase II | CRW grant | 12/01/2010 | 01/12/2011 | 70 | 688 | 898 | 210 | 12 |
| | Relaunching Agriculture: Strengthening Agriculture Public Services II Project. | | 12/01/2010 | 01/12/2011 | 40 | 688 | 959 | 271 | 22 |
| | Disaster Risk Management and Reconstruction Project | | 12/01/2010 | 01/12/2011 | 60 | 688 | 1020 | 332 | 42 |
| | Rebuilding Energy Infrastructure and Access Project | | 12/01/2010 | 27/09/2012 | 90 | 989 | 1202 | 213 | 49 |
| | AF for Infrastructure and Institutions Emergency Recovery Project | | 12/01/2010 | 27/09/2012 | 35 | 989 | 1293 | 304 | 44 |

| COUNTRY | PROJECT NAME | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (USD M) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|---------|--|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| | Business Development and Investment Project | | 12/01/2010 | 21/05/2013 | 20 | 1225 | 1446 | 221 | 18 |
| | Improving Maternal & Child Health through Integrated Social Services Project | | 12/01/2010 | 21/05/2013 | 70 | 1225 | 1508 | 283 | 25 |
| | Economic Reconstruction and Growth Development Policy Financing | | 12/01/2010 | 18/06/2013 | 20 | 1253 | 1557 | 304 | 1 |
| | Cultural Heritage and Tourism Sector | | 12/01/2010 | 19/05/2014 | 45 | 1588 | 1750 | 162 | 5 |
| | HT Centre & Artibonite Regional Development | | 12/01/2010 | 19/05/2014 | 50 | 1588 | 1750 | 162 | 8 |
| | Urban CDD Project AF | | 12/01/2010 | 20/06/2014 | 7,5 | 1620 | 1901 | 281 | 9 |

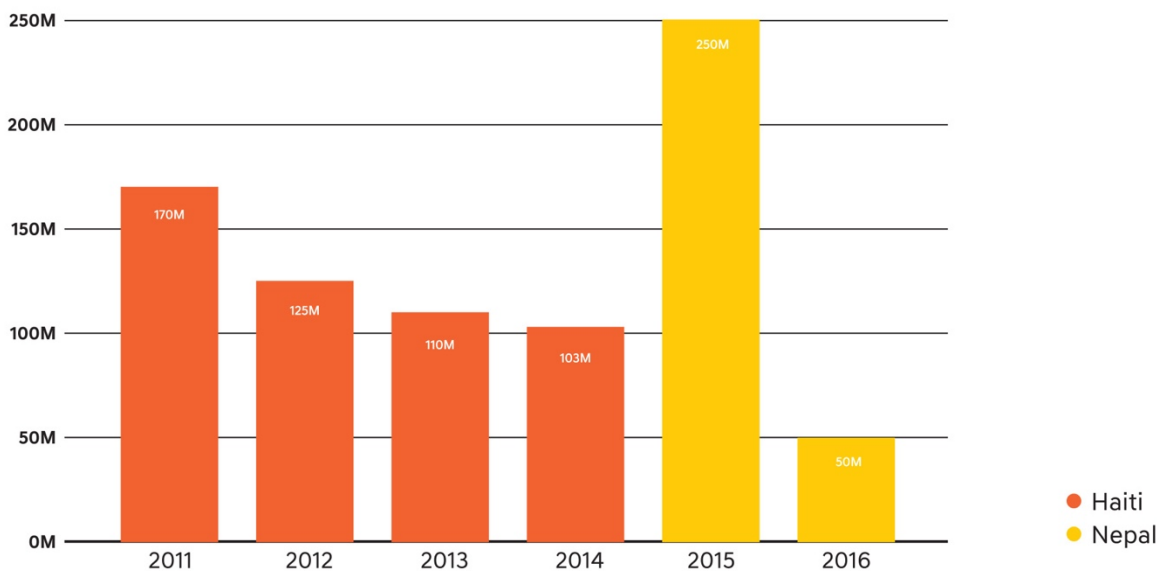
| COUNTRY | PROJECT NAME | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (USD M) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|---------|---|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| Nepal | Financial Sector Stability DPC2 | CRW credit | 25/04/2015 | 29/06/2015 | 50 | 65 | 217 | 152 | 1 |
| | Earthquake Housing Reconstruction Project | | 25/04/2015 | 29/06/2015 | 200 | 65 | 399 | 334 | 5 |
| | NP: Road Sector Development Project | | 25/04/2015 | 25/08/2016 | 50 | 488 | 856 | 368 | 2 |

In response to earthquakes, the CRW has funded a wide range of projects, including some very small ones. However, the majority are fairly large allocations to support infrastructure repair and construction, including housing, energy and roads. These projects often demonstrated efforts to build back better, and integrate elements of disaster risk reduction and preparedness, in line with CRW's increasing emphasis on linking reconstruction with preparedness.

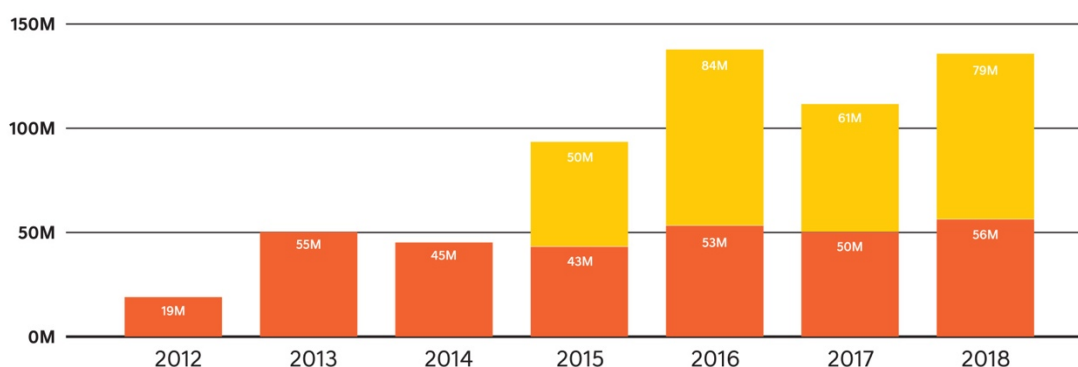
By nature, these types of project require a relatively lengthy design phase. However, in the case of Haiti, the processing time to first disbursement was extremely long (several years). This raises the question of whether the CRW was the most appropriate source of funding for this kind of project. Further initial allocations were also made over extended periods; in the case of Haiti this was multiple projects. Figure 14, below, shows allocations to these events over a number of years, alongside broad patterns of disbursement also over a number of years.

Figure 14: CRW allocations and disbursements over time in response to earthquakes

CRW amount committed to each country (M USD)



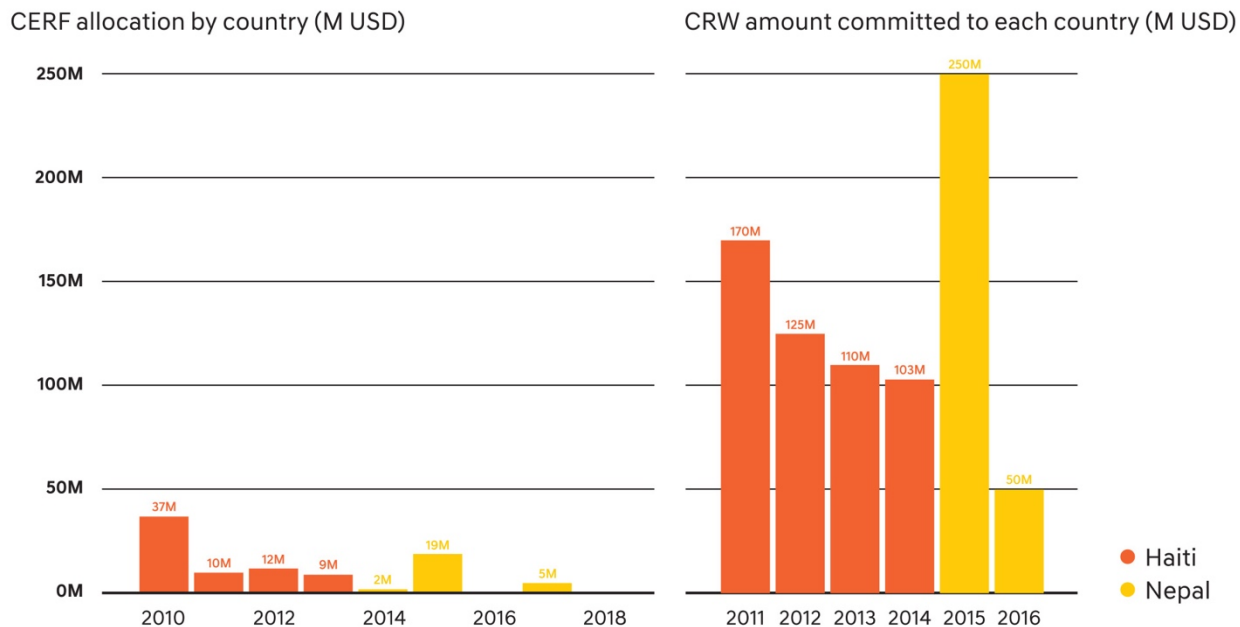
CRW amount disbursed to each country (M USD)



This comparison with the CERF highlights the relative scale of CRW contributions in relation to these crises. In both cases, the CERF also approved and disbursed funds over a number of years, but in relatively tiny amounts.

Figure 15, below, demonstrates the difference in scale of CERF and CRW contributions to earthquake response.

Figure 15: CERF and CRW commitments made over time in response to earthquakes



CRW has a comparative advantage of scale, particularly in relation to projects supporting longer-term and government-led reconstruction. However, it is important to consider how this support catalyses wider support across the donor community, and how it links to efforts to build back better and foster preparedness and resilience.

5.7 CRW USE RESPONDING TO FLOODS AND TROPICAL STORMS

CRW has allocated US\$652 million of its funds to date responding to floods, cyclones and hurricanes, representing 21% of total CRW funds. This covered 14 different crisis events. The largest allocations were US\$100 million each, in

response to floods in Bosnia in 2014 and Myanmar in 2016, as well as the hurricane in Haiti in 2017. Table 16, below, presents key data for CRW-funded responses to floods and storms.

Table 16: List of CRW allocations in response to floods and tropical storms

| COUNTRY | PROJECT NAME | IDA | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|---------------|---|-------|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| Samoa Cyclone | Samoa Development Policy Operation | IDA16 | CRW grant | 12/12/2012 | 12/07/2013 | 10 | 212 | 290 | 78 | 1 |
| | Agriculture and Fisheries Cyclone Response Project | IDA16 | CRW grant | 12/12/2012 | 17/10/2013 | 5 | 309 | 443 | 134 | 6 |
| | Enhanced Road Access Project | IDA16 | CRW grant | 12/12/2012 | 17/10/2013 | 5 | 309 | 563 | 254 | 6 |
| Tonga Cyclone | Tonga Cyclone Ian Reconstruction and Climate Resilience Project | IDA16 | CRW credit | 23/12/2013 | 28/05/2014 | 6 | 156 | 674 | 518 | 17 |

| COUNTRY | PROJECT NAME | IDA | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|--------------------|--|-------|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| | Tonga Cyclone lan Reconstruction and Climate Resilience Project | IDA16 | CRW grant | 23/12/2013 | 28/05/2014 | 6 | 156 | 248 | 92 | 13 |
| Tuvalu Cyclone | Second Supplemental DPO | IDA17 | CRW grant | 15/03/2015 | 15/09/2015 | 3 | 184 | 286 | 102 | 1 |
| Vanuatu Cyclone | Vanuatu Infrastructure Reconstruction and Improvement Project | IDA17 | CRW credit | 15/03/2015 | 17/06/2016 | 25 | 460 | 776 | 316 | 3 |
| | Vanuatu Infrastructure Reconstruction and Improvement Project | IDA17 | CRW grant | 15/03/2015 | 17/06/2016 | 25 | 460 | 1231 | 771 | 3 |

| COUNTRY | PROJECT NAME | IDA | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|------------------|--|-------|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| Tonga Cyclone | Tonga Second Inclusive Growth Development Policy Financing: Supplemental Financing | IDA18 | CRW grant | 12/02/2018 | 18/07/2018 | 10 | 156 | 258 | 102 | 1 |
| | AF Tonga Pacific Resilience Project | IDA18 | CRW grant | 12/02/2018 | 18/07/2018 | 10 | 156 | 258 | 102 | 1 |
| Myanmar Flood | Flood and Landslide Emergency Recovery Project (FLERP) | IDA17 | CRW credit | 31/07/2015 | 14/07/2016 | 100 | 349 | 469 | 120 | |
| Mozambique Flood | National Water Resources Development Flood Response Project | IDA16 | CRW credit | 12/01/2013 | 27/09/2013 | 32 | 258 | 360 | 102 | |

| COUNTRY | PROJECT NAME | IDA | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|------------------|--|-------|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| | Roads and Bridges Management Maintenance Project Phase II - Additional financing | IDA16 | CRW credit | 12/01/2013 | 13/12/2013 | 3,15 | 335 | Not disbursed | 182 | Not disbursed |
| | Roads and Bridges Management Maintenance Project Phase II - Additional financing | IDA16 | CRW grant | 12/01/2013 | 13/12/2013 | 36,25 | 335 | 715 | 380 | |
| St Vincent Flood | Regional Disaster Vulnerability Reduction Project - Additional Financing | IDA16 | CRW credit | 24/12/2013 | 09/05/2014 | 19 | 136 | Not disbursed | 197 | Not disbursed |

| COUNTRY | PROJECT NAME | IDA | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|-----------------------|--|-------|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| St Lucia Flood | Disaster Vulnerability Reduction Project | IDA16 | CRW credit | 24/12/2013 | 14/06/2014 | 17 | 172 | 452 | 280 | |
| | Disaster Vulnerability Reduction Project | IDA16 | CRW credit | 24/12/2013 | 14/06/2014 | 1,62 | 172 | Not disbursed | 707 | Not disbursed |
| Solomon Islands Flood | AF(CRW) for SB-Rapid Employment Project | IDA17 | CRW grant | 01/04/2014 | 31/07/2015 | 1,5 | 486 | 588 | 102 | 15 |
| | AF(CRW) for SB-Rapid Employment Project | IDA17 | CRW grant | 01/04/2014 | 18/11/2016 | 1,9 | 962 | 1082 | 120 | 19 |
| | Solomon Islands Rural Development Programme II | IDA17 | CRW credit | 01/04/2014 | 21/11/2014 | 2,5 | 234 | 941 | 707 | 1 |

| COUNTRY | PROJECT NAME | IDA | TYPE OF AID | CRISIS DATE | APPROVAL DATE | AMOUNT (M USD) | CRISIS TO APPROVAL (DAYS) | CRISIS TO FIRST DISBURSEMENT (DAYS) | APPROVAL TO FIRST DISBURSEMENT (DAYS) | NUMBER OF DISBURSEMENTS |
|--------------|--|-------|-------------|-------------|---------------|----------------|---------------------------|-------------------------------------|---------------------------------------|-------------------------|
| | Solomon Islands Rural Development Programme II | IDA17 | CRW grant | 01/04/2014 | 21/11/2014 | 1,5 | 234 | 514 | 280 | 1 |
| | Recovery Financing Development Policy Operation | IDA17 | CRW grant | 01/04/2014 | 21/11/2014 | 2 | 234 | 392 | 158 | 1 |
| Bosnia Flood | BiH Floods Emergency Recovery Project | IDA16 | CRW credit | 14/05/2014 | 30/06/2014 | 100 | 47 | 167 | 120 | 43 |
| Malawi Flood | Malawi Floods Emergency Recovery Project of Malawi | IDA17 | CRW credit | 14/01/2015 | 07/05/2015 | 40 | 113 | 531 | 418 | 15 |
| | Malawi Floods Emergency Recovery Project of Malawi | IDA17 | CRW grant | 14/01/2015 | 07/05/2015 | 40 | 113 | 257 | 144 | 9 |

CRW allocations in response to tropical storms and floods were generally of a small size, mostly to Pacific or Caribbean Islands where devastation met CRW criteria but did not require large grants due to the small size of populations and economies. In many of these cases, a series of small projects were funded; three larger grants

were made in response to storms in larger economies: US\$100 million each to Bosnia and to Myanmar, and US\$80 million to Malawi. Figure 16 demonstrates patterns of commitment and disbursement for these cases.

Figure 16: Disbursement of CRW commitments over time in response to floods and tropical storms

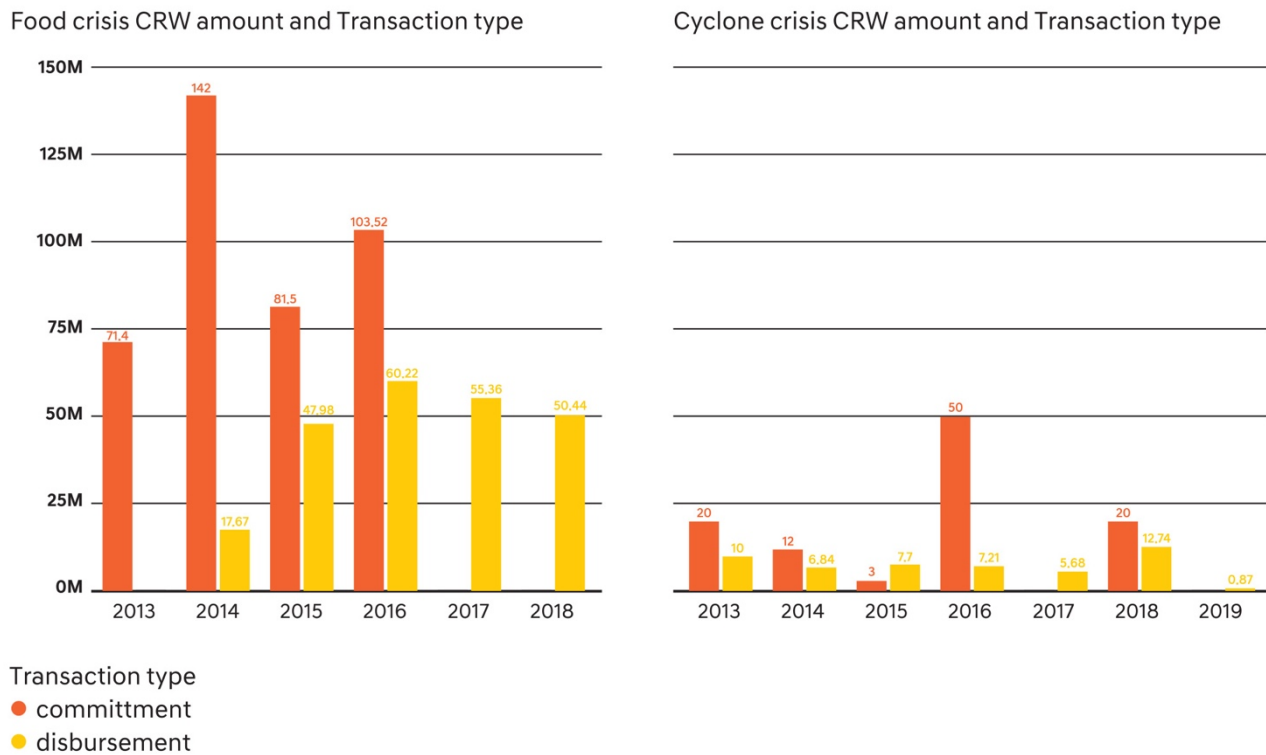


Figure 16, above, highlights that funds were generally disbursed over a number of years for responses to tropical storms and floods, reflecting the longer-term nature of reconstruction and resilience building. The projects funded in response to storms and floods had a

high focus on building resilience, reflecting the fact that, in many of these cases, there are extremely high risks of recurrent storms with devastating impacts due to climatic change.

● KEY FINDINGS

FINDING 1: THE SCALING POTENTIAL AND FLEXIBILITY OF THE CRW MAKE IT AN EXCELLENT CRISIS-RESPONSE TOOL, BUT ONE WHICH COULD STILL BE IMPROVED

The CRW demonstrates clear comparative advantages in relation to other World Bank tools and the wider crisis response system, providing scale and flexibility across a range of crisis types and different phases of crisis response, from crisis mitigation and early recovery, through to longer-term reconstruction. However, it could do more to maximise the impact of its financing across the crisis response system, particularly with regards to responding to different types of crisis.

The CRW has been utilised flexibly across a wide range of different crisis contexts, including natural disasters, economic crises and public health emergencies, both sudden shocks and slower-onset emergencies. It has also supported both short- and longer-term programming responses. Whilst the CRW eligibility criteria differentiate between crisis types, they are better articulated for sudden shocks with a clear beginning and endpoint than slow-onset disasters, where swift action might mitigate crisis impact. Similarly, the CRW application and approval process appears better adapted to medium- to long-term recovery and reconstruction efforts than to early action. This reflects a gap across the range of crisis response instruments, many of which can only be enacted after a crisis occurs (whilst Cat DDOs, weather derivatives, risk pools and CERCs are put in place before a crisis, they cannot be disbursed until after a crisis has materialised). The CRW has not sufficiently defined its added value in relation to different crisis typologies, and therefore misses an opportunity to better complement other mechanisms and have greater impact across the crisis response system.

The potential utilisation of CRW financing to prevent decline in development trajectories and protect core government functions and plans is one of the most compelling comparative advantages of the CRW. The CRW adds value by supporting government-led initiatives, aligning IDA with national development plans, and disaster preparedness and risk reduction

efforts. IDA19 presents an opportunity to further improve the way in which the CRW operates, and to articulate more precisely its role within the IDA toolkit, and more broadly still.

In some cases, CRW funds have been utilised alongside other IDA resources and bilateral and multilateral contributions—however, the CRW does not seem to have capitalised on its potential to catalyse broader action. The World Bank envisaged the CRW as able to attract additional contributions from other sources for particular crises. Given the proliferation of financing sources and delivery mechanisms for crisis response, the CRW could be used more to stimulate broader system change through more coordinated responses between humanitarian and development actors. Looking ahead, the CRW could be used more strategically to drive more systematic change in the way in which IDA and the international system finance crisis risk.

The CRW demonstrates the potential flexibility to support alternative delivery mechanisms in exceptional circumstances, but the parameters for this, and the criteria of eligibility are unclear. The CRW is largely designed to support national governments in their programming responses to crises. Delivery through alternative mechanisms has been rare for the CRW, but recent experience has highlighted how IDA, and the CRW in particular can work with humanitarian partners to mitigate the impact of crises in the most fragile and conflict-affected states. In Yemen and Somalia, special dispensation was sought to allow delivery through the international humanitarian system (UNDP, UNICEF, ICRC and WHO). Whilst these projects generally gain higher IEG ratings than traditional IDA projects, they raise questions about the cost-effectiveness of utilising the CRW as a conduit for financing interventions and organisations that can be funded directly through direct bilateral contributions. It will therefore be important to demonstrate the value added by IDA administering these funds.

FINDING 2: POOR DATA CAPTURE AND LACK OF TRANSPARENCY AFFECTS CRW ANALYSIS AND ASSESSMENT

There is relatively little analysis publicly available on CRW utilisation beyond summary reports at the point of replenishment, MTR and the end of IDA-cycle retrospectives, and these sources fail to capture project-level performance data, or to assess the CRW in relation to broader crisis response machinery. Improved transparency would deepen the accountability of the CRW and make clearer how it fits in the wider global crisis financing architecture.

Attempts have been made to report on the totality of CRW usage through mid-term and retrospective reports related to each IDA cycle, and these provide a useful overview of its sectoral and geographic coverage, reassurance that CRW funds were used in the crises with the highest impacts, and that size of allocations correlate broadly with needs. This self-reporting by the CRW focuses on comparison with regular IDA financing, particularly in terms of speed of allocations and

disbursements, but does not consider its relative performance alongside other crisis response mechanisms or its particular impact in the crisis context.

Aggregate reporting misses an opportunity to scrutinise the CRW performance at a detailed level, whilst project-level reporting is done according to regular World Bank formats and, as such, does not specifically detail the added value of CRW funding, whether it was rapidly approved or disbursed, whether it complemented other international efforts to respond to the crisis, or other points specific to CRW funding. There is rarely a specific articulation of why CRW funds were requested for some interventions and not others, how the crisis met eligibility criteria, how the level of contribution was fixed, or what was the approach to burden sharing across partners. Therefore, it is hard to know whether the contribution relates to the scale of disaster impact, the gap in financing, or some other factor.

FINDING 3: A TYPOLOGY OF CRISES WOULD ALLOW MORE EFFECTIVE ANALYSIS OF CRW COMMITMENT/DISBURSEMENT PROCESSES

The utilisation and performance of CRW funds appears to differ by type of crisis. However, the expected process, timeframes and potential modalities are not articulated in detail according to a typology of crises. It is hard to determine what efficient use would look like or against which standards the performance of the CRW should be measured in different circumstances.

Whilst some cases of CRW use demonstrate extremely rapid approval and disbursement, many do not. Patterns of approval and disbursement are, to some extent, determined by the nature of crisis, typical types of response, and modes of delivery. **The speed of processing varies greatly between different types of crisis**, with health crises generally being rapidly disbursed and earthquakes being slowest. In cases of drought, economic shock and health crises, most allocations are fully or almost fully disbursed to date. However, in the case of natural disasters, large amounts remain undisbursed after many years. This reflects both the longer-term nature of reconstruction-type projects, but also the great risk of project delays, lack of alternative funding sources, and shifting needs and costs, compared to the design phase.

In cases of drought, many projects are in the form of additional financing to well-established safety net programmes which are designed to scale up easily. Given the ability to predict drought and the model of Additional Finance to existing projects requiring scale-up, the speed of commitment and disbursement is not particularly fast. The CRW could respond at an earlier juncture to food insecurity episodes that are related to CRW-eligible events, and the proposed Famine Action Mechanism provides an opportunity to test this. Decisions to approve CRW financing are slow to be made, and in many cases, disbursement remains slow despite the delivery mechanism being established already. In these cases, the CRW should better enable early decision and response. The constraining factors appear to include the need to amass larger pools of funding from multiple donors, lack of CRW funds during IDA17, and the need for governments to recognise the scale of crisis prior to starting the CRW process. Drought response is, perhaps, where CRW-funded interventions are closest to CERF-funded and other humanitarian interventions, and where there is potential to bridge the humanitarian-development nexus. They are relatively short in timescale and require urgent action to save lives and protect livelihoods,

rather than to finance reconstruction-type activities after earthquakes, floods and storms.

Responses to economic crises demonstrate relatively rapid processing times. Many of these allocations were given as budget support to existing government plans or programmes which did not require a long development process. They were generally disbursed over very short periods, sometimes as a single tranche. It is notable that the project documentation for these crises is more explicit than in other cases in its use of CRW funds, how they meet the relevant criteria, and why CRW funds were deemed the most appropriate financing source. They also clearly flagged the process undertaken to secure the funding.

In response to earthquakes, the majority of CRW-funded allocations were fairly large, supporting infrastructure repair and construction, including housing, energy and roads. By nature, these types of project require relatively lengthy design and implementation phases, and often demonstrate efforts to build back better and integrate elements of disaster risk reduction and preparedness, in line with CRW's increasing emphasis on linking reconstruction with preparedness. Processing times for earthquake responses were long, and implementation was over sustained periods, raising the question of whether the CRW was the most appropriate source of funding for this kind of project.

CRW allocations in response to tropical storms and floods were usually of a small size. In many of these cases a series of small projects were funded, mostly to Pacific or Caribbean Islands where devastation met CRW criteria but did not require large grants due to the small size of populations and economies. They focused on building resilience, reflecting the fact that in many of these cases there are extremely high risks of recurrent storms with devastating impacts due to climate change. Funds were generally disbursed over a number of years, reflecting the longer-term nature of reconstruction and resilience building.

FINDING 4: CRW MANAGEMENT OF REPLENISHMENT AND APPROVALS PROCESSES CONSTRAINS THE USE OF THE CRW, AND DOES NOT RELATE TO NEED

Funds allocated to IDA16 were high due to the allocation of US\$508 million to the Haiti earthquake response that was incorporated into the initial CRW replenishment. However, other demand on the CRW pot was low during IDA16. Under IDA17, US\$900 million was initially allocated, but was almost fully committed in the first year, due to exceptionally high demand. A further US\$900 million was committed at the IDA MTR; the additional funds were fully allocated by the end of IDA17. At the end of IDA17 a very small amount remained, and the IDA18 replenishment reflected fresh commitments. At the IDA18 MTR, however, it was proposed that unspent CRW funds be reallocated. Replenishment reports do not describe how the level of funds committed at replenishment is determined, nor whether this is based on any assessment, estimate or prediction of potential needs.

The CRW has, at times, been constrained by lack of funds due to its structured and lengthy replenishment process. During IDA17, no CRW commitments were made over a nine-month period, despite there being several longstanding crises that were subsequently funded following replenishment. Immediately after

replenishment, new commitments were made totalling US\$450 million between June and December 2016. Many of these approvals were for projects which had experienced a long time between the occurrence of the crisis and approval of funding. Several of these were for drought response as additional financing for social safety net programmes, which should be a fairly rapid process. There is no publicly available statement of intention or decision-making behind CRW replenishment amounts, nor how these relate to needs based on anticipated crises, IDA-member countries' capacities to respond, and the range of crisis response financing available. The introduction of the Global Crisis Risk Platform offers potential for the World Bank to undertake more comprehensive analysis of trends in crisis risk, and for this to underpin planning of different mechanisms, including the CRW.

More clarity is needed in terms of how upcoming risks have been assessed, and how the availability of non-CRW funds for crisis response has been taken into account. The reasons for lack of demand during IDA18 have not been sufficiently explored in CRW reporting, crisis prediction is not explicitly considered, and the relative roles of other financing sources is not discussed.

● SUMMARY RECOMMENDATIONS

The following recommendations are made for a renewed Crisis Response Window:

RECOMMENDATION 1: THE CRW SHOULD BETTER DEFINE ITS COMPARATIVE ADVANTAGES IN RELATION TO OTHER MECHANISMS WITHIN THE WORLD BANK CRISIS TOOLKIT, AND TO THE GLOBAL CRISIS RESPONSE SYSTEM MORE BROADLY

The role and impact of the CRW would be enhanced through better articulation of its comparative advantages relative to other sources of financing for crisis response, both within IDA and globally. The World Bank, through the CRW, should seek to drive discussion at country level on coordinated responses that take into account the need for early action, built-in risk management, and resilience-building.

Given the evolving nature of crises and the different mechanisms to respond to them, **the role of the CRW within the wider field of crisis response should be addressed at the end of each IDA cycle, and recommendations made in the replenishment report on how to maximise the added value of**

the CRW across crisis response in IDA member states. In particular, the creation of the Pandemic Emergency Facility and the proposed Famine Action Mechanism will have important implications in terms of the evolution of the CRW.

The CRW should seek to prioritise funding where other mechanisms are unsuitable. This may mean more emphasis on larger responses where the need for response at scale is crucial. It may also mean a stronger focus on responding to unknown unknowns, where other instruments are likely to be more difficult to use. Conversely, it may mean the CRW doing less to respond to known unknowns, such as drought and financing the shock responsive component of safety-nets, which other risk financing instruments may be better suited for.

RECOMMENDATION 2: THE CRW SHOULD ELABORATE PUBLICLY ON ITS ELIGIBILITY CRITERIA ACCORDING TO DIFFERENT TYPES OF CRISIS, EXPANDING PARTICULARLY ON HOW THESE ARE APPLICABLE IN CASES OF SLOW-ONSET EMERGENCY, HOW THE BALANCE BETWEEN DIFFERENT CRITERIA IS ASSESSED, AND HOW APPROPRIATE BURDEN-SHARING AND THE PRINCIPLE OF LAST RESORT ARE APPLIED

The CRW should articulate expectations on CRW-usage across the range of crisis types and response types. Given the wide range of uses for the CRW, and demonstrated ranges of processing times, triggers for CRW financing, and the contrast between single tranche disbursements and long term steady disbursements over a number of years, the CRW should stipulate expectations according to different types of crisis response, and require specific

reporting on progress against the outcomes of the collective response to a given crisis over time. Current differentiation between types of crisis relates to eligibility criteria, but with little attention to subsequent project design and delivery. Publication of these criteria would allow for an assessment of CRW-funded projects against these stated aims.

RECOMMENDATION 3: THE CRW SHOULD SCRUTINISE ITS OPERATIONAL EFFECTIVENESS AND DETERMINE HOW ITS PERFORMANCE SHOULD BE MEASURED, WITH A FOCUS ON IMPACT AND ON COMPARISON WITH OTHER INTERNATIONAL CRISIS RESPONSE MECHANISMS

The CRW should include consideration of its performance alongside other crisis-response financing mechanisms in its self-reporting. Its current focus on reporting against regular IDA financing deflects from the role of the CRW within the wider crisis response field. The CRW should be clearer on its expected performance standards and metrics across the range of crisis types and potential response modalities and should seek to be transparent in reporting on how these are met. This could act as an incentive to improve performance internally, as well as across other crisis-response actors.

The World Bank is well placed to contribute to global efforts to track crisis-related financing and better, more timely information on projects financed would add value to the broader crisis response, ensure that global facilities are transparent, and encourage efficient and effective use. It would also enable greater complementarity of efforts. Contributing key reporting to global aid databases, such as the OCHA Financial Tracking System, would help the sector to more fully understand how CRW impacts alongside other mechanisms, and further drive the situation of the CRW within the wider crisis response system. The CRW should seek to align its reporting more closely with global norms of performance measurement and accountability in crisis response, and to make this accessible to the wider crisis-response community.

The CRW should collate data on the performance and success of CRW-financed projects and the contribution made by CRW. It should capture information on requests and approvals at all stages (including the first stage of discussion with the Board) in a central place, with key data included. This could include reference to IEG reports or latest ISR assessments, which rate project performance as well as presenting key metrics such as delivery to plan (such as disbursement timeframes, project end dates and key project indicators). This would enable a more complete assessment of overall utilisation and performance of the CRW.

Mid-Term and Retrospective reports should carry a similarly greater level of detail on individual projects funded during the appropriate IDA cycle, together with an analysis of the depletion rate of the overall pot of money. Where there is high demand from multiple crises, the CRW should report on any need to balance allocations across different contexts, particularly where individual allocations may have been higher if there had not been other demands.

Barriers to rapid processing of CRW requests should be further scrutinised within the World Bank, both in terms of centralised processes, and country-based activities and engagement. Likewise, in cases where processing was rapid, the factors facilitating this should be identified, as in the Ebola response. Political, institutional and individual capacity constraints should be explored, and explicit actions, guidance and support offered to address these.

RECOMMENDATION 4: REPORTING ON THE USE OF CRW FUNDS AT THE LEVEL OF INDIVIDUAL CRISIS AND INDIVIDUAL PROJECT SHOULD BE ENHANCED SO THAT THE CRW'S CONTRIBUTION AND IMPACT CAN BE BETTER UNDERSTOOD IN ORDER TO INCREASE ACCOUNTABILITY AND DRIVE IMPROVED PERFORMANCE

At individual project level, at all stages, the rationale for use of CRW and its relative impact should be explicitly articulated and reported, distinguishing CRW contributions from other IDA budget lines and non-IDA funding sources in all cases. Each Project Identification Document and Project Appraisal Document that requests CRW funds should clearly document the rationale for use of these funds and, where funds from several sources are provided, clarify the different purposes of these funds, their intended disbursement rates, and how they are complementary. It should also cover the magnitude of disaster impact (loss of life, loss of GDP, recovery costs), the relative contribution of CRW alongside other World Bank and non-World Bank financing, as well as the expected impact of this financing and the anticipated timeframe for disbursement of funds. This should include providing an explanation for the level of contribution agreed and how this relates to outstanding budgetary needs and other potential sources of finance.

CRW funds should be attributed a separate financial budget line, even where they contribute alongside other IDA or non-IDA sources to a single project. This would aid performance and impact tracking, and greatly increase transparency.

In cases where funds are disbursed over long periods, reports should provide updated information on the continued need for CRW funds, as both needs and other available funds may change. The rationale for slow-disbursing funds could be made clearer. Where first disbursement is significantly delayed, these cases should be explained, or funds should be cancelled. Where projects extend over a number of years and the need for CRW funding changes, this should be explicitly noted in ISR's with revised projections.

Reasoning determining the approval timeframe and disbursement timeframe should be reported in greater depth, including factors such as availability of CRW funds at the time, alternative financing mechanisms, ability to predict crisis impacts, willingness and capacity of national government partners to address a crisis (particularly in terms of slow-onset cases), and other internal dynamics with World Bank country programmes that determine how crises are handled and projects are implemented.

RECOMMENDATION 5: THE SYSTEM FOR REPLENISHING THE CRW SHOULD BE MADE MORE FLEXIBLE AND RESPONSIVE, BUILDING ON ENHANCED ANALYSIS OF LIKELY DEMAND, INCLUDING THROUGH THE GLOBAL CRISIS RESPONSE PLATFORM

A mechanism for fast replenishment of CRW funds should be instituted, triggered by both a depleted CRW pot, and predicted crisis impacts over the coming period, so that the availability of CRW funds is more responsive to both previous demands and upcoming needs. The CRW should have a trigger point when funds deplete below a fixed percentage of the pot; this would kick-start a mid-cycle replenishment process. However, this opportunity should not solely be pegged to the MTR timeframe. The board should receive guidance on appropriate measures to expedite a fast renewal process where needed, to avoid delays due to absence of funds.

The processes of replenishment and reallocation require transparency and rigour around how crises are predicted, across the range of types of natural disaster, health crisis, or economic crisis—particularly in complex contexts, where several forms of disaster risk exist and with different levels of predictability. They should be based on a rigorous consideration of crisis risks, local capacities to respond, and availability of crisis-response funds from other sources over the coming period.

The CRW should reflect crisis-risk prediction and assessment of capacity across the crisis-response system in its replenishment negotiations, and report so that the proposed CRW pot is set at a realistic level. There is a plethora of institutions developing means to conduct analysis and prediction of crisis needs, potential risks and impacts, and opportunities for early action to prevent crisis and mitigate impacts. At the same time, there is a dearth of analysis amongst humanitarian actors focused on response. In this landscape, **the CRW has potential to catalyse better coordinated and planned crisis response across a range of actors.** The CRW should work together with other crisis-response mechanisms to better predict needs across the range of different types of crisis, which have different levels of predictability.

Cover image: Floods in Bangladesh, October 2004
Image: DFID.

