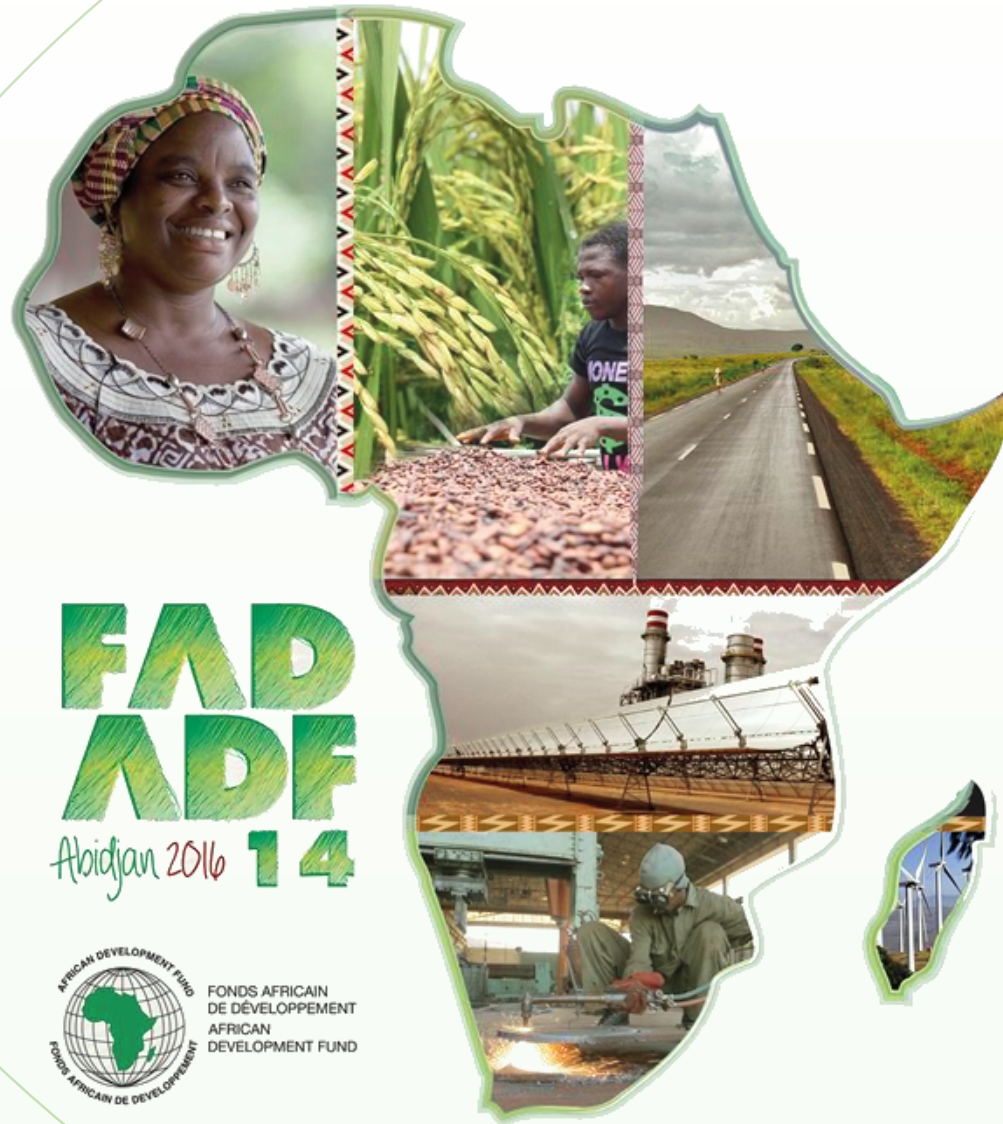
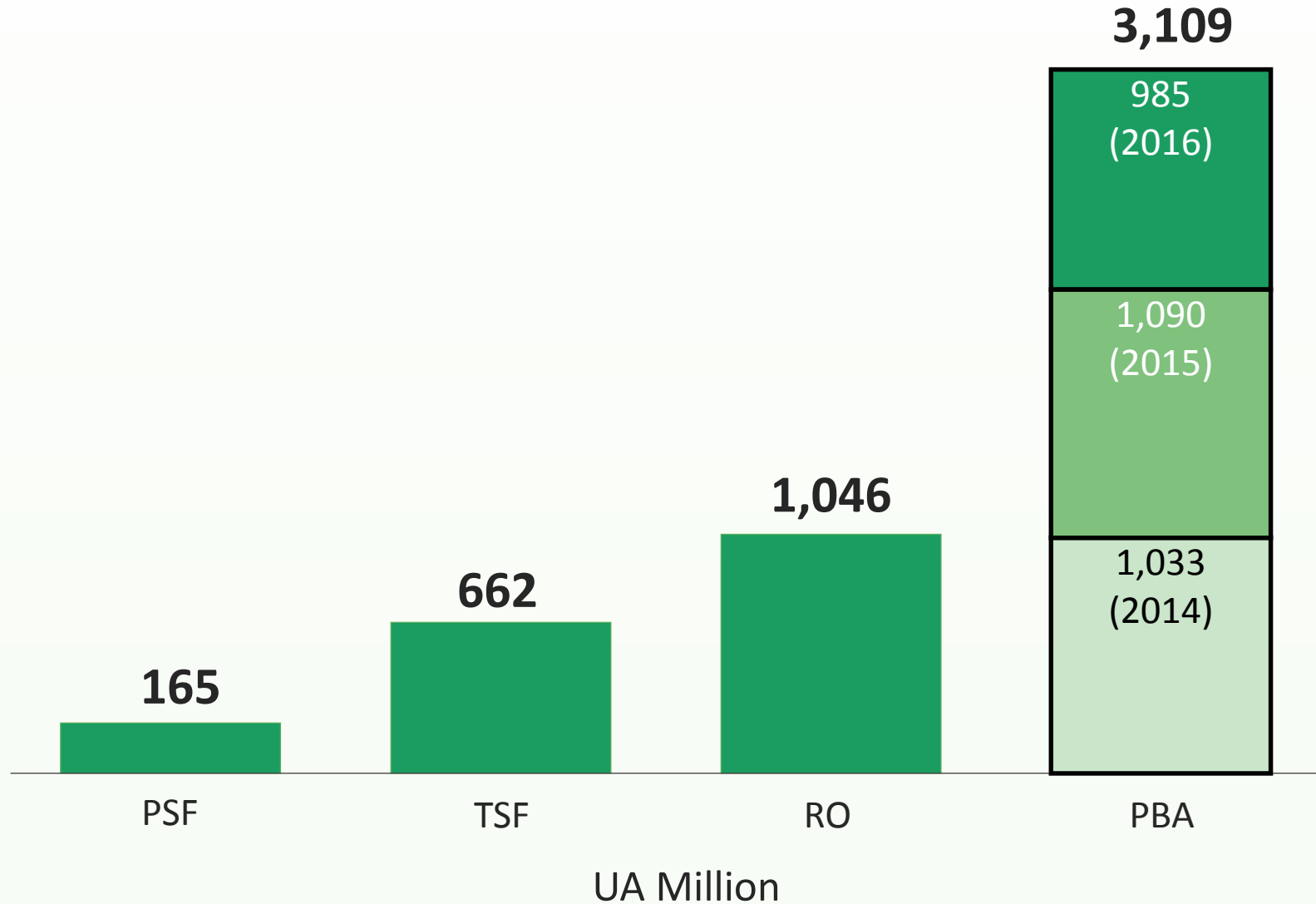


# Fragility in the PBA System

**ADF-14 First Replenishment  
meeting  
March 2016  
Abidjan, Côte d'Ivoire**



# ADF-13 Resources & Envelopes



# Components of the PBA Formula

## Needs

GNI pc

Population

Africa Infrastructure  
Development Index (AIDI)

New Fragility Index

## Performance

Country Policy and Institutional  
Assessment (CPIA)

Portfolio Performance  
Assessment (PPA)

# Indices measuring fragility

Reviewed 9 indices. The following retained:

State Fragility Index
Center for Systemic Peace
<ul style="list-style-type: none"><li>• Ability to deal with conflict</li><li>• Make &amp; implement public policy</li><li>• Deliver essential services</li><li>• Maintaining system coherence</li><li>• Cohesion and quality of life</li></ul>
Produced annually for 167 countries. The latest published data is for 2014.

Fragile State Index
The Fund for Peace
<ul style="list-style-type: none"><li>• Pressures that states can experience</li><li>• Identify social, economic and political pressures</li><li>• When pressures could push a state towards the brink of failure</li></ul>
Produced annually for 178 nations. The latest published data is for 2015.

Economic Vulnerability Index
Committee for Development Policy of the UN
<ul style="list-style-type: none"><li>• Structural economic vulnerability</li><li>• Exposure to external shocks (prices &amp; interest rates fluctuations)</li><li>• Exposure to exogenous factors (remoteness)</li></ul>
Compiled every three years. The latest published data is for 2011.

# Simulations

Input Data

Same as ADF-13

Envelopes

PBA

PBA plus TSF

For each  
option, 3  
weights  
considered

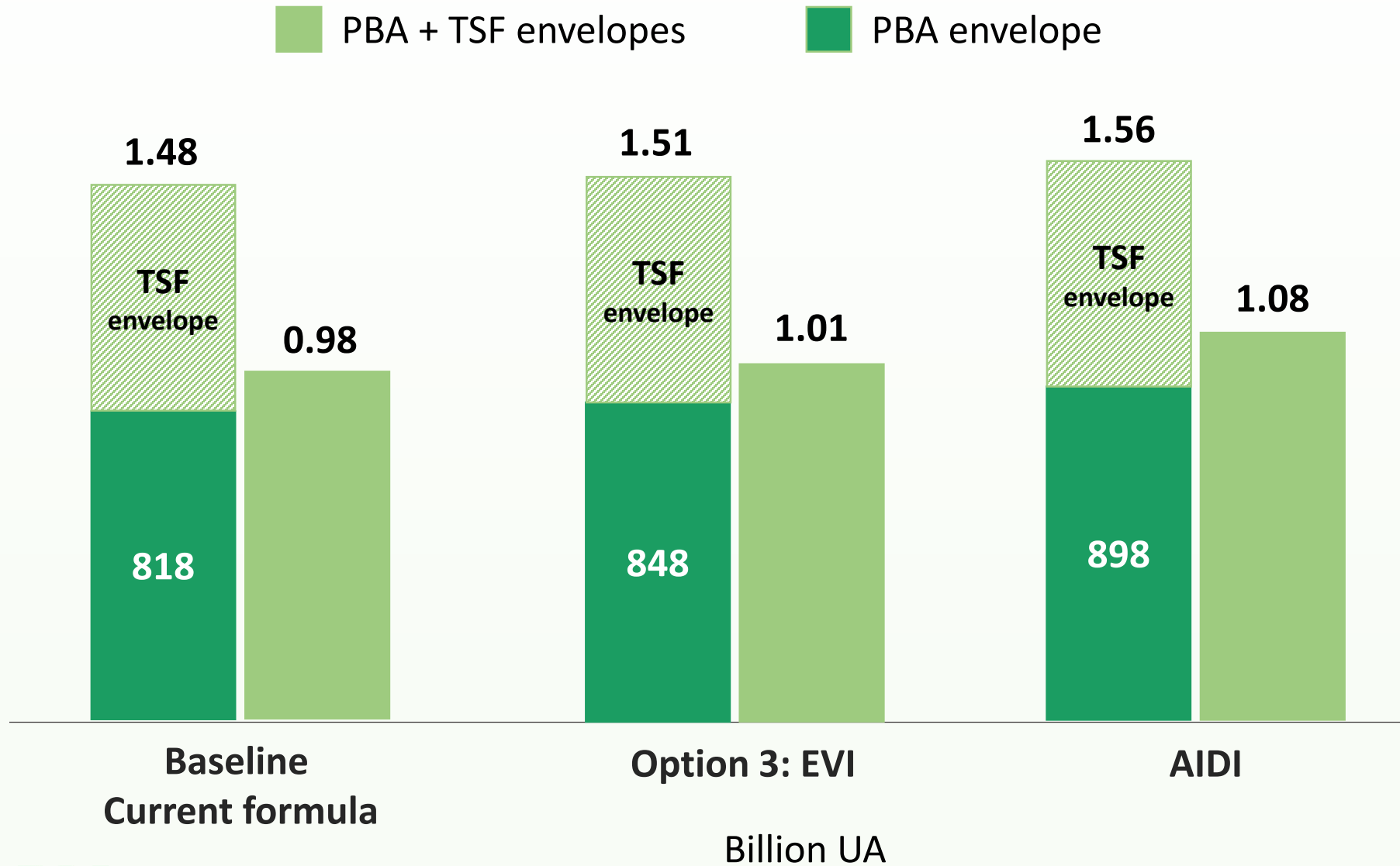
Option 1: SFI in the PBA Formula

Option 2: FSI in the PBA Formula

Option 3: EVI in the PBA Formula

Increasing the Impact of AIDI

# A sample of the simulations - Resources to TSF Countries



Baseline  
Current formula

Option 3: EVI

AIDI

Billion UA

# Take away

A fragility index added to the formula  
– Three different indices considered

Increasing the weight of AIDI in the  
formula

- Increasing the weight of AIDI in the PBA formula mirrors results obtained by adding a new measure of fragility in the formula.
- Resources to transition countries higher with TSF than when all resources lumped together and allocated through the PBA irrespective of the index used.

# Thank you