ANNUAL REPORT 2025

Africa Group 1 Constituency

DR. ZARAU WENDELINE KIBWE

Executive Director

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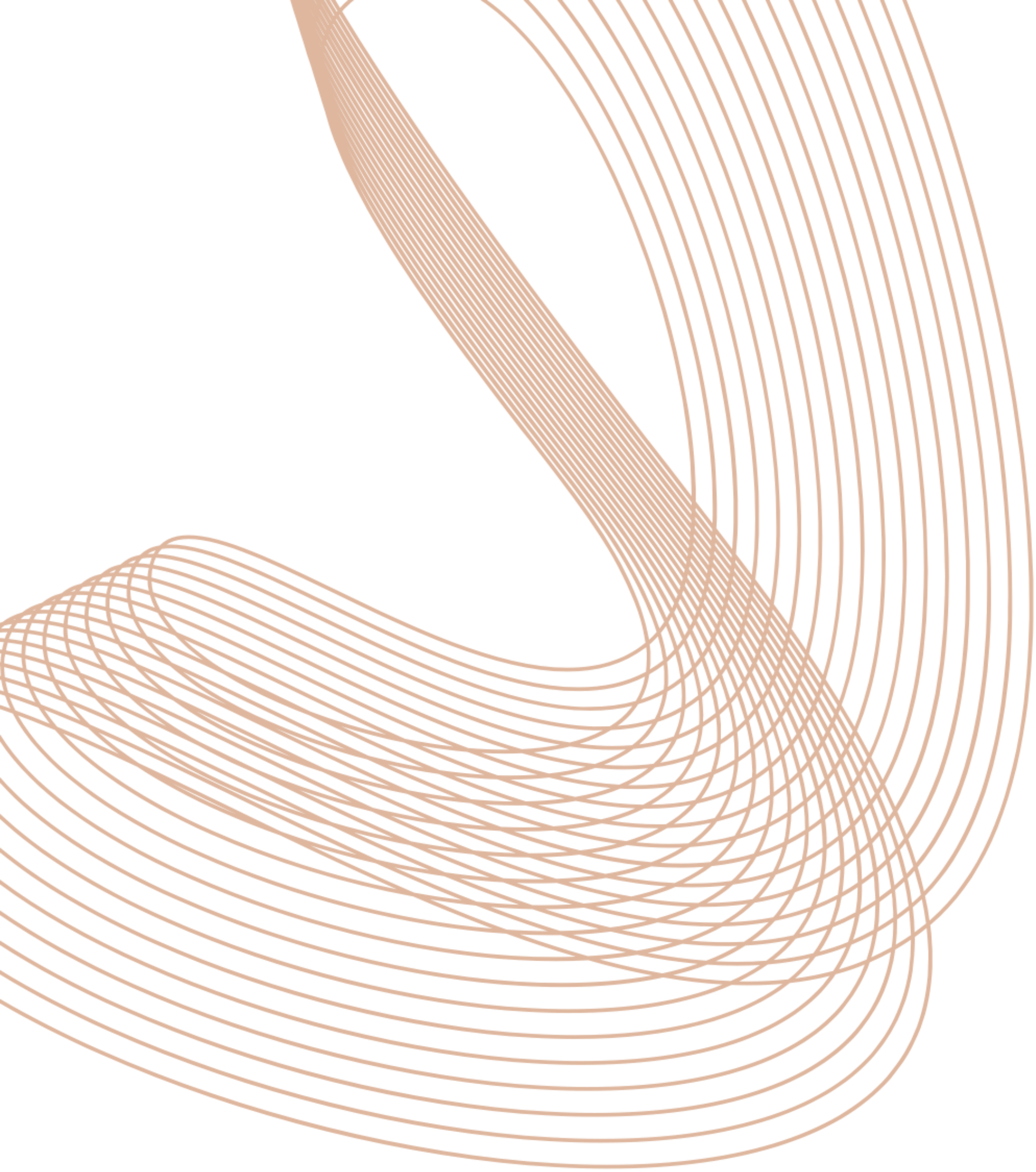
WORLD BANK GROUP

THE WORLD BANK IBRD • IDA | IFC International Finance Corporation | MIGA Multilateral Investment Guarantee Agency



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Acronyms and Abbreviations

AC	Audit Committee
AfDB	African Development Bank
AFE	East Africa (region)
AfG1	Africa Group 1 Constituency
AFW	West Africa (region)
AI	Artificial Intelligence
ASCENT	Accelerating Sustainable and Clean Energy Access Transformation
ASP	Adaptive Social Protection
ATRI	Africa Trade and Supply Chain Recovery Initiative
BIPPA	Bilateral Investment Promotion and Protection Agreement
CAO	Compliance Advisor Ombudsman
CAR	Central African Republic
CCW	Concessional Capital Window
CDF	Disruptive Technologies and Funds
CODE	Committee on Development Effectiveness
COGAM	Committee on Governance and Administrative Matters
COMESA	Common Market for Eastern and Southern Africa
CPF	Country Partnership Framework
CPI	Consumer Price Index
CZI	Confederation of Zimbabwe Industries
DARES	Distributed Access through Renewable Energy Scale-up
DC	Development Committee
DPO	Development Policy Operation
DRE	Decentralized Renewable Energy
DRM	Disaster Risk Management
DRS	Dispute Resolution Service
DSF	Debt Sustainability Framework
EAP	East Asia and Pacific (region)
ECA	Europe Central Asia (region)
ED	Executive Director
EDM	Electricidade de Moçambique
EMDEs	Emerging Market and Developing Economies
FAO	Food and Agriculture Organization
FCS	Fragile and Conflict-Affected Situations
FCV	Fragile, Conflict and Violence
FDI	Foreign Direct Investment
FfD4	Fourth International Conference on Financing for Development
FFI	Framework for Financial Incentives
FIG	Financial Institutions Group
GCI	General Capital Increase
GDP	Gross Domestic Product
GEAPP	Global Energy Alliance for People and Planet
GFPP	Grant Facility for Project Preparation
GIF	Global Infrastructure Facility
GROW	Global and Regional Opportunities Window
IBRD	International Bank for Reconstruction and Development

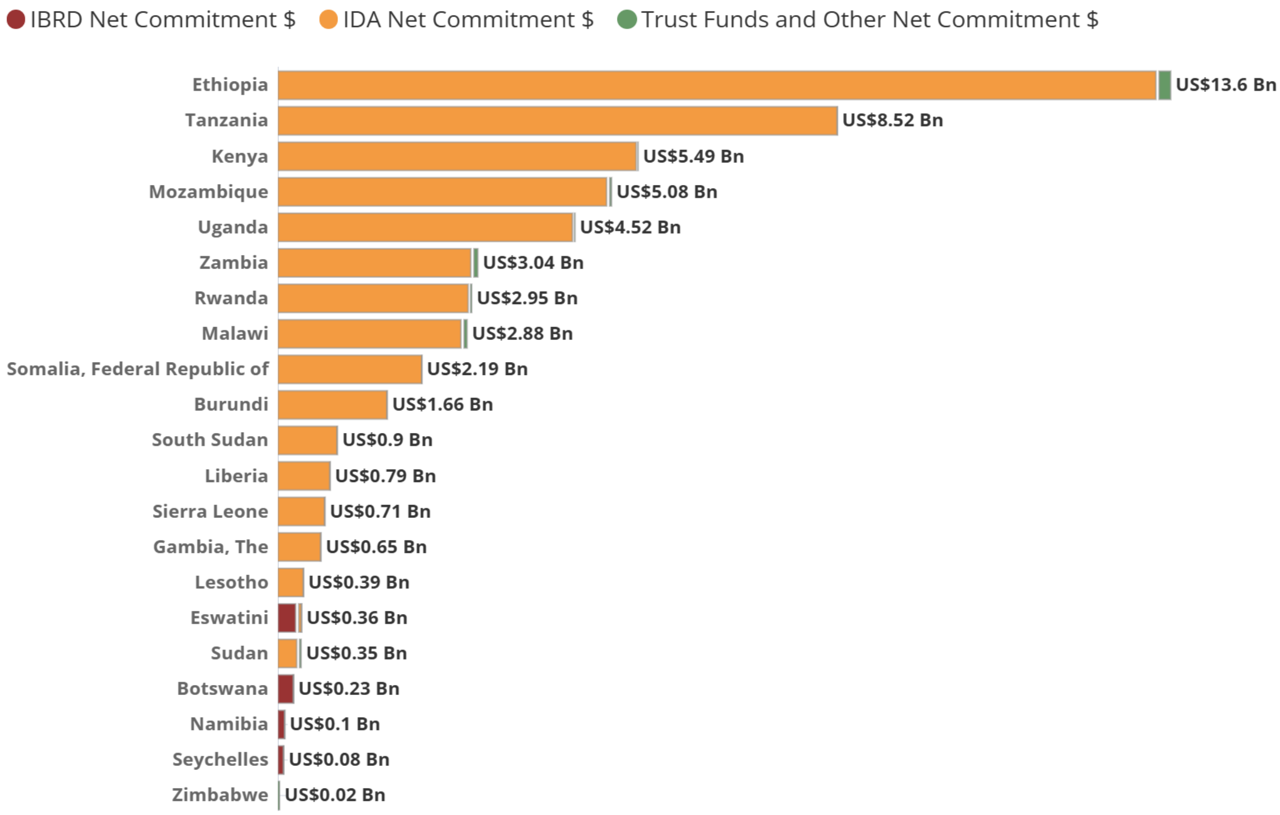
ICT	Information and Communications Technology
IDA	International Development Association
IDEA	Inclusive Digitalization in Eastern and Southern Africa
IFC	International Finance Corporation
IIF	Institute of International Finance
IMF	International Monetary Fund
INFRA	Infrastructure
IPC/CH	Integrated Food Security Phase Classification
IPF	Investment Project Financing
KGK	KGK Group – A gemstone and jewelry trading business in Botswana
LAC	Latin America and the Caribbean (region)
LICs	Low-Income Countries
LMICs	Low- and Middle-Income Countries
LTF	Long-Term Finance
MAS	Manufacturing, Agribusiness, and Services
MDBs	Multilateral Development Banks
MICs	Middle Income Countries
MIGA	Multilateral Investment Guarantee Agency
MSME	Micro, Small, and Medium-sized Enterprises
MTS	Medium-Term Strategy
NIA	Network for Impact in Africa
OA	Own Account
OECD	Organization for Economic Co-operation and Development
OED	Office of the Executive Director
PCN	Project Concept Note
PPP	Purchasing Power Parity / Public-Private Partnerships
PPSD	Project Procurement Strategy for Development
PRA	Participatory Risk Assessment
PRGT	Poverty Reduction and Growth Trust
PRI	Political Risk Insurance
PSW	Private Sector Window
RAMP	Reserve Advisory and Management Partnership
RECA	Resilience and Emergency Capacity Assessment
RESPITE	Regional Emergency Solar Power Intervention Project
SACU	Southern African Customs Union
SADC	Southern African Development Community
SCI	Selective Capital Increase
SDGs	Sustainable Development Goals
SEforALL	Sustainable Energy for All
SEZs	Special Economic Zones
SMEs	Small and Medium-sized Enterprises
SMP	Staff-Monitored Program
SOFI	State of Food Security and Nutrition in the World
SPP	Small Poor Protection
SPUR	Special Program for Ukraine and Moldova Recovery
SSA	Sub-Saharan Africa

STF	Short-Term Finance
TAA	Targeted Assistance Approach
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNFSS+4	UN Food Systems Summit + 4
VSP	Voice Secondment Program
WBG GP	World Bank Group Guarantee Platform
WBG	World Bank Group

Constituency Portfolio Highlights

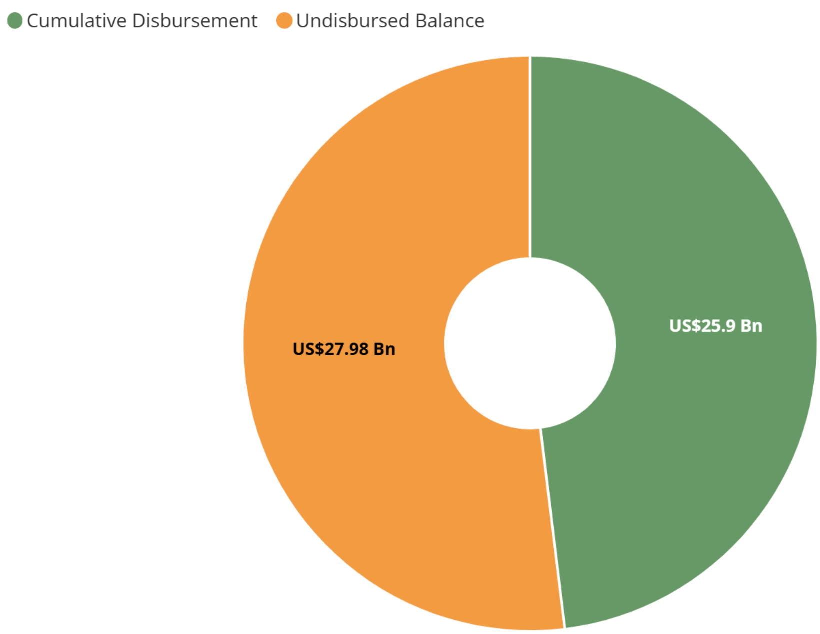
Active Portfolio By Country for Africa Group 1 Constituency

(Data as of August 25th, 2025)



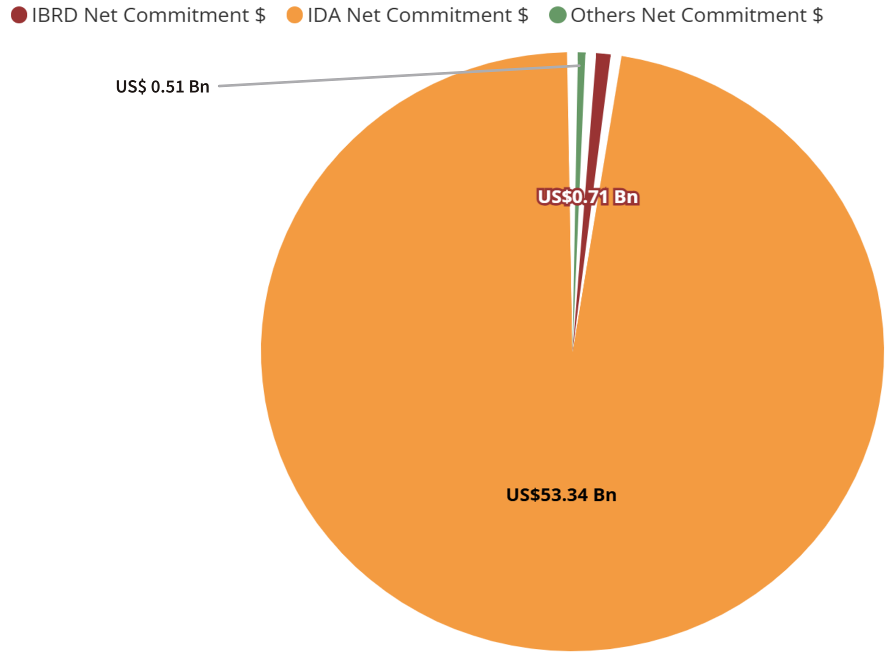
Disbursement Portfolio for Africa Group 1 Constituency

(Data as of August 25th, 2025)



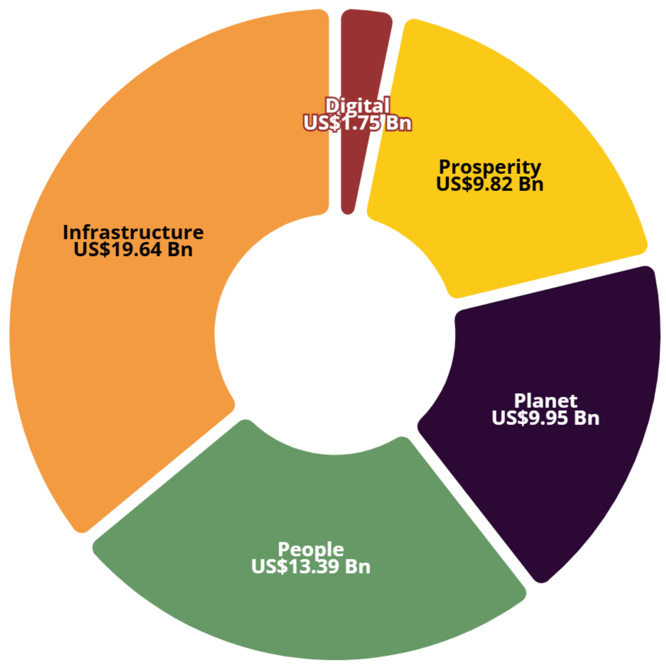
Active Portfolio By Type of Financing for Africa Group 1 Constituency

(Data as of August 25th, 2025)



Active Portfolio By WBG Verticle for Africa Group 1 Constituency

(Data as of August 25th, 2025)



WBG FY25 Operations by Institutions

	2025	2024	2023	2022	2021
WORLD BANK GROUP					
Commitments	161,912	136,054	122,991	109,326	103,553
Disbursements	86,924	80,844	71,911	62,580	58,050
IDA International Development Association WORLD BANK GROUP					
Commitments	39,866	31,195	34,245	37,727	36,028
Disbursements	33,123	28,247	27,718	21,214	22,921
THE WORLD BANK IBRD | WORLD BANK GROUP					
Commitments	40,885	37,568	38,572	33,072	30,523
Disbursements	30,779	33,450	25,504	28,168	23,691
IFC International Finance Corporation					
Commitments	71,698	58,087	43,728	33,592	31,803
Disbursements	23,022	19,147	18,689	13,198	11,438
WORLD BANK GROUP Guarantees | MIGA					
Gross issuance	9,463	8,204	6,446	4,935	5,199

Foreword by the Executive Director

Dr. Zarau Wendeline Kibwe,
Executive Director

It is a privilege to present the 2025 Annual Report of the Africa Group 1 Constituency. The Report outlines key achievements, enduring challenges, and strategic priorities that have guided our engagement with the World Bank Group (WBG) over the past year. It reflects our collective commitment to inclusive development, effective resource mobilization, and ensuring that the voice of our member countries is clearly heard across the WBG Boards.

The past fiscal year tested the resilience of economies and institutions amid mounting risks. Yet, Africa's economy demonstrated resilience despite global headwinds. Growth strengthened in most countries, supported by investment and easing inflation, despite the persistence of debt pressures, climate shocks, and trade uncertainty. Job creation remains the defining challenge, with only one in four workers in wage employment. Unlocking Africa's potential will require sustained investment in infrastructure, digital connectivity, skills, and capable institutions to expand productive firms and generate quality jobs at scale.

Against this backdrop, the Board's deliberations centered on strategic priorities vital to SSA's development. The inaugural Energy Strategy reaffirmed that access to affordable, reliable, and sustainable energy is fundamental to growth. It charts a clear path to meet rising electricity demand while managing emissions responsibly. The Strategy highlights the need for developing countries, particularly in SSA, to double investment in power generation, grids, and storage by 2035. The WBG is helping countries mobilize private capital, strengthen utilities, and expand access through initiatives such as Mission 300. Its "all-of-the-above" approach supports renewables, natural gas, and emerging technologies like hydrogen and battery storage to secure an affordable supply and resilience. By scaling investments and advancing reforms, the Bank strives to work with clients to drive growth, create jobs, and build a livable planet for future generations. Encouragingly, the Constituency's position—to support each client's energy mix in line with its natural resource endowment—was further informed by the dialogue on energy held during the last Spring Meetings.

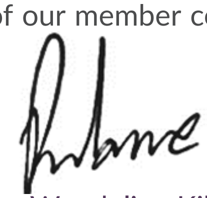
The WBG Digital Strategy was another key area of focus, recognizing the transformative potential of digitalization and emerging technologies in accelerating development. The Strategy sets out a practical agenda to connect people, governments, and businesses; expand affordable access; and prepare countries for the age of artificial intelligence. Nearly three billion people remain offline, held back by the high cost of devices and limited infrastructure. The WBG is partnering with governments and the private sector to close these gaps—mobilizing investment in broadband, digital public infrastructure, and local innovation ecosystems. Through initiatives such as the Digital Access Fund and new AI partnerships, the Bank aims to make digital inclusion a driver of jobs, productivity, and resilience, ensuring that developing economies share fully in the opportunities of the digital age. Further discussions will guide how the WBG can deploy small AI-enabled solutions to address development challenges and improve access to affordable, functional devices in low-income countries.

The Board also deliberated on the WBG's Approach to the minerals and metal sector, which seeks to help client countries harness their natural resources for sustainable growth. It recognizes that demand for critical minerals is accelerating while supply remains concentrated and uneven. The approach focuses on strengthening governance, unlocking private investment, and promoting responsible value chains that create jobs, enable regional integration, and drive the energy transition. Akin to Energy Compacts under Mission 300, selected countries will develop country mineral compacts to align policies, infrastructure, and finance, turning resource wealth into long-term opportunities. By combining knowledge, partnerships, and capital, the WBG is helping clients build resilient, transparent, and inclusive mineral economies that advance both national development and global sustainability goals. The Board will continue to explore how the Bank can best support countries in creating an enabling environment for Artisan and Small-Scale Miners to operate sustainably and create jobs.

Guided by the Medium-Term Strategy (2025–2028), the OED continues to strengthen the Constituency's voice and impact across the WBG. The OED remains committed to implementing the Strategy, which guides efforts to advance the development priorities of its member countries. The Strategy, anchored on four pillars —mobilizing resources, supporting private sector development, enhancing engagement with constituency countries, and promoting diversity, inclusion, and capacity development — provides the framework for advancing the development priorities of our Constituency. Through active Board participation and strategic advocacy, the OED ensures that member countries, as shareholders, benefit from responsive financing and tailored support, as well as greater visibility within the WBG's decision-making processes.

Engagement with member countries over the past year brought valuable insights and sharpened OED's advocacy. I had the privilege of visiting nearly half of the Constituency countries, gaining valuable first-hand insight into the specific challenges and opportunities facing each country. These visits strengthened our ability to represent national priorities effectively at the Board. They reinforced the importance of maintaining close dialogue with Constituency Countries, as emphasized in the Constituency's Medium-Term Strategy. I am deeply grateful to all Governors and Alternate Governors for the exceptional hospitality and look forward to visiting the remaining countries in the months ahead.

This past year has been one of trust, collaboration, and renewed commitment. As I mark my first year representing the Africa Group 1 Constituency at the Boards of the WBG, I extend my sincere appreciation to the Honorable Governors for their confidence and support. I also acknowledge the leadership of Ms. Lonkhululeko Phumelele Magagula, Alternate Executive Director and commend the professionalism and dedication of the OED team. The year ahead will bring new challenges and opportunities, demanding the same clarity, unity, and resolve that have guided our work thus far. With renewed determination, the OED stands ready to advance the priorities of our member countries and to deepen the Constituency's engagement across the WBG.



Dr. Zarau Wendeline Kibwe
Executive Director

Executive Summary

The global economy faces heightened uncertainty and weak performance, following successive shocks such as the COVID-19 pandemic, geopolitical tensions, inflation, and climate disruptions. Global growth is projected to slow to 2.3 percent in 2025, the weakest since 2008 outside recessions, due to rising trade barriers, policy uncertainty, and declining confidence, which are dampening investment and consumption. Advanced economies are expected to grow modestly, while the Euro area remains constrained by weak demand and structural issues. The Organization for Economic Co-operation and Development economies are projected to expand by just 1.2 percent, reflecting high debt and soft external demand. Global trade remains sluggish, hindered by protectionism and supply chain disruptions, limiting growth prospects for developing economies reliant on trade.

Emerging market and developing economies are forecast to grow by 3.8 percent in 2025, rising slightly to 3.9 percent later. Excluding China, growth slows to 3.4 percent, highlighting fragile recovery. Low-Income Countries are projected to grow by 5.0 percent, supported by investment and agriculture, but constrained by limited fiscal space and high debt. Sub-Saharan Africa is expected to grow at 3.7 percent, driven by commodity exports and domestic demand, though growth remains uneven due to debt distress, policy challenges, and climate risks. These conditions underscore the need for coordinated policies, innovative financing, and stronger multilateral support to foster inclusive and resilient recovery.

In a landmark shift toward inclusive and locally driven development, the World Bank Group's revised procurement policy, rolled out in 2025, has redefined how development resources are deployed, with transformative implications for Africa Group 1 Constituency countries. Central to the reform is the mandatory requirement that at least 30 percent of labor costs in international civil works contracts be allocated to local workers. This provision, coupled with incentives for bidders to include skills development and local supplier engagement, directly addresses youth unemployment and capacity gaps across the region. By aligning procurement with national development priorities, Constituency governments can now leverage procurement as a strategic tool to foster local industry, build workforce skills, and enhance transparency and delivery outcomes.

As Sub-Saharan Africa faces a demographic surge, with 1.2 billion young people entering the workforce and only 420 million jobs projected, the urgency to bridge the education-to-employment gap has never been greater. The World Bank Group's education and jobs agenda responds to this challenge by emphasizing foundational learning, digital and green skills, and stronger alignment with labor market needs. Through its One WBG approach, the Bank integrates public financing, private capital, and policy reform to connect learning to earning, particularly for women and youth in Africa Group 1 Constituency countries.

Marking a pivotal transition in concessional financing, Financial Year 2025 closed the IDA20 cycle and launched IDA21 with expanded ambition and delivery. Commitments surged to US$39.9 billion, a 27.8 percent increase over the Financial Year 2024, unlocking up to US$100 billion in concessional and non-concessional financing, compared to IDA20's US$93 billion envelope, an increase of 7.5 percent. Gross Disbursements rose to US$33.1 billion, with East and West Africa receiving the largest shares. The Private Sector Window continued to mobilize capital in fragile contexts, while IDA21 introduced new instruments such as the Global and Regional Opportunities Window and the Crisis Response Window, designed to enhance responsiveness, regional integration, and resilience in the face of intersecting development challenges.

IFC commitments increased by 27.8 percent in Fiscal Year 2025, reaching US$71.7 billion globally, with US$15.3 billion directed to Sub-Saharan Africa and US$2.13 billion to Constituency countries, a 17.4 percent increase. MIGA issuance increased by 15.0 percent, reaching US$9.5 billion in guarantees, with 26.3 percent supporting IDA and FCS countries. AfG1 received US$256 million across six projects. The WBG Guarantee Platform committed US$12.3 billion, reinforcing private sector engagement and climate finance.

The Office of the Executive Director has strengthened its advocacy for Fragile, Conflict, and Violence countries and those in non-accrual status within the Africa Group 1 Constituency. In the Financial Year 2025, Fragile, Conflict, and Violence countries received US$4.05 billion in financing, well above the previous four-year average, highlighting the World Bank Group's growing commitment to vulnerable contexts. The Office of the Executive Director was instrumental in shaping the Fragile, Conflict, and Violence Strategy, focusing on country ownership, early prevention, and private sector involvement. For non-accrual countries, the Office led high-level engagements and is crafting a roadmap for re-engagement, including debt restructuring and arrears clearance. These efforts aim to prevent temporary financial issues from becoming long-term obstacles to development.

The Office of the Executive Director has advanced capacity development, diversity, and inclusion across the Constituency. In the Financial Year 2025, African staff representation at the World Bank Group rose, with a 7 percent increase in internationally recruited staff and a 1.4 percent rise in locally recruited staff from Constituency countries. Women's participation also improved, reflecting gender equity goals. The Voice Secondment Program expanded, with structured alumni engagement and new nominations for the Financial Year 2026. The Office continued advocating anti-discrimination measures, engaging Human Resources leadership and Board Committees to address recruitment, compensation, and representation disparities, especially in Fragile, Conflict, and Violence contexts, to promote equitable staffing and inclusive policies.

The 29th Statutory Meeting and the 62nd African Caucus emphasized resource mobilization, infrastructure financing, and governance reforms. Governors called for innovative financing mechanisms, stronger fiscal capacity, and enhanced private sector participation. The Office of the Executive Director's active role in Board Committees and global forums ensured that AfG1's voice remains central to shaping the WBG's evolving agenda.

The Executive Director's engagement with the President of the World Bank Group yielded strategic outcomes that directly benefit Africa Group 1 Constituency countries. Central to the discussions were two transformative priorities: expanding energy access and accelerating digital transformation. The President reaffirmed the WBG's commitment to doubling annual electricity investments by 2035, with tailored support for country-driven energy mixes, including renewables, grid modernization, and storage solutions. This commitment aligns with the Mission 300 goals and opens new avenues for concessional financing and private sector mobilization in the Constituency countries. On digital transformation, the President emphasized bridging the digital divide through targeted investments in connectivity, affordability, and AI readiness, critical for the Constituency countries to participate in the global digital economy. These strategic outcomes position the Constituency countries to benefit from enhanced WBG support in infrastructure, human capital, and innovation, reinforcing their development priorities and amplifying their voice in shaping the Bank's evolving agenda.

CHAPTER 1

GLOBAL ECONOMIC DEVELOPMENTS AND PROSPECTS

WBG President Banga with Executive Director during a Field Visit to an IFC Infrastructure Project at a Chicken Feed Factory in the ouskirts of Maputo, Mozambique

Chapter 1: Global Economic Developments and Prospects

This Chapter provides an overview of the recent economic developments, the medium-term outlook, as well as associated risks to the global economy. It further analyzes the economic performance and prospects of Sub-Saharan Africa (SSA), with a particular focus on the Africa Group 1 Constituency [1].

1.1 Global Economic Performance

1.1.1 Growth Weakens Amid Rising Uncertainty

After a series of adverse shocks in recent years, the global economy is once again facing significant challenges. Global growth is projected to slow to 2.3 percent in 2025, marking the weakest pace since 2008 outside of global recessions. Rising trade barriers, heightened policy uncertainty, and weakening confidence are collectively dampening investment, trade and consumption.

Emerging market and developing economies (EMDEs) are expected to grow by 3.8 percent in 2025, with only a modest pick-up to 3.9 percent in 2026–27. However, this pace remains insufficient to close per capita income gaps with advanced economies or to reverse the setbacks in poverty reduction caused by recent crises. EMDEs growth is projected to decelerate to 3.8 percent in 2025, due to softening investment and external demand.

Low-Income Countries (LICs) are projected to see moderate growth of around 5.0 percent in 2025, supported by recovering investment, robust agricultural output, and steady external demand. However, growth remains constrained by limited fiscal space, high debt levels, and vulnerability to global shocks.

Sub-Saharan Africa (SSA) is projected to grow at about 3.7 percent in 2025, supported by a rebound in commodity exports and improving domestic demand. Growth, however, remains uneven across the region due to high debt, policy constraints, and exposure to climate and external shocks.

Table 1.1: Global Output Growth

	2023	2024	2025f	2026f	2027f
World	2.8	2.9	2.3	2.4	2.6
Advanced Economies	1.7	1.7	1.2	1.4	1.5
US	2.9	2.8	1.4	1.6	1.9
Euro area	0.4	0.9	0.7	0.8	1.0
Japan	1.4	0.2	0.7	0.8	0.8
EMDEs	4.4	4.2	3.8	3.8	3.9
SSA	2.9	3.5	3.7	4.1	4.3

Source: World Bank, Global Economic Prospects, June 2025

1 Unless stated otherwise, all data cited are drawn from the World Bank Group's Global Economic Prospects report, June 2025.

GDP-weighted global inflation is projected to average 2.9 percent in both 2025 and 2026 - slightly exceeding the typical inflation target - before easing to 2.5 percent in 2027. However, this aggregate outlook conceals significant cross-country differences. While inflation has eased in many countries, it remains elevated in others due to persistent pressures on the service-sector prices and the inflationary effects of higher domestic input costs resulting from recent trade restrictions. Concurrently, tighter financial conditions and tariff shocks early in 2025 have unsettled markets and triggered capital outflows from EMDEs.

1.1.2 Global Growth Outlook: Recovery Remains Uneven and Below Historical Norms

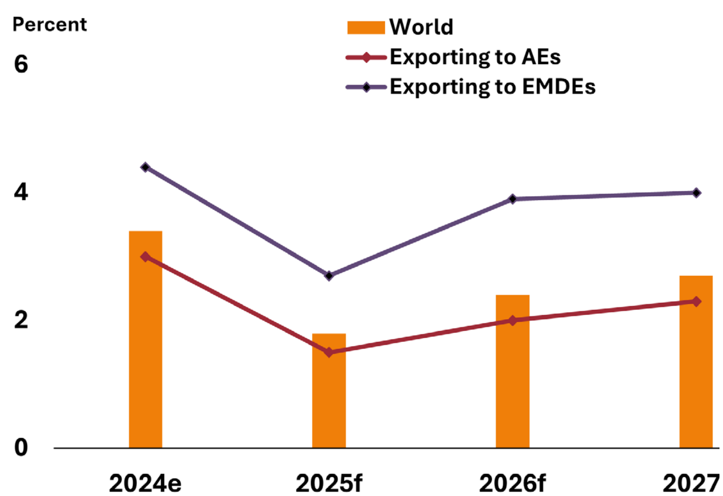
The global economy continues to perform below historical norms due to a series of shocks. Although a modest recovery is expected in 2026 and 2027, growth is projected to remain below historical averages, with many countries struggling to regain pre-pandemic momentum.

Advanced economies (AE) are projected to experience a mode growth of 1.2 percent in 2025, with a slight increase to 1.4 percent in 2026 and 1.5 percent in 2027. In the U.S., growth is expected to slow to 1.4 percent in 2025, down from 2.8 percent in 2024. This slowdown is attributed to trade restrictions, high interest rates, and tight credit conditions. The Euro area's growth is projected to slow to 0.7 percent in 2025 and average 0.9 percent over 2026 and 2027, weighed down by U.S. tariffs and subdued demand. Japan's growth remains subdued at 0.7 percent in 2025 and 0.8 percent in 2026, constrained by low productivity and stagnant wages.

The economies of the Organization for Economic Co-operation and Development[2] (OECD) are projected to expand by 1.2 percent in 2025 and 1.4 percent in 2026. However, these growth prospects are constrained by elevated debt, tight financial conditions, and soft external demand.

Growth in EMDEs is projected to edge up to 3.9 percent in 2026 and 2027. However, excluding China, the expansion slows to 3.4 percent in 2025, reflecting weak demand and subdued investment. Global trade remains sluggish, weighed down by protectionist measures, supply chain disruptions, and weak external demand, thereby limiting growth prospects in many developing economies (Figure 1.1).

Figure 1.1: Global trade growth



Source: World Bank, June 2025

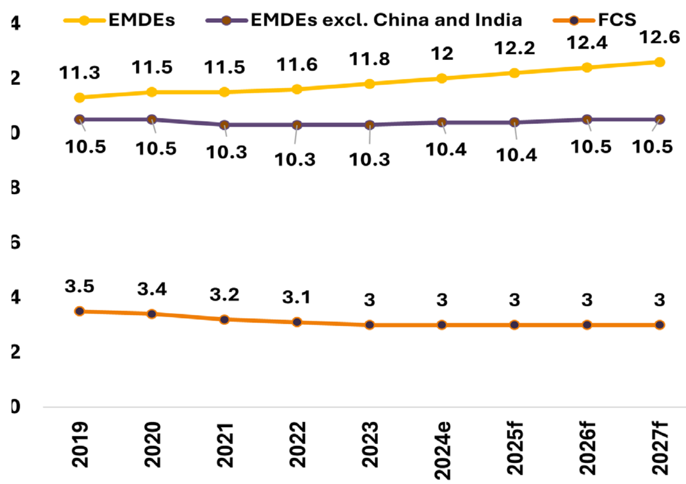
2 As of 2025, the OECD has 38 member countries, including most of the world's advanced economies.

China's growth is projected to decline to 4.5 percent in 2025 and 4.0 percent in 2026, weighed down by trade and property issues but supported by fiscal measures. India, on the other hand, is expected to grow strongly at 6.3 percent in 2025 and 6.6 percent over the period (2026-2027), driven by domestic demand and infrastructure development.

SSA is forecast to grow at 3.7 percent in 2025 and 4.3 percent by 2027. This growth exceeds its 2010–2019 average, although growth varies across countries. Low-income countries in the region are expected to see growth accelerate to 5.3 percent in 2025, from 4.6 percent in 2024, driven by recovery in agriculture and mining. However, this outlook depends on conflict de-escalation and moderating inflation, which remains a key risk.

Despite these growth projections, income recovery remains uneven. Per capita income in EMDEs continues to lag significantly behind high-income countries, and this disparity poses a challenge to achieving global poverty reduction and prosperity goals. Many EMDEs are not closing the income gap fast enough to meet Sustainable Development Goals (SDGs). In particular, per capita incomes in Fragile Conflict Situation (FCS) economies have not only stagnated but have fallen further behind other EMDEs and advanced economies, especially since the COVID-19 pandemic (Figure 1.2).

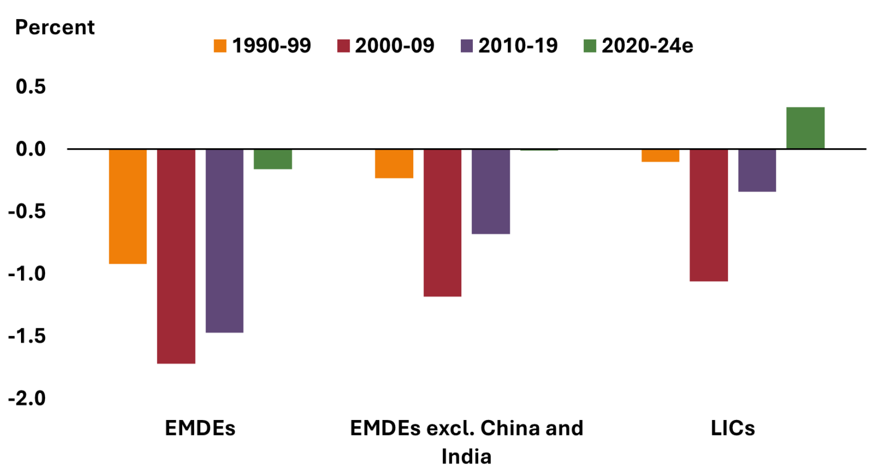
Figure 1.2: Percent of advanced-economy per capita income



Source: World Bank, June 2025
Note: f: Forecast; FCS: Fragile and Conflict States

As a result, despite growth, per capita income remains below pre-pandemic trends, and extreme poverty is still widespread. Globally, the extreme poverty rate declined modestly from 10.5 percent in 2022 to 9.9 percent in 2025, with South Asia seeing the most significant improvement, while poverty increased in the Middle East and North Africa (Figure 1.3).

Figure 1.3: Average Annual Reduction in Extreme Poverty Rates



Source: World Bank, June 2025

Table 1.2: Africa Group 1 Country Forecasts

(Real GDP Growth at market prices in percent)

Country	2025	2026
Botswana	0.6	4.2
Burundi	3.5	3.7
Eritrea	3.1	3.4
Eswatini	5.0	4.0
Ethiopia	6.4	6.5
The Gambia	5.6	5.3
Kenya	4.5	4.9
Lesotho	1.5	0.9
Liberia	5.1	5.5
Malawi	2.0	2.4
Mozambique	3.0	3.5
Namibia	2.9	3.4
Rwanda	7.0	7.3
Seychelles	3.1	3.0
Sierra Leone	4.1	4.2
Somalia	3.0	3.5
Sudan	5.0	9.3
South Sudan	-34.7	41.1
Tanzania	5.9	6.1
Uganda	6.2	6.2
Zambia	5.8	6.4
Zimbabwe	6.0	4.6

Source: World Bank, June 2025

1.1.3 Global Inflation Outlook: Disinflation Slows Amid Persistent Pressures

Global headline inflation remains high in 2025, with GDP-weighted inflation projected at 2.9 percent for both 2025 and 2026, which is slightly above the average inflation targets of major central banks[3]. While inflation has declined from its post-pandemic peak[4], the pace of disinflation is slowing due to ongoing upward pressures from rising services costs and wages.

In advanced economies, tight labor markets are keeping core inflation above target, particularly in the U.S., while other large economies are experiencing less pronounced inflation[5]. In EMDEs, core inflation picked up in early 2025, driven by rising wages and service prices. China stands out as an outlier as inflation is forecast at just 0.4 percent in 2025, reflecting subdued domestic demand and moderate wage growth.

The outlook for global inflation has grown more uncertain. While falling commodity prices, especially in energy, have helped ease headline inflation, pressures from tariffs and trade restrictions are likely to persist. According to the June 2025 Global Economic Prospects, global headline CPI inflation in EMDEs is projected to ease to 4 percent in 2025, down from an estimated

3 In this context, "central banks" generally refer to the major monetary authorities that set inflation targets for their respective economies—like the U.S. Federal Reserve, the European Central Bank (ECB), the Bank of England, the Bank of Japan, etc.

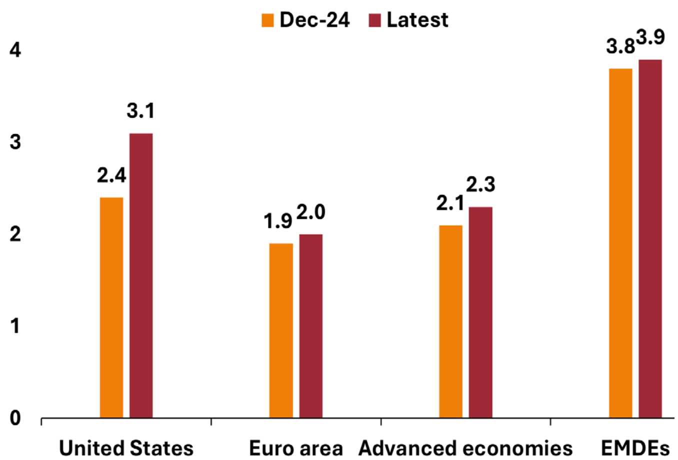
4 According to the IMF, this peak occurred in the third quarter of 2022, with global inflation reaching 9.5 percent.

5 By early 2025, the IMF projects U.S. inflation to decrease to around 2.2 percent, approaching the Federal Reserve's target range

4.8 percent in 2024, supported by lower food and energy prices (Figure 1.4).

In SSA, headline CPI inflation is expected to remain elevated but easing – forecasts suggest an average of about 14-15 percent in 2025, down from much higher levels in 2024, thanks to base effects, falling energy prices, and tighter monetary policy in many countries. However, core inflation is expected to remain sticky in many economies, reflecting still-firm wage growth and service-sector costs. As such, monetary authorities are expected to maintain a prudent policy stance through 2025, balancing the need for growth with inflation control.

Figure 1.4: Global headline CPI inflation

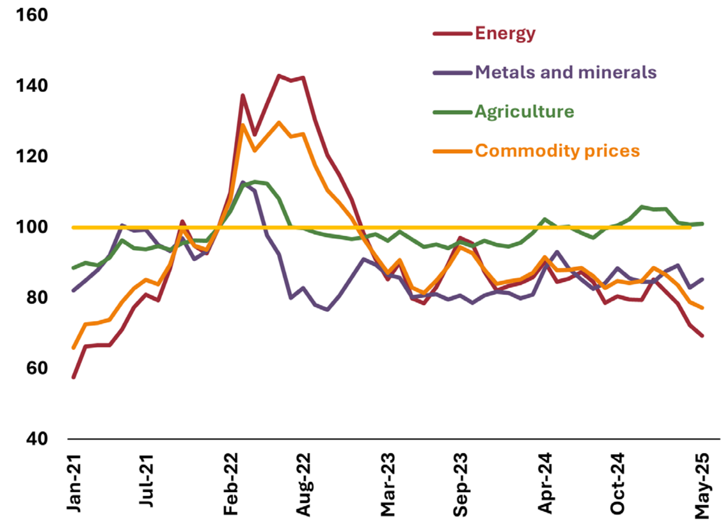


Source: World Bank, June 2025

1.1.4 Commodity Markets Outlook: Weak Demand and Rising Supply Drive Broad Declines

In 2025, global commodity prices have been generally subdued. Energy prices have declined, metals have remained stable, and certain agricultural products, such as cocoa and coffee, have remained elevated due to supply constraints (Figure 1.5). However, these prices are projected to fall sharply, decreasing by 12 percent in 2025 and further by 5 percent in 2026, reaching six-year lows as weak global demand and rising supply exert pressure on markets (Figure 1.6)

Figure 1.5: Commodity Prices



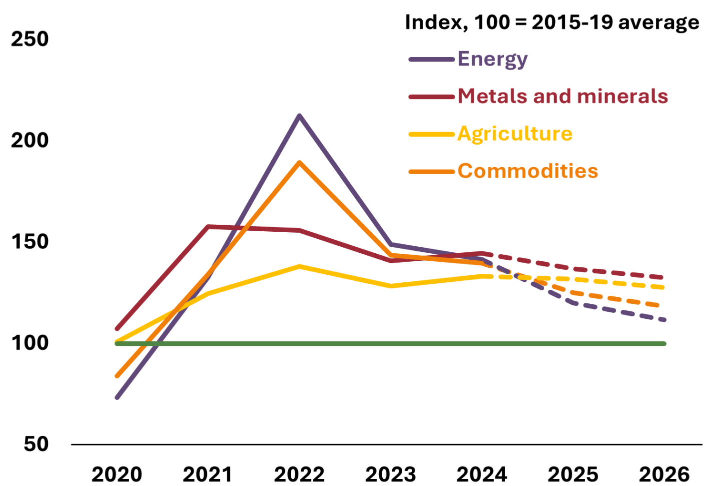
Source: World Bank, June 2025

Oil leads the decline, with Brent crude expected to average US$64 in 2025, down from US$81 in 2024 and US$60 in 2026, reflecting slower demand, unpredictable market conditions and increasing energy efficiency. Natural gas prices are expected to vary by region. In the U.S. prices are expected to rise by 3 percent in 2026, while in Europe they are expected to rise by 6 percent in 2025 before dropping by 9 percent the following year. Coal prices are set for the steepest decline, with a 27 percent decrease in 2025 due to weaker demand in China and India and increased use of renewable energy.

Overall agricultural prices are projected to fall by 1 percent in 2025 and 3 percent in 2026, with food prices down 7 percent.

Prices for oil, seeds, sugar, and meat are expected to ease due to abundant output and large stockpiles. Cocoa and coffee prices are likely to stabilize by 2026. Meanwhile, maize prices are expected to ease as demand for ethanol wanes.

Figure 1.6: Commodity Price Forecast



Source: World Bank, June 2025

Base metals prices are projected to drop 10 percent in 2025 and 3 percent in 2026 due to an increase in supply. Copper, aluminum, and nickel face demand pressure, with copper expected to average US$8,200 per ton. Tin prices are expected to rise due to limited supply. Precious metals are expected to perform well with gold expected to experience a significant 36 percent increase in 2025 driven by safe-haven demand, while silver and platinum are supported by growing industrial use.

1.1.5 Global Debt

Global debt surpassed US$324 trillion in the first quarter of 2025[6]—approximately 330 percent of global GDP, according to the IMF's Global Debt Monitor. This tally reflects the combined borrowing by governments, households, non-financial corporations, and the financial sector, and has now surpassed pre-pandemic levels.

The Institute of International Finance (IIF) projects that global government borrowing will rise substantially, from US$92 trillion in the first quarter of 2025 to US$145 trillion by 2030, and over US$440 trillion by 2050. This upward trajectory is driven in large part by the financing requirements of energy transition.

Debt servicing costs for the world's low-income countries rose by as much as 39 percent in 2024, according to the World Bank, with a significant portion of this owed to private creditors. The UN Trade and Development (UNCTAD) reports that African countries often face borrowing costs 2 to 4 times higher than the U.S. and up to 12 times higher than Germany, with an average rate of 11.6 percent[7].

1.1.5.1 Global Initiatives and the Struggle for Inclusive Restructuring

The G20 has intensified its efforts to tackle growing debt distress in EMDEs through the Common Framework for Debt Treatment. This framework aims to coordinate debt restructuring among both official and private creditors, including key non-Paris Club members like China and India. However, progress has been sluggish. Only a handful of few countries, such as Zambia,

6 Global Debt Monitor, IMF - May 2025.

7 A World of Debt 2025 Report, UNCTAD, published June 26, 2025

Ghana, Ethiopia, and Chad, are initiating restructurings and achieving notable, yet complex, progress.

The Global Sovereign Debt Roundtable (GSDR), co-chaired by the IMF, World Bank, and G20 Presidency, has sought to clarify restructuring principles like comparability of treatment to ensure equitable burden-sharing among creditors and accelerate the process. However, securing private creditors' cooperation under this principle remains a major challenge.

Another important consideration in the debt restructuring landscape is the significant share of sovereign debt held by multilateral development banks (MDBs), including the World Bank Group. The MDBs are currently outside the restructuring framework due to their commitment to preserving AAA credit ratings, which are essential for securing low-cost financing that supports development efforts. However, this unique position offers a valuable opportunity to explore innovative mechanisms that uphold financial integrity while promoting more inclusive and effective debt solutions.

1.2 Sub-Saharan Africa: Economic Performance and Prospects

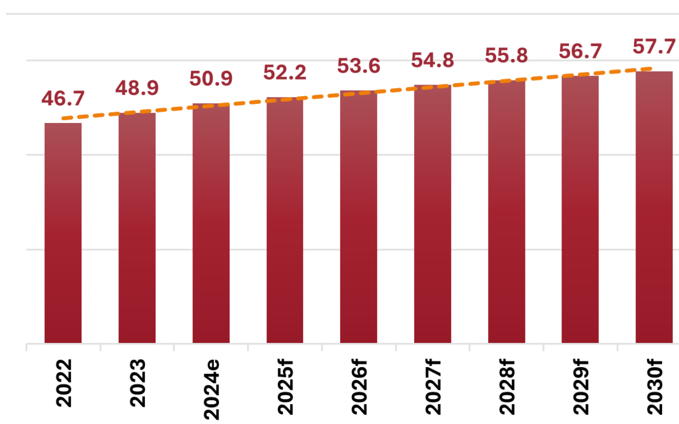
1.2.1 Rebounding with Cautious Optimism

Sub-Saharan Africa is gradually recovering from recent shocks, with growth rates edging higher and the outlook pointing to a gradual but uneven recovery. The region grew by 2.9 percent in 2023, which improved to 3.5 percent in 2024, reflecting a gradual recovery from global and regional shocks. The outlook for 2025 is cautiously brighter, with growth projected at 3.7 percent, supported by easing inflation, improved investment flows and stronger regional trade.

Looking ahead, growth is expected to accelerate to 4.1 percent in 2026, positioning Africa as the second-fastest growing region after Asia. Over the 2025–2027 period, per capita income in SSA is projected to grow by an average of 1.6 percent annually, signaling a slow but steady improvement in living standards[8].

Yet, this recovery is unfolding against a backdrop of persistent fragility. According to the June 2025 Global Economic Prospects Report, FCS now host the majority of the world's extreme poor. In 2025, an estimated 421 million people in these economies live on less than US$3 a day, more than in the rest of the world combined (Figure 1.7). Sub-Saharan Africa accounts

Figure 1.7: Share of Extreme Poor Global Living in FCS Economies



Source: World Bank, June 2025

8 World Bank, Global Economic Prospects, June 2025.

for a significant share of this fragility, with 18 out of 39 FCS economies located in the region, representing approximately 46 percent of all FCS countries globally.

However, regional disparities remain. East Africa is expected to lead with 5.3 percent growth, driven by renewed stability, infrastructure projects, and service sector expansion in countries like Ethiopia, Uganda, and Kenya. West Africa is set to grow by 4.5 percent, with structural adjustments in Nigeria and Ghana laying the groundwork for more sustainable long-term expansion. Southern Africa is projected to rebound to 3 percent growth, supported by improvements in Zambia and Zimbabwe.

Inflation, averaging 18.6 percent in 2024, is expected to decline to 12.6 percent in 2025-2026 as monetary policies tighten[9]. Fiscal deficits are projected to narrow to 4.1 percent of GDP, and debt levels are stabilizing, with median debt-to-GDP ratio falling to 59.2 percent. To sustain momentum, the IMF and AfDB stress coordinated fiscal and monetary strategies, building foreign reserves, and pre-emptive debt restructuring.

1.2.2 Navigating Debt Distress in Africa: Current Landscape and Outlook

Sub-Saharan Africa continues to be burdened by high public debt, now at its highest in over a decade. The region has been hit by a series of compounding shocks, including COVID-19, the Russia-Ukraine war, and persistent inflation. These factors have compelled governments to borrow heavily, leaving nearly half of the region's low-income countries in or near debt distress. The rising debt-servicing costs and limited fiscal space are constraining development efforts, as countries struggle with domestic revenue mobilization and costly external financing. Although some countries are implementing reforms, private creditor demands and exclusion of multilateral development banks from relief frameworks add to fiscal strain.

By the end of 2023, Africa's external debt reached US$1.152 trillion, with debt servicing projected to reach US$89 billion in 2025[10]. The situation has been further exacerbated by high global interest rates and the increasing reliance on commercial loans. Currently, nine African countries are in debt distress, while eleven others are at high risk, underscoring their heightened vulnerability to financing challenges and the urgent need for coordinated debt relief and sustainable financing strategies[11].

Despite these challenges, some African countries are making progress in managing their debt through fiscal consolidation and restructurings to create space for growth. Kenya has implemented fiscal consolidation measures to manage its debt, including tax increases and budgetary adjustments aimed at improving public finance

9 African Development Bank, https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-new-report-highlights-africas-strengthening-economic-growth-amid-global-challenges-80967

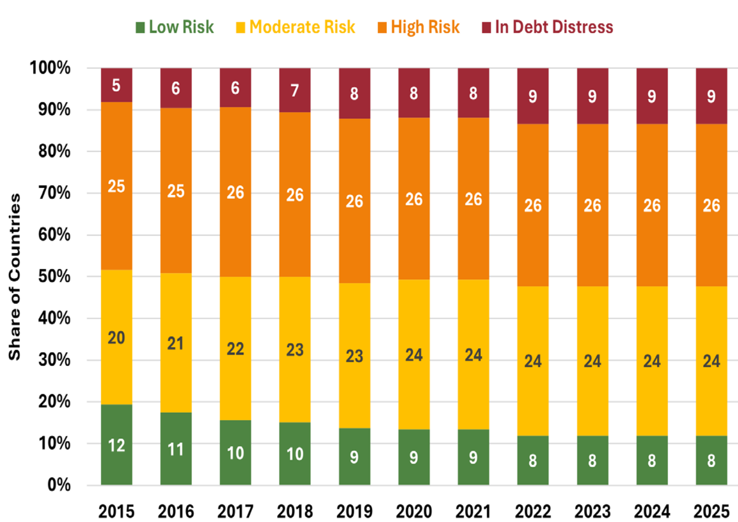
10 AfDB Annual Meetings 2024: old debt resolution for African countries – the cornerstone of reforming the global financial architecture, https://www.afdb.org/en/news-and-events/annual-meetings-2024-old-debt-resolution-african-countries-cornerstone-reforming-global-financial-architecture-70791

11 UN, ECA, "The rising debt burden in Africa's Least Developed Countries is eroding funding for sustainable development", November 17, 2024.

sustainability. Ethiopia reached an agreement with creditors under the G20 Common Framework to restructure US$8.4 billion in public debt. Zambia restructured over US$12.4 billion in debt, consolidating Eurobonds and freeing up resources for growth[12]. Somalia has also advanced its reform agenda, supported by debt relief and IMF programs[13].

Over the past decade, the debt distress composition of Sub-Saharan African (SSA) countries has shifted significantly. The number of countries classified as Low Risk has steadily declined, reflecting growing fiscal vulnerabilities. In contrast, those in the Moderate and High-Risk categories has increased, indicating rising debt burdens and external financing pressures. By 2025, a growing number of countries had entered the In Debt Distress category, underscoring the urgent need for debt

Figure 1.8: SSA Debt Distress Composition by Year



Source: Poverty Reduction and Growth Trust (PRGT) as of March 2025, IMF Data

restructuring and stronger macroeconomic management. This trend highlights the importance of continued monitoring under the IMF-World Bank Debt Sustainability Framework (DSF), especially for Poverty Reduction and Growth Trust (PRGT)-eligible countries (Figure 1.8).

Looking ahead, Africa's debt-to-GDP ratio is expected to decline as macroeconomic conditions improve and access to capital markets strengthens.

1.2.3 Risks and Way Forward

Eastern and Southern Africa face a complex risk landscape in 2025, shaped by global and regional dynamics. Rising public debt, inflationary pressures, and currency depreciation are straining fiscal stability across both regions. External shocks, such as tighter global financial conditions, reduced aid flows, and commodity price volatility, are compounding domestic vulnerabilities. In Southern Africa, energy and water supply shortages, coupled with persistent unemployment and weak investment, continue to weigh on growth prospects.

Eastern Africa is the continent's fastest-growing region, but it is not immune to risks. Inflation remains elevated in some countries, eroding purchasing power and investor confidence. Advances in governance, greater climate resilience, and strengthened debt management will be key to safeguarding macroeconomic stability. Despite strong growth projections, the region must navigate important peace processes, currency volatility, and the chal-

12 Zambia Monitor, July 25, 2025.

13 IMF, Somalia - Third Review Under the Extended Credit Facility Report – July 2025.

lenge of maintaining policy credibility amid rising social expectations.

These challenges notwithstanding, Eastern and Southern Africa hold promising prospects for economic recovery and growth. The regions are benefiting from increased investment in infrastructure, digital transformation, and regional trade integration under the African Continental Free Trade Area (AfCFTA). Eastern Africa, in particular, is expected to maintain its position as the fastest-growing sub-region, driven by resilient agriculture, expanding services, and strong public investment. Southern Africa is poised to benefit from renewed momentum in regional energy cooperation, mining sector modernization, and green transition investments, which could unlock new growth opportunities and enhance resilience. With targeted reforms and enhanced regional cooperation, both regions have the potential to accelerate inclusive and sustainable development.

Box 1

Fragile and Conflict-Affected Situations: Challenges, Drivers, and Pathways to Recovery

Fragile and conflict-affected situations (FCS) include 39 developing economies with a population of over one billion people. These nations face persistent instability, weak institutions, and limited capacity to deliver services or sustain inclusive growth. They suffer from lower incomes, volatile growth, and higher poverty and food insecurity. Hostilities cause long-term economic damage, with high-intensity cross-border tensions reducing per capita GDP by about 20 percent within five years.

The COVID-19 pandemic deepened vulnerabilities, causing steeper contractions and slower recoveries. Employment growth lags population growth, and 70 percent of FCS economies now face high debt distress. Climate shocks, displacement, and declining aid place additional pressure on already fragile public institutions and underdeveloped financial systems, perpetuating a cycle of fragility in these countries.

Fragility often stems from exclusion, inequality, and poor governance. Conflict anticipation alone reduces investment, while active conflict necessitates protection of infrastructure and humanitarian aid. Post-conflict recovery depends on inclusive reintegration, institutional reform, and rebuilding services. Preventing conflict requires early warning, grievance reduction, and inclusive governance.

Maintaining basic state functions during crises and rebuilding trust through transparent governance are essential. Reform strategies must deliver quick, visible benefits to sustain public support. Long-term, coordinated international support, including concessional finance, debt relief, and technical aid, is critical to breaking the cycle of fragility and securing peace and development.

Source: World Bank Group’s Global Economic Prospects report, June 2025

BOX 2

Foreign Direct Investment: Policies to Turn the Tide*

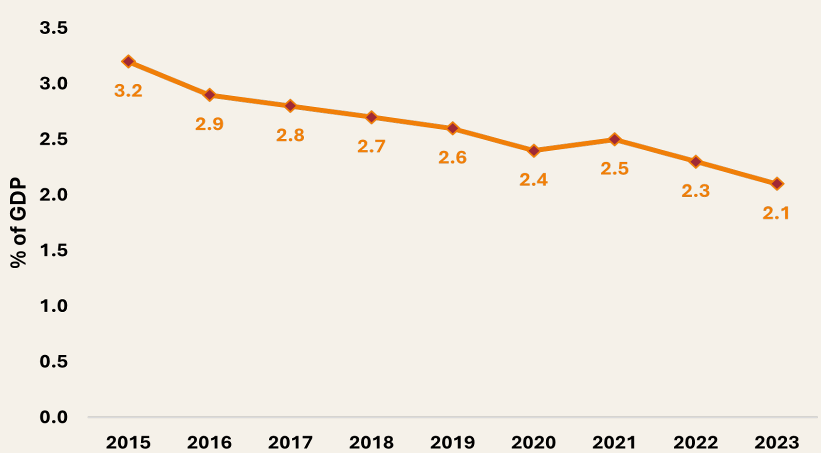
Foreign Direct Investment (FDI) has been a vital driver of growth in emerging markets and developing economies (EMDEs), providing access to capital, technology, and global markets. However, global FDI flows have declined sharply, with the median FDI-to-GDP ratio in EMDEs falling to just over 2 percent in 2023, less than half its 2008 5 percent peak. This drop is driven by global shocks, geopolitical dynamics, and policy stagnation, which have eroded investors' confidence.

FDI supports macroeconomic growth by enhancing capital formation, productivity, and global value chain integration, especially in countries with strong institutions and skilled labor. It's also key to financing the green transition, though challenges like regulatory uncertainty and weak technical capacity in developing countries limit its effectiveness.

FDI is influenced by factors such as market access, production costs, and macroeconomic and institutional stability. However, rising global protectionism, trade barriers, and investment screening have fragmented traditional investment flows, impacting both the quantity and quality of FDI in EMDEs.

To counter this trend, the World Bank's June 2025 report recommends a three-pronged strategy: improve the business climate and trade openness to attract FDI, enhance its benefits through human capital investment and domestic linkages, and promote global cooperation to ensure transparent, inclusive investment flows—especially to low-income and fragile states.

Figure 1.9 : Africa FDI (% of GDP)



Source: World Bank Data, 2023

*Source: World Bank Group's Global Economic Prospects report, June 2025

CHAPTER 2

UPDATES ON SELECTED WBG POLICY ISSUES

Executive Director in a Field Visit with Beneficiaries of the WBG Productive Safety Net Project in Bishoftu, Ethiopia

Chapter 2: Updates on Selected WBG Policy Issues

This Chapter provides updates on selected policies and strategies central to the discussions of the Executive Boards of the World Bank Group (WBG). It outlines key developments shaping the WBG's operational and strategic agenda, including areas such as **Energy for Development, Education and Skills, Procurement Guidelines**, and the evolving **Approach to Country Engagement**. Other notable updates include the **Africa Trade and Supply Chain Recovery Initiative**, the **2025 Shareholding Review**, the introduction of **New Global Poverty Standards**, the **WBG Knowledge Compact**, and updates on the **Debt Sustainability Framework** and **Food Security in Sub-Saharan Africa**. Together, these developments reflect ongoing efforts to respond to global challenges and support sustainable development, particularly in vulnerable regions.

2.1 Energy for Development: Powering Africa's Future

Energy is the backbone of modern life powering hospitals, schools, farms, and businesses. For Africa, expanding access to reliable and affordable energy is not only a development goal but also a prerequisite for inclusive growth, poverty reduction, and resilience. Without it, progress in health, education, and job creation stalls. With it, communities thrive, economies grow, and opportunities multiply.

Governments play a central role in this transformation. Their leadership can ensure that energy investments reach the people who need them most, especially in rural and underserved areas.

2.1.1 The Scale of the Challenge

Despite progress, over 600 million Africans still live without electricity, most of them in Sub-Saharan Africa. In many regions, even where the grid exists, service is unreliable or unaffordable. Rural communities are disproportionately affected, and women and youth bear the brunt of energy poverty.

The challenge is not only about access, but also about quality, affordability, and sustainability. Frequent outages, high costs, and limited reach of national grids hinder productivity and public service delivery. Addressing these gaps is essential to unlocking Africa's full potential.

2.1.2 Mission 300 and Strategic Initiatives

To tackle this challenge, the World Bank and African Development Bank have launched Mission 300, a bold initiative to connect 300 million people to electricity by 2030. Of this goal, the World Bank plans to reach 250 million people, while the AfDB is set to connect 50 million. This partnership is anchored in country-led energy compacts, combining grid expansion, off-grid solutions, and sector reforms.

This initiative is more than an infrastructure project; it is a poverty reduction strategy. Electrification drives human development, enables digital learning, supports small businesses, and strengthens climate resilience. When paired with affordable tariffs and reliable service, energy becomes a powerful tool for transformation.

Participation in this program provides access to concessional financing, technical assistance, and partnerships that can accelerate electrification, scale renewable energy, and mobilize private capital. As of September 23rd, 29 African countries, including 11 from the Africa Group 1 constituency have signed National Energy Compacts.

AfG1 countries are actively participating in this effort. However, only half of the AfG1 countries have formally signed National Energy Compacts to date. Additional AfG1 countries are currently in the pipeline for compact development, supported by the Infrastructure Vertical and program partners. These compacts are time-bound, data-driven and aim to scale up electricity access, increase the use of renewable energy, and attract private capital. They focus on affordable power generation, expanding connections, and regional integration.

The compacts also align with the WBG's broader Energy Strategy, which serves as a foundational framework for accelerating progress toward Mission 300. This strategy outlines key pillars essential to achieving universal energy access by 2030, including scaling up least-cost generation, improving sector and utility performance, expanding on- and off-grid connections, enhancing regional power trade and integration, and mobilizing private investment through instruments such as MIGA guarantees and IFC financing. These strategic actions directly support the goals of the initiative by enabling countries to deliver affordable, reliable, and sustainable electricity to millions of people.

This presents a strategic opportunity for other AfG1 governments to join the initiative and shape their energy future. By engaging in the initiative, AfG1 countries can align energy access with national development priorities, strengthen service delivery, and unlock economic opportunities for millions of citizens. The benefits are clear: increased concessional financing, technical support, and partnerships that accelerate progress toward universal energy access.

2.1.3 Renewable Energy Initiatives in AfG1 countries

Renewable energy is central to achieving inclusive growth. The Accelerating Sustainable and Clean Energy Access Transformation (ASCENT) program in Eastern and Southern Africa is connecting 100 million people across 20 countries, including 7 from the Africa Group 1 Constituency with over 15 in the pipeline. It supports decentralized renewable energy (DRE) and clean cooking solutions through debt financing, results-based grants, and technical assistance.

In Western and Central Africa, the Distributed Access through Renewable Energy

Scale-up (DARES) platform is scaling up DRE solutions such as mini-grids and solar systems. In Nigeria, the DARES project will benefit over 17.5 million people and replace over 250,000 diesel generators. The RESPITE initiative[14] in Chad, Liberia, Sierra Leone, and Togo boosts grid-connected renewable energy and regional interconnections.

These programs are tailored to country contexts and promote solar, wind, hydro, and geothermal energy where feasible. They also support the electrification of schools, health facilities, and agricultural systems, thereby enhancing productivity through innovations like solar-powered irrigation and cold storage chains.

2.1.4 Policy Priorities for Governments

Governments are uniquely positioned to drive energy access at scale. Their support is critical in four areas:

- » **Infrastructure and Investment:** Champion regional and local energy projects, including mini-grids and solar systems, and facilitate public-private partnerships.
- » **Affordability and Inclusion:** Ensure that energy programs prioritize low-income households, schools, clinics, and small enterprises.
- » **Integration with Development Goals:** Align energy access with broader goals in education, health, agriculture, and digital inclusion.
- » **Data and Accountability:** Strengthen local data systems to track progress, identify gaps, and ensure transparency in delivery.

By focusing on these priorities, Governments can turn energy investments into lasting improvements in people's lives.

2.1.5 Financing and Delivery: Turning Ambition into Impact

Achieving universal energy access requires sustained financing and effective delivery. The IDA21 replenishment, with up to US$100 billion mobilized, presents a significant opportunity to support energy and human capital investments. Additionally. climate finance and blended funding models can unlock new resources – with more than US$ 7 billion pledged[15] in addition to the WBG and AfDB commitments.

Financing alone is not enough. Success depends on country leadership, community engagement, and results-based planning. Governments must ensure that energy programs are well-targeted, inclusive, and responsive to local needs.

14 The Regional Emergency Solar Power Intervention Project (RESPITE) is a World Bank-supported program launched to rapidly increase grid-connected renewable energy capacity and strengthen regional integration in West Africa.

15 More than US$ 6bn and Euro 1bn has been committed from a mixture of Government, private entities, foundations and other MDBs.

2.2 WBG approach on education and skills: from learning to jobs

Education is at the heart of the World Bank Group's jobs agenda—helping children start strong, stay in school, and build the skills needed for work. With 1.2 billion young people set to enter the labor force in emerging economies over the next decade but only 420 million jobs projected, bridging this gap is mission critical. The WBG's approach focuses on accelerating foundational learning, aligning education systems with labor market demand, including digital and green skills, and strengthening pathways to jobs and entrepreneurship through a One WBG approach.

Table 2.1: WBG Global Education Portfolio

Category	Details
Total Portfolio Value	US$26.5 billion
Countries Covered	85 countries
Students Reached	305 million
Women and Girls Benefited	146 million
Strategic Focus Areas	- Foundational learning (literacy, numeracy, socio-emotional skills)
	- Tackling the learning crisis
	- Skills development and vocational training
	- Lifelong learning and workforce adaptability
Key Challenges Addressed	- Learning poverty (70 percent of children in LMICs can't read by age 10)
	- School closures due to climate and COVID-19
	- Low public investment in education

Source: World Bank, April 2025

For African Group 1 Constituency countries, the priorities are even sharper: tackling learning poverty, scaling teacher effectiveness, modernizing skills systems, and using the One WBG approach solutions to connect skills to jobs at both speed and scale.

2.2.1 The Policy Framework: an Education Strategy built for Jobs

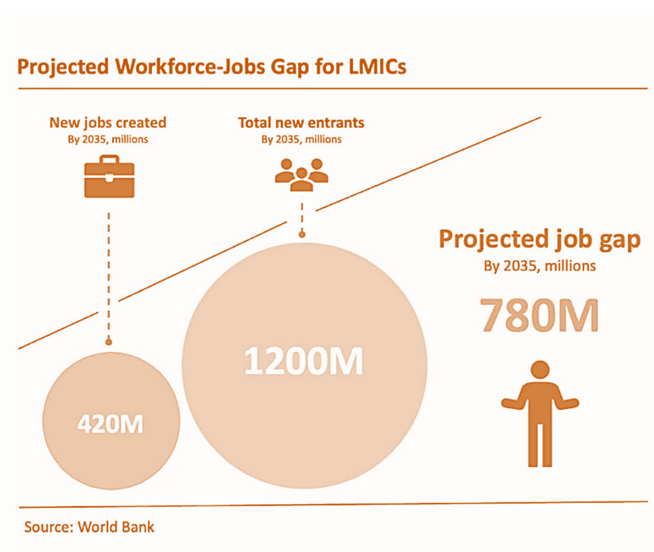
The WBG's education approach is designed to produce human capital that is relevant to the job market. This includes prepared learners; effective teachers; relevant learning resources and EdTech; safe and inclusive schools; well managed and adequately financed systems. It explicitly links education investments to employability, entrepreneurship, and productivity gains, and is implemented through a One WBG platform that blends public financing, knowledge, and private capital mobilization.

To support countries in linking education to employment outcomes, the WBG has introduced tools to track learning progress, improve classroom teaching, and scale solutions with a focus on jobs. New platforms, such as the WBG Academy's Impact Programs, help countries learn, adapt, and expand successful approaches. Institution-wide, job creation is now a core outcome, with stronger mechanisms to align strategies and operations toward employability, earnings, and inclusion across sectors.

2.2.2 Skills Development: Building and Deploying Relevant Skills

The WBG's skills development plan aims to equip people with essential skills for employment. Key priorities include accelerating early learning and foundational literacy and numeracy, providing effective teaching and adaptive EdTech support, and fostering job-relevant skills through industry partnerships and work-based learning.

The plan also focuses on connecting graduates to jobs through placements, entrepreneurship support, and adult reskilling. Operations now emphasize employer-aligned curricula, apprenticeships, competency standards, and quality assurance, with particular attention to digital and green skills. By scaling proven models and integrating policy, investment, and private sector engagement, the WBG ensures skills development leads to real employment outcomes, central to its FY26 jobs and budget priorities.



2.2.3 Implications for Constituency Member Countries

The World Bank Group's approach to education and skills development presents Africa Group 1 Constituency countries with opportunities to accelerate learning, build job-relevant skills, and connect graduates to employment. Countries can prioritize early grade literacy and numeracy, strengthen teacher effectiveness, and modernize skills systems to address learning poverty.

Governments can align education and training programs with labor market demand, supporting sectors such as agriculture, construction, renewable energy, logistics, health, and ICT. By integrating public policy, private investment, and risk mitigation instruments, skills development can be effectively translated into real jobs. This approach also strengthens national capacity to deliver and measure results. Programs such as the WBG Academy's Impact and Practitioner initiatives help ministries implement reforms at scale, adopt jobs metrics, and track outcomes, ensuring that education and skills development contribute directly to employment and economic growth.

2.2.4 A Call to Action

To bridge the gap from learning to earning and creating jobs at scale, Governors are encouraged to:

» Adopt an outcome-first approach to foundational learning and jobs[16],

16 An outcomes-first approach to foundational learning and jobs means focusing on the real-world results of education and employment programs, rather than just inputs like funding or enrollment numbers.

with country-specific engagement plans that set measurable targets and transparent reporting.

» Mobilize private capital to support education-to-employment pathways, leveraging the One WBG approach to attract IFC and MIGA investments for dual training, tertiary expansion, Ed-Tech, and women's economic opportunity programs.

» Champion initiatives that strengthen youth and women's employment through education and skills development.

» Knowing that in SSA cultural norms tend to prioritize boys over girls and encourage early marriage for girls, significantly affecting educational access. Governors should support their governments to address how these norms affect school retention, educational remediation, and youth integration into labor markets.

2.3 Jobs- the Path to Prosperity: Unlocking Economic Growth through Job Creation

In the last two years, the WBG has been evolving to equip and position itself to urgently address the growing and multiple global challenges of uneven growth, climate change, food insecurity, debt distress, conflicts and fragility, which threaten its mission to end poverty. One of the most effective approaches to reduce poverty and drive economic growth and prosperity is job creation. It does not only unlock human potential and strengthens communities but also empowers marginalized groups, particularly women and youth.

During the 2025 Joint IMF/WBG Spring Meetings, the WBG outlined a strategic shift to prioritize job creation, which is the centerpiece of its development theme. This shift aims to address the nearly 300 million jobs gap in developing countries over the next decade. To achieve this, the WBG focuses on three-pronged approaches: (i) investing in human capital and infrastructure, (ii) creating predictable regulatory environments, and (iii) mobilizing private capital through private sector.

2.3.1 Investing in Human Capital and Infrastructure

Human capital and infrastructure developments are critical for jobs and job creation. Building the basic foundations for jobs begins with strategic investments in human capital, such as education, healthcare, nutrition, and skills training. This is complemented with investments in robust and resilient infrastructure, including transportation, water, digital, and energy. The WBG urges governments to prioritize these areas using local resources and financing from the World Bank (IBRD and IDA) to drive national economic growth and employment.

2.3.2 Creating Predictable Regulatory Environments

The WBG emphasizes the importance of predictable regulatory environments and macroeconomic stability in attracting private investment and fostering job creation, particularly in emerging markets and developing economies. To this end, it supports policy and regulatory reforms to create business-friendly conditions by expanding access to digital finance, equity, and non-traditional lending platforms to close the estimated US$5.7 trillion MSME finance gap, especially for women-led enterprises.

Through sectoral flagship initiatives, such as Mission 300, AgriConnect, and Health Commitments, the WBG had already launched ambitious goals to connect 300 million people in Africa to electricity by 2030; double agriculture finance to US$9bn annually, focusing on high-value crops and climate-smart practices; and provide affordable healthcare to 1.5 billion people by 2030. However, the success of these programs relies not only just on financial commitments, but also on the capacity of local systems to absorb and implement them effectively.

2.3.3 Mobilizing Private Capital through Private Sector

The WBG stresses that public resources alone are insufficient for large-scale job creation and growth. Mobilizing private capital is essential, supported by reforms that foster inclusive and investment-friendly environments. Through IFC and MIGA, the WBG provides financing, risk insurance, and skills training to help businesses grow and create jobs.

Developing local capital markets, promoting savings, and financial inclusion are also critical for long-term financing, supported by programs like the Joint Capital Markets Program and IFC's Private-Sector Window. However, the priority should not solely be on increasing the volume of private capital mobilized, but on ensuring that investments are strategically directed toward sectors with greatest potential for job creation.

2.3.4 Transformative Forces Shaping Job Creation

The 2025 Joint IMF/WBG Spring Meetings underscored the transformative forces shaping job creation, calling for a multi-faceted approach, involving both public and private sector efforts to respond to the evolving global landscape. These forces include unlocking the private sector potential, leveraging technology like Artificial Intelligence and Automation (which, while boosting productivity, also pose risks of job displacement in some sectors), responding to shifting global economic and demographic, and investing in human capital and infrastructure.

Policy reforms were also highlighted as essential to attracting investment and fostering sustainable private sector development. However, the challenge lies not in identifying these drivers, but in designing inclusive, context-sensitive strategies that ensure these transformations lead to equitable and lasting employment outcomes, particularly in vulnerable and low-capacity settings.

2.3.5 From Commitment to Impact-making Job Creation Work for AfG1 Countries

While the WBG emphasizes job creation as central to inclusive growth and gender equality, the real challenge lies in translating these ambitions into effective implementation across emerging markets and developing countries, including in AfG1 member countries, where deep-rooted structural barriers continue to hinder progress. While policies promoting equal pay, childcare, and women's entrepreneurship are necessary, they fall short without tackling deeper structural issues, such as informal employment, weak governance, and limited access to finance, which are especially pronounced in fragile and low-income settings.

The WBG's emphasis on unlocking private sector potential and investing in human capital is ambitious, but its effectiveness depends on governments' ability to implement reforms and uphold accountability. In AfG1 countries, where institutional capacity and fiscal space are often limited, linking finance to results must be complemented by locally grounded strategies. Only by aligning ambition with context-specific action can job creation truly serve as a pathway to inclusive and sustainable development.

2.3.6 The Way Forward

2.3.6.1 Strategic Alignment with Labor Market Realities

The OED will continue to advocate for the WBG to accelerate job creation and economic transformation across Africa Group 1 Constituency countries. This requires the WBG to move beyond generic approaches and deepen the alignment of its jobs' agenda with Sub-Saharan Africa's labor market priorities, in accordance with the Development Committee's strategic direction. Scaling up investments in foundational infrastructure—particularly in energy, agribusiness, healthcare, tourism, and value-added manufacturing—is essential, as these sectors offer high potential for inclusive growth and employment generation.

2.3.6.2 Human Capital and Industrial Policy Integration

However, infrastructure alone will not deliver transformative outcomes. The WBG must embed job-linked human capital components into infrastructure projects, emphasizing local content, apprenticeships, and regional value chains. Building a skilled and healthy workforce is central to this effort, requiring expanded support for quality education, vocational training, and digital skills development—especially for youth, women, and marginalized communities in fragile and low-income settings. In parallel, the WBG should support member countries in designing comprehensive industrial policies that foster manufacturing hubs and reduce dependence on raw commodity exports.

2.3.6.3 Accountability and the Role of Governors

To ensure accountability and impact, the development of robust job indicators across sectors and regions is essential. These metrics will help track progress, identify gaps, and guide strategic interventions, making job creation not only aspirational but measurable and transformative. Governors are therefore called upon to engage actively with the WBG on this agenda, advocating for policies and investments that reflect the Constituency's priorities and ensure that job creation is treated as a core objective of development programming—not a secondary outcome.

2.4 New WBG Procurement Guidelines: Driving Value, Jobs, and Innovation

In today's dynamic development environment, procurement is increasingly recognized as a tool for enhancing the effectiveness of public spending and responding to emerging challenges such as climate change, fragility, and digital transformation. Recent reforms in World Bank's procurement policy aim to improve transparency, efficiency, and fairness in the use of development resources. These changes also seek to align procurement systems with international standards, potentially broadening supplier participation and improving delivery outcomes.

The main changes in the Procurement Policy are being rolled out in two phases: the first started in March 2025, and the second in September this year.

2.4.1 March 2025 Procurement Changes

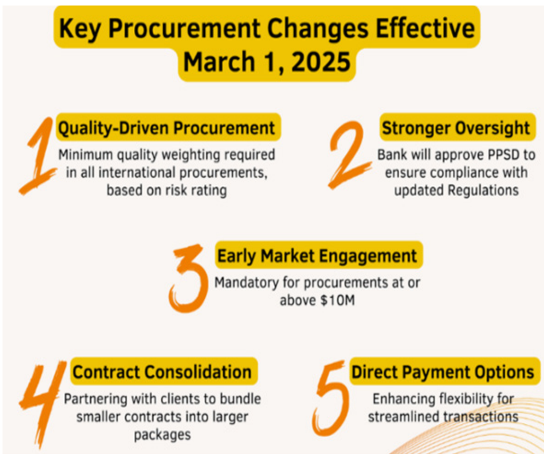
On March 1st, 2025, the World Bank introduced a series of measures aimed at improving outcomes in procurement under Investment Project Financing. These measures underscore extensive feedback from clients and the business community and demonstrate the Bank's commitment to adopting modern, responsive, and high-impact procurement practices.

- First, the Bank will require a minimum 50 percent quality weighting for most internationally competitive procurement processes, ensuring that technical excellence and long-term value are prioritized alongside cost.
- Second, for contracts with an estimated value over US$10 million, early market engagement has become a formal part of the procurement process. This approach helps attract high-caliber bidders, enhances competition, and enables clients to refine procurement strategies based on market insights[17].
- Third, the Bank has started collaborating with clients to aggregate smaller contracts into larger packages and offer direct payment options to reduce supplier payment risks.

To ensure compliance with procurement

17 Examples of early market engagement include publishing advance procurement notices, hosting bidder information sessions, conducting market sounding exercises, and issuing requests for information (RFIs). These activities allow potential suppliers to better understand project requirements and timelines, while giving borrowers valuable feedback to shape procurement documents and approaches.

regulations and to support informed decision-making, the Bank helps borrowers prepare a Project Procurement Strategy for Development (PPSD), outlining a fit-for-purpose procurement approach aligned with project objectives.



Training on these new approaches is being provided to clients and World Bank staff to support effective implementation. In parallel, the Bank has reinforced its support and oversight mechanisms, placing greater focus on procurement strategies, market engagement practices, rated/scoring criteria, quality-based evaluations, and related procurement activities to ensure consistency, transparency, and impact.

To support implementation of the mandate, the Bank has published a suite of updated guidance materials, including:

» Updated Procurement Regulations for Investment Project Financing, effective March 1, 2025.

» Updated Procurement Procedure, and Standard Procurement Documents, accompanied by a comprehensive guidance note.

» Guidance on Evaluating Bids and Proposals using Rated Criteria, to ensure quality-based assessments.

» Early Market Engagement Fact Sheet, outlining best practices for engaging suppliers ahead of formal bidding.

These changes underline the Bank's commitment to partnering with countries in advancing modern, fair, and transparent procurement processes that deliver faster, more inclusive, and impactful development outcomes.

2.4.2 September 2025 Procurement Changes

Further updates to the Bank's procurement processes have been published to support job creation and skills development in developing countries. Starting September 1, the Bank will require companies working on World Bank-funded international civil works contracts to include meaningful local labor participation, with at least 30 percent of total labor costs allocated to workers from the borrowing country. This requirement is a key component of the Bank's broader local content strategy, which aims to ensure that procurement activities contribute directly to the economic development of host countries by leveraging local labor, materials, and expertise.

In addition to labor participation, borrowers may apply rated criteria to incentivize bidders to include proposals focused on skills development, use of local suppliers, and upskilling of local workers, thereby enhancing the long-term impact of procurement investments. This is particularly significant for AfG1 countries, where youth unemployment and skills gaps remain pressing development challenges[18].

The World Bank's Procurement Framework has been instrumental in supporting Borrowers to achieve sustainable development outcomes with integrity. For AfG1 countries, these reforms represent a strategic opportunity to leverage procurement for inclusive growth, job creation, local industry participation, and capacity building.

Moreover, borrowers may apply rated criteria to incentivize bidders to include proposals focused on skills development and the upskilling of local workers, thereby enhancing the long-term impact of procurement investments.

The new procedure applies to all new projects with an approved Project Concept Note (PCN), on or after September 1, 2025. For projects under implementation, transitional arrangements will be coordinated with Task Teams and Borrowers to ensure appropriate application of the new requirements.

2.4.3 Looking Ahead

The OED will continuously monitor the impact of the 2025 procurement changes, ensuring that the interests of Africa Group 1 Constituency countries are adequately represented in the ongoing refinement and implementation of the WBG's procurement policy. To promote transparency and informed engagement, the OED also plans to convene an information session to brief Governors on recent developments, enabling them to assess progress and influence its direction.

2.5 Rethinking the Approach to WBG Country Engagement

The WBG is introducing a new approach to how it works with countries, aiming to deliver greater development impact. This shift places country needs at the center while also recognizing the influence of global and regional challenges, such as climate change, fragility, and job creation, on national development goals. The new model emphasizes selectivity, meaning the WBG will focus on fewer, more strategic priorities in each country, and outcome orientation, ensuring that results are clearly defined and measurable.

Under this approach, the Country Partnership Framework (CPF) becomes the sole engagement tool, replacing previous instruments like Country Engagement Notes. CPFs will now span up to ten years, allowing for longer-term planning, but with flexibility built in through annual business planning and mid-term reviews. This ensures that country programs can adapt to changing circumstances, including institutional changes or emerging crises.

18 To support implementation of the local labor requirement, the Bank has already published the updated Procurement Regulations, Procurement Procedure, and Standard Procurement Documents, accompanied by a comprehensive guidance note.

2.5.1 What's New: Simplicity, Flexibility, and Collective Action

The revised model introduces several notable updates:

Annual Business Planning: Because of the longer time horizon, country teams will meet yearly to assess progress, update plans, and respond to new opportunities or risks.

- One WBG Approach: Public and private sector solutions will be planned and delivered jointly, with stronger collaboration between IBRD, IDA, IFC, and MIGA.
- Streamlined Documents: CPFs and diagnostics will be shorter and more focused, reducing administrative burden and speeding up delivery.
- Knowledge Integration: Country programs will be informed by global and regional expertise, with Knowledge Advisory Teams (KATs) supporting design and implementation.

For countries facing complex situations, the new approach allows for shorter CPFs and simpler results frameworks. It also integrates tools like Risk and Resilience Assessments and special IDA allocations (e.g., the Participatory Risk Assessment (PRA), Targeted Assistance Approach (TAA), and Resilience and Emergency Capacity Assessment (RECA)) to better respond to complex challenges.

2.5.2 Partnerships and Inclusion at the Core

The new model places partnerships at the heart of country engagement. CPFs will include clearly outlined inputs from other development partners, and coordination mechanisms will be strengthened to ensure complementarity and maximize impact. The WBG will work more closely with the United Nations (UN), regional development banks, civil society, and the private sector to foster more integrated and effective development efforts.

Stakeholder consultations will be deeper and more inclusive, with a focus on engaging citizens, civil society organizations, and marginalized groups. This is especially important in FCV contexts, where civic space may be limited and development needs are acute. The WBG's evolving strategy also emphasizes the role of jobs, particularly for youth and women, as a pathway out of poverty and into prosperity.

2.5.3 What the New Approach means for AfG1 Constituency

For AfG1 Constituency countries, this new approach offers both opportunities and responsibilities. The emphasis on country ownership means that countries must clearly articulate their priorities and work closely with the WBG to co-design programs. The focus on results and selectivity means that countries will need to prioritize reforms and investments that deliver tangible outcomes, especially in areas like job creation, infrastructure, and human capital.

Countries should expect more strategic dialogue with the WBG, including annual reviews of progress and mid-term adjustments. The new model also provides tools to better address fragility and regional spillovers, which are particularly relevant for many AfG1 countries. By integrating global challenges into country programs, AfG1 countries can access new financing windows and technical support, including the IDA Global & Regional Opportunities Window (GROW) and the Framework for Financial Incentives (FFI).

2.5.4 A Call to Action

The rethinking of WBG country engagement is not just a technical shift, it is a strategic opportunity for AfG1 countries to shape more impactful partnerships. By embracing the new model, Constituency countries can better align national priorities with global challenges, improve targeting and delivery, and demonstrate results that attract scaled support.

Governors are called upon to actively engage in CPF design and implementation, ensure inclusive stakeholder consultations, and advocate for reforms that unlock private investment and create jobs. While the new approach offers a more flexible, responsive, and integrated framework, its effectiveness in helping AfG1 countries accelerate progress toward shared prosperity and resilience will depend on how well it is implemented in practice, particularly in navigating complex country contexts and ensuring sustained coordination among diverse partners.

Governors are further encouraged to deepen their engagement with the Regional Vice President in Nairobi to ensure that regional priorities are well-reflected in IDA programming. Strengthening this interaction will be critical for aligning strategic interventions with country-specific needs, enhancing delivery, and leveraging regional platforms to address cross-border challenges such as fragility, climate shocks, and infrastructure gaps. Their leadership and advocacy will be instrumental in translating IDA's strategic ambitions into tangible development outcomes that directly benefit communities across AfG1.

2.6 Reviving Trade and Supply Chains in Africa: Progress and Prospects of the ATRI initiative

The Africa Trade and Supply Chain Recovery Initiative (ATRI), developed and overseen by the International Finance Corporation (IFC) in partnership with the Alliance for Entrepreneurship in Africa, is a bold, investment-driven response to the unprecedented disruptions in Africa's trade and supply chains, particularly in the wake of the COVID-19 pandemic and persistent global economic volatility. ATRI aims to mobilize capital and de-risk trade and supply chain transactions in critical sectors—food, healthcare, agribusiness, and manufacturing—while building local capacity for sustainable recovery and resilience.

Africa's trade and supply chains have faced significant shocks in recent years. The pandemic exposed vulnerabilities in food and healthcare supply chains, while currency devaluations, regulatory bottlenecks, and limited access to trade finance have constrained recovery and growth, especially for small and medium-sized enterprises

(SMEs). Intra-African trade remains below potential, with tariff and non-tariff barriers and inadequate risk mitigation mechanisms hindering flows of goods and services. These challenges underscore the urgent need for robust, investment-driven solutions to restore and strengthen supply chains in the food, healthcare, agribusiness, and manufacturing sectors.

ATRI's overarching goal is to catalyze Africa's trade and supply chain recovery by: (i) mobilizing public and private capital for trade and supply chain transactions, (ii) de-risking investments through innovative financial instruments and insurance products (iii) focusing on critical sectors: food, healthcare, agribusiness, and manufacturing (iv) building capacity to strengthen local institutions and market actors, and (v) prioritizing investment-driven interventions over purely advisory support. This approach is intended to address both immediate liquidity and risk challenges, as well as long-term capacity and competitiveness.

2.6.1 Implementation Highlights and Sectoral Impact

ATRI is structured around four interlinked pillars of Capital Mobilization, De-risking Mechanisms, Capacity Building, and Investment-Driven Interventions. Since its launch, ATRI has made significant strides in operationalizing its strategy.

1. **Food and Agribusiness:** Supported warehouse receipt systems in Malawi and Zambia, enabling smallholder farmers to access trade finance and aggregate produce for larger transactions.

2. **Healthcare:** ATRI Facilitated risk-mitigation instruments for cross-border procurement of essential medical supplies.

3. **Manufacturing:** Partnered with regional value chain actors to improve SMEs access to credit and insurance.

4. **Capacity building:** Delivered training programs for local banks and trade facilitators and supported regulatory reforms in customs and logistics.

Early evidence points to improved supply chains resilience, reduced transaction costs, and broader inclusion of women and youth.

The Africa Trade and Supply Chain Recovery Initiative (ATRI) directly advances IFC's commitment to strengthening MSMEs as drivers of inclusive growth and job creation in AfG1 Countries. By mobilizing capital, de-risking transactions, and building local capacity, ATRI helps close financing gaps for MSMEs in key sectors, while IFC's advisory and capacity-building programs equip them to compete in integrated markets. ATRI's focus on trade finance and supply chain resilience enables MSMEs—often constrained by limited collateral and high costs—to access new opportunities, support women and youth entrepreneurs, and drive sustainable recovery, reflecting IFC's strategic priorities for resilient, inclusive markets.

2.6.2 Challenges and Forward Outlook

Despite progress, ATRI has faced notable challenges. Persistent informality in agricultural markets limits the reach of formal trade finance and insurance products. Regulatory and macroeconomic uncertainties, including currency volatility, continue to deter private investment. Capacity constraints among local financial institutions and SMEs require sustained support, while the adoption of new risk mitigation instruments remains slow, requiring continued awareness-raising and trust-building efforts.

Looking ahead, ATRI will focus on scaling up successful pilots, strengthening partnerships with financial institutions, especially in warehouse receipt financing and trade credit insurance, expanding capacity-building programs, and advocating for policy reforms to reduce non-tariff barriers. Its evolution will be guided by evidence, stakeholder feedback, and a commitment to inclusive, sustainable growth.

Ministers responsible for trade are invited to critically assess the enduring economic challenges confronting their countries, ranging from limited access to trade finance and fragmented supply chains to regulatory bottlenecks and underdeveloped logistics infrastructure. These issues disproportionately affect AfG1 countries, where the potential for transformative impact is greatest.

ATRI offers a timely and strategic platform to address these challenges head-on. Ministers are urged to actively engage with ATRI's initiatives, champion reforms that reduce non-tariff barriers, and mobilize support for scaling up successful pilots. By leveraging ATRI's partnerships, capacity-building programs, and evidence-based approach, countries can unlock new opportunities for inclusive trade, regional integration, and sustainable economic growth.

2.7 Strengthening Voice and Representation: AfG1 Reflections on the 2025 Shareholding Review

The 2025 Shareholding Review presents a critical opportunity for the Africa Group 1 (AfG1) Constituency to advocate for a more equitable governance structure within the WBG. As the global economic landscape evolves, so too must the mechanisms that determine voice, representation, and influence within international financial institutions. The 2025 review, guided by the Lima Shareholding Principles, aims to realign voting power and shareholding to better reflect the contributions and needs of EMDCs, including those in Sub-Saharan Africa.

The 2025 review aims to ensure that the WBG remains responsive to significant developments in the global economy while promoting equitable voice and representation among all member countries. A key focus of the review is recognizing the increasing role and contributions of EMDCs and realigning shareholding structures to better reflect current global economic realities. By addressing external dynamics and embracing structural changes in the global context, the review reinforces the legitimacy and credibility of the WBG's governance framework, thereby enhancing effectiveness as a representative and impactful international financial institution.

2.7.1 Principles Guiding the 2025 Shareholding Review

The Shareholding Review is a Board-led process and proceeds with consensus and consultations with the capitals. Discussions of shareholding are guided by the "Lima Shareholding Principles" which were developed during the 2015 Review and endorsed by Governors in October 2015 at the Annual Meetings held in Lima, Peru. The Lima Principles highlight the importance of long-term financial sustainability of the WBG. They provide the framework for the 2025 shareholding review and guide Executive Directors on how to move towards a more equitable balance of voting power, thereby ensuring that all voices are important. This is underpinned by contributions from all member countries of the WBG, both borrowers and non-borrowers alike.

2.7.1.1 Realigning Shareholding: Protecting the Small and Amplifying the Underrepresented

The review process, led by the Committee on Governance and Executive Directors' Administrative Matters (COGAM), focused on updating shareholding data using the

The Lima Shareholding Principles

- Regular shareholding reviews will take place every 5 years based on agreed principles and a dynamic formula.
- The guiding principle for shareholding realignments is to achieve an equitable balance of voting power. This can be assessed by looking at the balance of voting power between country groups and/or under-representation country-by-country.
- As a global cooperative, all voices are important. Where possible, decision making is by consensus. All members have Basic Votes, protected in the constituent documents of the respective WBG entities.
- The smallest poor member countries shall be protected from dilution of their voting power.
- Shareholding brings both rights and responsibilities, and all shareholders have an interest in the long-term financial sustainability of the WBG, including IBRD and IFC's AAA credit rating, contributing in line with their capacity to do so.

Dynamic Formula[19], which incorporates GDP and IDA pledges. For AfG1 Constituency, this has revealed a concerning decline in voting power, from 2 percent to 1.38 percent, despite the region's growing development needs and active engagement in WBG programs.

Our office has strongly urged Governors to support the IFC's general capital increase to reverse this trend and preserve the Constituency's voice. The review also reaffirmed the importance of protecting the voting power of the smallest and poorest countries through the Small Poor Protection (SPP) mechanism, ensuring that no member is left behind in the realignment process.

2.7.1.2 Governance Reform: a Long-Term Vision for Equity

While immediate reforms are underway, the review has also sparked discussions on longer-term governance changes. These include:

- » **Transitioning to an All-Elected Board:** Inspired by the IMF model, this would eliminate the distinction between appointed and elected chairs, promoting equal status among members.
- » **Updating Presidential Selection Rules:** Proposals include introducing a "double majority"[20] requirement to ensure broader legitimacy in selecting the WBG President[21].
- » **Adjusting Board Composition and Staffing:** With AfG1 representing over 20 countries, proposals to add a second Alternate Executive Director and increase advisory staff are gaining traction.
- » **Enhancing Beneficiary Engagement:** Greater involvement of project beneficiaries in design and implementation is being explored to improve relevance and sustainability of WBG interventions.

2.7.1.3 Voice Beyond Votes: Expanding Influence through Capacity and Inclusion

Beyond shareholding, the 2025 Review has opened a parallel track focused on broader "voice" issues – how effectively countries, especially those with limited voting power, can shape WBG policies and decisions. Several promising reforms have emerged from recent consultations and retreats:

- » **Capacity Building for ED Offices:** Tailored training programs for Advisors

19 The Dynamic Formula is a methodology used in the World Bank Group's shareholding review to guide adjustments in member countries' shareholding. It considers factors such as economic weight, contributions to development, and financial participation, aiming to reflect evolving global realities in a balanced and transparent manner.

20 "Double majority" refers to a proposed rule requiring both a majority of voting power and a majority of member countries to support a candidate for WBG President, ensuring broader legitimacy and inclusiveness in the selection process.

21 This approach is intended to enhance the legitimacy and inclusiveness of the selection process by balancing influence between large shareholders and the broader membership. It aims to ensure that the chosen President has both financial backing and widespread international endorsement.

and Senior Advisors are being piloted to enhance their effectiveness in Board and Committee engagements. This is especially vital for large constituencies like AfG1, where staff must manage diverse country needs.

» **Exploring Staffing Expansion for Large Constituencies:** Discussions are underway on the possibility of increasing staffing levels for large constituencies such as AfG1, to better support their complex and diverse representation needs and enhance their capacity to engage effectively in Board processes.

» **Expansion of the Voice Secondment Program (VSP):** The VSP, which was initiated in 2004 to promote capacity building, brings government officials from client countries to work within the Bank and is set for expansion. This will deepen institutional knowledge and strengthen ties between capitals and WBG teams.

» **Improving Management-Board Engagement:** Measures are being considered to ensure more balanced and responsive interactions between WBG management and Executive Directors, addressing perceptions of bias toward larger shareholders.

» **Amplifying Global-South Perspectives:** Initiatives such as the Think Africa Partnership and the Network for Impact in Africa (NIA) are being scaled up to ensure that policy ideas from African think tanks and institutions inform WBG strategies.

2.7.2 Way Forward

The 2025 Shareholding Review is more than a technical exercise; it is a moment to reaffirm the principles of fairness, inclusivity, and responsiveness that underpin the WBG. For AfG1, this is an opportunity to not only protect its voice but to amplify it through strategic reforms and stronger engagement.

As the review progresses toward the Annual Meetings, AfG1 will continue to advocate for a governance framework that reflects the realities of today's development landscape. By embracing both shareholding realignment and voice-enhancing reforms, the Constituency is helping shape a more representative and effective WBG, one that truly serves the interests of all its members.

2.8 Redefining Global Poverty: New Standards, New Insights

The World Bank has updated how global poverty is measured. The new benchmark is US$3.0 per person per day (based on 2021 purchasing power parity, or PPP), replacing the previous US$2.15 (2017 PPP). This change reflects updated price levels and national poverty lines, not a shift in ambition. Two additional thresholds - US$4.20 and US$8.30 - are now used to reflect poverty in lower- and upper-middle-income countries, respectively.

This update changes how poverty is tracked globally. Under the new standard, extreme poverty affected 10.5 percent of the world's population in 2022, or about 838 million people. That figure is projected to decline to 9.9 percent by 2025. However, the pace of progress remains slow, and the goal of reducing poverty to 3 percent by 2030 is still distant.

2.8.1 Africa and the Global Poverty Challenge

SSA now accounts for a larger share of global poverty under the new measurement. While the region's economic outlook is improving, with projected growth of 3.7 percent in 2025 and 4.1 percent in 2026 and 4.2 percent 2027, this alone will not be enough to reduce poverty quickly. Growth must be paired with targeted policies that boost productivity, expand opportunities, and protect vulnerable populations.

A major constraint is energy access. Hundreds of millions of Africans still lack electricity, which limits education, healthcare, and economic activity. The Mission 300 initiative, led by the World Bank and African Development Bank, aims to connect 300 million people to electricity by 2030, 250 million through the World Bank and 50 million through AfDB. This effort is central to poverty reduction, especially when combined with affordable and reliable service.

2.8.2 Beyond Income: a Broader view of Poverty

The World Bank now emphasizes a more comprehensive view of poverty. In addition to income-based measures, it tracks societal poverty (which adjusts for typical living standards) and multidimensional poverty, which includes access to education, clean water, sanitation, and electricity.

For policy design, countries are encouraged to use national poverty lines for targeting programs, while using global lines for international comparisons. This approach ensures relevance at home and consistency abroad.

This dual approach is particularly relevant for AfG1 countries, as it allows them to tailor poverty reduction strategies to their unique national contexts while remaining aligned with international standards. By using national poverty lines, AfG1 governments can design programs that address local needs and target the most vulnerable populations effectively. At the same time, global poverty lines enable these countries to benchmark progress, attract international support, and engage in cross-country comparisons. This balance ensures that AfG1 nations can pursue context-sensitive, evidence-based policies while contributing to broader global development goals.

2.8.3 Inclusive Growth: Ensuring all Communities benefit from Growth

Looking only at national poverty rates doesn't tell us who is struggling the most or how hard it will be to help them. That's why, in addition to tracking how many people live below the new US$3.00 a day poverty line, countries should also measure how far below the line people are (poverty depth), how severe their poverty is (poverty severity), and how well the poorest 40 percent of the population are doing "shared prosperity." These indicators help show whether economic growth is truly reaching the people who need it most and how much effort is needed to lift them out of poverty.

For policy, this means going beyond general growth numbers. Governments should look closely at who benefits from taxes and public spending, shift broad subsidies toward more targeted support like cash transfers, nutrition, and education programs, and track key outcomes for the poorest - such as school learning, child nutrition, access to clean water, and electricity. Mapping poverty by location can help direct investments to the areas that need them most. Linking income support to job opportunities - through skills training, childcare, and better access to markets - can help people move toward self-reliance. For AfG1 countries, using these kinds of measures in project design and results tracking will improve targeting, show real progress in inclusion, and help make the case for more support from development partners.

2.8.4 Strategic Priorities for Africa's Governments

To accelerate poverty reduction, African governments are advised to focus on four key areas:

» Expand basic services: health, education, water, and electricity—to address interconnected deprivations.

» Strengthen social protection systems that can respond to shocks and link support to nutrition, skills, and livelihoods.

» Boost productivity and job creation by investing in energy, transport, digital infrastructure, and inclusive finance.

» Improve data systems to ensure poverty is accurately measured and policies are well-informed.

These priorities can turn modest economic recovery into real improvements in living standards.

2.8.5 Aligning with Global Standards and Opportunities

The shift to 2021 PPPs requires clear communication. Countries are advised to avoid mixing old and new poverty lines and always label the standard used. When discussing national programs, complement global benchmarks with local definitions.

Africa's development agenda, particularly in sectors such as energy, education, health, and digital infrastructure, offers substantial returns for the populations most in need, creating opportunities to transform lives and boost economic resilience.

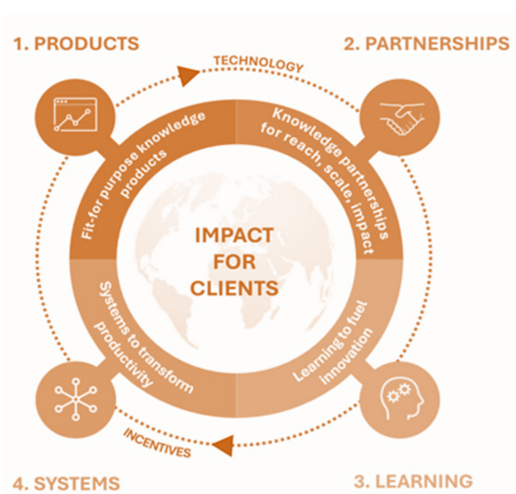
The recent IDA replenishment, which mobilized up to US$100 billion, provides a significant opportunity to finance well-targeted programs that can make a meaningful difference at scale. For African Governors, the message is clear: adopt the updated poverty standards, align sector strategies with the new measurements, and prioritize large-scale, results-oriented implementation to maximize impact across the continent.

2.9 WBG Knowledge Compact update: Scaling Solutions for Impact

In February 2024, the WBG launched the Knowledge Compact, a bold initiative to strengthen its role as a global leader in development knowledge. Its goal is to transform the Bank into a modern "knowledge bank" that not only generates insights but shares them widely - within the institution and with partners around the world.

This initiative is especially vital for SSA, where development challenges and opportunities are immense. By linking governments, researchers, civil society, and communities with global expertise and data-driven solutions, the Compact helps SSA countries access the tools they need to design effective policies and accelerate sustainable growth. Its strength lies in building dynamic partnerships that tailor solutions to local needs, fostering innovation and amplifying impact.

The Compact focuses on four key areas: producing relevant knowledge products, building partnerships that expand reach and impact, promoting learning to drive innovation, and improving systems to boost productivity.



2.9.1 Key Achievements

Harnessing Data: A major milestone was the launch of Data 360, a transformative platform that consolidates over 300 million data points spanning 200 economies and 50 years. As the second most visited World Bank website, it provides teams with real-time, high-quality data to guide operations and policy decisions. By prioritizing data quality through the WBG Policy on Development Data, Data 360 has become a blueprint for IDA projects and a cornerstone for evidence-based development. Its advanced features—including AI-powered tools for data interpretation and automated workflows - enhance discoverability, streamline analytics, and empower both Bank staff and clients to better understand and address complex development challenge .

Building Capacity through the WBG Academy: As part of the Compact, the WBG Academy offers training and workshops to strengthen skills for policymakers and institutions, covering social protection, data-driven policy, disaster insurance, and economic inclusion programs like Jobs for the Poor, with upcoming sessions on revenue mobilization, job creation, and drought resilience. These programs help countries build capacity to design effective policies, support vulnerable populations, and foster inclusive economic growth. Countries can engage with the academy through various ways, such as Country Management Units (CMUs) or direct Access via the Academy

Website[22]. Countries may also reach out to their Executive Director's Office to express interest, seek guidance, or request support in accessing specific Academy offerings, especially for strategic or high-level programs.

Driving Innovation: The World Bank is encouraging creative thinking through its Innovation Awards, which recognize fresh ideas and encourages experimenting with new approaches. Some of these ideas include using technology like machine learning to help countries collect taxes more efficiently and supporting efforts to earn money from reliable carbon credits. These activities bring people together, spark collaboration, and help teams find better ways to solve problems more effectively.

Expanding Digital Access: To close the digital divide, the Bank has launched a Digital Vice Presidency Unit and is developing a comprehensive Digital Strategy to guide its efforts. These efforts aim to improve digital connectivity and ensure that underserved regions can benefit from technology. A key initiative is the Inclusive Digitalization in Eastern and Southern Africa (IDEA) Program, which supports regional integration and digital development. Phase 1 is already underway in the Democratic Republic of Congo, Angola, and Malawi, with financial support from the French Development Agency and IDA financing.

Strengthening Partnerships: In March 2025, the Bank hosted the Global Digital Summit under the theme "Digital Pathways for All." The event brought together public and private sector leaders, partners, and innovators to explore digital transformation strategies, showcase cutting-edge technologies, and foster inclusive digital development. Participants from the ministries responsible for technology, from African Group 1 Constituency, attended the meeting.

Delivering Knowledge for Impact: The Compact is also helping countries apply knowledge to real-world challenges. For example, Mission 300 uses data to identify energy needs and promote solutions like solar mini-grids and rural electrification. Partnerships with organizations like the African Development Bank, the Rockefeller Foundation, Sustainable Energy for All (SEforALL), and Global Energy Alliance for People and Planet (GEAPP) are helping to fund and implement these projects. Progress is tracked through quarterly updates and the WBG Scorecard, ensuring transparency and accountability.

2.9.2 Toward a Unified Knowledge Bank

As the World Bank continues to champion knowledge as a catalyst for development, the Knowledge Compact stands as a testament to the power of collaboration, innovation, and evidence-based solutions. By scaling what works and fostering cross-sectoral learning, the Compact is not only amplifying impact but also shaping a more inclusive and resilient future for communities worldwide.

Looking ahead, the World Bank is building a unified Knowledge Bank that integrates AI, innovation systems, and harmonized

22 The platform can be explored at https://data.worldbank.org/

outcomes tracking. This transformation includes responsive vertical and horizontal structures, focused analytics, and digital advancement, all designed to scale knowledge and deliver impact across countries. For AfG1 countries, this means greater access to global expertise, faster learning cycles, and more effective use of development resources. By making learning and innovation a regular part of its work, the Bank is making sure that knowledge helps shape and improve development results across the region.

2.10 DSF Update and Implications for Low-Income countries: A Critical Look at AfG1 Member States

The Debt Sustainability Framework (DSF), jointly developed by the International Monetary Fund (IMF) and the World Bank, remains a cornerstone in guiding borrowing and lending decisions for low-income countries (LICs). As of the 2025 update, the DSF has undergone refinements aimed at enhancing its predictive accuracy, transparency, and responsiveness to the evolving debt landscape.

In April 2024, a new review of the DSF was initiated to better reflect emerging challenges. Specifically, it aims to address:

(i) The growing role of domestic debt in low-income countries' financing strategies; and

(ii) The increasing risks posed by climate change, which can significantly affect debt sustainability through economic shocks and disaster-related costs.

This review seeks to update the DSF to ensure it remains relevant and effective in guiding countries toward sustainable borrowing and resilient development planning. For AfG1 member countries, many of which are heavily aid-dependent, the implications of these updates are profound.

2.10.1 The 2025 DSF Update: Key Features

Building on the 2017 reforms, the DSF update introduces several modifications:

» Improved Risk Assessment Tools: The framework now includes more granular stress tests tailored to country-specific risks such as climate shocks, commodity price volatility, and contingent liabilities.

» Refined Composite Indicators: The debt-carrying capacity index has been recalibrated to better reflect institutional quality, macroeconomic fundamentals, and global financial conditions.

» Enhanced Transparency: The 2025 update responds to critiques about the opacity of the DSF's classification system by proposing clearer thresholds and reducing reliance on subjective staff judgment.

Forward-Looking Scenarios: The DSF now places greater emphasis on scenario analysis, including the impact of global interest rate hikes and geopolitical risks.

These changes aim to make the DSF more responsive to the realities of LICs, particularly in a post-COVID world marked by tighter financing conditions and rising debt vulnerabilities.

2.10.2 Implications for AfG1 Member Countries

The framework is instrumental in risk assessment to help identify and signals debt distress early on, allowing creditors to better anticipate and manage risks. This proactive approach can lead to more informed decision-making and strategic planning. Additionally, the framework plays a significant role in tailoring financing. It enables countries to balance their funding needs with their ability to repay, which in turn informs the tailored financing terms from creditors. This customization ensures that financing is both sustainable and effective.

The framework plays a key role in facilitating access to financial support, including concessional financing provided by the IMF through instruments such as the Poverty Reduction and Growth Trust (PRGT). This type of support is particularly relevant for low-income countries (LICs). Additionally, the framework offers country-specific assessments of debt sustainability, which can inform policy discussions and capacity-building efforts aimed at promoting economic stability.

Within this context, AfG1 countries face unique challenges that make the DSF both a critical tool and a potential constraint. Below are some of the key areas highlighted in the DSF namely:

2.10.2.1 Access to Concessional Financing

The DSF directly influences access to concessional loans and grants from the World Bank's International Development Association (IDA) and other donors. Countries rated at high risk of debt distress are often limited to grant financing, which, while reducing debt accumulation, also restricts the volume of available resources for development. For AfG1 countries, many of which are already under fiscal strain, this creates a paradox: the very countries that need more investment to rebuild institutions and infrastructure are those most constrained by DSF risk ratings.

To improve this situation, greater technical support for debt management, flexible financing instruments, and enhanced donor coordination could help expand fiscal space while maintaining debt sustainability.

2.10.2.2 Policy Space and Development Trade-offs

The DSF's conservative thresholds, especially for countries classified as having "weak" debt-carrying capacity, can limit fiscal space. For example, a country which has significant infrastructure deficits may be discouraged from borrowing even for productive investments due to the risk of breaching DSF thresholds. Moreover, the framework is designed to be cautious, so it focuses more on avoiding the risk of overlooking a real crisis than on avoiding false alarms. This means that even if a country's financial problems aren't immediate, it might still be flagged as high-risk based on what could happen. As a result, countries may face restrictions based on potential risks, even if those risks aren't likely to happen soon. This can lead to overly cautious fiscal policies that stifle growth and delay recovery.

2.10.2.3 Data and Capacity Constraints

Many AfG1 countries struggle with weak statistical systems, making it difficult to produce reliable macroeconomic projections. The DSF's reliance on baseline scenarios and stress tests assumes a level of data quality and forecasting capacity that may not exist in fragile states. This can result in risk ratings that are more reflective of data gaps than actual debt vulnerabilities, highlighting the need for enhanced technical support and capacity building.

2.10.3 Critical Reflections

While the 2025 DSF update is a step forward, several concerns remain:

Over-Reliance on Quantitative Models: The DSF's statistical models, while sophisticated, may not fully capture the political economy realities of LICs. For instance, the framework does not adequately account for the stabilizing role of external grants or remittances in countries with limited domestic revenue bases.

Need for Country-Specific Risk Tolerances: A one-size-fits-all approach to debt thresholds may not be appropriate. The Finance for Development Lab has proposed a shift toward country-specific risk assessments[23], which could allow AfG1 countries more flexibility to pursue development goals without triggering punitive risk ratings.

2.10.4 Way Forward and Proposed Actions

The DSF remains a vital tool for ensuring debt sustainability in LICs, but its application must be refined and context sensitive. For AfG1 countries, the framework should allow for Development-Linked Borrowing. More specifically, countries should be permitted to borrow for high-impact investments even if they are at moderate risk of distress. Moreover, the IMF and World Bank should enhance technical support by investing in building statistical and forecasting capacity in AfG1 countries to improve the quality of DSAs.

As the 2026 review approaches, it is imperative that the voices of AfG1 countries are heard in shaping a DSF that balances fiscal prudence with the urgent need for development.

As the 2026 review approaches, it is imperative that the voices of AfG1 countries are heard in shaping a DSF that balances fiscal prudence with the urgent need for development. This moment presents a critical opportunity to ensure that the framework reflects the realities and aspirations of countries facing acute financing constraints and development pressures.

To that end, Governors are strongly encouraged to appoint technically capable

23 Finance for Development Lab, Lifting the hood of the LIC-DSF to revamp its accuracy and transparency, Policy Note 18, October 2024.

representatives to actively participate in consultations and preparatory discussions whenever opportunities arise. Their expertise and insights will be vital in articulating country-specific challenges, proposing practical solutions, and influencing the direction of reforms in a way that promotes inclusive and sustainable growth.

2.11 Food Security in Sub-Saharan Africa: Insights from the 2025 Global Food Security Report

2.11.1 Global and Continental Context

The UN's Food and Agriculture Organization (FAO) 2025 State of Food Security and Nutrition in the World (SOFI) indicates that 2.3 billion people globally faced moderate to severe food insecurity in 2024 with approximately 8.2 percent (673 million) experiencing severe food insecurity. While this marks a decrease of 15 million from the 2023 data, Sub-Saharan Africa (SSA) did not share in this progress. In 2024 hunger affected approximately 307 million people, 23 percent of Africa's population- highlighting the region's continued vulnerability. Alarmingly, funding to address food insecurity is declining due to shifts in official development assistance.

2.11.2 Key Trends from the WBG's June 2025 Food Security Update

The WBG's latest update presents a mixed picture. Global food commodity prices continue to decline thanks to increased supply, yet domestic food price inflation remains high mainly in low- and lower- middle-countries. In SSA, the primary drivers of hunger - conflict and extreme weather are compounded by a persistent and often overlooked constraint: transport and logistics inefficiencies.

Food supply chains across SSA are long, fragmented, and vulnerable to delays, breakdowns, and waste. Perishable goods travel an average of 4,000 kilometers over 23 days and more than one-third of these goods are destroyed before reaching consumers. In many countries, high transport and trade costs account for up to 30 percent of final food prices, threatening affordability for low-income households. These inefficiencies prevent the benefits of falling global commodity prices from reaching retail markets, keeping food inflation stubbornly high.

For AfG1 member countries, these challenges are particularly acute. Many are heavily reliant on food imports, face infrastructure bottlenecks, and are disproportionately affected by climate shocks and conflict spillovers. The high cost of food and limited access to markets threaten not only household food security but also macroeconomic stability and social cohesion.

To address these bottlenecks, the WBG FlowMax model has identified 20 border crossings and 10 stressed ports where targeted investments could yield significant improvements. Tackling these chokepoints, alongside efforts to expand intra-African food trade and connect rural producers to main roads, could reduce waste, lower prices, and strengthen resilience across food systems.

2.11.3 Regional Updates

The Integrated Food Security Phase Classification (IPC/CH) estimates that 80 million people in East and Southern Africa are experiencing a food crisis driven by conflict, climate shocks, displacement, and macroeconomic instability. Several areas are severely affected by droughts and cyclone-related flooding, which have reduced harvests and increased food inflation. The crisis is further compounded by spillover effects from escalating regional conflicts.

In West and Central Africa, more than 24 million people face acute food insecurity due to entrenched conflict and political instability which are disrupting agriculture production, markets and trade. Ongoing violence involving non-state armed actors and government forces has led to widespread displacement and limited access to food. Additional factors such as high transportation costs, regional spillovers from neighboring conflicts, and erratic rainfall patterns have further intensified the crisis across the region.

Between February to May 2025, food price inflation increased by more than 5 percent in 76.5 percent of LICs and 54. 5 percent in LMICs. Marking its 50 year anniversary, the International Food Policy and Research Institute (IFPRI) noted that food systems in SSA remains too exposed to shock from climate change to conflict and economic stress. To build resilience, SSA needs to prioritize better early warning systems, stronger rural infrastructure, more support for climate-smart agriculture, better safety nets, and clearer strategies for emergency response.

2.11.4 The UN Food System Summit +4: Strengthening Resilience and Equity in African Food Systems

At the UN Food Systems Summit + 4 (UNFSS+4) in Addis Ababa, leaders warned that if no action is taken, the continent could account for nearly 60 percent of the world's undernourished population by 2030.

The Summit called for increased investment in climate-smart agriculture, digital solutions and support for agri-entreneurship, especially youth and women, policy reforms to address systemic barriers, including land and water rights, governance, and equitable access to resources and markets, and stronger regional cooperation for addressing transboundary challenges.

For AfG1 countries, these priorities are especially critical. Many member states face compounding vulnerabilities, from climate shocks and conflict spillovers to infrastructure gaps and limited market access. In Sub-Saharan Africa, food security depends not only on production but also on the efficiency, reliability, and affordability of food distribution. By addressing a targeted set of high-impact logistics chokepoints, expanding intra-African food trade, and connecting rural producers to markets, AfG1 countries can significantly reduce food loss, lower consumer prices, and build resilient inclusive food systems. These actions, coupled with investments in climate resilience and social safety nets, are essential to reversing current trends and securing long-term food security for the region.

CHAPTER 3

WORLD BANK GROUP OPERATIONS IN FY25

The Executive Director, visiting the Maputsoe Primary School, Maseru, Lesotho—a key beneficiary of a WBG water project

Chapter 3: World Bank Group Operations in FY25

This chapter exemplifies the WBG's robust support to WBG member countries during FY25. It summarizes the performance of the four WBG institutions, with a focus on results delivered to different regions. It highlights IDA financing extended to countries, IBRD commitments and disbursements, and IFC operations—including commitments, disbursements, and the investment pipeline. The chapter also outlines the activities of the Multilateral Investment Guarantee Agency (MIGA), highlighting its role in supporting private sector-led development. Together, these efforts reflect the WBG's continued commitment to advancing inclusive growth and development.

3.1 International Development Association (IDA) Operations

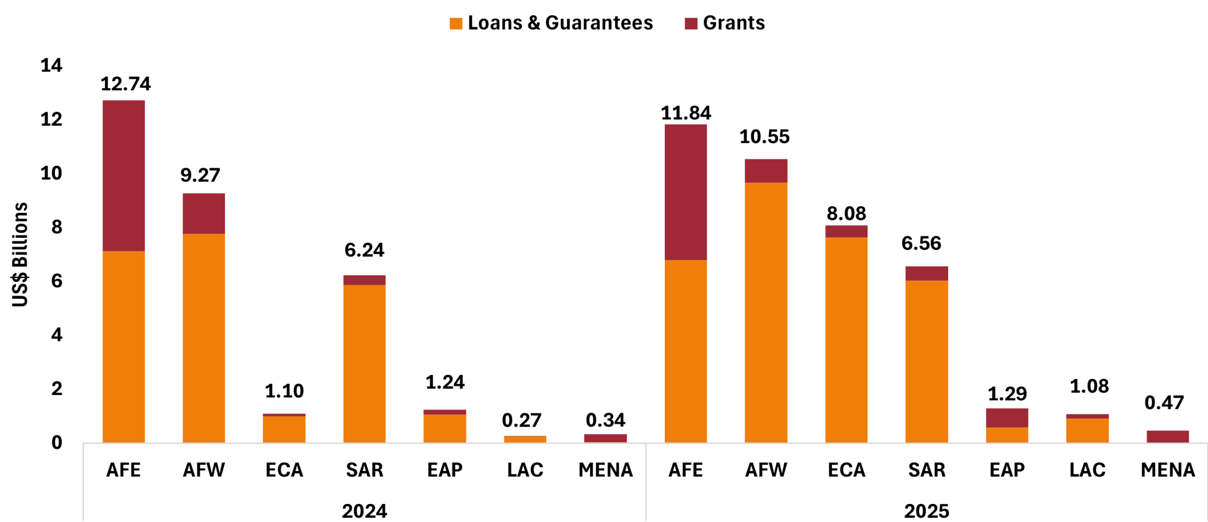
FY25 was the third and last implementation year for the IDA20 cycle, with IDA21's cycle starting on July 1st, 2025. IDA20 policy commitments emphasized strategic priorities such as climate change, human capital, gender equality, and economic transformation. These areas were particularly relevant for Sub-Saharan Africa, where the need for development interventions is significant. The alignment of IDA's strategic focus with these priorities ensured that resources were directed towards impactful initiatives, addressing key challenges and fostering sustainable development in these regions.

3.1.1 FY25 Commitments

IDA significantly expanded its operations during FY25 to address the growing development needs of low-income countries. Building on the foundations laid in FY24, IDA aligned its interventions with the WBG's renewed mission: ending extreme poverty on a livable planet and promoting sustainable, inclusive, and resilient development. This expansion reflects IDA's unwavering commitment to delivering meaningful results where they are needed most.

Reflecting IDA's strategic shift toward greater responsiveness and impact, new

Figure 3.1: Net IDA FY24 and FY25 Loan and Grants Commitments by Region



Source: World Bank, August 2025

commitments surged by 27.8 percent to reach US$39.9 billion, up from US$31.2 billion in FY24. This shift emphasizes more agile financing, targeted crisis response, and stronger alignment with country-specific development priorities. East Africa (AFE) and West Africa region (AFW) remained the largest recipients, accounting for 30 percent and 26 percent of total commitments, respectively. However, the growth was primarily driven by increased commitments in the Europe and Central Asia (ECA) largely attributed to the Special Program for Ukraine and Moldova Recovery (SPUR) under the IDA Crisis Facility.

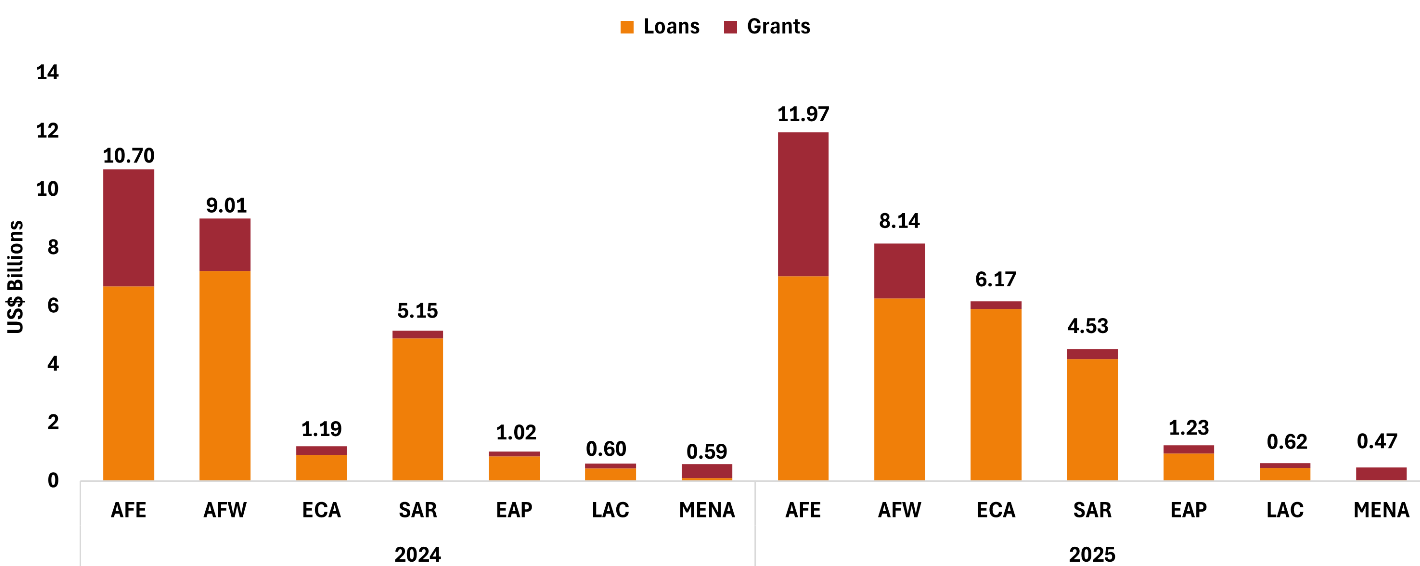
3.1.2 FY25 Disbursements

Gross and net disbursements in FY25 reflected strong global growth in IDA operations. Gross disbursements rose by 17.3 percent globally to US$33.1 billion compared to US$28.2 billion in FY24. Net disbursements also increased by 20.9 percent on FY24, reaching US$24.3 billion in FY25. The East Africa region saw significant year-on-year growth of 12 percent (US$1.28 billion), and disbursements to Ukraine drove the ECA region to register a 419 percent (US$4.9 billion) increase.

3.1.3 Private Sector Window: A Strategic Tool for Mobilizing Private Capital

The Private Sector Window (PSW) is a key instrument under IDA created under IDA18 to mobilize private sector investment in IDA-only countries and IDA-eligible Fragile and Conflict-affected Situations. The PSW secures resources for these high-risk, low-income environments by blending concessional resources with IFC and MIGA support. In IDA20, the PSW was allocated an initial envelope of US$2.5 billion which was increased to US$2.7 bil-

Figure 3.2: Gross IDA FY24 and FY25 Disbursements of Loans and Grants by Region



Source : World Bank, August 2025

lion corresponding to the release of the PSW resources allocated in the previous replenishment cycles.

3.1.4 Scaling Up Delivery

As IDA21 implementation commences, its focus on climate resilience, human capital development, and private sector engagement, particularly through instruments like the Private Sector Window, which is further elaborated in the IFC Operations Update, reflects a deepening commitment to transformative development. This evolution highlights IDA's operational agility and strategic foresight in navigating an increasingly complex global environment.

Looking Ahead: Deepening Impact through IDA21

Looking ahead, IDA is expected to deepen its engagement with low-income countries by strengthening delivery systems, accelerating disbursements, and tailoring support to country-specific challenges. With many LICs facing persistent fragility, climate vulnerability, and constrained fiscal space, IDA's role in mobilizing concessional financing and catalyzing private sector investment will be increasingly critical to achieving sustainable development outcomes.

IDA21 holds great promise in advancing this agenda, offering a renewed platform to deliver impactful, inclusive, and resilient development solutions where they are needed most. Its design and priorities are closely aligned with the World Bank Group's institutional goals—Mission 300, which aims to lift 300 million people out of poverty, and *The Jobs Agenda*, which focuses on creating quality employment opportunities in developing countries. By supporting climate resilience, human capital development, and private sector engagement, IDA21 is positioned to be a key driver of transformative change across the most vulnerable regions. The allocation of resources have been proposed in the following table:

Table 3.1: Allocation of IDA 21 resources, in billions of US$

Proposed Allocation	US$ Billions Equivalent
Concessional financing of which:	**89.8**
- Country Allocation Envelope	67.2
- IDA Concessional Windows	22.6
Non-concessional financing of which:	**10.2**
- Non-concessional Scale-Up Window	7
- Private Sector Window	3.2
Total Proposed Allocation	***100***

Source: World Bank, August 2025

As the global landscape continues to evolve, IDA's agility, strategic focus, and commitment to country ownership will remain central to its effectiveness and relevance.

3.1.5 IDA21 Financing Instruments and Resources

3.1.5.1 Country Allocation Envelope

The country allocation envelope represents US$67.2 billion of the IDA21 resource envelope. Country allocations are comprised of the Performance Based Allocation System, which takes into account the country's performance rating, population size and per capita income, the Sustainable Development Finance Policy Incentive, the FCV Envelope, and the IDA-Grant Facility for Project Preparation.

3.1.5.2 IDA21 Concessional Windows

IDA Concessional Windows allow IDA to respond to specific needs of its members. In IDA21, US$22.6 billion of the IDA21 resource envelope will be used to fund the following:

» US$3.0 billion of Concessional Scale-up Window (SUW) – Shorter Maturity Loans.

» US$15.9 billion of Global and Regional Opportunities Window (GROW), including US$2.4 billion for the sub-window SPUR for Host Communities and Refugees (WHR).

» US$3.7 billion of Crisis Response Window.

3.1.5.3 Global and Regional Opportunities Window (GROW)

IDA21 establishes the new GROW to scale up action on priority global and regional challenges. GROW replaces the former Regional Window and incorporates a dedicated sub-window for the Window for Host Communities and Refugees (WHR) bringing them together in a single, fully concessional window. GROW offers low-income countries additional resources on concessional terms, same as the ones in the country allocation, to help these countries address policy priorities with cross-border externalities. IDA fosters regional integration by playing three complementary roles:

» Supporting an enabling environment through advisory and analytical work;

» Financing projects through policy and investment loans; and

» Convening state and nonstate actors for coordination and collective actions.

3.1.5.4 Window for Host Communities and Refugees (WHR)

In IDA21, WHR is a sub-window under GROW and will continue to support operations that promote medium to long-term development opportunities for refugee and host communities in IDA countries. The purpose of the WHR is to support refugee hosting countries to:

» Create social and economic development opportunities for refugee and host communities;

» Facilitate solutions that include sustainable socio-economic inclusion of refugees in the host country and/or their return to the country of origin; and

» Strengthen country preparedness for increased or potential new refugee flow.

3.1.5.5 Crisis Response Window (CRW)

The primary objective of the CRW is to provide IDA countries with additional resources that will help them to respond to major natural disasters, or public health emergencies and severe economic crises so that they can return to their long-term development paths. This US$3.7 billion window under the IDA21 resource envelope includes an allocation of up to US$1.0 billion under the CRW Early Response Financing (ERF) to enable IDA countries to intervene earlier in response to slower-onset crises, namely disease outbreaks and food insecurity.

3.1.5.6 Concessional Scale-up Window – Shorter Maturity Loans (SUW-SML)

The Shorter Maturity Loans under the Scale-up Window will provide additional concessional resources with an allocation of US$3.0 billion in eligible countries i.e. IDA-only countries at low or moderate risk of debt distress, as well as Gap and Blend countries (except Small States that are at high risk or in debt distress).

3.1.5.7 Non-Concessional Financing

Non-Concessional financing comprises loans and guarantees whose terms are aligned with those of IBRD's flexible loans and guarantees. Under the IDA21 resource envelope, US$7.0 billion of resources have been allocated to non-concessional financing which entirely relates to the regular Scale-up Window.

3.1.5.8 Private Sector Window (PSW)

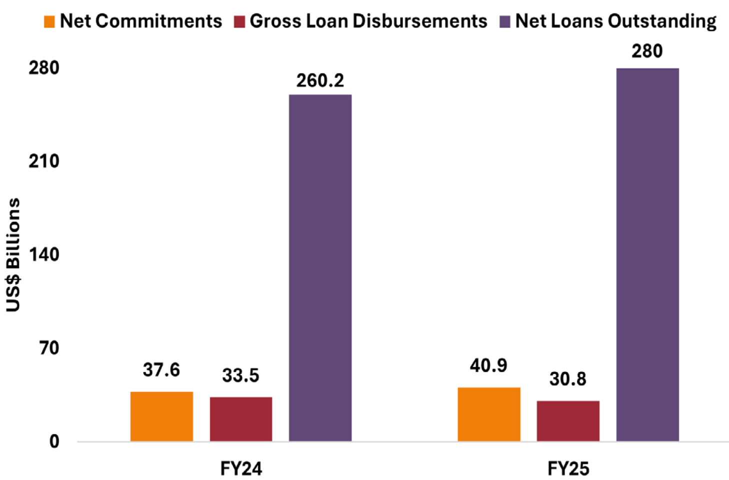
Under IDA21, US$3.2 billion has been allocated to PSW, including US$500 million capital set aside on IFC's balance sheet. As of June 30, 2025, US$3.2 billion had been committed in IDA20, including recommitments of cancellations from previous and current replenishments. PSW is deployed through facilities designed to target critical challenges faced by the private sector and leverages IFC and MIGA's business platforms and instruments.

3.2 International Bank for Reconstruction and Development (IBRD) Operations

As global challenges grow more complex, the International Bank for Reconstruction and Development (IBRD) continues to strengthen global development through enhanced financing and innovative risk management. Its unwavering commitment to poverty reduction, shared prosperity, and addressing global challenges, such as climate change, pandemics, and fragility, remains at the heart of its mission.

By leveraging its strong AAA credit rating, IBRD mobilizes resources from international capital markets to provide member countries with long-term financing at low interest rates. This financial strength is paired with policy dialogue and capacity-building efforts, designed to help member countries to pursue inclusive growth, reinforce institutional frameworks, and build resilience against future shocks. Through its strategic approach and global partnerships, IBRD serves as both a source of financing and a contributor to broader development efforts, including sustainability and institutional strengthening.

Figure 3.3: IBRD Loan Commitments, Disbursements, and Outstanding Balances (FY24-FY25)



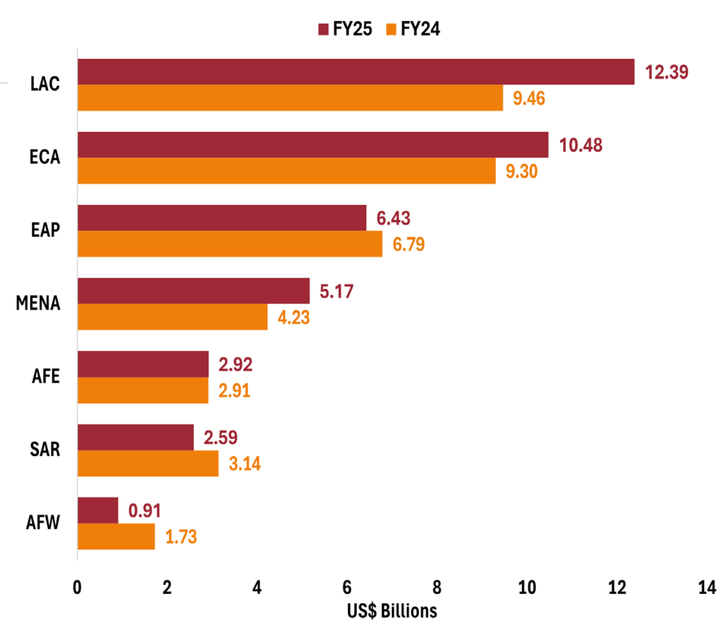
Source: World Bank, June 2025

IBRD's financial operations in FY25 reflect both increased demand for development financing and evolving regional priorities across its portfolio. During FY25, IBRD provided a total of US$40.9 billion in net commitments, an increase of US$3.3 billion compared to US$37.6 billion in FY24 as detailed in Figure 3.2. The regions leading in net commitments include Latin America and the Caribbean (LAC) with 30 percent and Europe and Central Asia (ECA) with 26 percent (see Figure 3.3).

Gross loan disbursements in FY25 amounted to US$30.8 billion, a decrease of US$2.7 billion from the previous fiscal year. Net loans outstanding rose from US$260.2 billion to US$280.0 billion, driven by net disbursements of US$14.8 billion (Figure 3.2). The largest shares of gross disbursements were tied between ECA and LAC, each accounting for 26 percent.

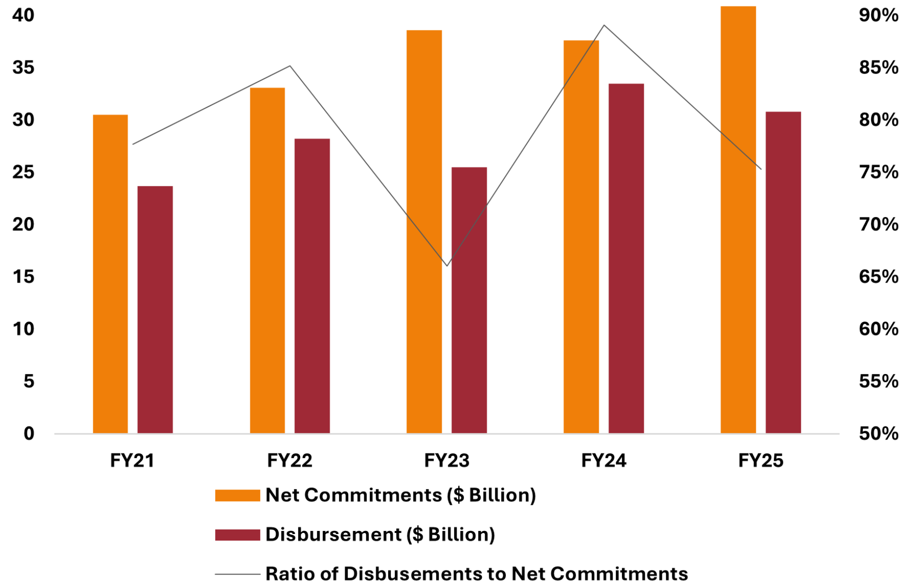
FY25 disbursement trends reflect shifting regional dynamics and a stabilization in delivery rates. Disbursement volumes declined mainly due to lower activity in Europe and Central Asia (ECA), Eastern and Southern Africa (AFE), and East Asia and Pacific (EAP), partially offset by higher disbursements in Latin America and the Caribbean (LAC). ECA and LAC each accounted for 26 percent of gross disbursements in FY25, the largest shares among all regions. While both net commitments and

Figure 3.4: Net IBRD Commitments by Region



Source: World Bank, June 2025

Figure 3.5: 5-Year evolution of Net Commitments, Disbursement and The Ratio



Source: World Bank, August 2025

disbursements have increased over the past five years, disbursement rates have stabilized at just under 80 percent.

These trends underscore the importance of continued engagement and adaptability in IBRD's operations. While regional shifts have influenced disbursement volumes, the consistent disbursement rate and growth in net commitments reflect sustained demand and the institution's capacity to respond.

3.2.1 IBRD Investments

Demonstrating agility and strength in financial stewardship, IBRD's investment and liquidity strategy in FY25 showcased its proactive approach to managing resources amid evolving global needs. Investments trading rose by US$20.0 billion, reaching US$102.7 billion by June 30, 2025, driven by new debt issuance that significantly outpaced net loan disbursements. This strategic positioning enabled IBRD to expand its investment portfolio while successfully meeting a higher liquidity target for the fiscal year.

By the end of FY25, 77 percent of IBRD's investments held a credit rating of AA or higher, reinforcing the institution's commitment to maintaining high credit quality. These developments reflect IBRD's solid financial position and its continued capacity to support member countries effectively. The combination of a robust investment portfolio, prudent liquidity management, and strong credit ratings ensures that resources remain available to finance impactful projects and respond to emerging development challenges across the AfG1 Constituency and beyond.

Looking ahead, IBRD's disciplined financial strategy positions it to remain agile and responsive in an increasingly complex global landscape. The institution's ability to scale investments while maintaining liquidity and credit strength reflects a forward-looking approach that balances risk with opportunity. This foundation not only safeguards IBRD's financial integrity but also enhances its capacity to deliver timely, high-impact support to member countries as they navigate emerging development priorities while pursuing resilient, inclusive growth.

3.3 International Finance Corporation (IFC) Operations

As the private-sector arm of the WBG, the IFC plays a pivotal role in advancing inclusive and sustainable development by fostering private sector growth in emerging markets. Through a combination of investment, advisory, and asset management services, IFC helps create jobs, improve infrastructure, and drive innovation. Its financial commitments are structured into Long-Term Finance (LTF) and Short-Term Finance (STF), each further categorized into Own Account (OA) investments and Core Mobilization Finance, reflecting IFC's dual focus on direct investment and mobilizing third-party capital.

3.3.1 Products and Services

IFC offers a wide range of financial products and services designed to help companies and client governments to manage risk more effectively and broaden their access to foreign and domestic capital markets. Through its blended finance instruments, IFC addresses market barriers, closes financing gaps, and mobilizes private sector investments in areas of high development impact.

The IFC Trade and Commodity Finance programs offer guarantees, risk-sharing arrangements, loans and other structured products to support trade in emerging markets. The Equity Investments Program provides developmental support and long-term growth capital, typically investing between 5-20 percent of a company's equity. Additional offerings include loan syndication, treasury solutions and transaction advisory services, all designed to foster sustainable growth and development.

IFC operates offices in key Sub-Saharan African cities, including Dakar (Senegal), Abidjan (Côte d'Ivoire), Lagos (Nigeria), Nairobi (Kenya), Addis Ababa (Ethiopia), and Johannesburg (South Africa). These offices support IFC's regional activities and facilitate engagement with local stakeholders to advance private sector development.

3.3.2 Commitments

Building on a trajectory of robust growth and strategic ambition, IFC achieved a landmark milestone in FY25, with total financial commitments soaring to US$71.7 billion—a 28 percent increase from US$56.1 billion in FY24. This surge, encompassing long-term, short-term, core mobilization, and own account financing, underscores IFC's expanding role in catalyzing private sector investment amid a challenging global environment and rising development needs.

The momentum began in FY24, when IFC commitments ri to US$44 billion from US$32 billion in FY23. Own Account Finance reached US$21.5 billion, a 22.2 percent increase from the previous year, while Core Mobilization Finance[24] surged by 33 percent, growing from US$15 billion to US$22.5 billion. This expansion in long-term finance was instrumental in supporting client countries' recovery efforts

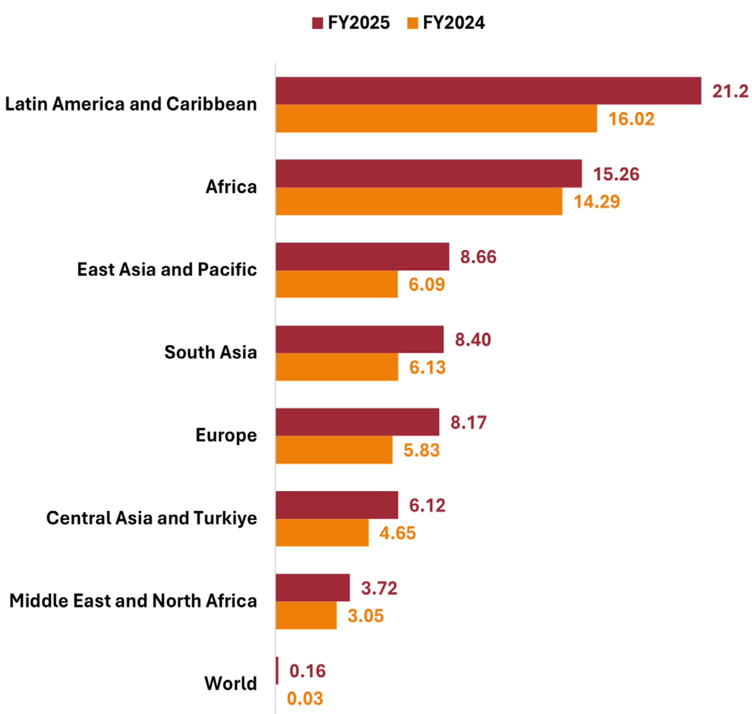
24 Core Mobilization Finance: Funds mobilized from third-party investors (e.g., banks, DFIs) alongside IFC's own investments, under IFC's lead and structure.

following a prolonged period of subdued private-sector investment.

IFC commitment to SSA during FY25 increased by 6.36 percent from US$14.3 billion in FY24 to US$15.3 billion. Of this amount, long-term and short-term core mobilization represented US$8.4 billion. While Own Account Finance commitments slightly declined to US$28.3 billion from US$31.7 billion, Core Mobilization Finance saw robust growth, rising by 77.9 percent, from US$24.4 billion to US$43.4 billion. This sharp increase underscores IFC's strengthened capacity to crowd-in third-party capital at scale in support of private sector development.

Of the total commitment to SSA in FY25, the AfG1 Constituency received US$2.13 billion representing an increase of 17.4 percent over FY24 IFC's commitment.

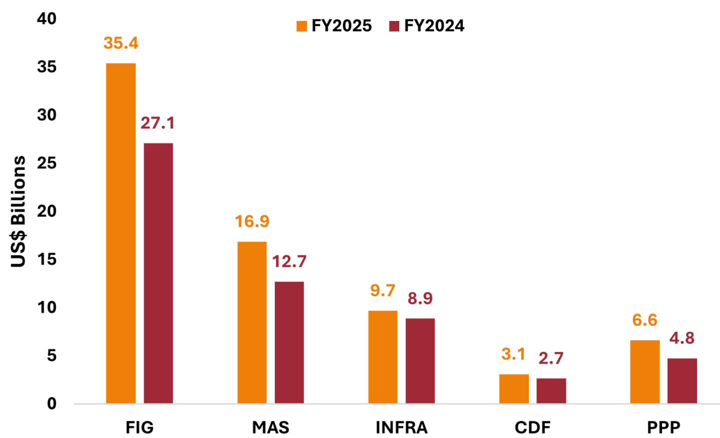
Figure 3.6: IFC Commitments by Region FY25-24



Source: IFC, June 2025

At industry level, total commitment to the Financial Institutions Group (FIG) was US$35.41 billion followed by Manufacturing, Agriculture and Services (MAS) with US$16.87 billion and infrastructure (INFRA) at US$9.7 billion. The AfG1 constituency FIG, PPP, INFRA and MAS accounted for US$1.34 billion, US$ 0.51 billion, US$ 0.18 billion, and US$ 0.1 billion.

Figure 3.7: IFC Commitment by Industry



Source: IFC, June 2025

IFC further deepened its engagement in low-income countries in FY25, supporting renewable energy, agribusiness, and digital infrastructure.

3.3.3 Advisory Services

Beyond financing, IFC offers a suite of advisory services that unlock investment opportunities, support business growth, and create jobs. Drawing on sectoral expertise, IFC provides tailored advice, problem-solving, and capacity-building to public and private companies and industries, and governments. By combining financial support with improved regulatory frameworks, environmental and social governance, and infrastructure development, IFC helps attract private capital, especially in fragile and conflict-affected contexts, while aligning with the WBG's strategic priorities.

3.3.4 Private Sector Window

IFC's Private Sector Window (PSW) continues to expand its support for high-risk markets and AfG1 countries, serving as a key instrument to catalyze private investment in the world's most vulnerable economies. Established under the 18th IDA replenishment in 2016 with an initial allocation of US$2.5 billion, the PSW has played a critical role in addressing market failures and de-risking private sector investments in IDA-only countries. Sub-Saharan Africa receives a significant share of PSW allocations, reflecting both eligibility and strong demand for blended finance and risk mitigation tools.

To date, the PSW has supported IFC and MIGA projects in 32 SSA countries, 84 percent of the 38 eligible countries, including 11 AfG1 members such as Burundi, Ethiopia, Liberia, Malawi, Mozambique, Rwanda, Sierra Leone, Somalia, South Sudan and Tanzania. Looking ahead, IDA21 is expected to further strengthen IFC's ability to deploy PSW resources. This will support deeper engagement in fragile contexts and expanding access to concessional financing for transformative, inclusive development.

3.4 Multilateral Investment Guarantee Agency (MIGA) Operations

The Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group, plays a critical role in promoting foreign direct investment (FDI) in developing countries. It does so by offering political risk insurance and credit enhancement to investors and lenders, helping mitigate risks such as expropriation, breach of contract, currency inconvertibility, and war or civil disturbance. By reducing perceived investment risks, MIGA enables private sector participation in sectors that are vital for development—such as infrastructure, energy, and agribusiness—especially in fragile and conflict-affected settings.

For AfG1 countries, MIGA helped attract private investment in vital sectors like infrastructure and energy, mitigated political and regulatory risks, supported regional projects, and complemented IDA and IFC efforts to foster private sector-led development.

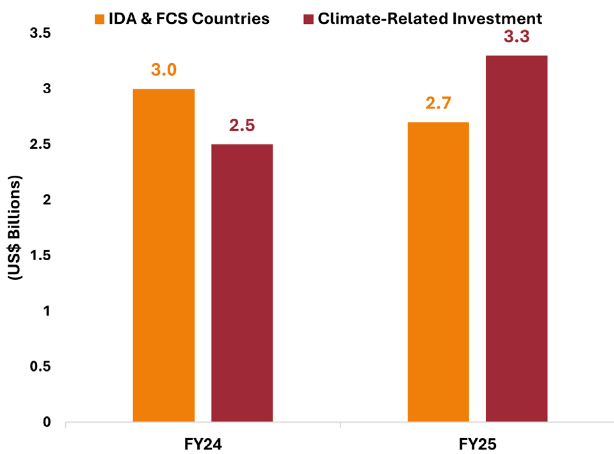
3.4.1 MIGA operations

MIGA's guarantee issuance reached US$9.5 billion in FY25, supporting 44 projects, expanding its total portfolio to US$36.8 billion. These guarantees spanned key sectors, such as infrastructure, energy, and financial services, with a continued emphasis on supporting investments in IDA countries, fragile and conflict-affected situations (FCS), and climate-related initiatives. During the year, MIGA mobilized US$9.8 billion in private capital.

Of the total guarantees issued in FY25, 26.3 percent (US$2.5 billion) supported projects in IDA and FCS countries, while 36.4 percent was allocated to climate-related investments. This is reflected in Figure 3.7, which compares MIGA's guarantee issuance across these two strategic priorities between FY24 and FY25. While support for IDA and FCS countries declined from US$3.0 billion in FY24 to US$2.7 billion in FY25, climate-related investments rose significantly from US$2.5 billion to US$3.3 billion, underscoring MIGA's growing emphasis on climate action.

Advancing its climate finance agenda, MIGA backed 25 climate-focused projects worth US$3.46 billion, 13 percent of which (US$519 million) was directed toward Sub-Saharan Africa.

Figure 3.8: MIGA Guarantee Issuance Comparison: FY24 vs FY25



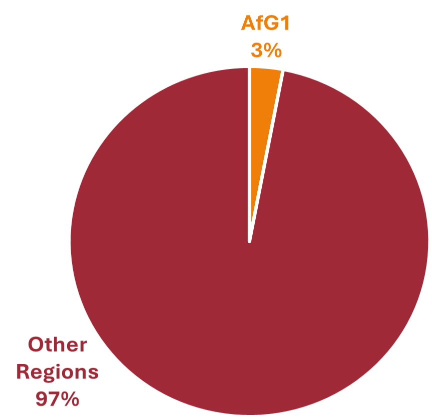
Source: World Bank, July 2025

3.4.2 Regional Focus: Africa Group 1 Constituency

In FY25, AfG1 countries accounted for 3.0 percent of MIGA's total issuance (Figure 3.8), with six projects valued at US$256 million in Ethiopia, Kenya, and Sierra Leone, across renewable energy, digital infrastructure, and transport. Although modest, this level of delivery underscores the need to expand MIGA's reach in Sub-Saharan Africa, where uptake is constrained by limited awareness of guarantee instruments and challenges in structuring bankable projects.

MIGA launched and expanded several initiatives to broaden its impact, such as support for debt-for-development swaps, trade and supply chain guarantees, and the Cross Boundary Energy framework. The latter enables Political Risk Insurance (PRI) coverage across multiple African countries under Mission 300, streamlining access to guarantees for distributed energy investments. These instruments align with the WBG's capital mobilization goals and help governments and private investors manage risks related to political instability, non-honoring of financial obligations, and regulatory unpredictability.

Figure 3.9: Regional Distribution of MIGA FY25 Issuance



Source: World Bank, July 2025

MIGA's FY25 operations in the AfG1 Constituency demonstrated strong alignment with strategic priorities:

- In Kenya, MIGA supported geothermal and solar power projects, and clean cookstove initiatives through the Fund for Advancing Sustainability (FAS).

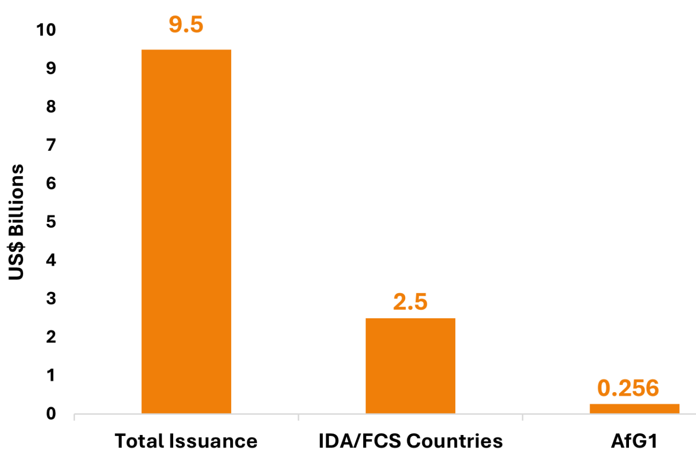
» In Mozambique, MIGA provided guarantees backed projects in FCS contexts to promote stability and development.

» In Liberia and Uganda, MIGA supported solar-powered mini-grid projects to expand energy access.

» In Rwanda, MIGA backed renewable energy and tourism projects, including clean cookstove initiatives via FAS.

» In Ethiopia: MIGA increased its guarantees to US$117 million for the Tulu Moye geothermal power project, supporting Phase 1 of a planned 150 MW facility.

Figure 3.10: Breakdown of MIGA FY25 Guarantee Issuance



Source: World Bank, July 2025

3.4.3 Enhancing Guarantee Delivery through WBG Platform Reform

The WBG Guarantee Platform (WBG GP), housed in MIGA, supported AfG1 by consolidating and scaling the WBG's guarantee instruments to mobilize private capital for development impact. In FY25, the platform committed US$12.3 billion (including the US$9.5bn of MIGA) in new guarantee exposure, a 19 percent increase over FY24, bringing the total portfolio to US$45.2 billion. This includes US$36.8 billion for MIGA, US$2.9 billion for IFC, and US$5.5 billion for IBRD/IDA.

3.4.4 Delivering Tangible Climate and Development Impact

Globally, the projects supported by MIGA in FY25 are expected to deliver strong development outcomes. Preliminary findings of MIGA's reports indicate that 4.4 million people gained access to electricity, 1.48 million individuals experienced improved food and nutrition security, 1.2 million businesses and people benefited from MIGA-supported loans, and net greenhouse gas emissions were reduced by 1.66 million metric tons of CO_2 equivalent. Gender-flagged projects were supported, with over 200,000 women and women-owned enterprises expected to benefit.

3.4.5 Strengthening Impact and Engagement across AfG1

Looking ahead, expanding the reach and effectiveness of MIGA's guarantee instruments in AfG1 countries remains a priority. While FY25 saw notable progress, particularly in climate finance and gender-focused initiatives, significant financing gaps persist in energy access, agribusiness, and infrastructure. Addressing these gaps will require tailored approaches, greater awareness of MIGA's offerings, and stronger collaboration with country authorities and private sector stakeholders.

CHAPTER 4

UPDATE ON THE IMPLEMENTATION OF THE AFRICA GROUP 1 CONSTITUENCY MEDIUM-TERM STRATEGY (2025-2029)

Executive Director and Alternate Executive Director (center) visiting a WBG Water Project in Lilongwe, Malawi

Chapter 4: Update on the Implementation of the MTS

In line with the Rules, Guidelines and Procedures of the Africa Group 1 Constituency, the Executive Director is mandated to present a four-year Medium-Term Strategy (MTS) to the Constituency Governors for their consideration and approval. The Strategy is reviewed and updated every two years, with progress reported bi-annually during the IMF/WBG Spring and Annual Meetings to the Constituency Meetings. The 2025-2029 MTS was approved during the 29th Statutory Meeting of the Constituency Governors, held at the 2025 IMF/WBG Spring Meetings. Implementation commenced in April 2025. This progress report presents the achievements and strategic initiatives undertaken since then, demonstrating the OED's commitment to advocacy in key areas: mobilizing financial and technical resources, enhancing private sector investment, strengthening country engagement, supporting capacity development and promoting diversity and inclusion.

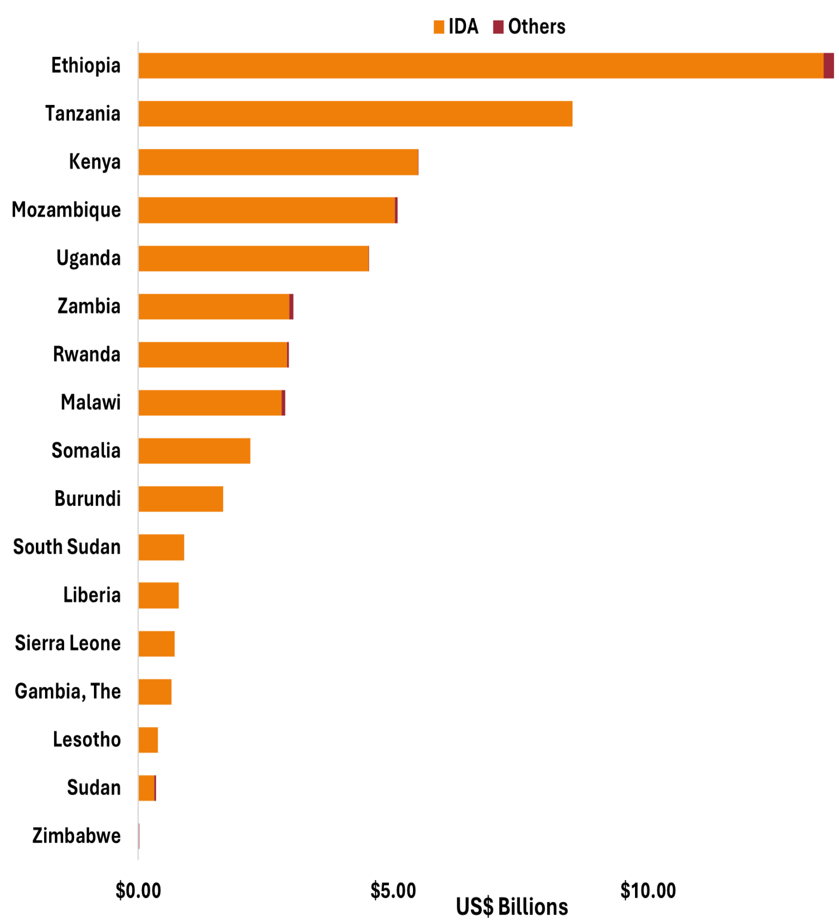
4.1 Strategic Goal 1: Mobilizing Financial and Technical Resources

4.1.1 Objective 1.1: Enhanced advocacy for increased resource flows to constituency countries

4.1.1.1 Accelerated Resource Mobilization and Portfolio Expansion

The OED successfully advocated for mobilization of substantial resources for the Africa Group 1 Constituency, with IDA allocation reaching US$6.72 billion for FY24. The active portfolio stands at US$54.56 billion as of August 25, 2025, with IDA commitments accounting for US$53.34 billion. This portfolio reflects the growing partnership between the AfG1 Constituency and the WBG, underscoring the development of increased project pipeline across member states. The OED continued its efforts to ensure that donors honor their IDA21 pledges, reinforcing the commitment to sustainable development and inclusive growth.

Figure 4.1: AfG1 IDA and Trust Fund Active Portfolio by Country

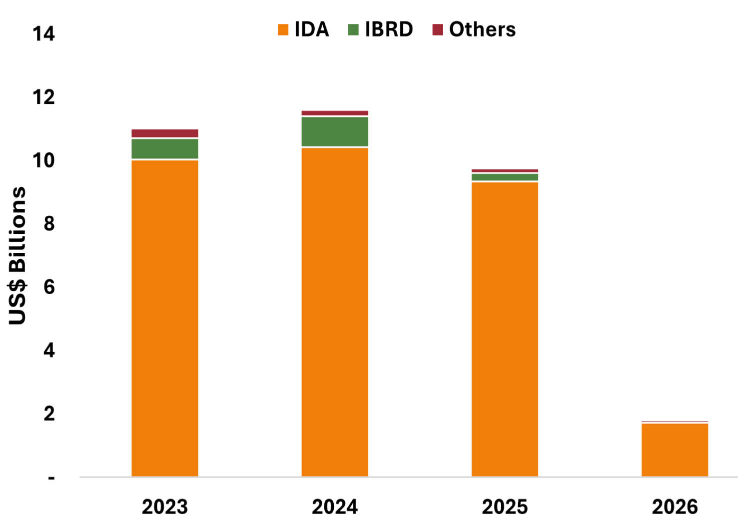


Source: World Bank, August 2025

In parallel, the OED continues to engage with donor partners to ensure timely fulfillment of IDA21 pledges, reinforcing the Constituency's ability to sustain momentum in delivering impactful development outcomes.

IDA continues to show strong momentum, with lending commitments rising steadily and early signs of robust engagement in the new fiscal year. Figure 4.2 illustrates this upward trend, with commitments increasing from US$10.03 billion in 2023 to US$10.43 billion in 2024, and already US$1.73 billion committed just two months into FY26. This growth reflects not only expanding development partnerships but also the increasing capacity of member countries to absorb and implement large-scale interventions. The Constituency remains a major contributor to IDA resources, reinforcing its strategic role in advancing the Bank's operations across Africa.

Figure 4.2: AfG1 Lending Commitment Trends by Fiscal Year



Source: World Bank, August 2025

4.1.1.2 Enhanced Pipeline Development and Future Resource Commitments

OED efforts have helped secure a pipeline of projects valued at $1.69 billion across ten member countries: Burundi, Lesotho, Liberia, Malawi, Rwanda, Sierra Leone, Somalia, Tanzania, Uganda and Zambia.

4.1.1.3 Intensified Advocacy and Strategic Partnership Building

The OED conducted consultations with other African Chairs on the implementation of IDA21, creating a coordinated approach to advocacy efforts. The Chairs also engaged on other topics including Energy, IFC and FCV Strategies. These engagements have strengthened the OED's collective voice and positioned it to advocate increased allocations during the upcoming IDA21 Mid-Term Review. Its collaboration with other African constituencies underscores the OED's role in fostering continental unity around shared development objectives.

The OED's partnerships extended beyond African Chairs to include G11 and EU members. The Executive Director also participated in international fora such as the 4th Financing for Development Conference, representing the Africa Group 1 Constituency.

The OED maintained regular engagement with the IDA Secretariat and African Regional Vice Presidents to promote equitable resource distribution and ensure fulfillment of policy commitment. These strategic partnerships have enhanced the Constituency's voice within the WBG's decision-making processes and reinforced its role as a key development partner. The frequency and depth of these engagements reflects a proactive and results-oriented approach to representing AfG1 member countries.

4.1.1.4 Expansion of Blend Countries' Portfolio

The AfG1 constituency includes three blend countries—Zimbabwe, Kenya, and Eswatini. As blend countries they can access IDA's concessional financing while also being eligible for IBRD's non-concessional lending. This dual eligibility provides them with a broader and more flexible range of financing options to support their development priorities.

Within the current active portfolio of AfG1, Eswatini stands out as the only country currently utilizing blended financing mechanisms. In FY25, Eswatini experienced significant portfolio growth, with a US$217 million expansion in FY25 compared to FY24, which saw no new IBRD/IDA financed projects. The current portfolio includes US$39 million in IDA commitments and US$51 million in IBRD commitments, with a combined undisbursed balance of US$89.76 million. This reflects Eswatini's strategic use of both concessional and non-concessional financing to advance its development objectives.

While Kenya and Zimbabwe continue to maintain active portfolios through IDA and Trust Fund commitments, the notable expansion in Eswatini's portfolio underscores the success of the OED's advocacy efforts to re-engage blend countries. It also highlights the constituency's ability to leverage multiple WBG instruments to support middle-income countries in their development journey. This progress reflects a strategic shift toward maximizing financing opportunities tailored to country-specific needs.

The Constituency maintains a disbursement rate of approximately 52 percent based across active commitments, including IDA, Blend and Trust fund projects, with a total of US$893.7 million disbursed in the last fiscal year. At the same time, the OED will continue to advocate for increased allocations and enhanced resource flows to member countries, ensuring that financing is effectively aligned with their development priorities.

4.1.1.5 Advanced Digital Monitoring Systems

The Office has completed development of a comprehensive portfolio monitoring dashboard covering IDA, IBRD, and IFC operations during FY25. This system provides insights into portfolio performance and supports data-driven advocacy for increased resources across member countries, representing a major step forward in enhancing the Office's capacity to monitor resource allocation, disbursement, and development effectiveness across the constituency.

In parallel, the Office developed a bi-monthly brief generator for active portfolio covering both IDA and IBRD operations, which streamlines reporting and ensures continuous oversight of portfolio performance across all constituency countries.

For IFC operations specifically, the Office has prepared a framework for structuring IFC portfolio briefs, currently under review to ensure alignment with monitoring objectives and stakeholder information needs. This initiative aims to standardize reporting and improve the clarity and relevance of portfolio insights across the constituency.

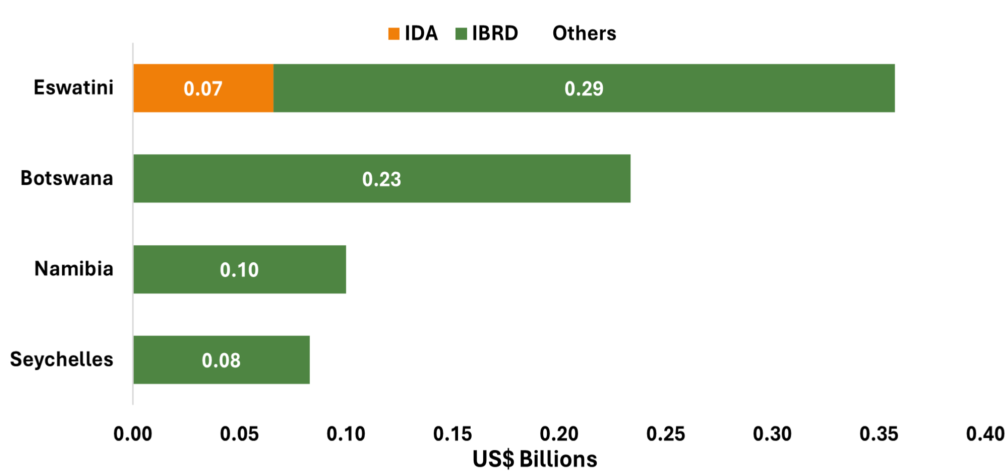
The automated systems for both IDA, IBRD and IFC portfolio tracking are scheduled for rollout in FY26, enabling regular tracking of portfolio performance and investment trends while providing stakeholders with timely information on resource utilization patterns and supporting more targeted engagement with management on resource allocation and investment priorities.

4.1.2 Objective 1.2: Advocate for Increased Access to Concessional and Technical Resources for Middle-Income Countries

4.1.2.1 Strong Growth in IBRD Resource Mobilization

The Constituency has demonstrated robust performance in IBRD lending operations, with commitments showing rising from US$675 million in FY23 to US$980 million in FY24 — a 45 percent year-over-year increase with commitments amounting to US$270 million in FY25, reflecting confidence of middle-income countries within the Constituency in leveraging IBRD resources to advance their development priorities. It also signals the World Bank's recognition of the countries creditworthiness and implementation capacity, reinforcing their eligibility for non-concessional financing and their ability to deliver impactful projects. The Constituency also includes three blend countries—Eswatini, Kenya, and Zimbabwe, that are uniquely positioned as they have access to both IDA's concessional financing and IBRD's non-concessional lending. This dual eligibility provides them with a broader and more flexible range of financing options to support their development priorities. It is particularly noteworthy that within our current active portfolio, Eswatini is the only country that is currently utilizing blended financing mechanisms. Advocacy efforts have led to pipeline develop-

Figure 4.3: AfG1 IBRD Active Portfolio by Country



Source: World Bank, August 2025

ment, with two significant IBRD projects currently in preparation, valued at US$40 million for Botswana and US$65 million for Eswatini.

4.1.2.2 Strengthened Advocacy Framework and Strategic Engagements

The OED is continuously engaging with African Regional Vice Presidents on IBRD lending to strengthen the partnership between the Constituency and Bank management. These consultations focus on identifying opportunities for increased concessional lending and technical assistance to Middle Income Countries (MICs), while addressing specific barriers that may limit IBRD resource absorption.

In addition, the OED continues its engagement with Bank on the development of a MICs Strategy. The Board will begin its strategic discussion with the President in FY26 to incorporate all relevant materials developed during the WBG Evolution process (IBRD Loan pricing, Framework for Financial Incentives, Livable Planet Fund, etc.). The OED will engage Governors extensively to seek their inputs during this process.

Furthermore, the Bank is working on the Small States Strategy, which is expected to be finalized by the end of the year, with implementation plan to be presented for Board approval in early 2026.

4.1.3 Objective 1.3: Advocate for Strengthened Support for FCV Countries and Countries in Non-Accrual State

Sustained Growth in FCV Resource Mobilization

The Fragile, Conflict and Violence (FCV) countries within the Constituency maintain a substantial active portfolio, with net commitments totaling US$23.85 billion. This level of engagement underscores the WBG's continued commitment to supporting the most vulnerable member countries despite the complex and challenging operating environments they face. In FY25 alone, financing for fragile states reached $4.05 billion, marking a notable acceleration compared to the previous four-year average of approximately US$2.56 billion in annual new project commitments. This growth reflects both increased responsiveness and successful advocacy for sustained support to FCV countries.

AfG1 played a pivotal role in rethinking the WBG's Fragility, Conflict, and Violence (FCV) Strategy during the 2025 Spring Meetings, championing a forward-looking approach grounded in country ownership, early prevention, and private sector engagement. AfG1 co-sponsored a high-level side event alongside the UK, Belgium, and Africa Group 2 during the 2025 Spring Meetings, convening ministers, development partners, and private sector leaders to explore innovative pathways for reducing fragility through job creation and institutional investment. Through strategic inputs and consultations, AfG1 emphasized the need for tailored risk frameworks and stronger multilateral coordination, reinforcing its commitment to shaping a strategy that delivers lasting peace, resilience, and inclusive growth.

4.1.3.1 Sustained Disbursements to Fragile States

In FY25, US$618.42 million was disbursed to FCV countries within the Constituency, reinforcing ongoing support for critical development interventions in these challenging contexts. This level of disbursement reflects the Bank's sustained engagement and the tangible progress being made in delivering essential services and infrastructure, despite persistent capacity constraints.

4.1.3.2 Strategic Pipeline Development for Fragile States

The OED's advocacy efforts continue to yield concrete results in pipeline development for countries facing development challenges. Currently, two major projects are under preparation: a US$40 million project for Burundi and a US$100 million project for Somalia.

4.1.3.3 Enhancing Support Mechanisms for FCV Countries

The OED continues to collaborate closely with Bank management to ensure that FCV countries receive appropriate support through specialized financing windows and flexible implementation arrangements. The ongoing engagement focuses on sustaining adequate resource flows while supporting local implementation capacity. This dual approach is aimed at enhancing project effectiveness and long-term sustainability in complex and often volatile settings.

4.1.3.4 Advancing re-engagement for non-accrual countries

The OED has intensified engagement on the non-accrual status of Constituency countries, working closely with relevant stakeholders to explore viable pathways for re-engagement. These efforts represent part of the OED's broader advocacy strategy aimed at ensuring that temporary financing restrictions do not translate into long-term barriers to accessing development resources. At the Zimbabwe Roundtable held during the 2025 Spring Meetings, Governors called on the IMF and WBG to actively support its debt restructuring and arrears clearance process - underscoring the importance of inclusive and sustained engagement with countries facing financial distress.

During the 2025 African Caucus Meeting held in the Central African Republic, Governors reiterated their call for a workable solution to the country's debt challenges, which have prevented access to much-needed financing from the WBG and the IMF. These efforts form part of the OED's broader engagement strategy and will continue through sustained dialogue with the Board and Management to advocate for inclusive solutions that restore access to development resources for countries in non-accrual status.

4.1.3.5 Comprehensive roadmap development for re-engagement

Building on the OED's sustained advocacy efforts, the Office will develop a comprehensive roadmap to support the re-engagement of countries in non-accrual status. The framework will address both immediate and longer-term requirements for restoring financing relationships, outlining specific milestones, stakeholder responsibilities, and timelines for countries seeking to resolve their non-accrual status. The initiative reflects the OED's commitment to ensuring that all Constituency members maintain access to WBG resources, regardless of temporary financial constraints.

The roadmap will incorporate lessons learned from successful re-engagement processes and offer a structured approach to addressing arrears clearance and policy requirements. It is designed to guide member countries through the complexities of re-engagement, while promoting sustainable solutions that align with both national priorities and institutional expectations.

4.2 Strategic Goal 2: Enhancing Private Sector Investment

4.2.1 Objective 2.1: Enhanced advocacy for increased IFC and MIGA investments and technical assistance to constituency and SSA countries

4.2.1.1 Strategic Engagement in IFC Strategy Development

The OED is actively engaged with IFC leadership in shaping the 2030 Strategy, including consultations with the Senior Management to ensure that Constituency priorities and evolving private sector dynamics in SSA are well reflected. The OED has emphasized the need to scale up IFC operations, mobilize more private capital, and investments in MSMEs and foundational sectors to address the region's job agenda. To address investments imbalances, we are also advocating for more de-risking investments in fragile and conflict-affected states.

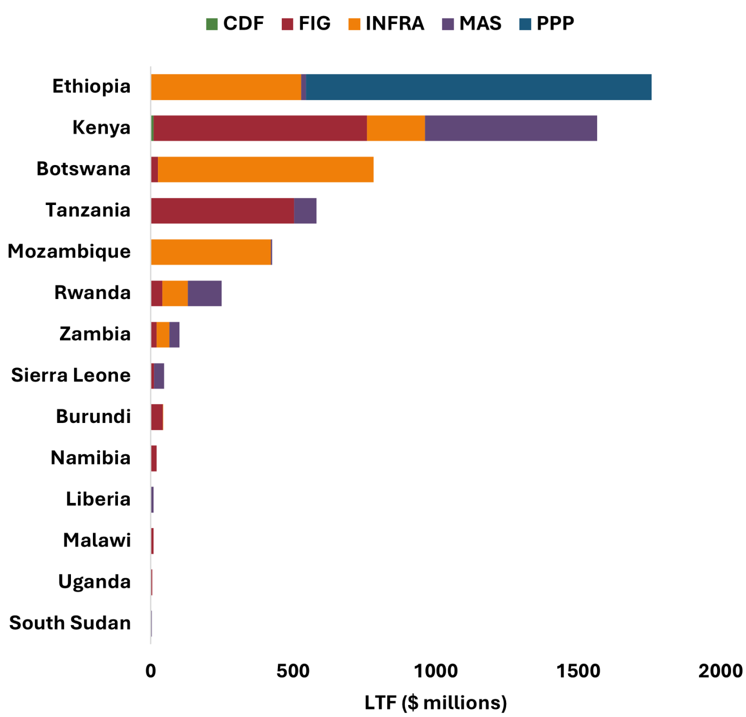
The OED continues to monitor the completion of the remaining eight Country Private Sector Diagnostics and plans to collaborate on growth sector papers. The advocacy remains aligned with country-level analysis and IFC's strategic direction. These sustained engagements underscore the OED's commitment to proactively mainstreaming Constituency needs across all IFC's financial and analytical investment frameworks.

4.2.1.2 Robust Portfolio Growth and Sector Diversification

In FY25, new active IFC projects for the constituency reached US$2.0 billion, representing a 35 percent increase from US$1.48 billion in FY24. This growth reflects a strong upward trajectory in private sector engagement across member countries. As of August 25, 2025, the Constituency maintains a strong active portfolio of long-term IFC financing totaling US$5.6 billion underscoring sustained momentum in project development.

The portfolio demonstrates balanced industry diversification. Infrastructure (INFRA) leads with 36 percent of investments, Financial Institutions Group (FIG) at 25 percent, and Public-Private Partnerships (PPP) at 22 percent. Manufacturing, Agribusiness, and Services (MAS) represents 16 percent, while Disruptive Technologies and Funds (CDF) contributes 0.2 percent. This distribution reflects the Constituency's strategic focus on infrastructure development, financial sector resilience, and diversified economic growth through manufacturing and agribusiness.

Figure 4.4: Africa Group 1 IFC Active Portfolio (Long-Term Financing)



Source: World Bank, August 2025

Fourteen Constituency countries—Botswana, Burundi, Ethiopia, Kenya, Liberia, Malawi, Mozambique, Namibia, Rwanda, Sierra Leone, South Sudan, Tanzania, Uganda, and Zambia—currently maintain active IFC portfolios. This widespread engagement reflects the Constituency's broad-based commitment to private sector development across diverse markets. Among these, Ethiopia, Kenya, Tanzania, and Botswana stand out as the largest recipients of IFC investment.

The OED will continue to advocate for inclusion of private sector engagement with the rest of the constituency countries.

4.2.2 Objective 2.2: Advocating for Increased Allocation and Use of the Private Sector Window (PSW) and the Global Regional Opportunity Window (GROW)

4.2.2.1 Strategic Advocacy for Enhanced PSW, GROW and Concessional Capital Window Utilization (CCW)

The OED is actively developing comprehensive advocacy strategies to promote increased utilization of the IDA/IFC PSW and GROW under IDA21. Under IDA 21, the GROW replaces the former Regional Window. This new window will finance country-level actions to deepen regional integration and cross-border infrastructure connectivity and tackle global challenges with a particular focus on climate adaptation and refugee-related programming. As IDA21 cycle has commenced on July 1st, the OED is well positioned to leverage fresh opportunities for deepening private sector engagement across the Constituency.

The advocacy efforts will prioritize the effective deployment of IDA21 resources to support private sector development, particularly in fragile and conflict-affected settings. A key focus will be on monitoring the cumulative and equitable utilization of PSW financing, ensuring that investments are strategically aligned with the Constituency's development priorities and that resources allocated reflect both need and impact.

4.2.2.2 Data-Driven Analysis for Improved Utilization

The OED plans to conduct a comprehensive analysis of PSW, GROW and CCW utilization rates from the IDA20 and IDA21 cycle, once data becomes available. This review will help the office to identify key bottlenecks and implementation challenges that may have constrained financial resources deployment or revealed limitations in absorptive capacity across Constituency countries.

This analytical approach will directly inform the OED's IDA21 advocacy strategy, ensuring that lessons learned from the previous cycle inform more effective use of private sector instruments. The findings will support evidence-based recommendations for enhancing the impact and efficiency of PSW and GROW deployment, ultimately strengthening IDA21 outcomes across the region.

4.2.3 Objective 2.3: Enhanced Proactive Engagement with IFC's Management to Support Capital Investment in Regional Projects

4.2.3.1 Strengthened Advocacy for Regional Integration and Cross-Border Investment

The OED has intensified advocacy for increased regional cooperation and Bank investment in regional projects, with particular emphasis on the Mission 300 initiative for universal electricity access and shared natural resources. The OED's engagement with IFC leadership has consistently highlighted the importance of regional projects in achieving economies of scale, economic efficiency, and trade impact across African markets. This advocacy has been integrated into inputs on the IFC strategy, ensuring that investments in regional or cross-border projects remain a priority in the institution's investment approach.

4.2.3.2 Strategic Engagement with Governors on Regional Cooperation

The OED will continue to conduct regular consultations with Governors across the Constituency to build consensus on regional priorities and identify opportunities for cross-border investment initiatives. These engagements have strengthened political and regional economic support for projects and enhanced coordination among member countries on shared development objectives. The Governors' support provides a strong foundation for advocating with the Bank for increased investment in regional infrastructure and cross border projects.

As part of OED's engagement with Constituency countries, the ED met with the Secretariat of Southern Africa Development Community (SADC), and Southern Africa Customs Union (SACU) to discuss their priorities and explore potential ways for collaboration and partnerships, particularly in advancing regional projects. In this regard, the OED will continue to advocate for the new WBG Regional Integration Strategy to support regional initiatives and projects, including connectivity by strengthening infrastructure networks, such as transport, energy, and digital transformation that will significantly reduce barriers to trade and improve market access. Such advancements will not only streamline operations but also foster more robust economic ties.

The OED has consistently advocated for greater visibility of IFC in our Constituency countries, aligning with the new One WBG mission to end extreme poverty on a livable planet. In response to these efforts and as part of its decentralization strategy, the WBG appointed a regional Vice President for Africa in May 2025, based in Nairobi, Kenya. This new leadership structure is expected to strengthen IFC's investment and advisory activities, further supporting job creation and private sector development throughout Africa.

4.2.4 Objective 2.4: Advocate for Increased Equity and Other Financing Investment in Constituency Countries and SSA Region

4.2.4.1 Strategic Sector Identification Framework Development

The OED will initiate the development of strategic sector identification processes once the IFC strategy becomes operational, working closely with both IFC management and Constituency Governors. IFC generally invests between 5 percent to 20 percent of a company's equity. This collaborative approach will ensure that equity investments are increased and that other financing facilities such as Risk Mitigating, Blended Finance, Local Currency and MIGA Guarantees, are aligned with the Constituency private sector development needs. The priority sector papers will provide a roadmap for enhanced investment engagements and guide advocacy efforts with IFC leadership on expanding equity and other portfolios across the Constituency.

During IDA21 PSW policy revisions, the OED advocated for enhanced transparency regarding the reduction of country concentration caps from 20 percent to 15.8 percent, requesting clear rationale from Management to help constituency countries better understand and navigate the policy changes affecting their access to private sector financing.

4.3 Strategic Goal 3: Enhancing Engagement with Constituency Member States

4.3.1 Objective 3.1: Enhancing Interaction between the OED and Constituency Countries

4.3.1.1 Country Engagement and Mission Progress

Expanded Engagement with Eritrea

In addition to the eleven country missions, the Executive Director held multiple engagements with Eritrean authorities to strengthen dialogue and representation. During the African Development Bank Annual Meetings held in May 2025 in Abidjan, the ED met with the Director of International Cooperation and the Multilateral Director of Eritrea in Côte d'Ivoire to exchange perspectives on Eritrea's development challenges and opportunities for re-engagement with the WBG.

Additionally, the OED also undertook sustained outreach with the Embassy of Eritrea in Washington, D.C., through three separate visits to meet with the Ambassador and his team. These engagements provided valuable opportunities to discuss Eritrea's policy priorities, reaffirm the Constituency's commitment to inclusive representation, and advocate for pathways toward eventual re-engagement with the Bank.

The OED has actively participated in all Board and management discussions related to Eritrea and other non-accrual countries, ensuring that the specific circumstances of Eritrea are fully represented. This consistent engagement positions the Constituency as a constructive voice in shaping dialogue on non-accrual states.

Mission Progress

Since taking office, the Executive Director has undertaken extensive country visits during the FY25, successfully engaging with ten Constituency countries: Botswana, Burundi, Eswatini, Ethiopia, Lesotho, Malawi, Namibia, Somalia, Zambia, and Zimbabwe. In addition, the ED has also visited member states for other constituency engagements- Mozambique, Rwanda and Tanzania.

Detailed discussions and outcomes from each of these bilateral engagements are comprehensively documented in the subsequent chapter of this report, providing transparency on the specific issues raised and commitments made during each visit.

4.3.1.2 Enhanced Commitment Tracking and Follow-Up Systems

To strengthen accountability and ensure meaningful follow-through on country-level engagements, the Executive Director made over seventy actionable commitments during twelve missions and the 2025 Spring Meetings. These ranged from policy advocacy and project support to strategic coordination with development partners. With ten commitments already completed and many others underway, the OED has developed a Bilateral Engagement Tracker—a structured tool designed to monitor progress, flag delays, and ensure institutional continuity across leadership transitions. Currently undergoing final review, the Tracker is set for full deployment in FY26 and will serve as a cornerstone for transparent reporting and sustained delivery on promises made to member countries.

4.3.2 Objective 3.2: Enhancing Advocacy for Re-Engagement with Countries in Non-Accrual Status

4.3.2.1 Strategic Re-engagement Initiatives in Development

The OED is developing strategies to re-engage countries in non-accrual status by building sustainable pathways for restoring financing relationships. This includes collaboration with the African Union, UN, and diplomatic missions to address challenges. It is expected that the strategy will be developed in FY26.

4.4 Strategic Goal 4: Supporting capacity development, diversity and inclusion

4.4.1 Objective 4.1: Enhance SSA Participation in WBG Initiatives

4.4.1.1 Progress in African representation and workforce

In FY25, the WBG has continued its commitment to fostering diversity and inclusion through its workforce, as part of its broader reform agenda. In this regard, the OED has continued to advocate for a full representation of Sub-Saharan African countries, specifically for the members of the African Group 1 Countries.

As the report for FY25 are not yet available, the comparison between fiscal years FY23 and FY24 highlights notable progress as follows:

» On the overall staff representation, in FY24, Africa accounts for 13 percent of the 18,179 open-ended and term WBG staff, up from FY23's 17,650 employees. This marks a 2.9 percent increase in total staff over the previous year.

» Based on the regional breakdown in FY24, the Americas hold the largest share with 36 percent, followed by Europe at 24 percent.

» Women's participation from Africa has increased substantially, with headquarters appointments growing from 672 in 2020 to 803 in 2024, while country office appointments for Af-

Table 4 1: AfG1 Country Workforce

Countries	Internationally Recruited (FY23)	Locally Recruited (FY23)	Internationally Recruited (FY24)	Locally Recruited (FY24)
Botswana	2	9	2	9
Burundi	14	29	15	27
Eritrea	3	2	2	3
Eswatini	0	4	0	5
Ethiopia	86	116	90	113
Gambia	9	7	9	7
Kenya	149	200	163	210
Lesotho	2	11	2	12
Liberia	5	30	5	32
Malawi	22	28	29	27
Mozambique	13	60	17	58
Namibia	3	0	3	0
Rwanda	17	33	20	34
Seychelles	1	1	1	0
Sierra Leone	7	24	6	24
Somalia	2	2	2	3
South Sudan	2	13	3	16
Sudan	13	16	16	17
Tanzania	28	59	27	62
Uganda	79	56	82	54
Zambia	33	38	35	40
Zimbabwe	54	34	56	30
Total	544	772	585	783

Source: World Bank, April 2025

rican women rose from 796 to 1,009, reflecting broader institutional commitments to diversity and inclusion.

» As to recruitment for staff from Africa Group 1, these countries contributed 585 internationally recruited staff and 783 locally recruited staff in FY24. Additionally, FY23 saw 544 internationally recruited and 772 locally recruited staff from the same group.

» This development reflects a 7 percent increase in internationally recruited staff and a 1.4 percent increase in locally recruited staff for FY24 compared to FY23.

Furthermore, the WBG has adapted the decentralization of the Regional Vice Presidencies, effective from July 2025. This institutional shift is designed to bring decision-making closer to client countries, strengthen regional leadership structures, and create expanded opportunities for African professionals to contribute at both operational and strategic levels. The decentralization not only enhances pathways for advancement within country offices but also complements promotion trends at headquarters, ensuring a more balanced distribution of leadership opportunities across the institution.

4.4.1.2 Strategic partnership development and program engagement

The Office has actively engaged with HR leadership to strengthen recruitment and capacity-building pathways for Constituency nationals. Additionally, through targeted outreach—including promotion of programs such as the WBG Africa Fellowship, the Overseas Development Institute (ODI) Fellowship capacity-building initiative under Mission 300, and the Joint Japan/World Bank Graduate Scholarship Program—the OED has broadened awareness and engagement. These efforts have the potential to increase application rates, strengthen competencies, and improve placement outcomes. The office will continue to liaise with relevant stakeholder to analyze the uptake of these initiatives by African nationals and establish partnerships with think tanks and universities to strengthen capacity for constituent nationals.

4.4.1.3 Enhanced Voice Secondment Program Alumni engagement and future nominations

The OED hosted induction and exit programs for the 20th Cohort of Voice Secondment Program (VSP) participants. The induction program enhanced their knowledge on the operations of the OED, and the structure, policies, and procedures of the World Bank Group. The exit program provided a platform for the graduating Cohort to present their experiences and share recommendations for program improvement. This direct feedback session has generated valuable insights into program effectiveness and areas for enhancement. The recommendations collected during this session have been formally presented to management, aimed at demonstrating commitment to continuous program improvement and ensuring that Constituency perspectives inform institutional policies.

Building on the continued engagement with the VSP, the Office has undertaken nominations for the FY26 cohort, ensuring sustained Constituency participation in this important capacity development initiative. This systematic approach to alumni engagement creates ongoing relationships with program graduates and establishes feedback loops that benefit both current and future participants from the Constituency countries to ensure that Constituency nationals are able to fully benefit from the program.

4.4.1.4 Participation in the Reserve Advisory and Management Partnership (RAMP)

During September 22-25, 2025, the World Bank hosted the Reserve Advisory and Management Partnership (RAMP) capacity building workshop, in Washington DC. The theme of the workshop was "Internal Audit: Driving Resilience and Innovation," and it was an incredibly enriching experience. The AfG1 Constituency countries, including Burundi, The Gambia, Kenya, Liberia, Mozambique, Rwanda, Tanzania, Zambia, and Zimbabwe, were well-represented at the workshop and participants came from various Central Banks and other relevant financial institutions.

The main objective of the workshop was to enhance the role of internal audit, shifting its focus from mere transactional oversight to a more strategic function. This new approach aims at evaluating risks, the effectiveness of controls, and governance practices related to public assets, particularly foreign exchange reserves. Moreover, the RAMP workshop was an invaluable platform for professional growth. Through rigorous knowledge transfer and robust peer-to-peer networking, participants engaged in interactive sessions and collaborated with experts and colleagues from different countries. This provided an excellent opportunity to deepen the Constituency understanding of the evolving role of internal audit.

4.4.2 Objective 4.2: Advocacy for implementation of anti-discrimination recommendations

4.4.2.1 Strengthened advocacy on HR practices and representation.

In addition to monitoring anti-discrimination commitments, the OED has actively engaged on HR-related matters raised by staff in the constituency countries. Several bilateral meetings were held with local staff across country offices to address disparities in staff recruitment and compensation compared to other regions.

The OED has also consistently raised these issues at the HR Board Committee, particularly advocating for fair representation of SSA in top management positions while maintaining overall institutional balance. Furthermore, the OED has engaged with staff serving in fragile and conflict-affected regions, highlighting the importance of deploying skilled and experienced staff to FCV contexts.

The OED brought the matter of anti-discrimination and fair representation to the Board, underscoring the need for an increased SSA staff presence across global units. These advocacy efforts have contributed to measurable improvements in SSA representation within the Bank's workforce and reinforced the institution's commitment to equitable and inclusive staffing practices.

The OED is actively working on all aspects of anti-discrimination advocacy and implementation monitoring. The engagement focuses on ensuring that task force recommendations are effectively implemented and that progress is systematically tracked and reported. The OED seeks to maintain regular dialogue with relevant stakeholders to monitor implementation progress and address any challenges that may arise in the execution of anti-discrimination policies and procedures.

CHAPTER 5

CONSTITUENCY ENGAGEMENTS

AfG1 Constituency Leadership at the 29th Constituency Meeting

Chapter 5: Constituency Engagements

This chapter provides a comprehensive overview of the Office of the Executive Director's (OED) engagements with Africa Group 1 Constituency countries. It includes a summary of key discussions and outcomes from the Africa Group 1 Constituency Meeting, as well as an update on the Constituency Panel Meeting, which serves as a platform for strategic dialogue among member countries. The chapter also outlines the Office's active participation in Board Standing Committees, reflecting its role in shaping policy and operational decisions at the institutional level. In addition, it documents the Executive Director's official visits to the Constituency countries, highlighting bilateral consultations with national authorities, field visits to World Bank-financed projects, and efforts to strengthen collaboration and responsiveness to country-specific development priorities.

5.1 Constituency meeting: Advancing Unity and Impact – Highlights from the 29th Statutory Meeting

The Africa Group 1 (AfG1) Constituency convened its 29th Statutory Meeting on April 24, 2025, at the World Bank headquarters in Washington, D.C. The meeting, Chaired by Hon. Seedy K. M. Keita of The Gambia, brought together Governors and Alternate Governors to review progress, assess strategic priorities, and set directions for future engagement with the World Bank Group across Sub-Saharan Africa.

The meeting opened with the introduction of newly appointed Governors and Alternate Governors, reinforcing the Constituency's commitment to inclusive representation. The Panel Report, presented by the OED, highlighted achievements under the FY21–24 Medium-Term Strategy and intro-

29th Statutory Constituency Meeting at the IMF/WBG Spring Meetings 2025 duced the revised FY25–28 Strategy. This new strategy aligned with the WBG Evolution Agenda and emphasizes mobilizing resources, supporting private sector development, enhancing country engagement, and promoting diversity and inclusion. Notably, the OED was fully staffed, and Governors were encouraged to nominate qualified candidates—particularly women—to strengthen gender diversity.

Executive Director and Alternate Executive Director with Chairs during the 29th Statutory Constituency Meeting

The Executive Director, Dr. Zarau Kibwe, delivered his inaugural Interim Report, outlining global economic challenges and their implications for member countries. He noted that Sub-Saharan Africa received US$53.02 billion in WBG commitments, with US$21.18 billion allocated to AfG1 countries. He urged Governors to support the IFC's general capital increase, noting that the Constituency's shareholding had declined from 2 percent to 1.38 percent. Maintaining a strong voice and voting power, he emphasized, is essential to safeguarding the region's development priorities.

The Executive Director elaborated on the World Bank Group's Jobs Agenda, built on a three-pillar approach: foundational investments in infrastructure, health, and education; reforms to improve the business environment; and mobilizing private sector solutions. He highlighted the IFC's critical role in supporting job-rich sectors such as infrastructure, energy, agribusiness, tourism, healthcare, and local manufacturing.

The meeting also featured a comprehensive presentation on IDA21 implementation by Vice President Mr. Akihiko Nishio and Director Mr. Dirk Reinermann. They acknowledged AfG1's vital role in securing nearly US$23.7 billion in pledges, which will be leveraged to reach a historic upto US$100 billion commitment authority. Africa is expected to receive approximately two-thirds of these resources. The streamlined policy architecture and new instruments, such as the Global and Regional Opportunities Window (GROW) and the Grant Facility for Project Preparation (GFPP), will enhance delivery and impact across the continent.

Governors' interventions reinforced key priorities, including education and skills development, healthcare system strengthening, energy affordability, and climate finance. The Development Committee (DC) Chair presented the Constituency Statement to the Committee, calling for fair shareholding, inclusive job creation, tailored debt relief, and robust climate resilience measures. The statement was adopted on a no-objection basis.

In closing, the Executive Director acknowledged the richness of the Governors' interventions and pledged to incorporate their guidance into Board discussions, ensuring that the Constituency's collective voice continues to shape the WBG's agenda.

5.2 African Caucus - Update on the 62nd African Caucus Meeting

The 62nd meeting of the African Caucus was held in Bangui, Central African Republic (CAR) from July 30 to August 1, 2025, under the patronage of His Excellency (H.E.), Professor Faustin Archange Touadera, President of the Central African Republic. The meeting was held under the theme **"Resilient Infrastructure, Human Capital, and Green Wealth: Essential Levers for Strong Inclusive and Sustainable Growth"**, with two sub-themes: *"Innovative Financing Solutions to Closing Africa's Infrastructure Gap"* and *"Enhancing Fiscal Capacity and Public Investment Efficiency for Resilient Infrastructure Building in Africa"*. The event convened nearly 500 delegates and was jointly chaired by Honorable (Hon.) Herve Ndoba, Minister of Finance and Budget and IMF Governor for CAR and Hon. Richard Filakota, Minister for Economy, Planning, and International Cooperation and WBG Governor for CAR. The Governors discussed in depth Africa's infrastructure financing gap and identified key issues with suggested priorities to close the infrastructure financing gap.

5.2.1 Key issues and strategic priorities

The African Caucus underscored the continent's significant infrastructure financing gap, estimated at US$170 billion annually, while only about US$40 billion is currently mobilized. This shortfall is compounded by climate vulnerability, illicit financial flows, rising public debt, and declining foreign investment. These challenges are captured in a formal Memorandum that will be presented to the leadership of the IMF and World Bank during the 2025 Annual Meetings.

Governors stressed the urgency of adopting innovative financing mechanisms to close the infrastructure gap. They advocated approaches such as blended finance, debt-for-infrastructure swaps, green and diaspora bonds, securitization of infrastructure assets, public-private partnerships, and land value capture financing. A key proposal was the establishment of a Debt-for-Infrastructure Swap (D4IS) mechanism, which would allow countries to redirect annual debt service payments toward infrastructure development.

5.2.2 Strengthening fiscal capacity and public investment efficiency

Governors called on the IMF and World Bank to enhance support for domestic resource mobilization through comprehensive tax reforms, digitalization of tax systems, and stronger measures to combat tax evasion and avoidance. They emphasized the need to improve public investment management by promoting the use of e-procurement systems, strengthening medium-term expenditure frameworks, and empowering national infrastructure planning bodies with technical expertise and data systems.

The establishment of independent infrastructure planning units and the institutionalization of public investment management frameworks across all levels of government were also highlighted as priorities. On debt sustainability, Governors urged the Bretton Woods institutions to adopt more flexible approaches to debt and deficit ceilings, support voluntary sovereign debt buybacks, and allow for debt service suspension, both principal and interest payments, in times of natural disasters.

5.2.3 Mobilizing private sector capital

The Caucus emphasized the importance of mobilizing private investment, particularly from global institutional investors such as pension funds and insurance companies. Governors encouraged the WBG to deepen financial markets, create investable infrastructure assets, and leverage de-risking and risk-sharing mechanisms to attract private capital. They specifically called on the IFC to significantly scale up its investments in the Africa50 Infrastructure Acceleration Fund. Additionally, they urged the WBG to strengthen project preparation capacity through platforms like the Global Infrastructure Facility (GIF), which can support governments in conducting feasibility studies, impact assessments, and financial structuring. The establishment of a Multi-Donor Infrastructure Trust Fund for Africa was proposed as a means to leverage and manage private and public funding for infrastructure development across the continent.

5.2.3.1 Private sector engagement and economic transformation

On the margins of the meeting, experts from diverse investment orientations participated in panel discussions on two pivotal topics shaping Africa's economic transformation, namely,

- Special Economic Zones (SEZs) and Structuring Industries to unleash the potential of the private sector and accelerate growth in a post-crisis context, and
- Integrate the informal sector and MSMEs into the formal economy and scale them up to consolidate resilience.
- Recommendations the panel discussions included aligning SEZs with national strategies and simplifying business registration, and expanding access to MSMEs finance, and leveraging digital tools. Policymakers were urged to create enabling environments that unlock Africa's potential for inclusive growth.

Delegates at the African Caucus Meeting in Bangui, Central African Republic

5.3 Executive Director's visit to constituency countries: Key Meetings, Site Visits, Outcomes and Follow-Ups

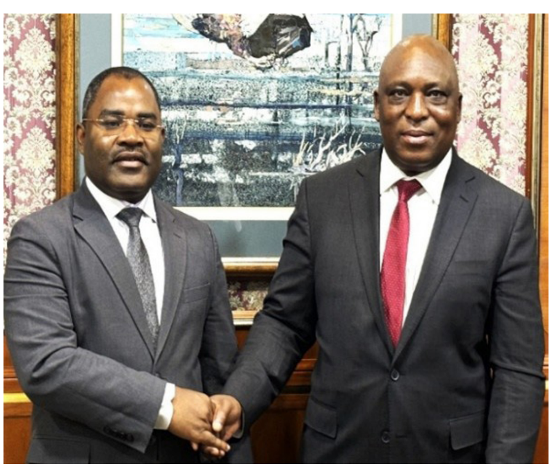
5.3.1 Constituency engagements with member states

In the period preceding the Spring Meetings 2025, the Executive Director paid visits to Rwanda, Malawi, Tanzania, and Zambia. Since then, he has undertaken missions to Zimbabwe, Botswana, Lesotho, Eswatini, Namibia, Somalia, Burundi, Ethiopia, and Mozambique. The next section provides an overview of his engagements with member states and international partners after the 2025 Spring Meetings.

5.3.1.1 Republic of Zimbabwe

May 7-9, 2025

Executive Director Zarau Kibwe, accompanied by Advisor Emmanuel Munyeneh, undertook a mission to the Republic of Zimbabwe to engage on key economic development challenges and opportunities across health, energy, and private-sector growth. The visit focused on assessing progress in ongoing reform initiatives and identifying areas for enhanced World Bank Group support.



Dr. John Mushayavanhu, Governor of the Reserve Bank (right), with the Executive Director

Hon. Prof. Mthuli Ncube, Minister of Finance, Zimbabwe (right), with the Executive Director

The ED held substantive discussions with Hon. Prof. Mthuli Ncube, Minister of Finance, centering on advances in land compensation under the Bilateral Investment Promotion and Protection Agreement (BIPPA) and the ongoing Staff-Monitored Program (SMP) with the IMF, which aims to address fiscal imbalances. Meetings with other senior government officials provided insights into the country's reform trajectory.

Consultations with the Confederation of Zimbabwe Industries yielded valuable private sector perspectives on business environment challenges and opportunities for investment attraction and job creation. These engagements complemented discussions with development partners based in Zimbabwe.

The mission identified several potential areas for WBG support, particularly in enhancing the business environment, attracting investment, and promoting job creation, reaffirming the Bank's commitment to Zimbabwe's development agenda.

Executive Director (right) with the CEO of CZI, Mrs. Kuvarika

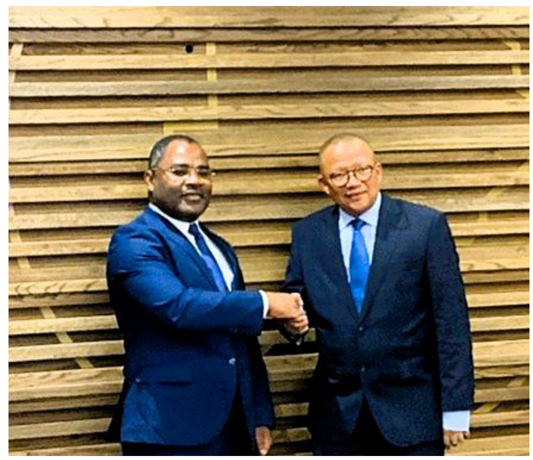
5.3.1.2 Republic of Botswana

May 12-13, 2025

A high-level mission to Botswana was conducted by the ED, joined by Senior Advisor Ndapiwa Segole, focusing on addressing the country's development challenges and opportunities as a middle-income country. The visit aimed to strengthen the relationship between the Government of Botswana and the WBG while enhancing project implementation effectiveness.

Executive Director (center), Ms. Ndapiwa Segole (third from the left) with the team from Southern Africa Development Community, SADC

High-level government engagements included a courtesy call on H.E. Advocate Duma Gedion Boko, President of the Republic of Botswana. The ED also met with Dr. Tshokolo Alex Kganetsano, Alternate Governor and Permanent Secretary; Mr. Cornelius Dekop, Governor of the Bank of Botswana; Hon. Tiroeaone Ntsima, Minister of Trade and Entrepreneurship; and Hon. Lawrence Ookeditse, Acting Minister of Health.



Governor of Bank of Botswana, Mr. Cornelius Karlens Dekop, with the Executive Director

Private sector discussions were held with Mr. Mpaphi Tsholofelo, Business Botswana Acting CEO and Head of Policy, providing insights into business community priorities and challenges.

A site visit was conducted to examine value addition and mineral processing activities, offering direct insight into the country's industrial development progress.

The ED also engaged with Mr. Sadwick Mtonakutha, SADC Deputy Executive Secretary, discussing regional integration opportunities.

The mission provided an update on OED work activities and proposed strategies to enhance the WBG-Botswana relationship, reaffirming the Bank's commitment to supporting the country's development objectives.

Executive Director (right) with the Director of KGK Jewellery, Mr. Siddharth Gothi

5.3.1.3 Kingdom of Lesotho

May 15-16, 2025

The ED conducted a mission to Lesotho, accompanied by Advisor Venuste Ndikumwenayo, to engage on the country's development priorities with particular emphasis on trade policy impacts, job creation, and scaling up IFC and MIGA investments for private sector-led growth.

The Minister of Finance and Development Planning of the Kingdom of Lesotho, Hon. Retselisitsoe Matlanyane (right), with the Executive Director

The ED met with Hon. Adelaide Retselisitsoe Matlanyane, Minister of Finance and Development Planning, alongside a wide range of sectoral ministers to discuss national development priorities. These discussions emphasized recent trade policy changes, employment generation needs, and approaches to catalyze private sector growth.

Engagements with private sector representatives provided valuable insights into business community challenges and opportunities for enhanced collaboration.

Executive Director, (center), with the Project team for the Leribe water initiative

A field visit to the Lowlands Water Development Project in Leribe District showcased the transformative impact of WBG support, demonstrating expanded access to clean water, improved school sanitation, increased attendance particularly for girls, and local entrepreneurship opportunities. The ED personally pledged support for a new water tank at Maputsoe Primary School and witnessed how project-linked compensation enabled both school expansion and new small business ventures, including KB&T Motoho Production, which employs 12 workers.

The mission reinforced the WBG's direction to prioritize sectors critical for the jobs agenda, including agribusiness, infrastructure, healthcare, tourism, and local manufacturing, while demonstrating tangible results of WBG-supported initiatives in driving inclusive growth in Lesotho.

5.3.1.4 Kingdom of Eswatini

May 19-20, 2025

Strengthening economic cooperation and identifying opportunities for deepening the partnership formed the core objectives

His Royal Highness Prince Lonkhokhela, the Hon. Minister of Natural Resources and Energy, presents a traditional wrap gift as a mark of welcome to the Executive Director

of the ED's visit to Eswatini, where he was accompanied by Advisor Jacob Mazalale. The mission focused on collaboration in priority sectors and enhanced project implementation.

Key government meetings included discussions with His Excellency, Thambo E. Gina, Governor of the WBG for Eswatini, who was serving as Acting Prime Minister during the mission, and Hon. Minister of Economic Planning and Development. The

Executive Director (in stripped shirt) at a WBG project site visit in Eswatini

ED also held discussions with His Royal Highness Prince Lonkhokhela, Hon. Minister of Natural Resources and Energy; Hon. Neal Rijkenberg, Minister of Finance; Hon. Phila Buthelezi, Minister of Labour; Hon. Senator Manqoba Khumalo, Minister of Commerce, Industry and Trade; Hon. Sydney Simelane, Principal Secretary for Agriculture; and Dr. Phil Mnisi, Governor of the Central Bank of Eswatini.

Discussions with business and industry leaders provided private sector perspectives on economic development opportunities and challenges.

Site visits to ongoing projects provided the ED with direct observation of the tangible impact of Bank support on the ground.

The ED engaged with Ikechi Okorie, WBG Country Manager, and country officials to assess operational effectiveness and collaboration opportunities.

The mission reaffirmed the WBG's commitment to supporting Eswatini's economic growth and development agenda, underscoring the importance of collaboration in priority sectors such as ICT, agriculture, and finance.

5.3.1.5 Republic of Namibia

May 22-23, 2025

Discussions on development priorities and emerging opportunities formed the centerpiece of the ED's engagement in Namibia, where he was joined by Advisor Josef Halwoodi. The visit focused particularly on the recently endorsed 2025–2029 Country Partnership Framework emphasizing job creation and expanded access to quality public services.

Minister of Finance and WBG Governor for Namibia, Hon. Ericah Brave Shafudah, with the Executive Director (left)

Government discussions included meetings with the Minister of Finance and Minister of Agriculture, Fisheries, Water and Land Reform, focusing on development priorities and potential for deepened WBG collaboration. The ED also held discussions

Hon. Inge Zaamwani-Kamwi, Minister of Agriculture, Fisheries, Water and Land Reform (center); Executive Director (right); and Mr. Josef Halwoodi, Advisor (left) with the Governor of the Bank of Namibia and Executive Directors in the Ministry of International Relations and Trade. Additionally, he met with the Namibia Investment Promotion and Development Board (NIPDB) to gain insights into the government's effort to promote private sector led growth through leveraging both domestic and foreign direct investment.

Private sector engagements included representatives from the Chamber of Commerce and Industry, providing insights into business environment needs and investment opportunities.

The ED also met with leadership from the SACU to discuss regional trade and integration opportunities.

The ED commended Namibia for its strong presentation of the Energy Compact plan at the 2025 Spring Meetings, marking an important milestone in pursuing universal electrification, and affirmed to national stakeholders their pivotal role in advancing job creation, food security, financial inclusion, trade, and broader development initiatives.

5.3.1. Federal Republic of Somalia

June 15-16, 2025

Reaffirming WBG commitment while engaging on Somalia's reform agenda and assessing IDA21 engagement opportunities drove the ED's high-level mission to Mogadishu, where he was accompanied by Senior Advisor Abdirahman Bashir Shariff.

Key government meetings included discussions with Deputy Prime Minister H.E. Salah Jama and Finance Minister Hon. Bihi Iman Egeh, where the government highlighted fiscal reforms and rising domestic revenue. The ED also met with Hodan Osman, Somali Development Bank Governor, who highlighted advancements in digital finance and regulatory reforms while requesting WBG support for institutional capacity and blended finance partnerships.

From Left : Director General Suleiman Omar, AfG1 Executive Director, Minister of Finance Hon. Bihi Iman Egeh, President of the Somali Development Bank of Somalia Ms. Hodan Osman, Ministry Focal Point Ms. Fatuha Isse, Senior Advisor, Abdirahman Bashir Shariff.

The ED engaged with private sector leaders who emphasized their dominant role in employment and service delivery, providing insights into business community contributions to national development.

A meeting with James Swan, UN Special Representative, focused on regional secu-

Executive Director meeting with James Swan, UN Special Representative along with Senior Advisor, Abdirahman Shariff rity challenges and WBG-UN collaboration in fragile contexts.

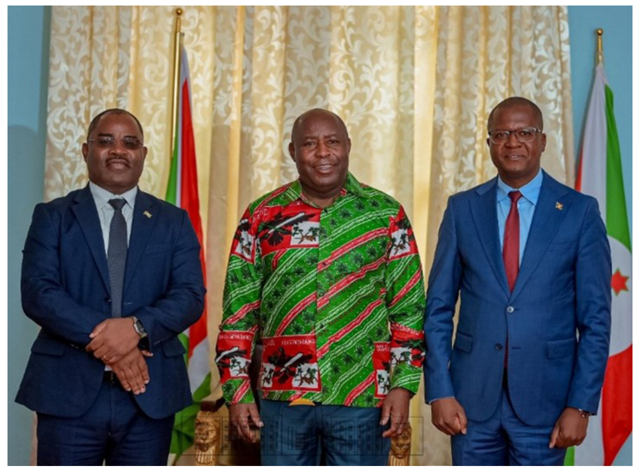
The mission reinforced Somalia's development priorities and demonstrated the need for sustained flexible support from the WBG in addressing the country's unique challenges and opportunities.

5.3.1.7 Republic of Burundi

July 7-8, 2025

Engaging with national authorities and witnessing WBG-financed projects firsthand characterized the ED's visit to Burundi, where he was accompanied by his Advisor, Mr. Venuste Ndikumwenayo. The mission aimed to strengthen collaboration on key priorities while assessing project impact.

The ED met with Hon. Nestor Ntahontuye, Minister of Finance, Budget and Economic Planning, emphasizing the need to diversify Burundi's financing instruments beyond Investment Project Financing (IPF) and advance the Development Policy Operation (DPO), contingent upon IMF engagement progress. Discussions also covered preparation of Burundi's new Country Partnership Framework (CPF) alongside meetings with other sectoral ministers and permanent secretaries. High-level government engagements included a courtesy call on H.E. Maj. Gen. Evariste Ndayishimiye, President of the Republic of Burundi, where discussions highlighted the President's commitment to accelerating inclusive economic growth, job creation for youth and women, harnessing mining sector potential, and advancing regional integration through the railway project.



H.E. Maj. Gen. Evariste Ndayishimiye (President of Burundi) (center), Hon. Nestor Ntahontuye, Minister of Finance, Budget and Economic Planning (right) and Executive Director (left)

Engagements with private sector representatives provided insights into business

Hon. Prosper Dodiko (Right), Minister of Agriculture, Executive Director (center) and Hon. Nestor Ntahontuye, Minister of Finance (Left), with the Project team for the agricultural project in Cibitoke community priorities and collaboration opportunities.

A field visit to the Rusizi River bridge under construction in Cibitoke -part of the Great Lakes Agriculture Project-highlighted the transformative impact of WBG support on Burundi's development agenda but also regional integration and climate resilience.

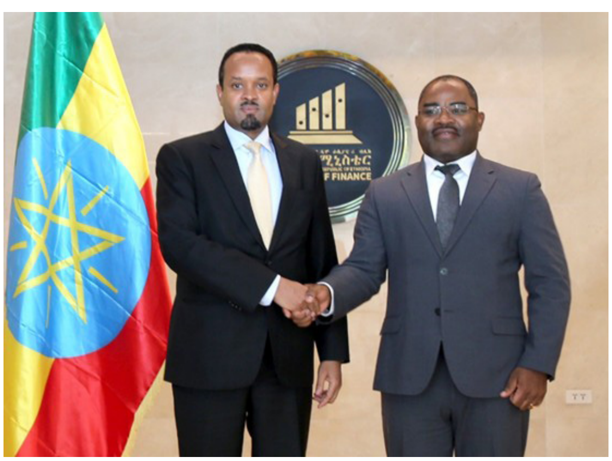
The ED also met with Ambassador Liberat Mfumukeko, IDA Borrower Representative, to discuss constituency representation and coordination matters.

The mission reaffirmed the WBG's commitment to supporting Burundi's inclusive development agenda and strengthened collaboration on key priorities.

5.3.1.8 Federal Republic of Ethiopia

July 10-12, 2025

Strengthening engagement under IDA21 and Ethiopia's ambitious reform agenda across multiple sectors formed the foundation of the mission undertaken by the ED, who was accompanied by Senior Advisor Azhari Elamin.



Hon. Ahmed Shide, Minister of Finance, Ethiopia and Executive Director

Extensive government meetings included discussions with Hon. Ahmed Shide, Minister of Finance, focusing on Ethiopia's reform program including the shift to market-based exchange rate, tariff rationalization, and strengthened social protection, as well as preparations for the FY2025–2030 Country Partnership Framework. The Minister reaffirmed Ethiopia's reform commitment and expressed interest in hosting the 2029 WBG Annual Meetings. The ED also met with Hon. Girma Amente, Minister of Agriculture; Hon. Dr. Ing. Habtamu Itefa Geleta, Minister of Water and Energy; Hon. Mekdes Daba, Minister of Health; Hon. Prof. Birhanu Nega, Minister of Education; and Hon. Mamo Mihretu, Governor of the National Bank of Ethiopia.

Hon. Mekdes Daba, Minister of Health and Executive Director

Private sector discussions were held with Mr. Sebsib Abafira Abajobir, President of the Ethiopian Chamber of Commerce and Sectoral Associations, focusing on SME support, youth-led enterprises, and export competitiveness.

Field visits included the Urban Agriculture Projects, the Ethiopia Productive Safety

Net and Jobs Projects in Bishoftu, and the Future Pharmaceutical Africa Hub, showcasing tangible results in food security, employment, and health system strengthening.

The ED commended Ethiopia's progress in expanding health and education access, advancing climate-smart agriculture, accelerating electrification under Mission 300 Energy Compact, and leadership in digital finance, renewable energy, and water governance, while encouraging stronger private sector participation to support development objectives.

5.3.1.9 Republic of Mozambique

July 18-21, 2025

Joining World Bank Group President Ajay Banga on a high-level mission to Mozambique, the ED was accompanied by Advisor Bertrand Belle in an effort to deepen dialogue with national authorities and witness the transformative impact of WBG-financed projects.

In a bilateral meeting with Hon. Carla Loveira, Minister of Finance and Vice Chair of the Africa Group 1 Constituency, the delegation aligned on four priority sectors for future cooperation: energy, economic corridors, tourism, and skilling. The ED also met with Mr. Joao Machetine, Head of the Presidential Delivery Unit, to discuss partnership opportunities aimed at accelerating WBG project delivery through support and process navigation.

Mozambique President H.E. Chapo (left) and WBG President Banga address the Press at Cahora Bassa Dam

Site visits with President Banga and H.E. President Chapo included the Cahora Bassa Dam, a key regional energy asset, and electrification projects in Matola, where reliable power is enabling entrepreneurship and community health services. A visit to a poultry enterprise in Maputo illustrat-

Meeting Between Minister of Finance Hon. Carla Loveira, Executive Director, Secretary of State for Budget Tivane, VP AFE Ndiame Diop, Regional Director Fily Sissoko and officials from the Ministry of Finance ed how infrastructure investments are catalyzing inclusive growth across thousands of small-scale farmers.

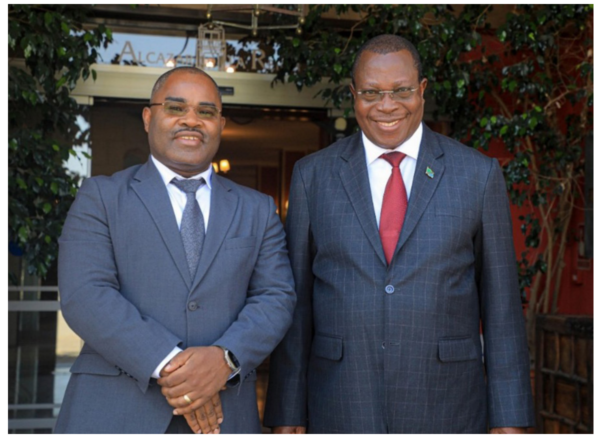
The mission reaffirmed the WBG's commitment to supporting Mozambique's macroeconomic stability and long-term development trajectory through enhanced partnership.

5.3.1.10 Fourth International Conference on Financing for Development (FfD4), Seville, Spain

June 30 - July 3, 2025

Advocating for Africa Group 1 Constituency priorities on inclusive and responsive financing mechanisms drove the ED's participation in FfD4, where he was accompanied by Senior Advisor Abdirahman Bashir Shariff. The conference served as a platform for engaging in global development finance discussions.

The ED actively participated in the World Bank Group's side event on leveraging IDA21's Private Sector Window and joined Spain's high-level dialogue on transforming development finance, contributing to policy discussions on innovative financing approaches.



H.E. Dr. Philip Mpango, Vice President of the United Republic of Tanzania with Executive Director

The ED also participated in the Tanzania–Spain Business Meeting in Carmona, which featured interventions by H.E. Dr. Philip Mpango, Vice President of the United Republic of Tanzania, and senior officials from the Tanzania Investment Centre, Zanzibar Investment Promotion Authority, and Tanzania National Business Council. Discussions focused on Tanzania's role as a gateway to East Africa and key investment

Executive Director at the Tanzania-Spain Event opportunities across sectors.

Bilateral engagements included a meeting with Hon. Ericah Shafudah, Namibia's Finance Minister, to discuss opportunities to enhance the relationship with the World Bank Group.

The mission reinforced the Constituency's voice in global financing debates and strengthened partnerships for sustainable development across Africa Group 1 member states.

Hon. Ericah Shafudah, Minister of Finance of Namibia meeting with Executive Director, and Senior Advisor Abdirahman Bashir Shariff

5.4 OED Membership in Standing Committees

The Office of the Executive Director is a member of three sub-committees of the Boards of the WBG, namely, the Ethics Committe, the Committee on Development Effectiveness (CODE), and the Audit Committee (AC).

This update outlines the Office of the Executive Director's recent engagements across key Board Committees of the World Bank Group, as well as its strategic engagement with the President of the WBG. Through active participation in governance, development effectiveness, and audit-related discussions, the Office has advanced strategic priorities central to AfG1 member countries—namely, inclusive representation, financial sustainability, and equitable access to energy and digital infrastructure.

5.4.1 Committee on Development Effectiveness (CODE)

The discussions of the Committee on Development Effectiveness (CODE), involved the evaluation of the World Bank's Adaptive Social Protection (ASP) efforts in crisis settings. The Chair emphasized the need for stronger coordination between Social Protection and Disaster Risk Management (DRM), deeper integration of gender consideration, and more targeted results monitoring, especially in low-income and fragile contexts where these efforts are most critical.

In follow-up to the 2025 Board Resolution on the World Bank Accountability Mechanism, the Office of the Executive Director also contributed to discussions on the operating procedures of the Inspection Panel and Dispute Resolution Service (DRS), including inputs informed by the Group Internal Audit's review. Alongside other Chairs, the Chair welcomed recommendations aimed at strengthening governance, streamlining case processing, and enhancing coherence across the Inspection Panel, DRS, and the Compliance Advisor Ombudsman (CAO).

5.4.2 Audit Committee (AC)

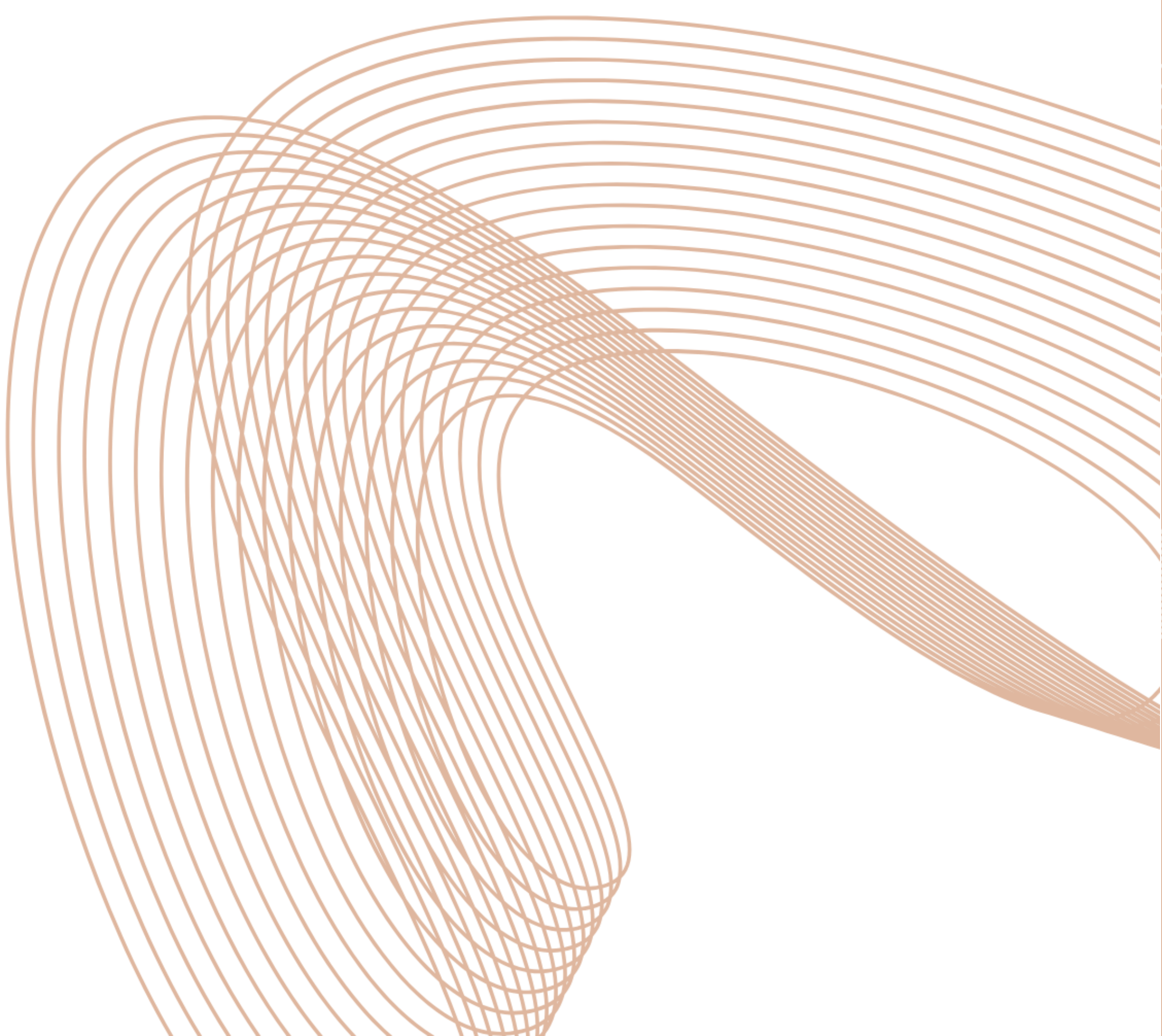
On the Audit Committee, the Office followed through on its stated priorities by engaging on issues related to financial sustainability, fiduciary oversight, and risk management. The Office reviewed and provided input on the consolidated financial statements of IBRD, IDA, IFC, and MIGA, as well as the financial statements of the Staff Retirement Plan and Trust, and the Retired Staff Benefits and Trust for Post-Employment Benefit Plans.

5.4.3 Executive Director's Strategic Engagement with the President

The Executive Directors held strategic discussions with President Ajay Banga, focusing on two key priorities for the Constituency: expanding energy access and advancing digital transformation. The Executive Directors welcomed the WBG updated energy strategy that sets an ambitious goal of doubling annual electricity investment in developing countries by 2035. He reaffirmed support for country-driven energy mixes, including renewables, grid modernization, energy storage, recognizing the diverse energy needs and capacities of AfG1 member countries.

Complementing this, the Executive Directors welcomed the WBG's digital strategy, which emphasizes bridging the digital divide through targeted investments in connectivity, affordability, and AI readiness. These efforts are critical to enabling inclusive digital transformation and ensuring that all Constituency countries can effectively participate in and benefit from the global digital economy.

Across all committee engagements and engagements with the WBG President, the Office has consistently emphasized the importance of aligning institutional reforms with the development priorities of AfG1 member countries. Whether through strengthening voice and representation, promoting resilience in fragile contexts, or supporting inclusive digital and energy transitions, these efforts contribute to the broader strategic goals of the WBG under IDA21 and IFC 2030. The Office remains committed to ensuring that the perspectives and needs of its Constituency continue to inform and shape the Bank's evolving agenda.



ANNEXES

SCHEDULE I
ROTATION SCHEDULE FOR CONSTITUENCY CHAIRMANSHIP
FIRST ROUND 2010-2052

YEAR	CHAIRPERSON	VICE CHAIRPERSON
2010	BOTSWANA	BURUNDI
2012	BURUNDI	ERITREA
2014*	ERITREA	ETHIOPIA
2016	ETHIOPIA	GAMBIA, THE
2018	GAMBIA, THE	KENYA
2020	KENYA	LESOTHO
2022	LESOTHO	LIBERIA
2024	LIBERIA	MALAWI
2026	MALAWI	MOZAMBIQUE
2028	MOZAMBIQUE	NAMIBIA
2030	NAMIBIA	RWANDA
2032	RWANDA	SEYCHELLES
2034	SEYCHELLES	SIERRA LEONE
2036	SIERRA LEONE	SOMALIA
2038	SOMALIA	SOUTH SUDAN
2040	SOUTH SUDAN	SUDAN
2042	SUDAN	ESWATINI
2044	ESWATINI	TANZANIA
2046	TANZANIA	UGANDA
2048	UGANDA	ZAMBIA
2050	ZAMBIA	ZIMBABWE
2052	ZIMBABWE	BOTSWANA

* Eritrea declined to serve as Chair in 2014

NOTES/ IMPLEMENTATION GUIDE/POLICY FOR ROTATION SCHEDULE I:
1. Every country is given turn for Chairmanship in alphabetical order from A to Z
2. Avoids duplication with IMF Rotation - Governors not serving on the IMF Constituency Panel are given preference
3. A country could decide to pass its turn, for any reason
4. A country could decide to switch turn with another country closely in line on the Rotation Schedule I
5. Except where a country agrees to switch its turn with another country next in line on the rotation table, any country that declines to serve in the allotted year shall be deemed to forego its turn in the first round of implementation of Rotation Schedule I

SCHEDULE II
ROTATION SCHEDULE FOR CONSTITUENCY PANEL MEMBERSHIP
FIRST ROUND 2010-2052

YEAR	CHAIRPERSON	VICE CHAIR-PERSON	OTHER PANEL MEMBERS		
2010	BOTSWANA	BURUNDI	SEYCHELLES	KENYA	SIERRA LEONE
2012	BURUNDI	ERITREA	RWANDA	ESWATINI	LIBERIA
2014*	ERITREA	ETHIOPIA	LESOTHO	ZAMBIA	SOUTH SUDAN
2016	ETHIOPIA	GAMBIA, THE	NAMIBIA	ZIMBABWE	SUDAN
2018	GAMBIA, THE	KENYA	MOZAMBIQUE	MALAWI	TANZANIA
2020	KENYA	LESOTHO	ESWATINI	BOTSWANA	ETHIOPIA
2022	LESOTHO	LIBERIA	RWANDA	BURUNDI	SOUTH SUDAN
2024	LIBERIA	MALAWI	MOZAMBIQUE	ETHIOPIA	ZAMBIA
2026	MALAWI	MOZAMBIQUE	GAMBIA, THE	UGANDA	KENYA
2028	MOZAMBIQUE	NAMIBIA	ETHIOPIA	SOMALIA	ERITREA
2030	NAMIBIA	RWANDA	BOTSWANA	SOUTH SUDAN	LIBERIA
2032	RWANDA	SEYCHELLES	LESOTHO	UGANDA	TANZANIA
2034	SEYCHELLES	SIERRA LEONE	SUDAN	ZIMBABWE	LIBERIA
2036	SIERRA LEONE	SOMALIA	KENYA	BOTSWANA	MALAWI
2038	SOMALIA	SOUTH SUDAN	ESWATINI	ZAMBIA	BOTSWANA
2040	SOUTH SUDAN	SUDAN	LIBERIA	MALAWI	BURUNDI
2042	SUDAN	ESWATINI	SOMALIA	SIERRA LEONE	LESOTHO
2044	ESWATINI	TANZANIA	UGANDA	ERITREA	NAMIBIA
2046	TANZANIA	UGANDA	ZAMBIA	SEYCHELLES	BOTSWANA
2048	UGANDA	ZAMBIA	ZIMBABWE	KENYA	GAMBIA,THE
2050	ZAMBIA	ZIMBABWE	UGANDA	BURUNDI	LIBERIA
2052	ZIMBABWE	BOTSWANA	LIBERIA	SUDAN	RWANDA

• Eritrea declined to serve as Chair in 2014

NOTES/ IMPLEMENTATION GUIDE/POLICY FOR ROTATION SCHEDULE II:
1. Every country is given a turn for chairmanship in alphabetical order from A to Z
2. Avoids duplication with IMF Rotation - Governors not serving on the IMF constituency Panel are given preference
3. Generally, panel members reflect regional balance (East, South and West)

SCHEDULE III
ROTATION SCHEDULE FOR CONSTITUENCY REPRESENTATION ON THE DEVELOPMENT COMMITTEE
FIRST ROUND 2010-2052

YEAR	DC MEMBER	ALTERNATE			ASSOCIATE	
2010	ZIMBABWE	ZAMBIA	TANZANIA	ERITREA	RWANDA	GAMBIA, THE
2012	ZAMBIA	UGANDA	GAMBIA, THE	MALAWI	LESOTHO	KENYA
2014	UGANDA	TANZANIA	NAMIBIA	MOZAMBIQUE	ZIMBABWE	SIERRA LEONE
2016	TANZANIA	ESWATINI	LESOTHO	RWANDA	BURUNDI	LIBERIA
2018	ESWATINI	SOUTH SUDAN	SIERRA LEONE	SOMALIA	LESOTHO	UGANDA
2020	SOUTH SUDAN	SUDAN	NAMIBIA	ZIMBABWE	GAMBIA, THE	BURUNDI
2022	SUDAN	SOMALIA	KENYA	ZAMBIA	ESWATINI	SIERRA LEONE
2024	SOMALIA	SIERRA LEONE	ZIMBABWE	LESOTHO	NAMIBIA	GAMBIA, THE
2026	SIERRA LEONE	SEYCHELLES	ESWATINI	ETHIOPIA	BOTSWANA	TANZANIA
2028	SEYCHELLES	RWANDA	SUDAN	TANZANIA	ZIMBABWE	ESWATINI
2030	RWANDA	NAMIBIA	KENYA	SUDAN	ZAMBIA	SIERRA LEONE
2032	NAMIBIA	MALAWI	BURUNDI	KENYA	SIERRA LEONE	SOUTH SUDAN
2034	MALAWI	MOZAMBIQUE	TANZANIA	GAMBIA, THE	ETHIOPIA	BURUNDI
2036	MOZAMBIQUE	LIBERIA	LESOTHO	ZAMBIA	ERITREA	SEYCHELLES
2038	LIBERIA	LESOTHO	GAMBIA, THE	MALAWI	NAMIBIA	RWANDA
2040	LESOTHO	KENYA	MOZAMBIQUE	ZAMBIA	ZIMBABWE	UGANDA
2042	KENYA	GAMBIA, THE	BOTSWANA	NAMIBIA	ETHIOPIA	RWANDA
2044	GAMBIA, THE	ETHIOPIA	ZAMBIA	ZIMBABWE	LIBERIA	MALAWI
2046	ETHIOPIA	BURUNDI	SIERRA LEONE	LIBERIA	LESOTHO	SOUTH SUDAN
2048	BURUNDI	ERITREA	LIBERIA	SOMALIA	ESWATINI	NAMIBIA
2050	ERITREA	BOTSWANA	KENYA	SIERRA LEONE	SEYCHELLES	RWANDA
2052	BOTSWANA	"GAMBIA, THE"	SIERRA LEONE	KENYA	ETHIOPIA	MOZAMBIQUE

NOTES:

1. Avoids duplication with the other Panel membership
2. DC Member and Alternate Member accord opportunity in descending alphabetical order (Z to A)
3. Associate members are elected to provide regional balance
4. Schedule revised/updated in October 2012 to include South Sudan
5. Size of DC representation reduced from 8 to 6, dropping the Chair and Vice-Chair to avoid duplication with the Panel

SCHEDULE IV
ROTATION SCHEDULE FOR EXECUTIVE DIRECTOR AND ALTERNATE EXECUTIVE DIRECTOR
FIRST ROUND 2010-2052

YEAR	EXECUTIVE DIRECTOR	ALTERNATE ED
2010	SUDAN	ZAMBIA
2012	ZAMBIA	SEYCHELLES
2014	SEYCHELLES	ZIMBABWE
2016	ZIMBABWE	BOTSWANA*
2018	BOTSWANA	UGANDA*
2020	UGANDA	BURUNDI
2022	BURUNDI	TANZANIA
2024	TANZANIA	ERITREA+
2026	ERITREA	ESWATINI+
2028	ESWATINI	ETHIOPIA
2030	ETHIOPIA	SOUTH SUDAN
2032	SOUTH SUDAN	SOMALIA
2034	SOMALIA	GAMBIA, THE
2036	GAMBIA, THE	SIERRA LEONE
2038	SIERRA LEONE	KENYA
2040	KENYA	RWANDA
2042	RWANDA	NAMIBIA
2044	NAMIBIA	LESOTHO
2046	LESOTHO	MOZAMBIQUE
2048	MOZAMBIQUE	LIBERIA
2050	LIBERIA	MALAWI
2052	MALAWI	

*: Botswana and Uganda switched turns in 2016-2018
+: Eritrea didn't respond to take up its turn. The next country in the rotation schedule, Eswatini, took up the turn as Alternate in 2024-2026. This will affect the whole rotation schedule which will be revised during next year's Review of the Constituency Rules, Guidelines and Procedures.

NOTES/IMPLEMENTATION GUIDE/POLICY:
1. Sudan and Zambia given special dispensation to serve their turn under rotation system of the erstwhile Africa GroupI consistency
2. Seychelles which had never served the Constituency as Executive Director was accorded special dispensation on the rotation system
3. The rest of the countries follow an Alphabetical rotation alternating between Z and A until the firstround is completed
4. This schedule avoids duplication with IMF Rotation for EDs and AEDs
5. A country could decide to pass its turn, for any reason
6. A country could decide to switch turn with another country closely in line on the rotation table
7. Except where a country agrees to switch its turn with another country next in line on the rotation table, any country that declines to serve in the allotted year shall be deemed to forego its turn in the first round of implementation of Rotation Schedule IV

SCHEDULE V
ROTATION SCHEDULE FOR IDA BORROWERS' REPRESENTATIVES
FIRST ROUND 2015-2019 TO 2037-2039

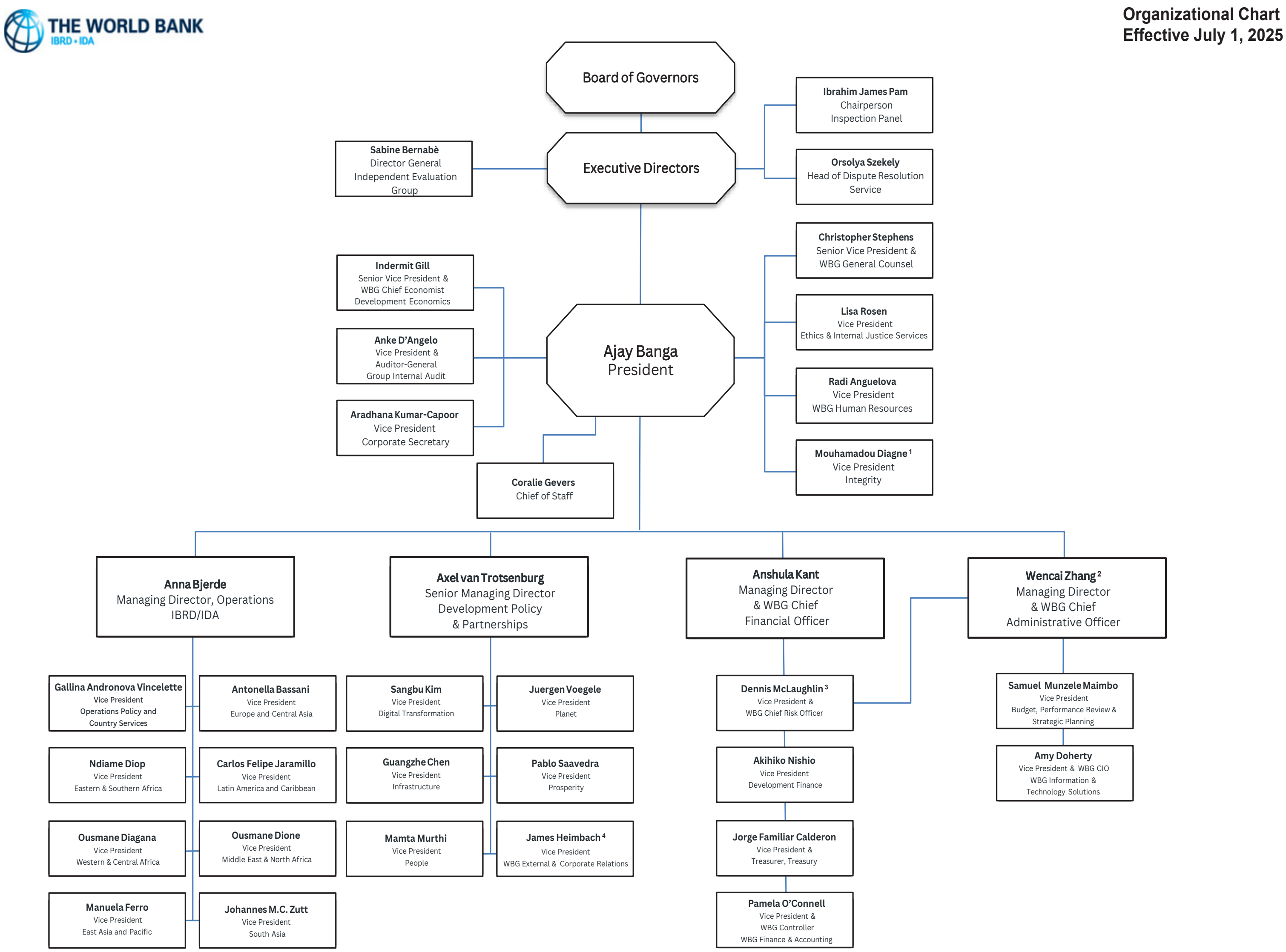
REPRESENTATIVE COUNTRY	IDA CYCLE	SERVICE YEARS (3 YEAR TERMS)
ZAMBIA	IDA 17,18	2015-2019
TANZANIA	IDA 18, 19	2018-2020
SIERRA LEONE	IDA 19	2019-2021
BURUNDI	IDA 20	2022-2024
ERITREA	IDA 20	2022-2024
ETHIOPIA	IDA 20	2022-2024
GAMBIA, THE	IDA 21	2025-2027
LESOTHO	IDA 21	2025-2027
LIBERIA	IDA 22	2028-2030
MOZAMBIQUE	IDA 22	2028-2030
RWANDA	IDA 22	2028-2030
SOMALIA	IDA 23	2031-2033
SOUTH SUDAN	IDA 23	2031-2033
SUDAN	IDA 24	2034-2036
ZIMBABWE	IDA 24	2034-2036
UGANDA	IDA 24	2034-2036
KENYA	IDA 25	2037-2039
MALAWI	IDA 25	2037-2039
ZAMBIA	IDA 26	2040-2042

NOTES/IMPLEMENTATION GUIDE/POLICY:
1. Each country is given an opportunity to serve as Borrowers' Representative in alphabetical order, starting with the ones that have never served in this position as of 2019-2021
2. The Constituency shall have either 2 or 3 Borrowers' Representatives for each replenishment negotiation as per agreement with the Africa Group II Constituency on the World Bank Board
3. The countries that have provided Representatives until the IDA 18 cycle will come again starting with the one that served earliest, to complete the first round of implementing the Rotation Schedule
4. A country could decide to pass its turn for any reason
5. A country could switch turns with another country closely in line on the Rotation Schedule V
6. Except where a country agrees to switch turn with another country next in line on the Rotation Schedule V, any country that declines to serve in the allotted year shall be deemed to forego its turn in the first round of implementation of the Rotation Schedule V
7. A country that graduates out of IDA will not be eligible to represent the Constituency

SCHEDULE VI
ROTATION SCHEDULE FOR PROFESSIONAL STAFF IN THE OED

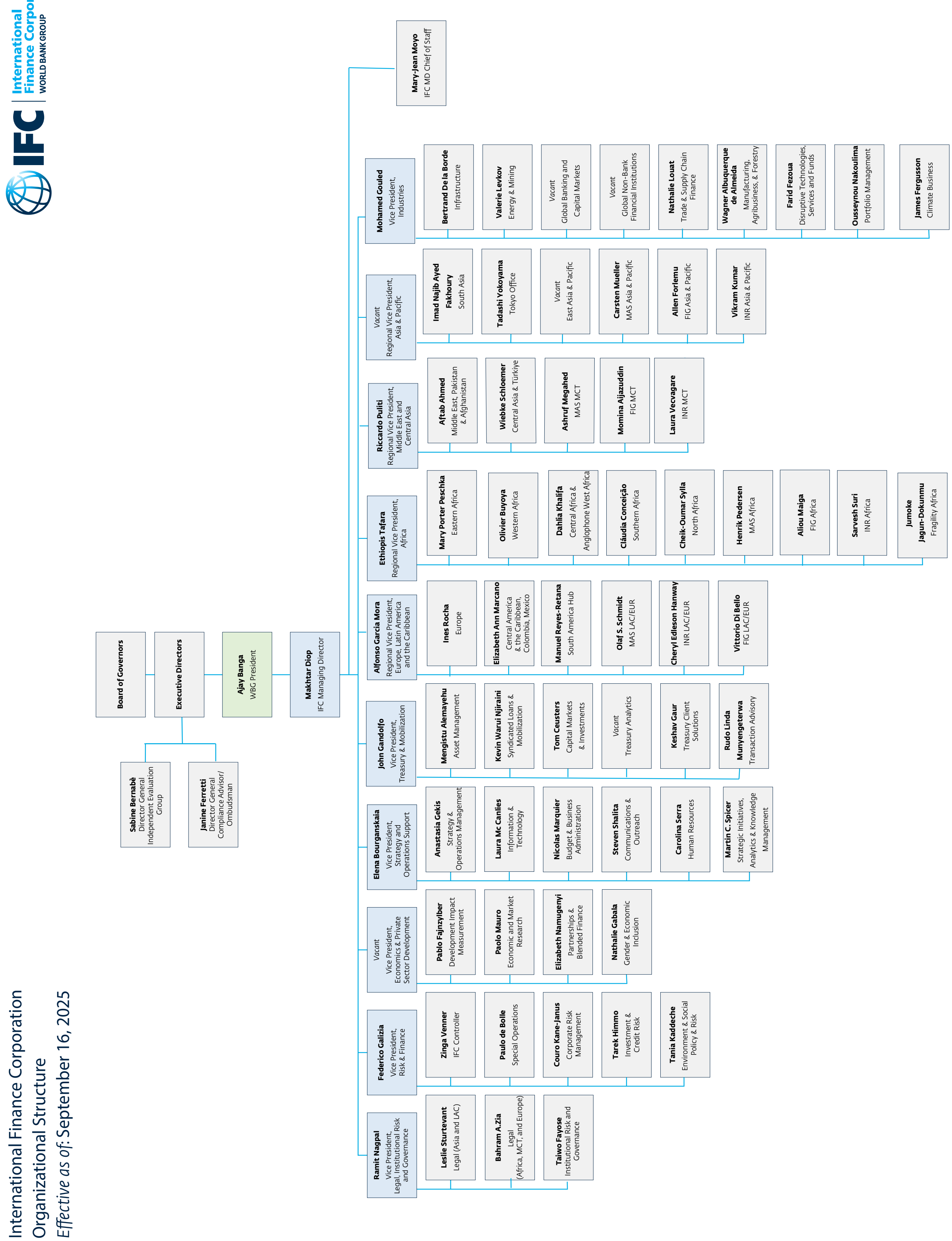
1	ERITREA
2	SEYCHELLES
3	BURUNDI
4	LIBERIA
5	NAMIBIA
6	SIERRA LEONE
7	RWANDA
8	MALAWI
9	ZAMBIA
10	UGANDA
11	MOZAMBIQUE
12	ZIMBABWE
13	SOMALIA
14	GAMBIA, THE
15	LESOTHO
16	TANZANIA
17	KENYA
18	ESWATINI
19	SOUTH SUDAN
20	ETHIOPIA
21	SUDAN
22	BOTSWANA

WORLD BANK ORGANIZATIONAL CHART AS OF JULY 1, 2025

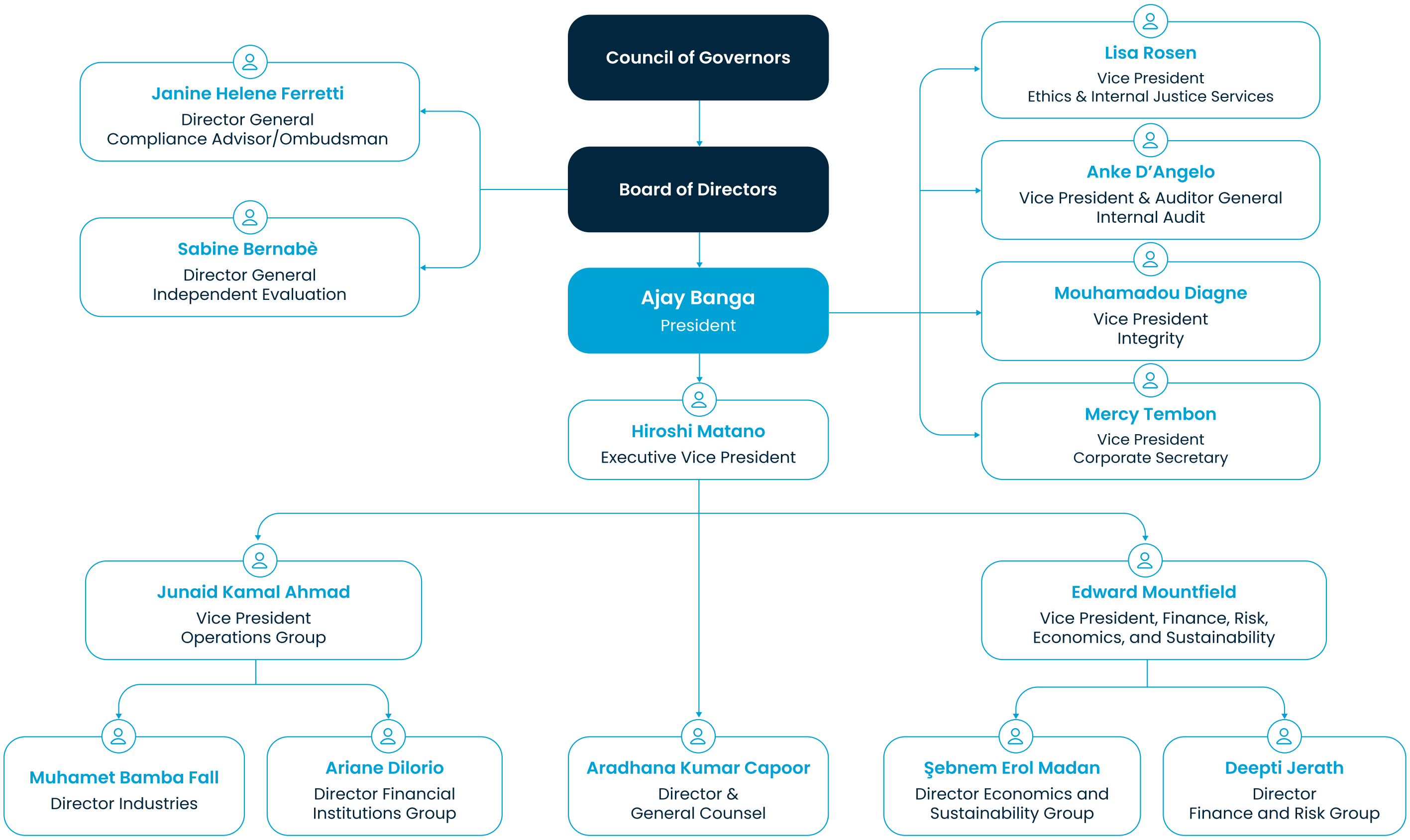


[1] Dotted reporting line to the MDCAO.
[2] Additional units reporting to the MDCAO include the Group Strategy Office, WBG Health and Safety Directorate, and Global Corporate Solutions. The Office of Suspension and Debarment, and the Sanctions Board Secretariat also report to the MDCAO for administrative purposes.
[3] Dual reporting line to the MDCFO and MDCAO.
[4] Dotted reporting line to the President.

INTERNATIONAL FINANCIAL CORPORATION ORGANIZATIONAL CHART AS OF SEPTEMBER 16, 2025



MULTILATERAL INVESTMENT GUARANTEE ORGANIZATIONAL CHART AS OF APRIL 1 2025



Staff of the Office of Executive Director (EDS14), WBG

MEET THE TEAM

Dr. Zarau Wendeline Kibwe

Executive Director

Lonkhululeko Magagula

Alternate Executive Director

Ndapiwa Segole
Senior Advisor

Azhari Elamin
Senior Advisor

Abdirahman Bashir Shariff
Senior Advisor

Emmanuel Plingloh Munyeneh
Senior Advisor

Venuste Ndikumwenayo
Advisor

Josef Halwoodi
Advisor

Sam Morris Aruna
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AFRICA GROUP I CONSTITUENCY