



THE WORLD BANK GROUP
OFFICE OF THE EXECUTIVE DIRECTOR

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**Papua
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Australia 

ANNUAL REPORT

Marshall Islands 

Tuvalu 

Kiribati 

**Solomon
Islands** 

Samoa 

Vanuatu 

New Zealand 

FISCAL YEAR
2018-2019

**WORLD BANK GROUP – EAST ASIA / PACIFIC CONSTITUENCY
OFFICE ANNUAL REPORT FY2019**

CONTENTS

EXECUTIVE SUMMARY

ABBREVIATIONS AND ACRONYMS

CONSTITUENCY OFFICE

Governors and Alternate Governors for the Constituency.....	1
Executive Director, Alternate Executive Director and Staff.....	2
Voice Secondment Program... ..	3

ISSUES OF INTEREST TO OUR CONSTITUENCY

IDA19 Update	3
Debt Sustainability	4
Climate change and resilience	5
Fragility, conflict and violence (FCV) and crisis response	6
Small States including Small Island Economies Exceptions	6
Human Capital Index and Human Capital Project.....	7
Capital Increase	8
Doing Business Report	9
Human resources update	10

FINANCIAL RESULTS

IBRD	12
IDA	12
IFC	13
MIGA.....	13

ANNEXES

Annex 1. List of FY2019 Constituency Country Developments and Approved Projects.....	14
Annex 2. Governors’ Resolutions.....	18
Annex 3. World Bank Group Organizational Structures	19

ANNUAL REPORT FY2019: EDS09 CONSITUENCY OFFICE

EXECUTIVE SUMMARY

During 2019, the World Bank Group experienced a combination of continuity and changes of benefit to our constituency.

Our recently appointed President, David Malpass, has led the way in promoting our twin goals of eliminating extreme poverty and achieving shared prosperity. Following Kristalina Georgieva's move to the International Monetary Fund, Mr. Axel van Trotsenburg has been appointed as Managing Director, Operations. Mr. Trotsenburg has vast experience in country operations and managing regional programs, including as Vice President for the East Asia and Pacific Region from 2013 to 2016.

Our constituency nations have continued to receive vital development support from the Bank Group (Annex 1). In 2019, approved projects totalled US\$658.44 million, up from US\$486.85 million approved in 2018. These projects span a range of development needs including climate resilience. And encouragingly, projects 'in the pipeline' amounting to US\$672.26 million will maintain the Bank Group's strong support and engagement.

The constituency office has also contributed to the International Development Association's replenishment IDA19 negotiations. On current indications, as the total amount of IDA19 is expected to be similar to IDA18, IDA19 allocations to our constituency will be close to IDA18 allocations.

As outlined in this report, debt vulnerability is a growing threat to durable development. Sustainable financing is an important tool for economic growth and poverty eradication. It boosts countries' capacity for long-term investments in infrastructure, education, employment, and health. However, the rapid rise in debt accumulation and the shifts in debt composition pose new challenges. For both borrowers and creditors to safeguard debt sustainability, and for governments to design effective macroeconomic policies, debt transparency is critical.

Climate change is an acute threat to global development and efforts to end poverty. Without urgent action, climate change impacts could push an additional 100 million people into poverty by 2030. The World Bank Group is more committed than ever to helping countries meet their national climate targets.

The private sector is a vital partner in generating jobs and raising living standards. The constituency office continues to support the efforts of Bank Group staff, including IFC and MIGA, to facilitate and expand investments and create markets in our constituency. In this regard, the Bank's annual Doing Business Survey can be a useful guide for measures to attract private investment.

ABBREVIATIONS AND ACRONYMS

CAT-DDO	Catastrophe Deferred Drawdown Options
DPO	Development Policy Operation
DRM	Disaster Risk Management
DSEP	Debt Sustainability Enhancement Program
DSF	Debt Sustainability Framework
EODB	Ease of Doing Business Score
FSM	Federated States of Micronesia
FY	Fiscal Year
H-EQIP	Health Equity and Quality Improvement Project
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communication Technology
IDA	International Development Association
IDA18	International Development Association/18 th Replenishment by IDA Donors
IDA19	International Development Association/19 th Replenishment by IDA Donors
IFC	International Finance Corporation
IMF	International Monetary Fund
LIC	Lower Income Country
MIGA	Multilateral Investment Guarantee Agency
PNG	Papua New Guinea
PSW	Private Sector Window
SDFP	Sustainable Development Finance Policy
SIEE	Small Island Economies Exception

All monies expressed in US\$ unless indicated otherwise
FY2019 – refers to 1 July 2018-30 June 2019

CONSTITUENCY OFFICE

GOVERNORS AND ALTERNATE GOVERNORS FOR THE CONSTITUENCY*

Member Countries	Governor	Alternate Governor
Australia	Hon. Josh Frydenberg, MP	Hon. Michael Sukkar, MP
Cambodia	H.E. Aun Pornmoniroth	H.E. Vongsey Vissoth
Kiribati	Hon. Teuea Toatu	Mr. Benjamin Tokataake
Korea	Hon. Nam-Ki Hong	Mr. Ju Yeol Lee
Marshall Islands	Hon. Brenson S. Wase	Hon. David Paul
Federated States of Micronesia	Vacant	Mrs. Senny Phillip
Mongolia	Hon. Khurelbaatar Chimed	Mr. Nadmid Bayartsaikhan
Nauru	Hon. Martin Hunt, MP	Mr. John Petersen
New Zealand	Hon. Grant Robertson	Ms. Caralee McLiesh
Palau	Hon. Elbuchel Sadang	Mr. Casmir Remengesau
Papua New Guinea	Hon. Ian Ling-Stuckey, MP	Mr. Dairi Vele
Samoa	Hon. Sili Epa Tuioti	Mr. Oscar Thomas Malielegaoi
Solomon Islands	Hon. Harry Degruit Kuma	Mr. McKinnie Dentana
Tuvalu	Hon. Seve Paeniu	Mr. Karlos Lee Moresi
Vanuatu	Hon. Gaetan Pikioune	Mr. Letlet August

* As of September, 2019

EXECUTIVE DIRECTOR, ALTERNATE EXECUTIVE DIRECTOR AND STAFF



- Executive Director Kunil Hwang (Korea)
- Alternate Executive Director Gerard Antioch (Australia)
- Senior Advisor Warwick White (New Zealand)
- Senior Advisor Jerry Nathan (Marshall Islands)
- Advisor Kirsty McNichol (Australia)
- Advisor Bokwon Lee (Korea)
- Advisor Ulzii Dash (Mongolia)
- Advisor Tony Sewen (Vanuatu)
- Advisor Tobais Bule (Solomon Islands)
- Program Assistant Beatrice Nguerekata
- Program Assistant Monica Eun Jong Chang
- Program Assistant Elsa Warouw

VOICE SECONDMENT PROGRAM

As part of the World Bank Group's (the Bank) capacity enhancement efforts the Executive Directors initiated a Voice Secondment Program for Officials from Developing and Transition Countries. The Program helps increase the "voice of the eligible participating countries" in the Bank's decision-making processes, with its main objectives being:

- helping Executive Directors and Bank operational teams in their relations with constituencies from Developing and Transition Countries;
- strengthening the ability of the capitals to provide timely and adequate feedback to Executive Directors and Bank operational teams; and
- increasing the knowledge of Secondees in relation to Bank procedures, products and operations.

Secondees are placed in various Bank units with a mentor who provides coaching. To avoid any potential conflicts of interest, Secondees work on assignments other than their own country (unless there is a very strong business case to do so).

The Program is managed by the Bank's Corporate Secretariat Bank under the oversight of a Steering Group, comprising high level staff from management and offices of Executive Directors. The Steering Group is responsible for final selection of Secondees.

The duration of the program is 6 months, starting the first week of January each year. Each cohort has approximately 25 participants.

From our constituency, Ms. Chhun Bunnary from Cambodia recently completed the program in June 2019 as part of the 15th cohort. She was assigned to the Social, Urban, Rural and Resilience Global Practice Unit, where was able to increase and strengthen her knowledge of World Bank Group operations and received first-hand work experience with the World Bank Group.

Nominations for the 16th cohort, from January to June 2020, were received from six countries from our constituency (Mongolia, Nauru, Papua New Guinea, Samoa, Tuvalu and Vanuatu). Ms. Ulzijjargal Gonchig from Mongolia and Ms. Maryanne Maspok from Papua New Guinea were selected for the 16th cohort. This is the first time a Mongolian candidate has been selected for the program. We look forward to welcoming them to Washington DC and working with them.

ISSUES OF INTEREST TO OUR CONSTITUENCY

IDA19 UPDATE

The Bank, IDA Deputies and Borrower Representatives are currently working together on the IDA19 replenishment, which will be operational from 1 July 2020 to 30 June 2023. Although final funding will be decided in December 2019, countries are expected to benefit from similar allocations in IDA19 as in IDA18.

In addition to country's performance-based allocations, IDA-eligible countries, including small states, will be able to benefit from various 'windows', or allocations for specific needs, such as the Crisis Response Window, the Regional Window and the IFC/MIGA Private Sector Window (PSW).

The Crisis Response Window provides IDA countries with additional resources that will help them respond to severe economic crises, major natural disasters, and public health emergencies and epidemics, and to then return to their long-term development paths. Current IDA19 discussions are considering whether funding should be extended to support early response to slower-onset crises, such as food insecurity caused by drought.

The Regional Window provides funding to co-finance projects that help IDA countries achieve their regional integration objectives. The Regional Window has been used in our constituency, for example, in the Pacific Aviation Investment Program.

The IFC/MIGA PSW catalyzes private sector investment in IDA-only countries, including fragile and conflict-affected states. The PSW recognizes the private sector is central to achieving development outcomes. It helps mitigate the uncertainties and risks, real or perceived, to high impact private sector investment. The PSW is an option when there is no commercial solution and the World Bank Group's other tools and approaches are insufficient. Within our constituency, Cambodia has so far accessed the PSW, for example, through the Small Loan Guarantee Program. IFC is exploring actively how the PSW can be used to support the private sector in other constituency members.

Discussions about Mongolia graduating from IDA are ongoing and will be decided toward the end of 2019.

DEBT SUSTAINABILITY

Debt sustainability is a growing concern for many members of the Bank. In June 2019, IDA Deputies and Borrower Representatives agreed to a comprehensive framework to managing debt vulnerability in IDA countries. This new Sustainable Development Finance Policy (SDFP) replaces the Non-Concessional Borrowing Policy and will apply to IDA19.

The objective of the SDFP is to assist IDA countries establish a path of sustainable development finance that both enhances progress to achieving the 2030 Development Agenda and strengthens capacity to manage debt vulnerabilities.

The SDFP has two pillars. The first pillar is the Debt Sustainability Enhancement Program (DSEP), which provides a performance-based set aside of IDA funds to incentivize countries to move towards sustainable borrowing policies. Countries at low risk of debt distress will have access to 100% of their core allocations. Countries in moderate debt distress will have 10% of their country allocation set aside, while countries in high debt distress will have 20% of their allocation set aside. Set aside funding will be released on satisfactory implementation of agreed policy actions. Policy actions will be mutually agreed annually and will aim to strengthen fiscal sustainability, debt management and/or debt reporting coverage/timing.

The second pillar of the SDFP is the Creditor Outreach Program. The objective of the program is to facilitate information sharing, dialogue and coordination among creditors, including multilateral development banks (MDBs), bilateral creditors and non-Paris Club private creditors. This includes urging creditors to sparingly use secured lending structures, to raise awareness about the negative pledge clauses of MDBs, and to strengthen outreach with debtor countries to reinforce their obligations to report non-concessional borrowing.

More information about the SDFP can be found at:

<http://documents.worldbank.org/curated/en/296411555639304820/pdf/Debt-Vulnerabilities-in-IDA-Countries-Policy-Options-for-IDA19.pdf>

CLIMATE CHANGE AND RESILIENCE

Climate Change is a threat to the core mission of the Bank. It presents enormous challenges and opportunities for development, making it essential that climate and development be tackled in an integrated way.

The Bank is continuing to support countries to meet their climate change commitments under the Paris Agreement and actively working with countries to help them deliver on their Nationally Determined Contributions by translating pledges into specific policies, and providing knowledge sharing, technical assistance, and financing. This work is captured in the Bank's *Climate Change Action Plan*.

The Bank is moving quickly toward meeting its *Climate Change Action Plan* targets. For example, it has already reached its co-financing target with FY2019 committing US\$14 billion, or 30% of total commitments, to projects that had climate co-benefits (the target was to increase climate financing to 28% of the Bank's portfolio by 2020).

In the East Asia and Pacific region, climate change is one of the critical mega-trends and challenges, as it includes some of the most vulnerable areas, notably the small island countries. The Action Plan's three main priorities for this region are structured under three pillars: (i) climate policy development and improvements in climate-smart planning, financing, and execution; (ii) climate adaptation and resilient development; and (iii) support for low-carbon development.

Specific initiatives in the Pacific Region for addressing climate issues include the Pacific Catastrophic Risk Assessment & Financing Initiative (PCRAFI), Pacific Resilience Program, and the Small Island State Resilient Initiative (SISRI).

The Bank's future commitment to each country's development challenges and priorities within the region will continue to rely on the Regional Partnership Framework, the Systematic Country Diagnostic (SCD) and Country Partnership Frameworks (CPF).

The Bank has stepped up its support for disaster resilience and rapid deployment of post-disaster support through IDA's Crisis Response Window (CRW) and other financial instruments geared toward building resilience against natural disasters. This is reflected in the Bank's target to ramp up adaptation finance to US\$50 billion over the FY2021-FY2025 from its own resources and mobilizing private financing.

In addition to the CRW, other tools available to respond to crises include Emergency Recovery Projects, Contingent Emergency Response Components (CERCs) in Investment Project Financing and Catastrophe Deferred Drawdown Options (CAT-DDO) in Development Policy Financing. In addition, green bonds, blue bonds, catastrophe bonds, challenge bonds, development impact bonds, and diaspora bonds can help build resilience. This range of support is available to members, including small states.

FRAGILITY, CONFLICT AND VIOLENCE (FCV) AND CRISIS RESPONSE

The Bank is currently developing its strategy for fragility, conflict and violence (FCV). The impact of FCV is particularly profound on the most vulnerable people and communities whose livelihoods and economic opportunities are threatened.

The four pillars of the proposed FCV strategy include:

1. Focusing on prevention and addressing the key drivers of conflict;
2. Remaining engaged during active conflict to preserve human capital and key institutions;
3. Helping countries transition out of fragility; and
4. Mitigating the cross-border impacts of FCV situations, for example through support for refugees and host communities.

Public consultations on the concept note for the strategy have occurred throughout 2019. The draft FCV strategy will soon be available online for a second phase of consultations with the intention for it to be finalized by the end of 2019.

The concept note recognizes that climate change, in particular, is a ‘threat multiplier’: it will aggravate already fragile situations and will contribute to more social upheaval, and even violent conflict. Climate risks – for example extreme weather events and disasters, volatile food prices, and sea-level rise and coastal degradation – increase vulnerability, exacerbate grievances, and deepen pre-existing fragility.

The Strategy for Fragility, Conflict and Violence Concept Note can be found at:

https://consultations.worldbank.org/Data/hub/files/consultation-template/world-bank-group-strategy-fragility-conflict-and-violence/en/materials/conceptnote_06_041519.pdf

SMALL STATES, INCLUDING SMALL ISLAND ECONOMIES EXCEPTIONS

The World Bank Group continues to recognize the ongoing challenges that small island economies are faced with. These include high risk and vulnerability to economic shocks and natural disasters, small domestic markets, fragile debt sustainability, high cost of building resilience to climate change, limited domestic resource mobilization, limited creditworthiness, and difficulties in attracting public and private financing.

The Bank supports Small States to address these unique developmental challenges through; (a) enhancing access to concessional finance; (b) supporting efforts to build resilience and improve disaster risk management; (c) mobilizing climate financing; (d) supporting economic diversification with a focus on the ‘blue economy’; (e) addressing the negative impacts of de-risking on Small States’ access to financial services; and (f) supporting capacity building. The Banks’ commitment and support to Small States is reflected in the ten-fold increase in IDA’s minimum base allocation over the past four IDA cycles.

Small Island Economies Exception

As part of its commitment to support small island economies, in March 2019 the Board approved a revised policy for these countries to access highly concessional IDA funding. The revised Small Island Economies Exception (SIEE) policy provides a pathway for these economies to access IDA funding when:

1. they have a per capita income at or below the Graduation Discussion Income threshold which is currently US\$6,795;
2. they are vulnerable to natural disasters or long-term climate change;
3. their sovereign credit rating is below investment grade; and
4. their access to IBRD resources is assessed to be inadequate and/or unaffordable.

The SIEE policy provides the most concessional terms IDA has to offer with 40 years repayment, 10 years grace, and no interest.

Under this policy, a country will move to slightly hardened IDA terms once their Gross National Income per capita exceeds the high-income threshold of US\$12,055 for at least three years, with the terms subject to an assessment of debt distress.

The revised criteria provide certainty for small island economies about their access to IDA resources and the conditions under which IDA terms will change. As a result of these changes, Fiji gained access to IDA funding on IDA blend terms from 1 July 2019.

Under this revised policy, discussions for graduating from the SIEE access to IDA are likely to start with some Caribbean countries in the next five years, depending on their actual economic growth, particularly for Grenada and St Lucia. No Pacific countries are expected to graduate from the SIEE in the foreseeable future.

The Bank is also working on how it can assist Palau and Nauru, who are not eligible to access IDA under the SIEE but are also not able to access IBRD support.

HUMAN CAPITAL INDEX AND HUMAN CAPITAL PROJECT

Human capital is a central driver of sustainable growth and poverty reduction and will be increasingly more so as the nature of work evolves in response to rapid technological change. Yet countries often underinvest in the quality and quantity of resources aimed at developing human capital.

The Bank's Human Capital Project is a global effort to accelerate better and more investments in people.

A key component of the project is the Bank supporting countries in their national strategies to strengthen human capital. All Bank client countries can participate in the Project with Papua New Guinea, from our constituency, being one of the early participants. There are now over 60 countries who have joined the Project.

The Human Capital Index is another key component of the project. This index links education and health outcomes to productivity and income levels. Launched in October 2018, the index covered 157 countries. The next release, expected in 2020, will cover more countries, including small island countries in our constituency not captured in the initial release of the index.

Results from the 2018 Human Capital Index for our constituency members are:

Country Name	Probability of Survival to Age 5	Expected Years of School	Harmonized Test Scores	Learning-Adjusted Years of School	Fraction of Kids Under 5 Not Stunted	Adult Survival Rate	HUMAN CAPITAL INDEX
Australia	1.00	13.8	524	11.6	0.98	0.95	0.80
Cambodia	0.97	9.5	452	6.9	0.68	0.83	0.49
Kiribati	0.95	11.6	383	7.1	..	0.81	0.48
Korea, Rep.	1.00	13.6	563	12.2	0.98	0.94	0.84
Mongolia	0.98	13.6	435	9.4	0.89	0.79	0.63
New Zealand	0.99	13.6	517	11.3	..	0.94	0.77
Papua New Guinea	0.95	8.2	358	4.7	0.50	0.78	0.38
Solomon Islands	0.98	9.2	362	5.3	0.68	0.86	0.44
Tuvalu	0.98	11.9	387	7.4	0.90	..	0.55
Vanuatu	0.97	10.6	356	6.1	0.72	0.87	0.47

In addition to updating the index, the Bank will be working on disaggregating the data (e.g., at the subnational level), improving data quality, exploring other dimensions of human capital (such as skills of the working-age population), and developing a progress tracking tool to aid policymakers.

A fuller update on the Human Capital Project has been provided to the Development Committee for discussion at the 2019 Annual Meetings. This update can be found at:

https://devcommittee.org/sites/devcommittee.org/files/download/Documents/201909/Human%20capital%20project%20Final_DC2019-0007.pdf

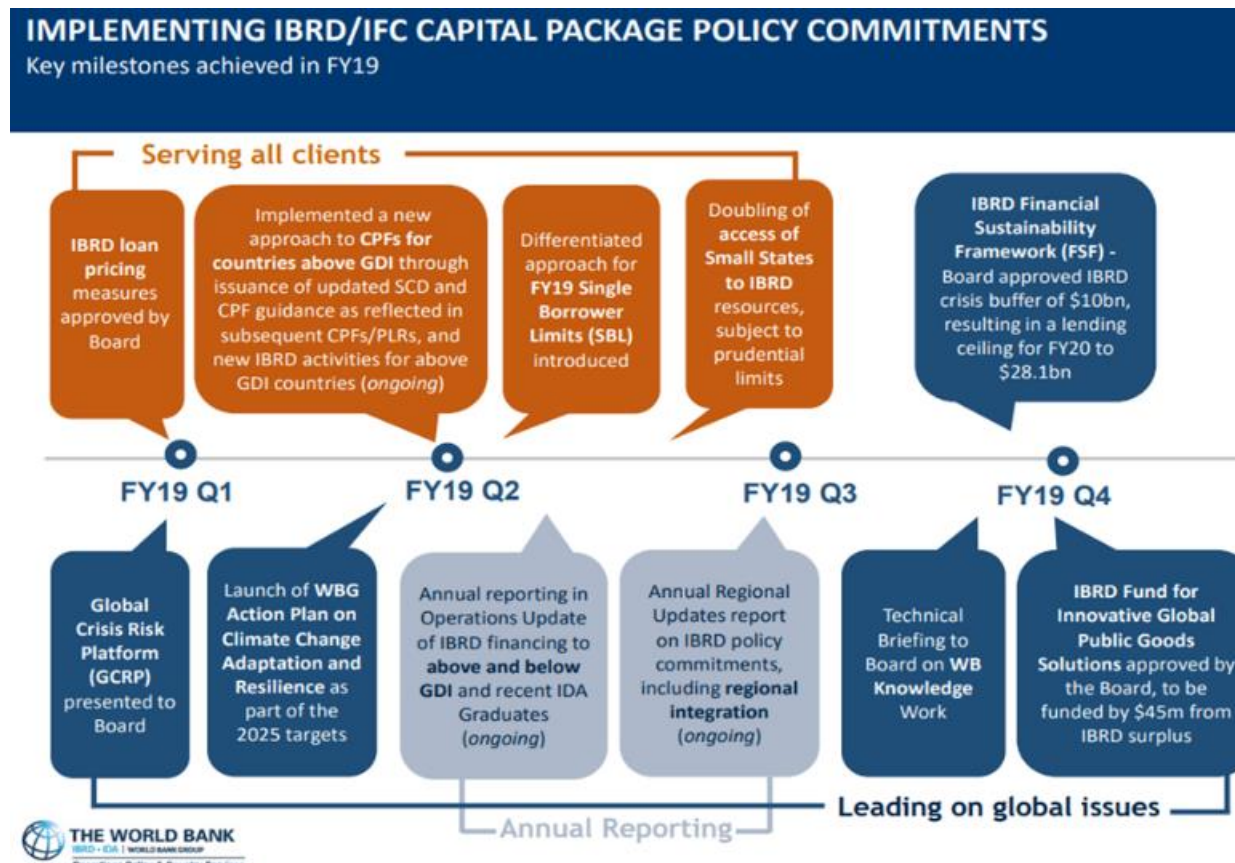
CAPITAL INCREASE

Implementation of the Capital Increase Package

Following the Development Committee's endorsement in 2018 of a US\$13.0 billion paid-in capital increase for IBRD and IFC:

- Governors approved a US\$7.5 billion capital increase for IBRD. Governors now have until 2023 to subscribe to and pay for their allocated shares.
- The voting threshold for adopting IFC's proposed US\$5.5 billion capital increase has yet to be reached. The voting period has been further extended to 18 March 2020. To reach the threshold requires the support of the United States, which holds nearly 21% of the voting power, but it has yet to submit its votes.

Accompanying the capital increase was a comprehensive set of commitments endorsed by the Development Committee. The following summarises progress in FY2019 in delivering on these commitments¹:



DOING BUSINESS REPORT

Doing Business is based on the principle that economic activity benefits from clear and coherent rules which set out strong property rights, facilitate the resolution of disputes and provide contractual partners with protections against arbitrariness and abuse. The theme for the 2019 *Doing Business Report* (16th edition) is *Training for reform*. This year's report presents four case studies that focus on training opportunities for public officials and communication of regulatory changes.

The *Doing Business Report* measures and compares aspects of regulations that enable or prevent private sector businesses from starting a business, getting a location, accessing financing, operating a business and expanding it in the 190 economies.

¹ The full list of commitments are detailed in the report to the 2018 Spring Meetings Development Committee; see http://siteresources.worldbank.org/DEVCOMMINT/Documentation/23776700/DC2018-0002_P SustainableFinancing421.pdf.

These are measured using 11 indicator sets: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes trading across borders, enforcing contracts, resolving insolvency and labor market regulation.

The rankings and scores show that more economies are acting to reform regulatory environment to make it easier to start and operate business. This edition finds that entrepreneurs in 128 economies showed improvements in their local regulatory framework and documented 314 business reforms. Reforms reduce regulatory complexity and cost of starting a business, dealing with construction permits, getting electricity, registering property, getting credit and trading across borders.

This year the name of the Doing Business “distance to frontier” score has been changed to “ease of doing business score” (EODB) to better reflect the main idea of the measure.

In 2019, many countries in our constituency improved their overall business environment as reflected in the EODB scores. However, as other countries made even stronger gains in their EODB scores, the rankings of our member countries typically declined relative to these other countries. Two of our constituents maintained their ranks among the top five. New Zealand remained at the top spot and the Republic of Korea ranked at 5th place.

The table below shows the Ease of Doing Business ranking for constituency countries.

No.	Economy	2019		2018	
		Rank	EODB* Score	Rank	DTF** Score
1	New Zealand	1	86.59	1	86.55
2	Republic of Korea	5	84.14	4	83.92
3	Australia	18	80.13	14	80.14
4	Mongolia	74	67.74	62	69.03
5	Samoa	90	63.77	87	63.89
6	Vanuatu	94	62.87	90	63.08
7	Papua New Guinea	108	60.12	109	59.04
8	Solomon Islands	115	59.17	116	58.13
9	Palau	133	55.59	130	55.58
10	Cambodia	138	54.80	135	54.47
11	Republic of Marshall Islands	150	51.62	149	51.45
12	Federated States of Micronesia	160	48.99	155	48.99
13	Kiribati	158	49.07	157	48.74
14	Nauru	n/a	n/a	n/a	n/a
15	Tuvalu	n/a	n/a	n/a	n/a

*Ease of doing business **Distance to frontier

HUMAN RESOURCES UPDATE

A. Decentralization

The Bank is moving to strengthen its presence on the ground to better support its clients, especially in fragile and lower income countries. A working group is currently developing a decentralization strategy

(the “Global Footprint”) for IBRD and IDA, and IFC has begun the process of aligning its staffing strategy with its global footprint decisions. The completion of the decentralization strategy is yet to be confirmed.

IFC and IBRD/IDA are jointly developing a real estate strategy in collaboration with the decentralization working group. Co-location, including in hubs, will be sought where possible, supporting joint work, efficient use of space and improved security management. On fragile states, in particular, the Bank is developing a strategy to enhance operational effectiveness, which will include strengthening on-the-ground impact and improving the employment value proposition, as well as addressing risks such as staff safety and security in high threat locations. The decentralization working group is looking at various options and aspects, including workforce location, facilities and security, human resource policies, delegation of authority, and cost implications. It plans to engage the Board on this work in the coming months. It is expected that implementation of the strategy will span multiple fiscal years, and it is assumed that the initial cost for FY2020 will be absorbed within the proposed trajectory.

B. Workforce plan FY2019-2021

Workforce plans project a 2% growth in staff over the period to FY2021 compared to plans considered in FY2018. Over 90% of the additional positions will be in operational units, further increasing the operations’ share of the workforce. In line with guidance on rebalancing the workforce, the proportion of GF and GG roles is expected to increase while that for GH staff to decline.

The proportion of field-based positions is expected to increase at a greater rate than US based positions, reflecting engagement in these workforce plans of the decentralization working group. The Bank is on track to meet the IDA/fragile country staffing targets by FY2020.

C. Diversity and Inclusion

In FY2019, Bank senior leadership continued to show its commitment to create a more diverse and inclusive workforce. During the year, the senior management team signed a new Diversity & Inclusion Compact and the Bank continues to make progress towards:

- Achieving gender balance in senior management (GJ-GK) by 2020. As of end-FY2019, women account for 48.9% of senior management.
- Achieving gender balance at GF+ technical by 2022. As of end-FY2019, women’s share of GF+ technical is 45.9%, an increase of 0.8% over FY2018.
- Reaching the second level of Economic Dividends through Gender Equality (EDGE) certification process by 2020. The Bank begins the recertification process in FY2020-Q1.

FINANCIAL RESULTS

World Bank Group FY2019 Overview

Commitments			Gross Disbursements			Net Portfolio Exposure			Allocable/Net Income			Capital Adequacy		
\$59.5 billion			\$52.3 billion			\$413.9 billion			\$2,406 million					
7% decrease			9% increase			4% increase			13% increase					
IBRD	23.2	1%	IBRD	20.2	16%	IBRD	200.4	5%	IBRD	1,190	3%	IBRD	22.8%	-0.1%
IDA	21.9	-9%	IDA	17.5	22%	IDA	157.4	5%	IDA	225	158%	IDA	35.3	-6%
IFC	8.9	-23%	IFC	9.1	-19%	IFC	47.8	-2%	IFC	909	-31%	IFC	11.6%	33%
MIGA	5.5	6%	MIGA	5.5	6%	MIGA	8.3	5%	MIGA	82	101%	MIGA	46.5%	-0.1%

IBRD

IBRD's FY2019 results were similar to those achieved in FY2018. IBRD made commitments totaling US\$23.2 billion, a similar level to FY2018, with the outstanding portfolio growing 5% to US\$192.6 billion.

Allocable Income increased to US\$1,190 million, reflecting higher loan spread and equity income with administration expenses contained. These improvements were partially offset by lower investment income and higher loan loss provisions. In line with agreed formula for income allocation, US\$831 million was retained in the General Reserve to support a stronger balance sheet, a further US\$259 million transferred to IDA, and the remaining \$100 million transferred to surplus (of which US\$45 million was subsequently transferred to the new IBRD Fund for Innovative Global Public Goods Solutions).

IBRD's capital adequacy, measured by the equity-to-loan ratio, continues to remain stable at 22.8% and above the Board's minimum threshold level of 20%.

IDA

During FY2019, IDA commitments totaled US\$21.9 billion, a drop from FY2018's record high of US\$24.0 billion. However, the amount committed to small states in FY2019 doubled to US\$0.8 billion, bringing total IDA18 commitments to date to US\$1.2 billion.

By the end of FY2019, US\$45.9 billion (61%) of IDA18's record US\$75.0 billion replenishment had been committed, which means it is on track to fully commit the replenishment by the end of FY2020.

IDA's capital adequacy, as measured by Deployable Strategic Capital, continues to remain strong at 35.3%, reflecting its financing model whereby contributions are typically received well in advance of disbursements.

IFC

IFC's volume of activity reduced in FY2019. This is reflected in IFC long-term financing (US\$8.9 billion) and core mobilization commitments (US\$10.2 billion) totaling US\$19.1 billion, compared to US\$23.3 billion in FY2018, and a lower number of projects (269 in FY2019 compared to 366 in FY2018).

Allocable income was also lower, at US\$0.9 billion, reflecting higher impairments for debt and equity securities as well as lower realized gains on equity investments. These were only partially offset by higher net income from treasury activities (in line with strong rally in US Treasuries) and loans and securities (reflecting higher balances).

IFC's capital adequacy, as measured by Deployable Strategic Capital, strengthened to 11.6% primarily from changes in its equity and debt portfolio composition.

MIGA

MIGA continued to grow strongly in FY2019. It issued US\$5.5 billion in new guarantees; a new record building on last year's previous high of US\$5.3 billion. These new guarantees contributed to higher gross outstanding exposure of US\$23.3 billion at the end of FY2019, of which 64% is reinsured (MIGA's net exposure is US\$8.3 billion).

This strong growth was also evident in MIGA's operating performance, with net income doubling to US\$82.0 million.

ANNEXES

ANNEX 1 - LIST OF FY2019 CONSTITUENCY COUNTRY DEVELOPMENTS AND APPROVED PROJECTS

FY2019 Approved projects

Project Title	Country	Project ID	Commitment Amount (US\$ million)	Status	Approval Date
Cambodia Sustainable Landscape and Ecotourism Project	Cambodia	P165344	50.66	Active	May 30, 2019
Cambodia Nutrition Project	Cambodia	P162675	15.0	Active	April 4, 2019
Water Supply and Sanitation Improvement Project	Cambodia	P163876	55.0	Active	March 28, 2019
Cambodia Agricultural Sector Diversification Project	Cambodia	P163264	91.67	Active	January 31, 2019
Additional Financing for Health Equity and Quality Improvement Project (H-EQIP)	Cambodia	P167351	6.0	Active	December 18, 2018
Kiribati Fifth Economic Reform Development Policy Operation	Kiribati	P167263	5.0	Active	November 29, 2018
Marshall Islands Maritime Investment Project	Marshall Islands	P161382	33.12	Active	May 9, 2019
Multisectoral Early Childhood Development Project	Marshall Islands	P166800	13.0	Active	February 28, 2019
Additional Financing for the Pacific Resilience Project under the Pacific Resilience Program	Marshall Islands	P166974	2.5	Active	September 27, 2018
Federated States of Micronesia Maritime Investment Project	Micronesia, Federated States of	P163922	38.49	Active	May 9, 2019
Sustainable Energy Development & Access Project	Micronesia, Federated States of	P165183	30.0	Active	December 6, 2018
Papua New Guinea Development Policy Operation	Papua New Guinea	P165717	150.0	Active	October 25, 2018
Samoa Aviation Investment Project Additional Finance II	Samoa	P169279	2.2	Active	May 9, 2019

Second Resilience Development Policy Operation with a Cat-DDO	Samoa	P165928	13.7	Active	November 29, 2018
SAMOA - Pacific Resilience Project under Pacific Resilience Program Additional Finance	Samoa	P167152	2.5	Active	October 1, 2018
Samoa Climate Resilient Transport Project	Samoa	P165782	35.75	Active	September 14, 2018
Samoa Agriculture & Fisheries Productivity and Marketing Project (SAFPROM)	Samoa	P165873	19.95	Active	July 2, 2019
TV: Telecommunications and ICT Development Project	Tuvalu	P159395	29.0	Active	January 15, 2019
Maritime Investment in Climate Resilient Operations	Tuvalu	P161540	20.0	Active	December 18, 2018
Entrepreneurship-focused socioemotional skills for the most vulnerable youth in rural Mongolia	Mongolia	P165310	2.75	Active	August 22, 2019
Second Economic Management Support Operation	Mongolia	P167485	100.0	Active	July 30, 2019
Strengthening Governance in Mongolia	Mongolia	P168248	2.44	Active	April 26, 2019
Social Accountability Subprojects	Mongolia	P167114	0.46	Active	February 18, 2019
Additional Financing to Ulaanbaatar Clean Air Project	Mongolia	P167421	12.0	Active	September 30, 2019
Urban Water Supply and Sanitation Sector Project	Solomon Islands	P165872	15.0	Active	May 16, 2019
Solomon Islands Roads and Aviation Project	Solomon Islands	P166622	51.0	Active	March 28, 2019
GEF Electricity Access and Renewable Energy Expansion Project	Solomon Islands	P167381	0.95	Active	July 5, 2018
Electricity Access and Renewable Energy Expansion Project	Solomon Islands	P162902	10.3	Active	July 5, 2018
		TOTAL	658.44		

Total Approved projects for FY2019: US\$658.44 million.

Total Approved projects for FY2018: US\$486.85 million.

FY2019 Projects in the Pipeline

Project Title	Country	Project ID	Commitment Amount (US\$ million)	Status
Cambodia Road Connectivity Improvement	Cambodia	P169930	100.0	Pipeline
Integration of Social Accountability into National and Subnational Systems	Cambodia	P171089	0.81	Pipeline
Engaging Citizens to Improve Service Delivery Through Social Accountability	Cambodia	P171090	5.95	Pipeline
Land Allocation for Social and Economic Development Project III	Cambodia	P171331	90.0	Pipeline
Pacific Islands Regional Oceans Cape Program - Kiribati	Kiribati	P165821	15.0	Pipeline
Kiribati Outer Islands Transport Infrastructure Investment Project	Kiribati	P165838	21.0	Pipeline
Kiribati Sixth Economic Reform Development Policy Operation	Kiribati	P169179	5.0	Pipeline
Statistical Innovation and Capacity Building in Kiribati	Kiribati	P171380	1.0	Pipeline
South Tarawa Water Supply Project	Kiribati	P162938	15.0	Pipeline
Digital FSM	Micronesia, Federated States of	P170718	20.0	Pipeline
PNG Agriculture Commercialization and Diversification Project	Papua New Guinea	P166222	40.0	Pipeline
Urban Youth Employment Project II	Papua New Guinea	P166420	35.0	Pipeline
Papua New Guinea Resilient Transport Project	Papua New Guinea	P166991	50.0	Pipeline
Improving Access to and Value from Health Services in PNG: Financing the Frontlines	Papua New Guinea	P167184	30.0	Pipeline
Energy Utility Performance and Reliability Improvement Project	Papua New Guinea	P167820	30.0	Pipeline

Papua New Guinea - Second Economic and Fiscal Resilience DPO	Papua New Guinea	P168148	69.9	Pipeline
BOUGAINVILLE PNG: Capacity Building for the Sustainable Management of Mineral Resources (RE)	Papua New Guinea	P162917	2.6	Pipeline
Tuvalu DPO and DRM CAT-DDO	Tuvalu	P170558	13.5	Pipeline
Vanuatu Climate Resilient Transport Project	Vanuatu	P167382	66.0	Pipeline
Vanuatu Disaster Risk Management Development Policy Grant with a Catastrophe-Deferred Drawdown Option (CAT-DDO)	Vanuatu	P168749	10.0	Pipeline
Livestock Commercialization Project	Mongolia	P165945	30.0	Pipeline
Solomon Islands Development Policy Operation	Solomon Islands	P167465	10.0	Pipeline
Additional Financing to Rural Development Program II	Solomon Islands	P170283	2.2	Pipeline
Samoa Health System Strengthening Program	Samoa	P164382	9.3	Pipeline
	TOTAL		672.26	

ANNEX 2 – GOVERNORS’ RESOLUTIONS

No.	RESOLUTION TITLE	DATE
IBRD		
663	2018 General Capital Increase	October 1, 2018
664	2018 Selective Capital Increase	October 1, 2018
665	Financial Statements, Accountant’s Report and Administrative Budget	October 12, 2018
666	Allocation of FY2018 Net Income	October 12, 2018
667	Resolution of Appreciation	October 12, 2018
668	Transfer for Surplus to Replenish the Trust fund for Gaza and West Bank	July 22, 2019
669	Forthcoming Annual Meetings of the Boards of Governors Proposed Dates for the 2022 and 2023 Annual Meetings in Washington, D.C.	July 29, 2019
670	Direct Remuneration of Executive Directors and their Alternates	September 5, 2019
671	Review of Remuneration of Executive Directors and their Alternates	September 5, 2019
IDA		
241	Financial Statements, Accountant’s Report and Administrative Budget	October 12, 2018
242	Resolution of Appreciation	October 12, 2018
IFC		
266	Financial Statements, Accountant’s Report, Administrative Budget and Designations of Retained Earnings	October 12, 2018
267	Resolution of Appreciation	October 12, 2018
MIGA		
105	Financial Statements and the Report of the Independent Accountants	October 12, 2018
106	Resolution of Appreciation	October 12, 2018

** While most Constituency members are quick to respond to a request for a vote from Governors, our office continues to be concerned about a number of Constituency members who have difficulty in returning their vote and /or do not take the opportunity to vote.*

ANNEX 3 – WORLD BANK GROUP ORGANIZATIONAL STRUCTURES



Organizational Chart
Effective October 1, 2019

