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## Group 1 Constituency Newsletter

WORLD BANK GROUP

OFFICE OF THE EXECUTIVE DIRECTOR

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### The Second Round of Visits to Countries Completed

The Executive Director in June visited the Republic of South Sudan, Republic of Sudan, United Republic of Tanzania, Republic of Seychelles and Republic of Kenya. 📧 P. 1–7

### The Second IDA20 Replenishment Virtual Meeting Held

IDA Participants met virtually in June to discuss proposed special themes and their policy commitments, cross-cutting themes and financing scenarios for IDA20. 📧 P. 8–10

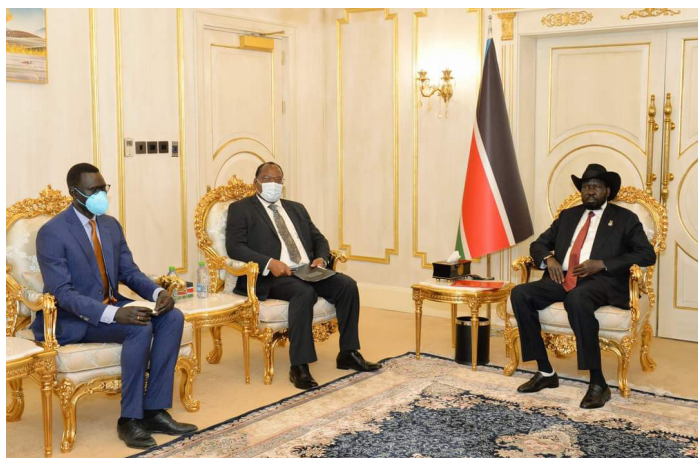
## The Executive Director Completed the Second Round of Visits to Constituency Countries

### Executive Director’s Mission to the Republic of South Sudan

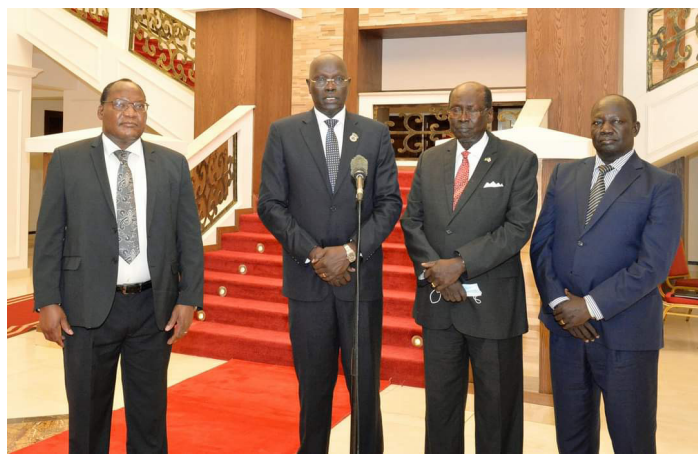
The Executive Director for Africa Group 1 Constituency, Dr. Taufila Nyamadzabo, along with Mr. Abraham Diing Akoi, his Advisor, and Mr. Mohammed Ahmed, Senior Executive Assistant, visited the Republic of South Sudan on June 3–6, 2021. He held substantive meetings with His Excellency Salva Kiir Mayardit, President of the Republic of South Sudan; H.E. Dr. Wani Igga, Vice President of the Republic of South Sudan; Hon. Dr. Marial Benjamin, Minister, Office of the President; Hon. Dier Tong Ngor, Governor, Bank of South Sudan and Alternate Governor, World Bank Group (WBG); Mr. Ocum Genes Karlo, Undersecretary of Planning, Ministry of Finance and Planning; and senior management of the National Revenue

Authority (NRA) led by the Commissioner General, Dr. Patrick Mugoya, and Deputy Commissioner General, Mr. Africano Mande.

Dr. Nyamadzabo also met Ambassador of Norway to South Sudan and Co-Chair of the Oversight Committee, H.E. Siv Kaspersen; Hon. Awut Deng Acuil, Minister of General Education; Hon. Gen. James Hoth Mai, Minister of Labor; Undersecretaries of various ministries and development partners who are members of the Oversight Committee. These meetings provided an opportunity for the Executive Director to appreciate the progress made by the Government of the Republic of South Sudan in undertaking critical socio-economic reforms. He expressed his sincere



Executive Director (centre) with the President of the Republic of South Sudan, H.E. Salva Kiir Mayardit (right) and his Advisor, Mr Abraham Akoi (left).



[From left] Executive Director with Hon. Tong Ngor, Governor of the Central Bank of South Sudan and WBG Alternate Governor; Hon. Dr. Marial Benjamin, Minister, Office of the President; and Mr. Ocum Genes Karlo, Undersecretary of Planning, Ministry of Finance and Planning.

gratitude to the authorities for the hospitality and support extended to him and his team. While in Juba, the Executive Director discussed with the authorities and development partners several issues, including the following:

First, on resource mobilization, the Dr. Nyamadzabo and authorities discussed the role that the Africa Group 1 Constituency at the WBG could play in mobilizing resources for Constituency countries, including the Republic of South Sudan. He encouraged the authorities to work closely with the Constituency Office in mobilizing IDA resources required to implement South Sudan's development programs.

Second, the Executive Director and his hosts addressed food security and highlighted how the WBG had already begun implementing agricultural projects through the government system.

Third, on human capital, the Executive Director discussed the need for improved social indicators, and underscored the Bank's efforts to support Government's priorities in health and education and recognized the

## Executive Director's Mission to the Republic of Sudan

The Executive Director, accompanied by his Advisor, Dr. Azhari Elamin, and his Senior Executive Assistant, Mr. Mohammed Ahmed, embarked on a mission to the Republic of Sudan from May 31 to June 2, 2021. The purpose of the mission was to consult with the government authorities, private sector representatives, and discuss the Sudan development opportunities and challenges. They discussed ways in which Sudan's re-engagement with the WBG could be enhanced and how Sudan could benefit from the allocation of US\$2.0 billion under IDA19 to finance projects and programs in priority sectors, such as agriculture, energy, education, health and water and irrigation. The mission provided an update on the activities and Mid-Term Strategy of the Executive Director's Office in relation to resource mobilization, fiduciary oversight, private sector development, capacity building, and supporting diversity and representation in the WBG.

The Executive Director extended his gratitude and appreciation to the Republic of Sudan for supporting his candidature for the Executive Director at Africa Group 1 Constituency. He valued the reforms implemented by the Sudanese government, which culminated in a re-engagement with the WBG, clearing of arrears from the international financial institutions, reaching the HIPC Decision Point on June 28, 2021

During the Mission, the Executive Director met the

enormous importance of International Finance Corporation (IFC) in scaling up private sector operations in the country. He indicated that private sector was crucial for generating more and better jobs for the youth in South Sudan.

Fourth, on public financial management (PFM), the Executive Director was pleased to see close cooperation between the Government and donors in dealing with PFM issues.

Fifth, on infrastructure, including energy and digitalization, he informed authorities that the Bank full support to their efforts to expand energy and digital access, given the expected growing demands.

Finally, the Executive Director discussed Anti-Money Laundering (AML) and compliance-related matters. He reassured the authorities that his Office would make every effort to follow up on all the matters to the best of South Sudan.

Prime Minister of the Republic of Sudan, His Excellency Dr. Abdalla Hamdok; Minister of Finance and Economic Planning, and Governor of the WBG, Hon. Dr. Jibril Ibrahim; Governor of the Central Bank of Sudan, Dr. Mohamed Elfatih Zainabdin; Hon. Ibrahim Magzoub Elhag, Minister of Oil and Energy; Hon. Dr. Yasir Abbas Mohamed Ali, Minister of Irrigation and Water Resources; Hon. Tamador Eltirifi, Acting Minister of Education; Dr. Yusra Mohamed Osman, Undersecretary of the Ministry of Health; and representatives of the Sudan Union of Chambers and Commerce.



Executive Director with H.E. Dr. Abdulla Hamdok (centre), Prime Minister of the Republic of Sudan; Hon. Dr. Gilbril Ibrahim (second from right), Minister of Finance and National Economy; Dr. Azhari Elamin (right), Advisor to the Executive Director; and Mr. Mohammed Ahmed (left), ED's Senior Executive Assistant.



In his meeting with the Prime Minister, Minister of Finance, and the Governor of the Central Bank, the Executive Director expressed his appreciation of the country's success in achieving peace and reconciliation between the conflicting parties as well as economic reforms that have won praise from international financial institutions and development partners alike.

The Minister of Finance requested the Executive Director to consult with his counterparts in the WBG Board to obtain commercial debt relief from Germany and bilateral relief from China. He also requested the World Bank assistance in mobilizing support for debt relief from the Paris Club. He encouraged the Executive Director to advocate for investments in Sudan from Asian countries. Honorable Minister assured the Executive Director that Sudan would meet all prior actions of the World Bank Development Policy Operation ahead of the HIPC Decision Point. He stressed the need for additional budget support to procure vaccines, medical equipment and supplies needed to respond to the COVID-19 pandemic. On supporting the development of Sudanese private sector, Hon. Minister emphasized the role of the IFC and MIGA in supporting foreign and local investors.

The mission was also briefed on the ongoing reforms

## Executive Director's Mission to the United Republic of Tanzania

The Executive Director, Dr. Taufila Nyamadzabo, accompanied by his Senior Advisor, Dr. Zarau Kibwe, visited the United Republic of Tanzania on June 7-11, 2021. The purpose of the mission was to consult with the Tanzanian Government on country's development opportunities and challenges and to explore ways to further strengthen engagement with the WBG. The mission had the opportunity to be updated on the impact of the COVID-19 pandemic on the economy, as well as efforts undertaken to contain the crisis, including procurement of vaccines.

During the mission, the Executive Director met with the Vice President of the United Republic of Tanzania, H.E. Dr. Philip Mpango; President of Zanzibar, H.E. Dr. Hussein Mwinyi; Minister of Foreign Affairs and East Africa Cooperation, Hon. Ambassador Liberata Mulamula; Minister of Finance and Planning, and Governor of the WBG, Hon. Dr. Mwigulu Nchemba; Mr. Emmanuel Tutuba, Permanent Secretary of the Ministry of Finance and Planning and Alternate Governor of the WBG; Minister of Education, Science, Technology and Vocational Training,

of the banking sector. Sudanese banks are gradually reestablishing correspondent relations with foreign banks, and all banks have been required to introduce the International Bank Account Numbers (IBAN) before the end of 2021 for making or receiving international payments. Six Sudanese banks have been permitted to issue Visa credit cards, although the use of credit cards in Sudan is still not possible pending compliance with some requirements. Sudan is also making good progress in financial inclusion through mobile payments, aiming to replicate the M-Pesa money transfer and microcredit service in the country. It was confirmed that technical support from the World Bank is needed to support these reforms.

On his part, the Executive Director urged that Sudanese Authorities to submit projects and programs in priority sectors, such as agriculture, water, energy and education so that they can fully utilize the US\$2.0 billion IDA19 resources allocated to the country. The mission visited an implementing office of the IDA-financed Sudan Family Support Project (SFSP) and had discussions with beneficiaries about ease of the process and benefits of the project.



[From left] Ms. Souda Msemu, Commissioner for External Finance; Dr. Taufila Nyamadzabo, the Executive Director, H.E. Dr. Philip Mpango, Vice President of the United Republic of Tanzania; Dr. Zarau Kibwe, Senior Advisor to the Executive Director, and Ambassador Macocha Tembele, Director of Multilateral Cooperation, Ministry of Foreign Affairs and East Africa Community.

Hon. Prof. Joyce Ndalichako; Minister of State, President's Office - Regional Administration and Local Government, Hon. Ummu Mwalimu; Governor of the Central Bank of Tanzania, Prof. Florens Luoga; Minister of State, President

Office, Finance and Planning (Zanzibar), Hon. Jamal Kassim; Permanent Secretary of Finance and Planning Ministry (Zanzibar), Dr. Juma Malik Akili; and senior officials of the Union Government and the Revolutionary Government of Zanzibar. At the conclusion of his mission, the Executive Director met virtually with the WBG Country Office staff led by Ms. Preeti Arora, Operations Manager for Tanzania, Malawi, Zambia, and Zimbabwe.

In his meeting with the Vice President, the Executive Director briefed him about the five priorities of the Constituency's Medium-Term Strategy (2020–24). In response, H.E. Dr Mpango confirmed the alignment of the identified priorities with development challenges facing Tanzania as well as other countries in the Constituency. He specifically pointed out Tanzania's development aspirations as stipulated in the Third Five-Year Development Plan. The plan, among other things, aims to build Tanzania's productive capacity by investing in transformative projects with a regional spillover, such as Standard Gauge Railways and a 2115 megawatts Hydropower Project. In this regard, he emphasized the need for IFC to further support the development of the private sector. Relatedly, he requested the Executive Director to continue advocating for more capacity building opportunities for Government Officials through the Voice-Secondment Program (VSP).

During his meetings with the President of Zanzibar



Executive Director with H.E. Dr. Hussein Mwinyi, President of Zanzibar

and Minister of State (Zanzibar), the Executive Director commended the isles for the growing portfolio of projects financed by the World Bank. He also appreciated the collaboration with the Tanzania Mainland in addressing the pandemic. On his part, the President appreciated the Bank for the resources and reassured the Executive Director that his government would ensure Bank-financed projects

deliver the intended development outcomes for the benefit of the people of Zanzibar. On the impact of COVID-19, the President informed the mission that, tourism, the mainstay of the isles, had been severely affected and efforts were underway on how to accelerate its recovery. He, as well as the Minister of State, emphasized that investing in blue economy is critical for the resilience of the Zanzibar economy and the Bank support in that sector would be appreciated.

The Minister of Finance and Planning took the Executive Director through the recent economic developments and the unprecedented challenges posed by the COVID-19 pandemic. He also appreciated the World Bank support, especially the five projects which were to be approved in June and early July 2021. The Executive Director commended the authorities for managing the economy relatively well in the wake of the pandemic. However, he encouraged the Government to request budget support from the World Bank to support recovery of sectors hardest hit by the pandemic, such as tourism and associated sub-sectors. He insisted the importance of such support to Tanzania, noting that the pandemic was still unfolding and its ultimate impact remained largely uncertain.

The Executive Director had the opportunity to meet with the Minister of Foreign Affairs and the East Africa



Executive Director with H.E. Dr. Mwigulu Nchemba, Minister of Finance and Planning and Governor of the WBG.

Cooperation. The two discussed how the facilitative role of the Ministry, especially in coordinating regional projects, could be strengthened. Hon Minister highlighted the criticality of the WBG support in supporting the country improve its enabling business environment. In this regard, she called for increased IFC's footprint in Tanzania with a



view of supporting a nascent but growing private sector. In response, Dr. Nyamadzabo assured Hon. Minister that he would take up this issue with IFC Corporate and regional senior management for consideration. On the COVID-19 vaccines, he encouraged Tanzania to fully use resources earmarked for COVID response from the Bretton Woods Institutions and to reach out to donor countries for bilateral vaccine deals. The Executive Director also noted for a follow-up on Tanzania's intent to host IDA20 Medium-Term Review (MTR).

The performance of the education portfolio, which accounts for a sizable share of the country portfolio, was the focus of the Executive Director's discussions with Minister of Education, Science, Technology and Vocational Training, and Minister of State, Local Government and Regional Administration. While the two Ministers appreciated the Bank support in this sector, the Executive Director emphasized the need to ensure equitable access to quality education by both girls and boys as well consistent messages from the Government about the treatment of some female students who accidentally get impregnated. He further insisted that quick disbursement of resources committed for

education projects was critical for the overall performance of the country portfolio and for assuring IDA donors that Tanzania could absorb more IDA resources. The Minister of Education shared with Dr. Nyamadzabo how the COVID-related challenges slowed down the implementation of two Bank-financed regional education projects. Regarding project pipeline in the education sector, the two Ministers identified technical and vocational education and training (TVET) and early learning (childcare) as areas where the Government would seek further support from the World Bank.

The mission visited and had discussions with the beneficiaries of the IDA-financed Productive Social Safety Net Project II (PSSN II) in Dodoma and the University of Dodoma, which is the beneficiary of the IDA-financed Higher Education for Economic Transformation (HEET) project. In Zanzibar, Dr. Nyamadzabo visited Dr. John P. Magufuli Secondary school and Jang'ombe Hub, which are among the institutions supported by the Zanzibar Improving Student Prospects (ZISP) Project.

## Executive Director's Mission to the Republic of Seychelles

The Executive Director, accompanied by his Advisor, Dr. Azhari Elamin, mounted a mission to Seychelles on June 14-15, 2021, to consult with the government authorities and discuss Seychelles' development opportunities and challenges. The mission discussed ways in which Seychelles could further benefit from WBG support in its effort to respond to the COVID-19 pandemic crisis, address issues relating to the local financial system, and diversify its economy. The mission also provided an update on the activities and Mid-Term Strategy of the Executive Director's Office.

During the mission, the Executive Director met with the President of the Republic of Seychelles, H.E. Wavel Ramkalawan; Hon. Naadir Hassan, Minister of Finance, Economic Planning and Trade, and Governor of the WBG; Ms. Caroline Abel, Governor of the Central Bank of Seychelles; and Mr. Kenneth Racombo, Principal Secretary of the Ministry of Fisheries and Blue Economy.

During his meetings with the President of Seychelles, the Minister of Finance, and the Governor of the Central Bank of Seychelles, the Executive Director expressed his thanks for hosting the meetings despite the restrictive conditions of COVID-19 and presented his Medium-Term



Executive Director with H.E. Wavel Ramkalawan, President of the Republic of Seychelles; Hon. Caroline Abel (right), Governor of the Central Bank of Seychelles; and Dr. Azhari Elamin (left), Advisor to the Executive Director.

Strategy and its objectives.

The discussion focused on the COVID-19 situation in Seychelles and the new surge in infections even though more than 70 percent of the population had been fully vaccinated. Therefore, it was stressed that Seychelles was urgently in need for 30,000 vaccines doses to vaccinate school children and administer booster shots to adults to enhance protection after the initial cycle of vaccination in response to the second wave of COVID-19.

The meetings also discussed the sharp reduction in tourism business due COVID-19, loss of government revenue and increase in government expenditure on health and social services, leading to unsustainable budget deficit, and contraction of the economy, which was estimated at -17 percent in 2020. This situation had continued in the first half of 2021 despite the ease of restrictions and reopening borders for tourists in March 2021, which underline the urgent need for WBG finance for the budget support and faster processing of the Development Policy Operation (DPO) for Seychelles.

The Governor raised concerns about the slow disbursements from the Seychelles blue bond proceeds and the need to address this issue with the support of the World Bank. He also raised concerns about the WBG applicable terms and conditions on loans to Seychelles as well as the high cost of the Reimbursable Advisory Services (RAS) which needs to be addressed by the Bank. The Minister's view is that although Seychelles is a high-income country, the WBG should take into consideration that it is a small island nation vulnerable to external shocks and climatic changes that

could disproportionately affect its main sources of income. Therefore, he called on the WBG to apply softer terms and conditions on loans to Seychelles.

The meetings also discussed Seychelles comprehensive Strategic Plan, aiming at diversifying the economy and strengthening the value chain in the private sector and tourism industry and the required WBG support for this plan. Honorable Minister stressed the need for IFC and MIGA to provide advisory services and support to Seychelles' private sector, including Small and Medium Enterprises (SMEs), which are key to job creation and economic growth.

The Executive Director emphasized the importance of addressing the deficiencies in the financial sector to comply with the international standards for intermediate jurisdiction requirements. He also emphasized the role of the private sector in the diversification of the economy. He expressed his intent to consult with the World Bank management to accelerate the approval of the country's DPO and extend more support to Seychelles to fight the second wave of COVID-19.

## Executive Director's Mission to the Republic of Kenya

The Executive Director, Dr. Taufila Nyamadzabo, accompanied by his Senior Advisor, Ms. Naomi Rono, undertook his first official mission to the Republic of Kenya from June 21-23, 2021. The purpose of the mission was to carry out consultations with the Government on the Republic of Kenya's development agenda and to discuss ways to strengthen engagement with the WBG. The mission also provided an opportunity to discuss the impact of the COVID-19 Pandemic on Kenya's economy and the progress made in securing and delivering vaccines to the Country.

The Executive Director met the Cabinet Secretary for the National Treasury and Planning, Hon. (Amb.) Ukur Yatani Kanacho; the Governor of the Central Bank of Kenya (CBK), Dr. Patrick Njoroge; the Director-General for Health in the Ministry of Health, Dr. Patrick Amoth; Principal Secretary State Department for Industrialization, Amb. Kirimi Kaberia; the Commissioner General for the Kenya Revenue Authority (KRA), Mr. James Mburu; and the Auditor General, Ms. Nancy Gathungu.

In his discussions with the Cabinet Secretary for the National Treasury and Planning, the Executive Director was briefed on Kenya's macroeconomic developments and challenges and the Country's COVID 19 Pandemic response and recovery strategy. The Cabinet Secretary appreciated



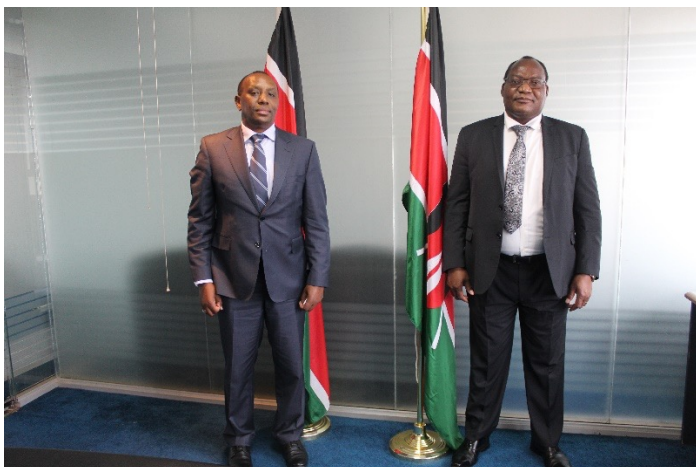
Executive Director with Hon. (Amb.) Ukur Yatani (third from left), Cabinet Secretary of the National Treasury and Planning and Governor of the WBG; Dr. Julius Muia (left), Principal Secretary, National Treasury and planning; and Ms. Naomi Rono (right), Senior Advisor to the Executive Director

the World Bank support, particularly the agility with which resources were made available to countries at the onset of the COVID-19 pandemic. The Executive Director commended the Government for identifying the strengthening of the macroeconomic framework as the key pillar for the Economic Recovery Strategy. He assured the Government of the World Bank Group's support and encouraged them to continue drawing on both the International Monetary Fund



and the World Bank for resources to support this agenda.

His discussions with the Central Bank Governor focused on Kenya's monetary and economic landscape, where he received assurances of the stability of Kenya's currency, despite the effects of the COVID-19 Pandemic. During his meeting with the Director-General for Health in the Ministry of Health, the Executive Director received a brief on the coordination of the National Response to the COVID-19 pandemic in Kenya. He was also briefed on the County's progress in developing a blueprint for vaccine production. The Executive Director's engagement with the Principal Secretary for the Ministry of Industrialization focused on Kenya's industrialization strategy and the Government's plans to nurture an innovation ecosystem that would support job creation and industry development in Kenya.



Executive Director with Amb. Kiriwa Kariuki, Principal Secretary - State Department for Industrialization for the Republic of Kenya.

During the mission, the Executive Director also paid a courtesy to the Auditor General. They discussed the Office of the Auditor General's role in enhancing transparency, accountability, and governance in public resource management. Dr. Nyamadzabo appreciated the insights provided by the Auditor General regarding a special audit undertaken on the utilization of COVID-19 resources in Kenya and assured her of the World Bank Board's commitment to supporting systems that strengthen governance and accountability in implementing World Bank-financed projects.

The Executive Director also paid a courtesy call on the Commissioner-General for the Kenya Revenue Authority (KRA). He received a brief on the KRA initiatives to build the Country's capacity to broaden the tax base and increase reliance on domestic resources to implement Kenya's development agenda. The Executive Director acknowledged that Kenya's Budget was presented within the context of revenue shortfalls and rising expenditure pressures due to the Government's response to the pandemic. He assured the Commissioner-General of the World Bank Group (WBG) board's commitment to supporting the implementation of Domestic Revenue Mobilization measures alongside the containment of Illicit Financial Flows.



Executive Director with Mr. James Mburu, Commissioner General for the Kenya Revenue Authority.

# The Second IDA20 Replenishment Virtual Meeting was successfully held

IDA Deputies and Borrower Representatives (Participants) met virtually on June 28-30, 2021, to discuss the IDA20 policy priorities, results framework, and financing package. The meeting was co-chaired by Mr. Axel van Trotsenburg, World Bank Managing Director for Operations, and Dr. Denny Kalyalya, the IDA20 Independent Co-Chair. Representatives from the African Development Bank (AfDB), The Asian Development Bank (ADB), International Fund for Agricultural Development (IFAD), and the Inter-American Development Bank (IADB) attended the meeting as observers. The meeting was informed by ten papers, each covering critical aspects of IDA20's five Special Themes and four Cross-Cutting Issues, the IDA20 Results Measurement System (RMS), as well as the Request for Resources and Financing Framework. The discussions were preceded by extensive consultations, eight technical sessions, engagements with individual and groups, including donor and recipient country representatives, as well as meetings with representatives from civil society. Participants shared seven non-papers as well as detailed written statements prior to the meeting.

In his opening remarks Mr. van Trotsenburg stressed the importance of a successful and ambitious IDA20 replenishment and the need for global solidarity to mobilize the necessary resources for the poorest countries that have been hit relatively harder by the COVID-19 crisis. He commended the announcement of the Russian Federation to re-join the international coalition of IDA donors and participate in the IDA20 replenishment. He also announced that the Government of Japan would host the Final (Fourth) IDA20 Replenishment Meeting in Tokyo,

Japan in December 2021. Mr. van Trotsenburg welcomed the strong political support for the IDA20 replenishment as had been expressed by the Heads of State at the Summit on Financing African Economies in Paris on May 18, 2021, and at the meeting of the G7 Finance Ministers in London on June 4-5, 2021. He explained how IDA, as part of the World Bank Group, has joined the coordinated global effort to contain the pandemic. He welcomed the new partnership with the African Union Vaccine Acquisition Task Team that complemented the existing coalition with COVAX and others on ensuring equitable access to safe, effective, quality, and affordable COVID-19 vaccines, therapeutics, and diagnostics by IDA countries.

Dr. Kalyalya, the IDA Co-Chair underscored that the pandemic was not over in most IDA countries, and that it would continue to have long lasting effects on development, undermining the countries' path towards achieving the Sustainable Development Goals (SDGs) by 2030. He reiterated that IDA had already mobilized very substantial support to help IDA countries respond to the health and economic crises from COVID-19 while staying on track to deliver on IDA's longer-term development priorities. Agreeing on a robust IDA20 package would therefore be critical to further support countries' response to the pandemic as well as assisting them to recover and build back better from the crisis, towards a green, resilient, and inclusive future.

Africa Group I Constituency was represented by its two IDA Borrower Representatives, Mr. Sahr L. Jusu from the Republic of Sierra Leone, Ambassador Dr. Libérat Mfumukeko from the Republic of Burundi.

## IDA20 Strategic Directions and Policy Commitments

By the end of FY21 IDA has delivered US\$53 billion in financial commitments, of which 47 percent had been directly dedicated to the four pillars of the World Bank Group (WBG) COVID-19 Strategy. IDA resources made up the largest share of the multilateral response to COVID-19 for IDA countries and had helped to finance 43 national vaccination programs. During the meeting, it was noted that the proposed IDA20 package, under the Overarching Theme of "Building Back Better: Towards a Green, Resilient, and Inclusive Future," would support countries in continuing to

respond to the unfolding crisis while laying the foundation for a sustainable recovery. The overarching theme would be sustained by four mutually reinforcing Cross-Cutting Issues and five Special Themes as endorsed by Participants at the First IDA20 Replenishment Virtual Meeting held in April 2021.

Under the IDA20 package, there would be emphasis on the importance of partnerships in effectively implementing IDA programs and operations; IDA19 delivery and IDA's response to the pandemic; and how the proposed IDA20 package would help countries cope with the COVID-19



pandemic, build back better, and grow greener, more resilient, and inclusive. IDA would continue to leverage development partnerships at various levels, through country, regional, or global counterparts, or in thematic or sectoral engagements. This included the ongoing coordinated response to the pandemic with GAVI/COVAX, the World Health Organization, the Africa Vaccine Acquisition Task Team initiative, the United Nations, and bilateral donors to accelerate vaccine rollout and ensure equitable and affordable access to all.

During the discussion of Special Themes, Human Capital was introduced as a Special Theme in IDA20. The Human Capital life cycle approach is to offer a constructive approach to key areas, including equitable and inclusive COVID-19 vaccination roll-out, strong and resilient education and health systems, adaptive social protection, nutrition, and One Health. The importance of reproductive, adolescent, and maternal health outcomes, ambitious sub-targets for IDA countries characterized as Fragile and Conflict-affected Situations (FCS), and increased attention to addressing the differentiated needs of persons with disabilities and vulnerable groups more broadly across other Special Themes and Cross-Cutting Issues are some of the focus areas discussed under the Human Capital special theme.

Regarding Climate Change, it was noted that IDA20 would be aligned with the new Climate Change Action Plan (CCAP2), as well as Management's plan for monitoring and reporting on the CCAP2 implementation. It was highlighted that there was a set goal to have IDA reach 35 percent climate co-benefits, with at least 50 percent adaptation, and to align all operations with the Paris Agreement by FY24. There were critical discussions and questions regarding IDA's approach to phase out fossil fuels and the need to take into consideration different country circumstances. Participants called for a higher target for IDA's support to key systems transitions and stressed the importance of energy access and renewable energy.

The meeting discussed the increased focus in IDA20 on nature and biodiversity, with several voices expressing their interest to see more ambition by countries and increased support from the Bank to implement and/or update their National Biodiversity Strategies and Action Plans. The WBG plans to develop a methodology that would track project financing that generates biodiversity and ecosystems services co-benefits, aligned with the post-2020 biodiversity framework.

On Gender and Development, participants expressed strong support for the Gender and Development Special Theme and its proposed new policy commitments on childcare and fiscal policy, as well as the continued focus on jobs and economic recovery, especially through digital approaches. They stressed the importance of girls' and boys' sexual education and prevention and response to gender-based violence (GBV).

Regarding Fragility, Conflict and Violence, participants welcomed the IDA20 commitment to deepen support for implementation of the Fragility, Conflict and Violence (FCV) Strategy, including through sub-targets for IDA FCS in some of the IDA20 special themes.

On Jobs and Economic Transformation, there was great emphasis on the need to focus on inclusive digitalization, investments in agriculture and food security, addressing constraints to Micro, Small and Medium Enterprises (SMEs) and sectors with high potential, including by improving connectivity and strengthening regional and global value chains. Participants highlighted the importance of a strong business environment, participation in trade and regional integration for economic diversification, the relevance of the Private Sector Window (PSW) in supporting private sector investment and job creation and creating markets in the most fragile and difficult settings, and the criticality of the one WBG collaboration.

The discussion on Cross-Cutting Issues focused on Crisis Preparedness, with emphasis on the importance of integrating and mainstreaming preparedness efforts in country programs through tailored approaches across IDA countries. Various voices advocated for stronger incentives to scale up and sustain investments in crisis preparedness, including by promoting the use of instruments like Contingency Emergency Response Components (CERCs) and Catastrophe Deferred Drawdown Options (Cat-DDOs). The discussion on cross cutting issues also focused on the foundational importance of the Governance and Institutions and a called for continued focus on critical policy commitments, including on Domestic Resources Mobilization, Illicit Financial Flows, and Digital Government (GovTech), and suggestion for a sharp focus on equitable tax systems, public financial management, sustainable public procurement, and tackling corruption more broadly. There was also acknowledgement of strong engagement on Debt transparency and the commitment in IDA20 to make further progress with respect to the publication of comprehensive reports on public and publicly guaranteed

debt and fiscal risks.

IDA Participants also considered the unique role of digital technologies in building resilience and noted strong technology-related policy commitments and an interest in addressing the digital divide between and within countries exposed during the pandemic, including through GovTech solutions, to help strengthen policies and regulations and enable universally accessible digital government services.

On the discussion of the IDA20 Request for Resources and Financing Framework, Ms. Anshula Kant, World Bank Managing Director and Chief Financial Officer, shared an overview of IDA's financial context. Ms. Kant highlighted that IDA's significant frontloading in FY21 and FY22 had been made possible by IDA's strong capital position that allowed IDA to lean forward counter-cyclically when the needs arose. She also shared with the Participants that IDA's deployable strategic capital (DSC) cushion also served to absorb negative impacts of the pandemic on IDA's balance sheet, including higher levels of grant financing to client countries caused by increased risk of debt distress.

There was a broad consensus among Participants that financing needs of IDA countries were high, their needs were well beyond the range of proposed financial scenarios

for IDA20, and that IDA was, for most of these countries, their most significant source of concessional finance. In this regard, participants emphasized the importance of an ambitious replenishment in IDA20 and the need to prioritize the most vulnerable countries, particularly IDA-only red-light countries and FCS. Participants endorsed the Balance Sheet Optimization (BSO) measures proposed by management, namely, the introduction of 50-year credits for IDA-only yellow-light countries, as well as the introduction of concessional shorter maturity loans (SMLs) in two places, the PBA and the Scale-up Window. They were in agreement that the range of financing scenarios presented provided a good starting point for discussion.

Moving forward, there was agreement to further explore options to strengthen the IDA20 narrative and refine policy commitments with a view to presenting these in the draft IDA20 Deputies Report; and to develop and present scenarios that will provide an ambitious IDA20 financing envelope exceeding US\$90 billion, with donor contribution at Base Case level of US\$24.9 billion, by exploring further BSO measures, while continuing to adhere to the principles of protecting IDA's long-term financial sustainability and safeguarding the institution's AAA



Executive Director with students at Jang'ombe Hub financed under the Zanzibar Improving Students Prospects (ZISP) Project, which aims to improve the quality of instruction and learning environment in targeted grades and targeted subjects, notably Math, Science and English.