Africa Group 1 Constituency

WORLD BANK GROUP

Annual Report 2022

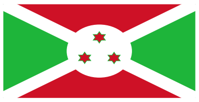
Dr. Taufila Nyamadzabo

Executive Director

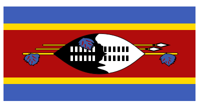
October 2022

AFRICA GROUP 1 CONSTITUENCY MEMBER COUNTRIES


Republic of Botswana

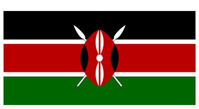

Republic of Burundi


State of Eritrea


Kingdom of Eswatini


Federal Democratic Republic of Ethiopia


Republic of The Gambia


Republic of Kenya


Kingdom of Lesotho


Republic of Liberia


Republic of Malawi


Republic of Mozambique


Republic of Namibia


Republic of Rwanda


Republic of Seychelles

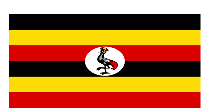

Republic of Sierra Leone


Federal Republic of Somalia


Republic of South Sudan


Republic of Sudan


United Republic of Tanzania


Republic of Uganda


Republic of Zambia


Republic of Zimbabwe

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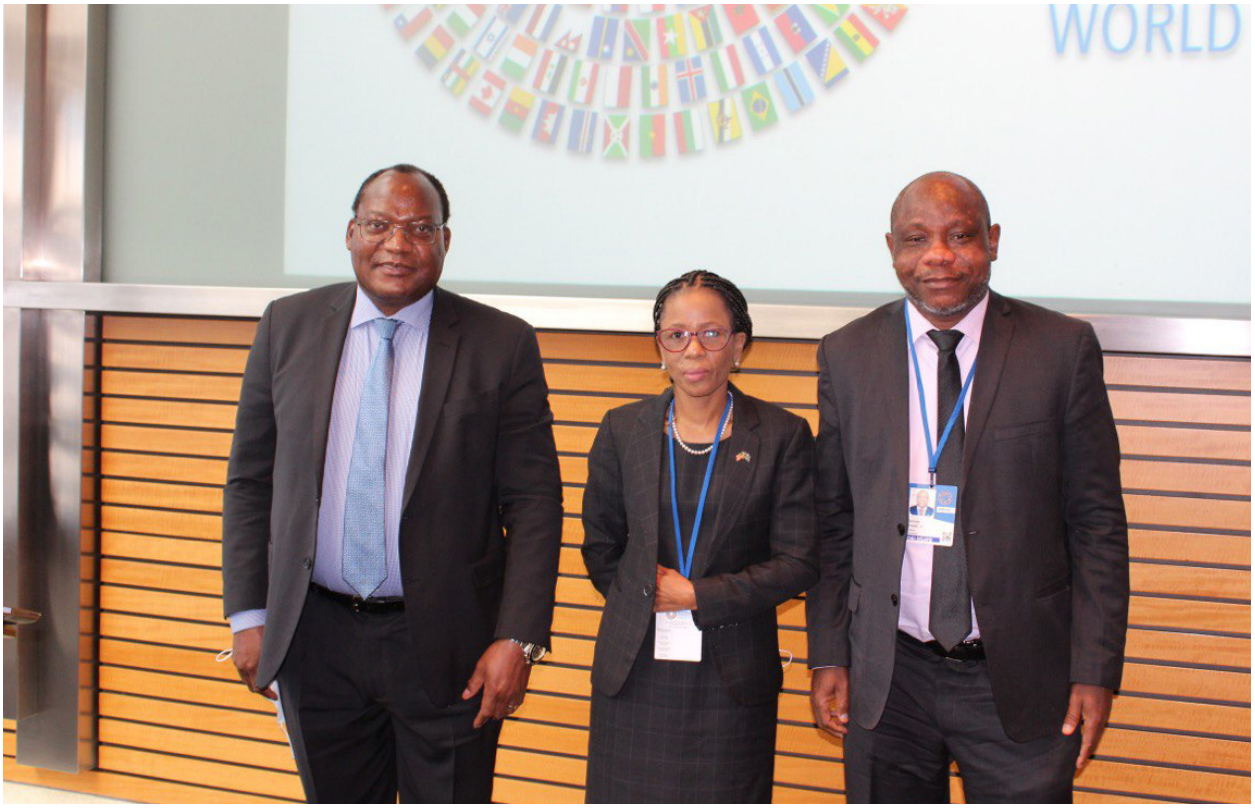
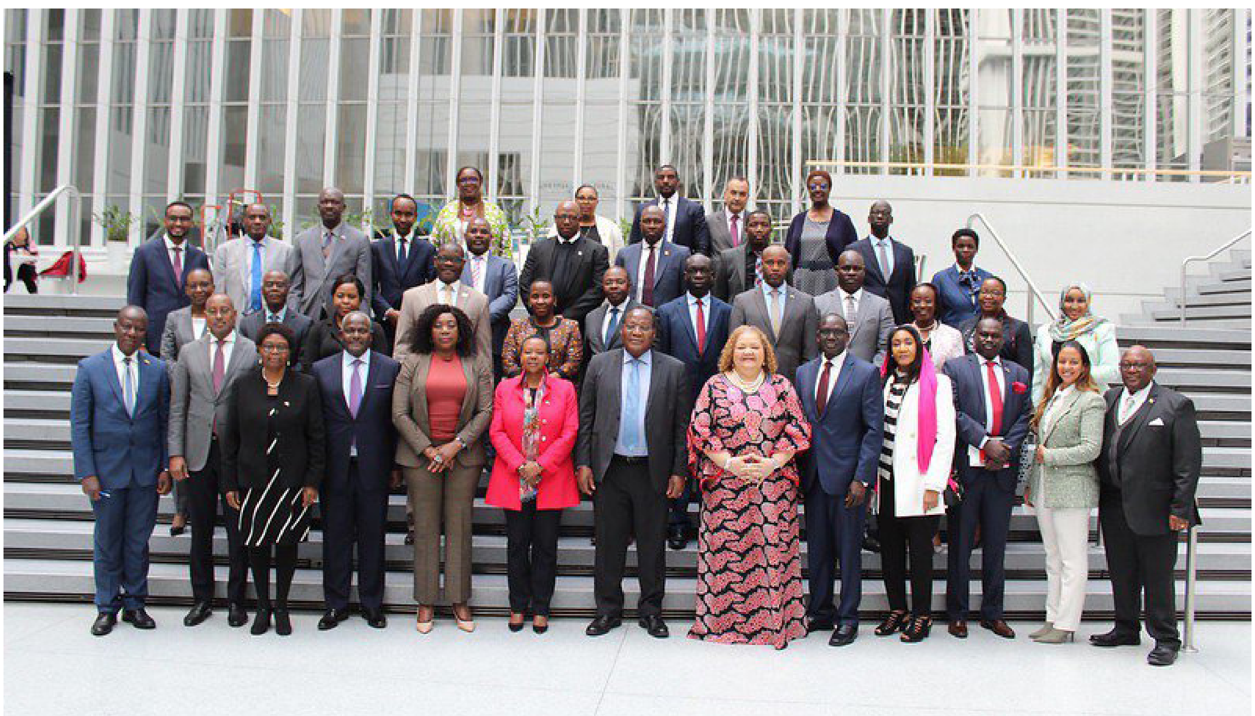
ACRONYMS AND ABBREVIATIONS

AEOI	Automatic Exchange of Information
AfDB	African Development Bank
AFE	Eastern and Southern Africa
AfG1	Africa Group 1 Constituency
AFW	Central and Western Africa
AVAT	African Vaccine Acquisition Trust
BEE	Business Enabling Environment
CAT-DDO	Catastrophe Draw Down
CCAP	Climate Change Action Plan
CCDRs	Climate and Development Reports
COVAX	COVID-19 Vaccines Global Access Initiative
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
DSEP	Debt Sustainability Enhancement Program
DPF	Development Policy Financing
DSSI	Debt Service Suspension Initiative
EMDE	Emerging Market and Developing Economies
EOIR	Exchange of Information on Request
FATF	Financial Action Task Force
FCS	Fragile and Conflict-Affected Situations
FCV	Fragility, Conflict and Violence
FTCF	World Bank Group Fast Track COVID-19 Facility
FY	Fiscal Year
GDP	Gross Domestic Product
GRID	Green, Resilient and Inclusive Development
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IFF	Illicit Financial Flows
IMF	International Monetary Fund
IPF	Investment Project Financing
JET	Jobs and Economic Transformation
LTF	Long Term Finance
LIC	Low-Income Countries
MICs	Middle-Income Countries
MIGA	Multilateral Investment Guarantee Agency
MPA	Multi-Phased Approach
PforR	Program for Results
PSW	Private Sector Window
OECD	Organization for Economic Cooperation and Development
UK	United Kingdom
US	United States
VTD	Vaccines, therapeutics and diagnostics
WBG	World Bank Group



Executive Director with Hon. Peggy Serame (centre), WBG Governor for the Republic of Botswana, and Hon. Samuel Tweah (right), WBG Governor for the Republic of Liberia



Executive Director with Ambassadors representing Constituency Countries to the United States

FOREWORD BY THE EXECUTIVE DIRECTOR

I am pleased to present the Annual Report of Africa Group 1 Constituency for the fiscal year 2022, which marks the completion of my term as Executive Director. During my term, the world has been mired in unprecedented global crises driven by the spillovers of the war in Ukraine, the lingering effects of the COVID-19 pandemic, shortages of energy and food, as well as rising interest rates and debt levels. These crises have undermined the World Bank Group (WBG) pursuit of its twin goals of ending extreme poverty and boosting shared prosperity. Supporting our Constituency countries to address these challenges has been our focus throughout this period.

This report which coincides with the end of my tenure as Executive Director for the Africa Group 1 (AfG1) Constituency, covers the past two years and provides a review of our performance, including opportunities and challenges. It also provides updates on key selected policy issues and strategies, WBG financing operations including the COVID-19 response, as well as the Constituency engagements. The report concludes with some lessons learned as well as recommendations aimed at improving and building on our performance going forward.

Upon assuming Office in November 2020, my first task was to formulate a Four-Year-Medium-Term Strategy to define an agenda to guide the work program for the Constituency Office. The Strategy which was categorized into five pillars subsequently approved in April 2021. These pillars include: Resource mobilization for Constituency Countries; Private Sector Development; Enhancing Engagement with the Constituency Countries; Supporting Diversity and Representation in the WBG; and Capacity Building. With the support of our Honorable Governors and the Constituency Chair, the two-year period has been highly productive, pursuing these goals and making great progress at the level of the Bank as well as the Constituency.

Regarding the performance of the Constituency Office, I am delighted to inform you, Honorable Governors, that this Report includes a summary of the implementation of the Medium-Term Strategy. On mobilizing financial resources, the Office, through the IDA Borrowers' Representatives, was able to engage IDA Deputies in supporting Management's proposal of shortening the IDA19 cycle to two years. The Office has also been actively engaged in the negotiations of the IDA20 Replenishment and assisted countries to voice their priorities through various ministerial engagements. Our efforts was consummated by a historic US$93 billion financing package to help low-income countries respond to the COVID-19 pandemic and other crisis and build a greener, more resilient, and inclusive future. The Office was also actively involved in the launch of IDA20 in Dakar, Senegal as well as Tokyo, Japan.

During my tenure, we also facilitated the re-engagement efforts of countries in transition to enable them to fully access the financial resources of the WBG. Our assistance towards the Republic of Somalia in reaching the HIPC completion point is still ongoing. Additionally, we have continued to re-engage Constituency countries in non-accrual status – Republic of Zimbabwe and the State of Eritrea.

As my tenure draws to a close, I would like to take this opportunity to express my heartfelt appreciation and gratitude to our Honorable Governors, Alternate Governors, Chairpersons of the Constituency, the Constituency Panel, and the Development Committee (DC), for their strong support and guidance. My sincere thanks to our IDA Borrower Representatives for their hard work and effective representation. I would also like to commend and thank my Senior Advisors, Advisors, Senior Executive Assistant and the Program Assistants for their professionalism and perseverance to deliver on my commitments to our Constituency countries.

I have no doubt that the Office under the able leadership of my successor, Dr. Floribert Ngaruko, will continue to follow up on the outstanding issues and sustain the successes we have achieved together. In the process, I confidently expect that the Honorable Governors will continue to accord Dr. Ngaruko the necessary support.

Dr. Taufila Nyamadzabo

Executive Director

EXECUTIVE SUMMARY

The global economy has been grappling with the hangovers of the COVID-19 pandemic and the ongoing war in Ukraine. The combined impact of these overlapping crises has led to subdued growth and soaring energy and food prices, exacerbating inflationary pressures at a time when the cost of living is already rising rapidly around the world. Consequently, the global economy is projected to slow from 6.1 percent in 2021 to 3.2 percent in 2022, and weaken further to 2.9 percent in 2023. However, this outlook is clouded by downside risks, including further waves of COVID-19 variants, escalation of the war in Ukraine, aggravating energy market pressures in Europe, rising food and energy prices, tightening of the financial markets, and a sustained slowdown of China's economy.

The overlapping crises have disproportionately impacted the economies of Sub-Saharan Africa (SSA). As a result, regional output is projected to expand by 3.8 percent in 2022, falling from 4.6 percent a year before. This slowdown reflects short-term disruptions such as a slowdown in the world economy, lingering effects of the pandemic, increasingly tightening financial markets and political crises. The outlook for SSA economies is prone to risks that are overwhelmingly tilted to the downside–weakening of the pent-up demand, scaling back of fiscal and monetary policy support, escalation of the war in Ukraine, tighter financial conditions, and soaring food and energy prices. In response to these shocks, the growth of SSA economies in 2023 is expected to uptick only slightly to 4 percent. The slowdown in growth has an out-sized impact on poverty. The World Bank Group's (WBG) Report on Poverty and Shared Prosperity 2022 show that extreme poverty is projected to become increasingly concentrated in SSA. Henceforth, SSA is the only region projected to miss the target of less than 3.0 percent of extreme poverty by 2030.

In the last two years, crisis response was a central theme in WBG's policy actions. In the wake of the pandemic, WBG played a countercyclical role in supporting member countries to respond to the health, social and economic impact of the crises and, lately, the war in Ukraine. During the earlier cycle of the pandemic crisis, the WBG launched several fast-track initiatives, including support to health systems strengthening, vaccine acquisition and macroeconomic support. At the beginning of April 2022, the WBG launched a broader crisis-response framework, deploying US$170 billion to support clients from April 2022 to June 2023. Around US$50 billion of this amount was delivered in the three months from April 1, 2022, to June 30, 2022. The WBG also approved an updated WBG policy on the use of Intermediate Jurisdictions (IJs) in its private sector operations during the past year. The update sought to introduce mitigants for risks which could potentially allow the use of IJs for illegitimate purposes including tax evasion or enabling Illicit Financial Flows. To mitigate such risks, the updated policy was aligned with the principles of three widely accepted global standards, including the OECD led process on Exchange of Information on Request (EOIR), Automatic Exchange of Information (AEOI), and the Base Erosion and Profit Shifting Inclusive Framework (BEPS IF).

In addition, the WBG Board discussed the concept note on Business Enabling Environment (BEE). The BEE's aim is to assess the business and investment climate with the objective of encouraging the design of a regulatory environment that facilitates the emergence and growth of a healthy and strong private sector. The BEE will cover ten topics, drawn from the three firm-life-cycle indicators of opening, operating (or expanding), and closing (or reorganizing) a business. The concept note also comes with a scoring methodology. However, this issue has attracted diverse opinions from WBG Board members. Several chairs have expressed preference for the BEE scoring approach which does not use highly aggregated measures. It is proposed that the BEE be published annually with the first report targeted for 2023. The World Bank and IFC also conducted an implementation review of their Gender Strategies. The objective of the review was to gauge progress made and identify opportunities to maximize benefits in the future implementation of the strategy. The review's findings revealed that four institutional elements had enhanced the country-driven approach to the strategy implementation. These include: (a) staff designation to support gender-based commissions; (b) knowledge management; (c) the World Bank Gender Group's monitoring and evaluation; and (d) the IFC Gender Business Group's monitoring and evaluation.

WBG's commitment volume to clients for FY22 totaled US$104.4 billion, increasing by 5.7 percent compared to FY21, which concluded at US$98.8 billion. These commitments comprised US$33.1 billion of IBRD commitments, delivering resources to finance 136 new operations. IBRD's commitments represent an 8 percent increase from FY21. IDA's commitments in FY22 stood at US$37.7 billion, marking a 5 percent increase from FY21, and financed 305 new operations. Recipient Executed Trust Fund (RETF) contributed US$6.4 billion in commitments comprising 335 new grants. IBRD and IDA combined gross disbursements increased in FY22 from US$46.6 billion to US$49.4 billion. RETF disbursements increased by 75 percent ($2.0 billion) to US$4.5 billion compared to US$2.5 billion in FY21. IFC's total commitments reached US$32.8 billion in FY22, increasing from US$31.5 billion in FY21.

IFC's commitments included a total long-term finance (LTF) program of US$23.2 billion, which declined by 1 percent compared to FY21, which delivered US$23.3 billion in investments. The LTF program was supported by US$10.6 billion in Core Mobilization, which decreased from US$10.8 billion in FY21. The delivery of the LTF program in FY22 was also enabled by US$12.6 billion in Own Account commitments, which increased from US$12.5 billion in FY21. Short-Term Finance (STF) commitments, which comprised Trade and Supply Chain Finance, increased from US$8.2 billion in FY21 to US$9.7 billion in FY22. MIGA issued guarantees totaling US$4.9 billion in support of 54 projects during FY22 bringing MIGA's gross outstanding exposure to a total of US$24.4 billion as of June 30, 2022.

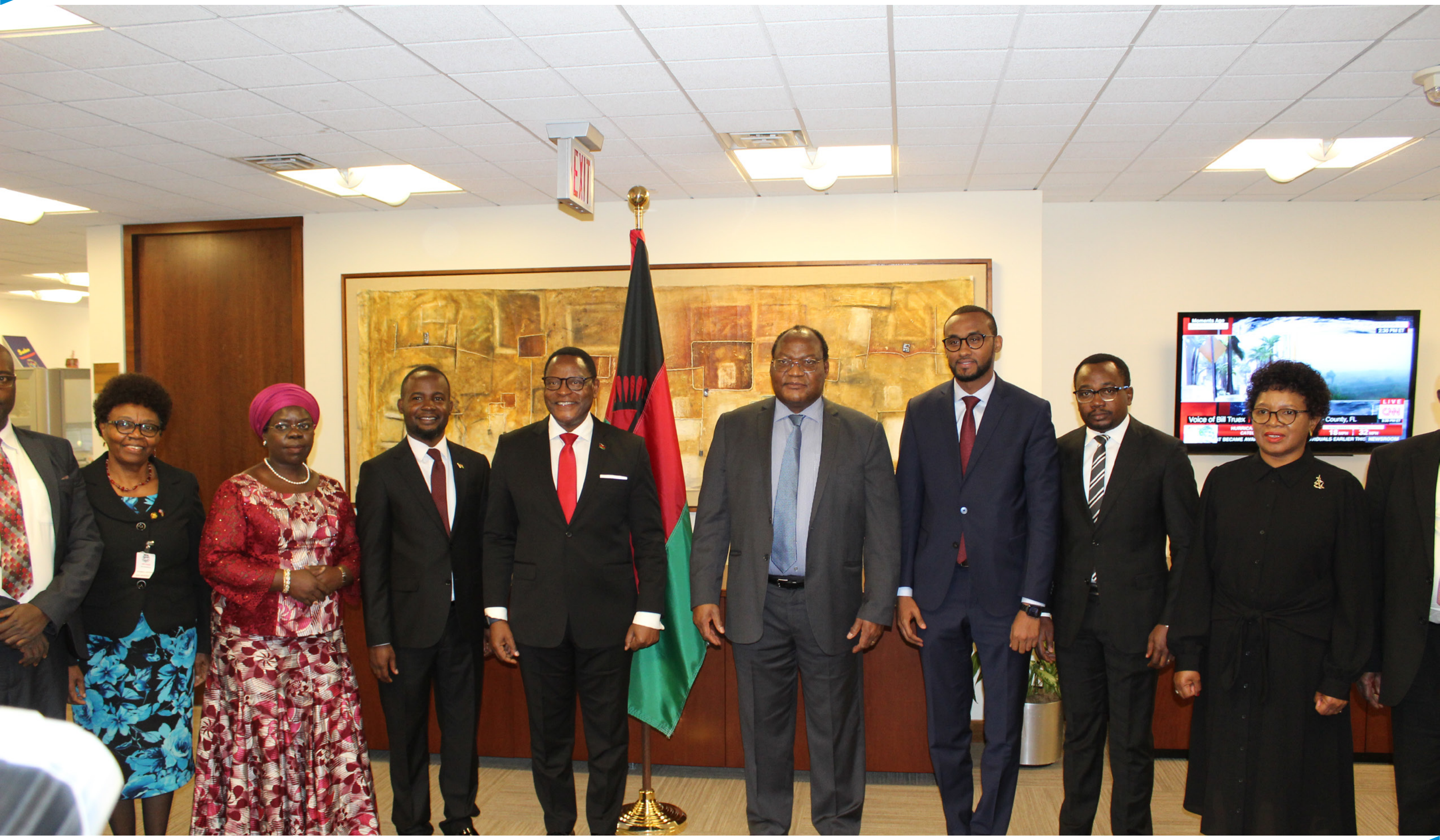
The Bank has made unprecedented efforts to ensure its member states, especially from the developing world, have the resources needed to save lives and protect livelihood. The Constituency Office took individual and collective efforts to mobilize resources, advocate for increased resource commitments and timely disbursements of committed resources to constituency countries. As a result, IDA19 was truncated to a two-year cycle instead of the typical three-year cycle with an envelope of US$72 billion and the relentless collective advocacy by IDA borrowers coupled with the existential threat the pandemic posed to humanity culminated in successful negotiations and the conclusion of IDA20, with an envelope of US$93 billion, including US$23.5 billion of donor contributions.

Over the last two fiscal years, total resources committed to Constituency countries were at a record level, reflecting surge financing to address the impact of the pandemic. Total resources committed to the countries in the Constituency under a two-year IDA19 amounted to US$20.4 billion compared to US$19.0 billion under a three-year IDA18, equivalent to about a 7 percent increase despite the shortened implementation period. Encouragingly, almost all countries fully utilized their IDA19 envelopes. However, US$25 billion (equivalent to about 50 percent of the total active portfolio) of the committed resources to Constituency countries remains undisbursed. Since the pandemic emerged, support to FCS countries in the AfG1 Constituency increased from a total commitment amount of US$14.61 billion in FY20 to US$20.68 billion in FY22. Moreover, WBG activities in the middle-income countries in the Constituency increased by 28.5 percent between FY21 and FY22.

The Office of the Executive Director continued to facilitate and support the development efforts and to engage with Constituency countries. In fulfilling this objective, since the beginning of his tenure, the Executive Director undertook twenty-one official missions to all but one Constituency country– the State of Eritrea. Even for this country, the proposed visit made by the Executive Director was not accommodated by the Authorities. He also joined the Executive Directors' Group travel to the Republics of Zambia and Rwanda, to interact with Governors and other important stakeholders. The Office and Constituency countries also participated in the 59th African Caucus, which was hosted by Morocco under the theme "Towards a Resilient Africa".

The Report highlights the role of the WBG and the OED and enumerates the lessons learned over the Executive Director's two-year term, particularly regarding the response, in the face of multiple complex crises. It also highlights what the Constituency could do to deepen engagement and leverage more WBG support for the development and resilient recovery of the Member Countries.

CHAPTER 1: ECONOMIC DEVELOPMENT AND PROSPECTS



President of the Republic of Malawi, H.E. Dr. Lazarus Chakwera (with a red tie), with the Executive Director, Dr. Taufila Nyamadzabo Hon. Sosten Alfred Gwengwe (fouth from left), WBG Governor for the Republic of Malawi and Minister of Finance and Economic Affairs; Hon. Nancy Tembo, Minister of Foreign Affairs (second from right); Malawian Government Officials and Staff of the Constituency Office

Chapter 1: Economic Developments and Prospects

This Chapter presents an overview of the recent economic developments, the medium-term outlook and risks to the world economy. It also highlights the economic performance and prospects on the Sub-Saharan Africa (SSA) region, including the Africa Group 1 Constituency.

1.1 Global Economic Developments

The global economy continued to grapple with the challenges of the COVID-19 pandemic and the ongoing war in Ukraine, leading to doubly high energy prices in 2022, slowdown in economic growth and rising prices of food, transport, and other global commodities. These factors translated into high inflation, which, at an estimated 8 percent for 2022, has exceeded three decades-long highs in the US, and the highest rate in decades among 44 countries examined around the world[1].

The global economy is forecast to expand by 3.2 percent in 2022, significantly lower than 6.1 percent in 2021, but reversing a 3 percent contraction in 2020[2]. This reflects a combined impact of the slowdown of many drivers of the higher growth in 2021 by the end of the year, including the cooling of large economies such as China, the EU, and the US, as the effects of fiscal and monetary stimulus programs wane, and worsening of global supply chain. The risks in 2022 are linked to the inability of central banks to control the global economy and financial markets, as high inflation continues amid policies posed to raising interest rates in Western countries[3]. Yet, with rising inflation, major central banks have opted to raise interest rates in the second and third quarters of 2022 and are likely to continue this trend for the rest of the year. Moreover, the high rates of inequality within and between countries is expected to continue as a long-term consequence of the COVID pandemic. For most developing countries restoration of per capita income levels to their pre-pandemic level of GDP will be out of reach in 2022[4].

Medium-Term Outlook

The war in Ukraine and its effects on commodity markets, supply chains, inflation and financial conditions have slowed down global growth. One of the main risks surrounding the outlook for the global economy is the rising global inflation accompanied by weak growth, a reminder of the global inflationary recession of the 1970s. This is already resulting in a sharp tightening of monetary policy in the developed economies, which, in turn, could lead to financial pressures in some emerging and developing market economies (EMDEs).

Table 1.1 Global Growth Forecasts

	2013-19	2020	2021	2022	2023
World	2.9	-3.1	6.1	3.2	2.9
Advanced Economies	2.0	-4.5	5.2	2.5	1.4
EMDEs	4.5	-2.0	6.8	3.6	3.9
SSA	3.2	-1.6	4.6	3.8	4.0

Source: IMF World Economic Outlook Update, July 2022

Global output is projected to slow down to 2.9 percent in 2023 due to the impact of the war in Ukraine and the decline of fiscal and monetary support in major economies. It is projected that the reversal of per capita income losses would be out of reach in 2022 for most EMDEs, and this is most likely to continue in 2023[5].

Regional Growth

Although all regions are expected to grow in the medium term, the regional outlook is clouded with downside risks from a range of sources, including slow progress in vaccination against COVID-19 in several regions, particularly SSA. Financial pressures are becoming more pressing in the high debt environment. The war in Ukraine is aggravating the impact of COVID-19 through higher commodity prices and further disruptions to global supply chains. Moreover, the pace of recovery is expected to vary widely between economies mainly due to the 'two-track pandemic' recovery caused by the great disparities in the distribution of COVID-19 vaccines. As such, advanced economies are expected to recover quickly to their pre-pandemic growth level, while the low-income economies lag.

The growth rate of advanced economies is estimated to slow down from 5.2 percent in 2021, to 2.5 percent in 2022, and 1.4 percent in 2023 (Table 1.1). The US economy is projected to decelerate to 2.3 percent in 2022 and 1.0 percent in 2023, down from 5.7 percent in 2021 . Across Europe, a resilient recovery will be achieved through gradual increases in mobility and vaccination rates. The IMF projects China's GDP growth to slow down to 3.3 percent in 2022, down from estimated at 8.1 percent in 2021, reflecting the continuing effects of the pandemic and additional regulatory tightening. Steady demand and rising inflation along with exceptional monetary policy support are refocusing attention on the timing of a potential downturn in policy support. Central banks will face a particularly challenging environment if inflation remains high for an extended period.

For EMDEs, the effects of the war in Ukraine are making it harder to return to the pre-pandemic average growth rates in 2022 and 2023. Aggregate EMDEs output in 2022 is expected to be about 3.6 percent, which is below pre-pandemic trends. However, it is projected to increase to 3.9 percent in 2023, significantly below the 6.8 percent achieved in 2021[6]. In Latin America and the Caribbean, growth is estimated to decline to 3.0 percent in 2022, compared to 6.9 percent in 2021, reflecting monetary policy normalization and fiscal tightening, as well as spillover effects of the Ukraine war[7].

Global Inflation

The rebound in global activity, together with supply disruptions and higher food and energy prices pushed up headline inflation across many countries in 2021. Additionally, the war in Ukraine has had the worst impact on commodity prices since the 1973 oil crisis, according to the World Bank, resulting in price hikes that are expected to extend for years to come, with energy prices rising by 448 percent in March 2022, while food and fertilizer prices rose by 84 percent and 222 percent, respectively.

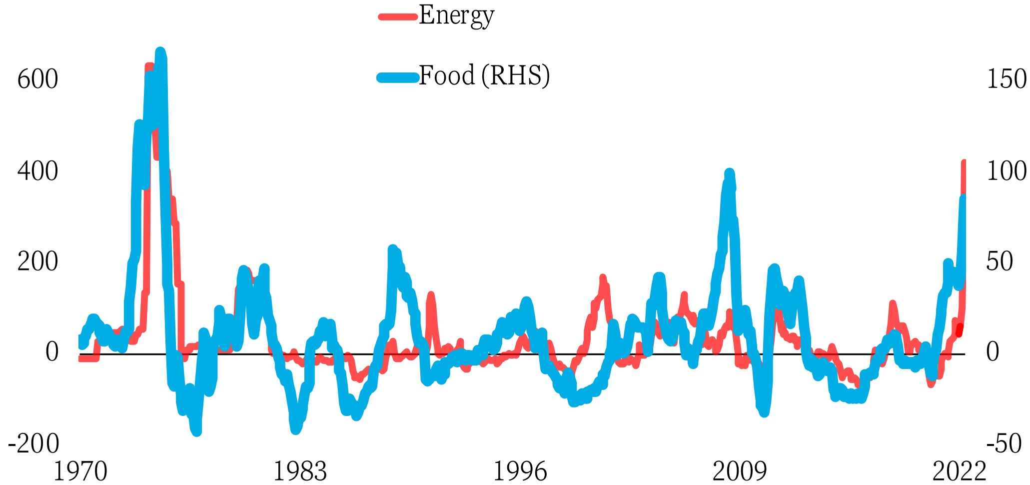
Overall, global inflation has been on rise, with the US and UK registering 9.1 percent in June and May, respectively, making this rate the highest in the two countries over in the last four decades. In EMDEs, inflation is estimated to have been 9.8 percent in the second quarter. If European gas imports from Russia are suddenly halted, lowering inflation could be more difficult than expected. Moreover, the banning of ships at several Ukrainian ports from transporting goods to other parts of the world could prolong the prices problem.

Commodity Prices

The first quarter of 2022 saw a surge in commodity prices due to the strong demand-supply factors, and more importantly the war in Ukraine. The rise in prices has been pronounced for commodities in which Russia and Ukraine command a sizable share of the global markets, such as energy commodities (natural gas, coal, and crude oil), wheat, maize, and fertilizers. The increase was particularly large for wheat, which reached a high of US$560/ton in early March (up from US$350/ton in mid-February), as Russia and Ukraine collectively account for 25 percent of global exports[8].

In addition to strong demand, the war in Ukraine has contributed to the spike in oil prices. This is particularly the case as Russia accounts for 15 percent of global exports of crude oil. Asia and Europe experienced a spike of natural gas prices. Energy prices are projected to be about 50 percent higher in 2022, with an accumulative increase during the winter season, as compared to 2021. On the assumption that the war in Ukraine will not prolong, prices are expected to moderate in 2023 as production rises in the United States.

Figure 1.1 Energy and food prices



Sources: Bloomberg; World Bank.
Note: Figure shows percent change in monthly energy and food price indexes over a 24-month period. This facilitates a comparison of the April 2020 trough with the most recent data (April 2022). Due to data limitations, prior to 1979, the energy price change is proxied using the oil price change.

Debt Dynamics

The repercussions of the economic shock to the world as a result of the war in Ukraine, and surging inflation are huge, as a deep debt crisis threatens to contract the global economy. The pandemic crisis increased total indebtedness to its highest level in 50 years and made the EMDE's level of government debt equivalent to more than 250 percent of government revenues. Global debt increased by US$10 trillion in 2021, setting a record high of US$303 trillion, representing 351 percent of world GDP[9]. Borrowing by governments accounted for slightly more than half of this increase, as global public debt jumped by 20 percent, while the rest was accounted for by private borrowing.

The World Bank warned that about a dozen developing countries may be unable to service their debt in 2022. In fact, some African countries have already defaulted on their debts. Debt servicing burdens in middle-income countries are at their highest level in 30 years, leaving many at risk of default. Worse still, many LICs no longer have access to international capital markets and face liquidity constraints that could turn into insolvency crisis. As low investment credit ratings for such countries have increased borrowing costs, the financial impact on their sovereign obligations has also increased, further raising concerns about the deepening debt crisis.

1.2 Economic Performance in Sub-Saharan Africa

Recent Developments

Growth in the Sub-Saharan African region is expected to slow in 2022, falling to 3.4 percent, from 3.6 percent in the year before (Table 1.1). As pent-up demand declines and advanced countries scale back fiscal and monetary policy support, growth in the region is projected to slow further to 3.2 percent in 2023[10]. The softening of growth in 2022 reflects short-term disruptions, including the slowdown in the global economy, the ongoing effects of the COVID-19 pandemic, financial impacts, and political crises.

The war in Ukraine has created significant challenges to Africa's economic prospects by raising food and fuel prices, disrupting trade in goods and services, tightening fiscal space, and reducing the flow of development finance on the continent. While the level of trade between the African continent as a whole and Russia and Ukraine is not significant, some African countries rely heavily on these two countries for important imports, such as wheat, fertilizers, sunflower oil, and steel. Since the outbreak of the war in February 2022, Africa has experienced shortages of these products, leaving millions of people food insecure. Moreover, rising food and non-food prices have driven up headline inflation across the continent, which may exceed 6 percent in Africa on average in 2022.

Prior to COVID-19, Sub-Saharan African countries were among the fastest-growing economies in the world. However, the pandemic reversed decades of socioeconomic gains on the continent. Africa's Human Development Index (HDI) has declined for the first time in nearly three decades, and millions of people have lost their jobs. According to AfDB, some 50 million were expected to be pushed into extreme poverty due to the pandemic, with women and youth hardest hit. Additionally, the World Bank projects that SSA continues to be the hotspot of extreme poverty and it is the only region that will fall short of achieving 3 percent target of extreme poverty by 2030[11]. Financial and societal inequalities have also increased, while trade disruptions have dampened growth.

Moreover, participation in assistance programs, such as debt service initiatives, which were first launched during the pandemic, has raised concerns about credit rating downgrades. Several African countries experienced credit rating downgrades as they responded to COVID-19, which led to higher borrowing costs on the same amount of debt they owed[12]. Fearing this outcome, many governments have postponed development plans and prioritized debt repayment over tackling the health of their people and how to recover from COVID-19. These policy actions tend to be counterproductive for investment and growth and have negative impact on long-term debt crisis prevention.

The reversal of the hard-won gains by the African countries in poverty alleviation underscores the importance of strengthening resilience and responsiveness to natural and unnatural shocks. To achieve this goal, African governments are required to scale up the management and utilization of their natural resources, take advantage of planet-friendly financing mechanisms, both public and private, to invest in ecosystem restoration, and focus on climate risk sensitive investments. Along with development partners, countries need to commit greater investments in food and fuel security, enhance productive capacity, and more value-added production and exports. They can further enhance these efforts through promoting free and fair competition, and mobilizing resources to close significant gaps in technology and innovation, skills and infrastructure.

Several risks could worsen Africa's currently fragile recovery. The continent is vulnerable to slowdown in global economic activity, continued supply bottlenecks, outbreaks of new pandemic variants, climatic shocks, high inflation, rising financial risks, lower investors' confidence, increasing debt levels, and political risks. Higher borrowing costs due to monetary tightening in advanced economies and downgrades could lead to financial pressures. The region is also vulnerable to a slowdown in China, which accounts for more than 20 percent of SSA's exports. In addition, strict restrictions due to the COVID outbreak affected the operation of the port of Shanghai, leading to serious disruption of international trade, as the city is an important hub of the global supply chain.

Although most African countries have improved their tax revenue, Government revenue as a percentage of GDP is still considered low in LICs. There is also a broad recognition that development partners' support would not be enough to address the multiple crises faced by African countries. Governments would have to step up their efforts to increase domestic resources through taxation and other non-debt income sources to address their financing deficits. It will also require setting specific targets at the national and local revenue levels as part of their national development strategies. They also have committed to strengthening revenue management by tackling illicit financial flows and tax evasion.

A broad policy response is required to promote economic growth and strengthen macroeconomic reforms. It is also important to increase the vaccination rate to avoid relapses caused by new Covid variants. Political commitment is key to implement these policies. However, governments should avoid distorting policies such as price controls, subsidies and export/import bans that could aggravate the situation in the medium and long term.

Africa's Debt

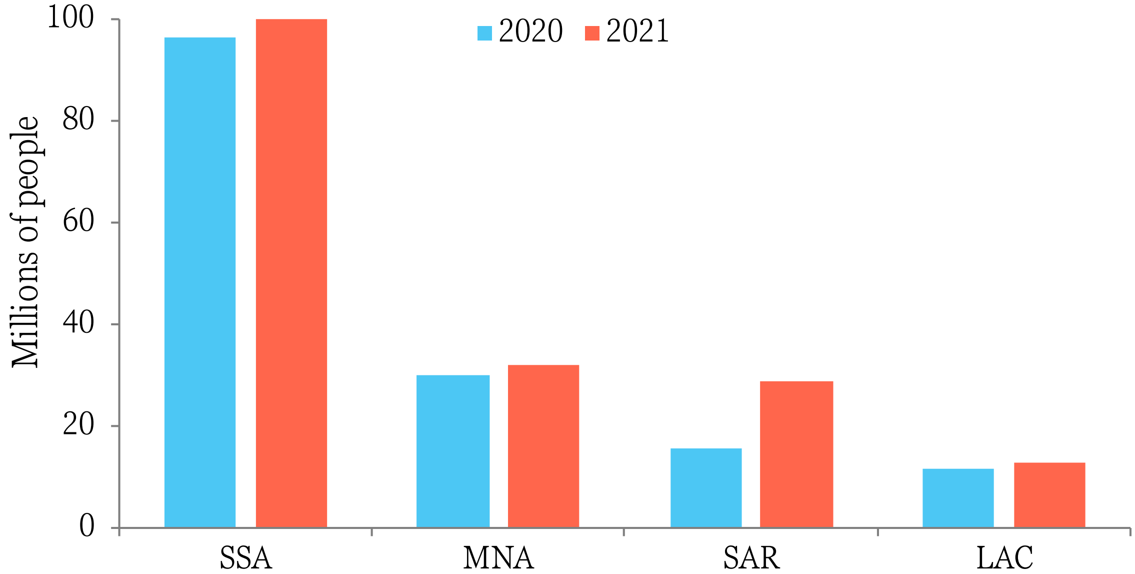
The emergence of the pandemic has put more pressure on African countries that already had debt issues to borrow heavily to manage their budgets. The situation has reached a point where some countries have already started defaulting on their debts. The debt of low- and middle-income countries in SSA increased to a record US$726.6 billion by June 2021, more than double the total governments' revenue in 2019, and currently the highest of any developing region. This has forced governments to commit more money to service debt instead of development. The continent's debt to GDP ratio ranged from as low as 15 percent to as high as 200 percent in 2021.

Africa's experience with debt resolution has historically been complicated and protracted. Africa's debt from traditional bilateral creditors and Paris Club members has fallen from about 57 percent to 27 percent over the past twenty years, whereas the debt owed to private creditors has risen from 17 percent to 40 percent over the same period. According to the World Bank, about 60 percent of IDA countries are at high risk of debt distress or already in debt distress.

G20 Common Framework

Since the beginning of the pandemic, the WBG has made significant efforts to help countries access much-needed resources to meet their economic challenges while enhancing transparency and debt management capacity. The Common Framework (CF) for Debt Treatment Beyond the Debt Service Suspension Initiative (DSSI) was established by the G20 to help countries with insolvency and protracted liquidity problems restructure their unsustainable debt and secure the relief they need. The international community has also provided significant support, including record emergency loans from the World Bank and the IMF, and direct IMF allocations of US$21 billion in Special Drawing Rights (SDRs)to LICs. G-20 leaders have also committed to amplify this impact by lending US$100 billion in SDRs to LICs. Despite this, implementation of the CF has been slow and immediate action is required so that it can deliver on its promise. These delays reflect the difficulties encountered in coordinating Paris Club and other creditors, as well as multiple government institutions and agencies within creditor countries, which slow down decisions. Moreover, debtor countries are seeking treatment from private creditors that is at least as favorable as that agreed under the CF. So far, only three countries – Chad, Ethiopia, and Zambia – have submitted requests for debt relief under the CF and are experiencing significant delays. However, as the fiscal and monetary space for heavily indebted countries tightens, the framework must progress more quickly to bring the much-needed relief to LICs.

Figure 1.2 Number of people in acute food insecurity



Sources: FSIN and GNAFC (2022); World Bank.
Note: LAC = Latin America and the Caribbean, MNA = Middle East and North Africa, SAR = South Asia, SSA = Sub-Saharan Africa. Data from the Food Security Information Network's Global Report on Food Crises 2022. Sample size includes 3 SAR, 36 SSA, 9 MNA, and 5 LAC economies.

Executive Director with beneficiaries of the Girls' Education and Women's Empowerment and Livelihood project in Zambia

Executive Director at the Solar Plant in Zambia

CHAPTER 2: SELECTED POLICY ISSUES AND UPDATES

[Seated from L-R] Ms. Amina Shaaban, Deputy Permanent Secretary, Ministry of Finance and Planning (Tanzania); Hon. Omar Shaaban, Minister for Trade and Industries Development (Zanzibar); Mr. Ethiopis Tafara, MIGA's Vice President and Chief Risk, Legal and Administrative Officer; Dr Mwigulu Nchemba, Minister of Finance and Planning (Tanzania); Dr. Taufila Nyamadzabo, Executive Director; Hon Mudrik Soraga, State Minister of Labour, Economy and Investments (Zanzibar); Mr. Rapahel Maganga, Representative of Tanzania Private Sector Foundation (TPSF) and other participants of the MIGA Conference on Promoting FDI held in Dar es Salaam, Tanzania

Chapter 2: Selected Policy Issues and Updates

This chapter sheds light on important updates on key policies and strategies discussed by the Executive Board of the World Bank Group (WBG) since April 2022. These updates include the WBG's Response to the Crises Affecting Developing Countries, approval of the Intermediate Jurisdiction Policy, and progress on the discussion of the Business Enabling Environment (BEE)

2.1 The WBG's Response to the Crises Affecting Developing Countries

Since 2020, multiple global and regional crises have emerged leading to a reversal in development gains made over several decades. The human and economic impact of the COVID-19 pandemic has been staggering. As a result, global poverty increased significantly, and progress in human capital accumulation was disrupted. The impact of the war in Ukraine, with its repercussions, adds another major shock to countries still recovering from the pandemic and facing urgent climate and development challenges. The climate crisis continues to intensify. Natural disasters have become more frequent and are wreaking significant damage on vulnerable countries. These compounding crises have led to supply chain disruptions, further threatening food and nutrition security and access to energy, competitiveness, and growth. In response to surging global inflation, countries across the globe are tightening monetary policy. Rising interest rates and the uncertainty that followed have dampened prospects for investment and economic recovery.

The multiplicity of crises, a high degree of uncertainty, outstretched fiscal space, and high debt levels are resulting in a complex crisis with differentiated country impacts which will require customized responses from the World Bank Group (WBG). Commodity importers will likely experience stagflation due to commodity price increases, rising interest rates, and supply chain disruptions. Although also facing inflation-related challenges, commodity exporters are expected to fare better. Countries with low levels of vaccinations against COVID-19 are likely to face additional vulnerabilities. The acceleration of food price inflation will especially affect food security in low-income households in Africa, the Middle East, and South Asia. Against a backdrop of social unrest and increasing conflict, countries in Fragile, Conflict, and Violence (FCV) situations are disproportionately vulnerable given their limited resources and lower institutional capacity. Hence, in April 2022, the WBG presented a "Roadmap" outlining how it would support clients as they respond to the impacts of these crises. The WBG developed the response framework based on its comparative advantages and guided by principles of selectivity.

The proposed framework for the WBG's operational response is based on four interconnected pillars combining support for crisis response with support for long-term development. The WBG's objective is to provide mutually reinforcing support by addressing short-term shocks to improve prospects for long-term sustainable development while developing long-term resilience to help prepare for future shocks. The four pillars of the crises response include: (i) Responding to Food Insecurity through immediate crisis response to provide urgent support and avoid long-term derailment of development prospects; (ii) Protecting People and Preserving Jobs to help mitigate the medium- to long-term impact of crises; (iii) Strengthening Resilience to be better prepared for any future crisis and challenges; and (iv) Strengthening Policies, Institutions, and Investments for Rebuilding Better to utilize the opportunities the crises provide to improve long-term development outcomes. This framework will be underpinned by the Green, Resilient and Inclusive Development (GRID) approach, builds on the Pillars of the COVID-19 crisis response, and incorporates lessons learned from responding to the pandemic as well as to past food crises.

(a) WBG support under Pillar 1 will respond to the urgent need to address food insecurity and protect the vulnerable during the ongoing food crisis. Operations will align with the WBG's comprehensive response to food security and will include supply and demand side interventions. IFC's Global Food Security Platform will help support private sector activities to close the financing gap for agribusinesses across the food supply chain, while MIGA will provide trade finance for agriculture. Rapid policy and advocacy work to support open trade regimes and expedite the flow of essential goods will also be undertaken.

(b) Under Pillar 2, the WBG will support additional operations to protect people from the multiple ongoing crises, including a focus on preserving jobs. Interventions under this Pillar will help countries continue the work to control the spread and impacts of the pandemic, ramping up the provision of essential health services and addressing learning losses from disruptions in schooling. In this regard, sixteen (16) countries in the Africa Group 1 Constituency have ongoing COVID-19 operations, including vaccines to the value of US$1.9 billion, under the COVID-19 Health Response utilizing the Global Multiphase Programmatic Approach (MPA). Preparations are underway for one operation valued at US$121.1 million to benefit six (6) Constituency countries. Four (4) Constituency countries have benefited from IFC investment valued at US$229 under the COVID-19 Fast Track Facility. The WBG will also continue supporting migrants and Internally Displaced Persons (IDPs) in Ukraine and other conflict and FCV situations. The pillar will include a focus on jobs, given the risk that significant monetary tightening could hurt nascent recoveries and result in job losses, and the food and fertilizer crisis could affect livelihoods in the agriculture sector, where the bulk of the world's poor work.

(c) Support will be provided to preserve jobs and create new ones, through skills training, active labor market programs, greater financial inclusion, and initiatives to facilitate gender equality and encourage entrepreneurship and women's economic activity. Regulatory reforms to improve the business environment will be part of the WBG's agenda under Pillar 4, where for instance competition policy, climate-smart policies, and domestic resource mobilization will require implementation of regulatory reforms. Maintaining the smooth and effective functioning of trade routes will be critical to maintaining supply chains and global trade flows. In addition to IFC's traditional support through investments and advisory service, IFC's Upstream approach will also address constraints to private sector development across targeted sectors. MIGA will focus on efforts to improve trade finance and access to finance as an important element of medium-term business growth.

(d) Support under Pillar 3 will focus on building long-term resilience and enhancing crisis preparedness, complementing operations across the four pillars that will also contribute to resilience-building. The WBG will focus on upgrading systems to make them less vulnerable to future crises. Operations will address crisis preparedness and disaster risk management to strengthen resilience. Efforts will continue with pandemic preparedness, learning from the experience of the recent pandemic. WBG will support countries to upgrade social protection systems to provide adaptive support programs that can respond rapidly to future shocks. Operations will help support nutrition-sensitive and sustainable food systems. Climate resilience will be supported through operations in this pillar and Pillar 4.

(e) WBG support will enhance client countries' capacity to better manage macro-fiscal and debt vulnerabilities, upgrading fiscal frameworks and continuing efforts on debt transparency and management. The Bank will also help countries secure pre-arranged contingency finance through Catastrophe-focused DPF operations with Deferred-Drawdown Options (CAT-DDOs) to respond to shocks. DPF operations will include policy actions to build resilience across a range of sectors from finance to agriculture. Support for global initiatives, such as "One Health", will continue to strengthen pandemic preparedness. Through its Global Health Program, IFC will continue efforts to support the supply of healthcare products. MIGA will continue its COVID-19 response, providing credit enhancements to enable public-sector borrowers to raise long-term commercial borrowings for investing in their healthcare systems.

(f) WBG interventions under Pillar 4 will focus on longer-term policies to advance the GRID agenda and help countries rebuild better. WBG support will focus on promoting climate-smart investments, facilitating resilient reconstruction, building strong institutions, supporting well-functioning health and education sectors, and using digital tools where feasible to enhance development solutions. Country Climate and Development Report (CCDRs) will identify new opportunities for public and private sector support, and the Bank will provide advice and financing to support climate change adaptation and mitigation across a range of sectors. IFC's efforts to strengthen the development of local infrastructure services, coupled with MIGA's work to support long-term funding for sustainable and climate-smart infrastructure will be critical.

(g) Global, regional, and country analytical and advisory products are critical complements to the WBG financing portfolio to respond to crises and maximize development impact. An important element of the crisis response will be to advocate for and support evidence-based policies and well-tailored financing operations. WBG support will be built on its country engagement model while ensuring consideration of key corporate priorities, such as mobilizing private capital, climate change, gender, and FCV. The proposed crisis response framework will be underpinned by the WBG's robust results architecture, with a focus on outcomes at the corporate, country, and operational levels. It will also place risks to development outcomes at the center of its results approach, acknowledging that operating in a crisis environment creates elevated risks for the WBG's program, thus mitigating risks to the extent feasible.

(h) The WBG has committed to making available up to US$170 billion over the period April 2022-June 2023. The WBG has estimated to have delivered US$50 billion in the three months from April 1, 2022, to June 30, 2022. In FY23 (from July 1, 2022, to June 30, 2023), IDA20 financing will be frontloaded in line with current IDA policies, allowing IDA to provide US$36.2 billion for crisis response in FY23. The IBRD FY23 lending ceiling will be US$36.5 billion, bolstered by an additional crisis buffer for FY23 of US$5 billion. Around US$6 billion from World Bank trust funds is also expected. IFC is anticipating an FY23 surge of US$35 billion, while MIGA is expecting to provide US$6 billion in risk insurance. At the end of FY23, the WBG will take stock of progress on the crisis response effort, to inform and recalibrate its framework beyond these 15 months.

(i) Coordination of efforts and policies across countries and institutions is essential to an effective response. The global community needs an effective international coalition of support to respond to these multiple, overlapping, compounding crises. The WBG is working closely with International Financial Institutions, UN agencies, the G7, the G20, regional bodies, and individual countries, as well as the private sector as it implements its crisis response and uses its convening power in areas ranging from food and nutrition security and climate change to pandemic prevention, preparedness and response.

2.2 Intermediate Jurisdiction Policy Update

The Board of the WBG, on July 21, 2022, approved the updated policy on the use of Intermediate Jurisdictions (IJs) in its private sector operations. The last revision to the policy took place in 2014 and therefore did not reflect the significant developments in the standards governing international tax and transparency.

The principles of the updated policy reflect the importance of cross-border investment for private sector development and recognize the legitimate purposes served by IJs in facilitating these investments. The principles, however, also acknowledge that IJs that do not implement recognized international standards can be used for illegitimate purposes including tax evasion or enabling Illicit Financial Flows (IFFs). It also recognizes the importance of enhanced tax revenues to strengthen domestic resource mobilization, particularly in developing countries.

The principles are therefore also intended to mitigate the risk of IFFs, tax evasion, or abusive tax planning, and differentiate between the legitimate use of IJs that operate consistently under global standards. The updated policy, therefore, embraces the new international standards and provides requirements for enhanced integrity and tax due diligence and analysis. The updated policy aligns the principles for the use of IJs with the following three global standards where broad consensus has been achieved.

Exchange of Information on Request and Automatic Exchange of Information

The updated WBG IJ policy aligns its principles with the Organization for Economic Co-operation and Development (OECD) Global Forum's standards pertaining to EOIR and AEOI. The Global Forum comprises more than 160 states and territories, generally referred to as jurisdictions, that promote the use of a Common Reporting Standard (CRS) for tax transparency. It also facilitates the publication of peer reviews on compliance and progress of a jurisdiction's implementation of EOIR and AEOI standards.

Base Erosion and Profit Shifting Inclusive Framework (BEPS IF)

The updated policy also aligns its principles with the OECD BEPS IF, a project championed by the OECD as a multi-step action plan designed to combat abusive tax planning and harmful tax practices. To date, 141 jurisdictions are members of the BEPS IF undertaken by committing to the four BEPS minimum standards relating to harmful tax practices, treaty abuse, country-by-country reporting, and dispute resolution mechanisms.

Financial Action Task Force (FATF)

The principles guiding the implementation of the policy also reflect the FATF standards pertaining to tax practices. FATF is an intergovernmental policymaking body comprised of 39 members, which establishes standards and promotes the rigorous implementation of legal, regulatory, and operational measures for combating money laundering, terrorist financing, and other associated threats to the integrity of the international financial system. The scope is not limited to abusive tax practices, unlike the standards enumerated above.

Guided by the above principles and standards, the updated Policy establishes a pragmatic and multi-step approach to assessing the use of IJs in WBG private sector operations. This process includes: an analysis of an IJ's eligibility based on applicable international standards; enhanced due diligence, focusing on taxes to be paid at the project enterprise level or in the host country; a path for clients to re-domicile or relocate entities or remove IJs where they do not meet the established criteria; and requirements for Board disclosure regarding the use of IJs.

The implementation of the policy will be the responsibility of each WBG institution guided by the established policy framework. The Policy was updated and approved as a WBG policy to reflect an institution-wide commitment to the principles outlined. However, recognizing the respective business models, each WBG institution will effect the changes in the policy through implementing documentation in their respective policy frameworks, as well as reviewing and updating other policies and procedures to conform to the updated IJ policy.

During the discussion, our Chair highlighted SSA's perspective on the use of IJs emphasizing that it was underpinned by the shared desire to grow domestic revenues and address tax leakages. As such, our Chair supported the significant systemic enhancements to the policy regarding tax due diligence and welcomed the emphasis placed on assessing; taxes to be paid at the project enterprise-level and host country, related party transactions, round-tripping, and the impact of tax treaties or preferential tax regimes on taxes paid at the project level.

The approved 2022 IJ Policy will be reviewed in three years to evaluate the implementation and review any progress in global consensus on relevant international standards.

2.3 Business Enabling Environment (BEE) – Update

Background

Following the discontinuation of the former World Bank Doing Business Report (DB) on September 16, 2021, the Bank's accountability and integrity systems stepped in and conducted several assessments. These evaluations led to several recommendations for the future course of action to avoid a repeat of the problems encountered with the DB. The recommendations, together with lessons documented from internal evaluations have led to the proposed new initiative – Business Enabling Environment (BEE).

The BEE's aim is to assess the business and investment climate with the objective of encouraging the design of a regulatory environment that facilitates the emergence and growth of a healthy and strong private sector. A pre-concept note floated in mid-January 2022 by the Bank highlighted the key elements of the new approach, including the objective, scope, methodology, and output of the BEE. Following a series of internal consultations, a draft concept note was produced in July 2022. The following section highlights the main elements of the concept.

Proposed structure and content of the Business Enabling Environment (BEE)

Objectives and Principles: The specific objective of the BEE is to provide a qualitative and quantitative assessment of the business environment for private sector development. The note defines private sector development based on three characteristics: (a) promoting economic growth through innovation and entrepreneurship, (b) increasing equality of opportunities among market participants, and (c) ensuring the general sustainability of the economy in the long term.

The BEE concept note also introduces the idea of 'development purpose' with a three prone approach. (a) Advocacy for policy reform - through facilitating opportunities for knowledge sharing and policy dialogue for governments, civil society (including the private sector), the WBG, and other development institutions. (b) Information source for specific policy advice - by covering a wide spectrum of areas relevant to the behavior of firms and the functioning of markets. (c) Provision of data for development policy research.

On proposed approaches for the conduct of the BEE, the concept note elaborates on four focus areas.

(a) A balanced approach in capturing reforms that encourage Ease of Conducting Business as compared to reform measures that have Broader Benefits for the Private Sector. This trade-off acknowledges the tension between the costs to individual firms, and social benefits and desirable standards.

(b) Measures that capture Regulatory Burden compared to those gauging Regulatory Quality and Public Services. The purpose of this is to provide clarity on the role of governments in creating a conducive business environment.

(c) De Jure Laws and Regulations compared to De Facto Practical Implementation. While the focus of this is to collect information as provided by both statutory laws and regulations and actual implementation, the concept note introduces additional steps focused on collecting information directly from firms based on their experiences with the business regulatory environment.

(d) Data Comparability vis a vis Data Representativeness. Employing a combination of expert consultation and firm-level surveys is expected to assist in making progress with this approach.

The BEE's scope, as outlined in the concept note, is based on three pillars: regulatory framework, public services, and efficiency considerations. Regulatory framework refers to the collection of rules and regulations that firms must follow as they open, operate, and terminate as a business. Public services refer to both the facilities that governments provide directly or through private firms to support compliance with regulations and the critical institutions and infrastructure that enable business activities. And finally, efficiency refers to the effectiveness with which the regulatory framework and related public services are combined in practice to obtain the objectives that allow firms to function. Furthermore, the BEE concept note defines 'business environment', as the "set of conditions outside a firm's control that have a significant influence on how businesses behave throughout their life cycle". Noteworthy is that the BEE will contribute to the knowledge work related to business informality in developing countries. Towards this, the BEE team will undertake an assessment of the barriers to formalization.

During the second and third weeks of September, two BEE seminars for Executive Directors were held. These focused on the aggregate scoring of the ten indicators, namely, Business Entry, Business Location, Utility Connections, Labor, Financial Services, International Trade, Taxation, Dispute Resolution, Market Competition, and Business Insolvency and the three categorizations. The first seminar discussed the following three recommendations for aggregate scoring: a) Publish economy-level score starting with the first BEE report, b) the publication of only topic level scores in the first and second BEE reports, and c) decide on the right level of aggregation once the first data has been concluded and analyzed. Discussions around the three options were inconclusive with members calling for additional options.

The second BEE seminar produced some evidential results. Four options for aggregate scoring were presented by the BEE team, which also addressed a gender dimension, Carbon taxes and cross-border carbon pricing instruments, a budget, workflow, and timeline for discussion.

These options included: a) Ten topic scores only with no economy-wide score, b) Ten topics scores plus one economy-wide score- a simple average with confidence intervals, c) Ten topic scores plus three categorical scores based on the life-cycle of the firm: opening, operating, and closing, and d) Ten topics scores plus three categorical scores based on the nature of the topics: input, market, and institution. The consensus from Board Members was that the BEE should preserve the integrity, robustness and transparency of data collection, the methodology of analysis and interpretation. The Board directed the team to focus more on the accuracy and refinement of the data collection to avoid the shortcomings of the discontinued World Bank Doing Business Report.

On the issue of including gender in the BEE, the goal is to promote women's economic empowerment. The proposal for the inclusion of gender will look into exploration of every BEE topic from the perspective of female workers and female owned firms. The Women, Business and the Law (produced by the World Bank every other two years since 2010), which focuses on the regulatory framework that directly affects women's economic empowerment globally will add value to the BEE.

There was very little support for the inclusion of Energy and Climate Fiscal Instruments in the BEE. The presentation exposed the disaggregation and differences between and across regions including their economies, the regulatory frameworks and institutional capacity development. International good practices on carbon instruments are still being developed, especially in developing countries. It was noted that, attempts to include this aspect in the BEE could expose potential bias against developing countries by creating distortions in the market. Therefore, the Board recommended that the BEE team looks into the necessity of including energy and climate fiscal instruments into the BEE without creating data imbalances across the various economies.

Finally, the team presented the budget, workflow and the next steps and highlighted that the BEE report would cover 120-150 countries with annual expert consultations and a three-year rotating enterprise survey. This will require additional resources to undertake consultations and data collection. The workflow and next steps will have to be adjusted due to the delays in reaching conclusions on the framing of the BEE.

The OED is actively engaged in the conversation on the BEE concept and continues to represent the interests of Constituency countries. In this regard, it is important that the BEE is properly structured and safeguards are incorporated to help Constituency countries to position themselves to attract foreign capital, technology, and improve access to markets, while avoiding the pitfalls of the DB report.

2.4 2022 Implementation Update:2016-23 WBG Gender Strategy

The 2016-23 WBG Gender Strategy places gender equality at the center of a smart development policy, positing that successful strategy implementation will facilitate the attainment of WBG's twin goals and the realization of sustainable development goals. The strategy's objectives are: (a) asset control and ownership; (b) voice and agency; (c) jobs; and (d) human endowments. The World Bank and the International Finance Corporation (IFC) have established new targets and methods for measuring implementation progress, including WBG's gender tags and IFC's gender flags.

The World Bank and IFC reviewed the implementation of the Gender Strategy to gather progression evidence and identify opportunities to maximize strategic benefits over the remaining strategy period. The most recent midpoint review sought to determine the impact of WBG's gender strategy on bridging critical gender gaps. It employed qualitative approaches and descriptive statistical analysis to collect and evaluate data gathered from corporate, regional, and country stakeholder interviews and focus groups. The findings revealed that there are four institutional elements for enhancing the country-driven approach to strategy implementation. They include: (a) staff designation to support gender-based commissions; (b) knowledge management; (c) the World Bank Gender Group's monitoring and evaluation; and (d) the IFC Gender Business Group's monitoring and evaluation. The midpoint review recommended that the World Bank and IFC focus on bridging gender gaps by using country teams.

The findings and recommendations of the midpoint review have impacted four primary influencers of the gender strategy. They include:

Gender Strategy Commitment and Implementation

The World Bank and IFC's partners, management, and staff have become more committed to the gender strategy, increasing the likelihood of its successful implementation.

Enablers: Gender flags and tags have increased engagement and accountability to realizing the gender strategy.

Constraints: (i) Organizational strategy implementation actions are inconsistent with the ambitious gender strategy goals; (ii) staff's competing priorities; and (iii) staff's inadequate familiarity with the gender gap approach.

The Country-Driven Approach

The gender strategy advocates for an improved country-driven approach to bridging gender gaps.

Enablers: (i) The prioritization process links country-specific diagnostics, strategies, and operations through Systematic Country Diagnostics and other criteria. It allows Country Management Units in African countries like Kenya and Egypt to focus their interventions on specific gender issues. (ii) Programs supported by gender gap diagnosis and policy dialogue; and (iii) programs that integrate Country Partnership Framework objectives. Examples of such programs are stand-alone projects commonly initiated in Sub-Saharan African countries. Constraints: Lack of consistent translation of country-specific priorities into operation portfolios that address gender gaps.

The Coordination of Staff Designated to Support Gender Work

Staff designated to support gender work are vital to linking strategy and practice.

Enablers: (i) Staff designated to support gender work facilitate evidence use to generate service demand, inform development partner perspectives, and enhance project design; (ii) staff designated to support gender work connect institutional, regional, and country-level teams resulting in a collaboration that generates operation solutions, offers mobile support and translates knowledge; (iii) availability of operation-supporting evidence produced by the WBG, IFC, and Gender Innovation Labs; and (iv) IFC's successful connection of country-level advisory services with global programs.

Constraints: (i) The gender strategy offers few details on staff organization for best evidence use; (ii) unavailability of staff designated to support gender work resulting in evidence inaccessibility, technicality, and irrelevance as well as potential resource wastage; (iii) gender gap data and knowledge inadequacy at subsector and sector levels in specific countries; (iv) staff's inability to translate gender-based violence information into operations; (v) broad World Bank Gender Group scope; (vi) the World Bank has no unit that is dedicated to gender work expertise coordination leading to a lack of clear staff selection criteria, time constraints on function completion, and few professional development and recognition opportunities; and (vii) the World Bank and IFC's lack of career advancement pathways that develop staff into gender experts.

Progress Measurement

The World Bank and IFC prioritize commitment monitoring and project design assessment

Enablers: (i) The World Bank collects and reports capital package commitments and International Development Association policy commitment data; and (2) the IFC reports gender-related capital package commitments.

Constraints: (i) Less attention paid to monitoring implementation, increasing the risk of missing outcome assessment evidence; (ii) budget limitations that mitigate adequate progress monitoring; and (iii) difficulty in making mid-course implementation corrections due to missing evidence.

The evidence-based enablers and constraints of implementing the WBG Gender Strategy highlight four opportunities to improve strategy implementation during the remaining period. They include: (a) synergizing global and regional practices with industry groups and country teams to create coherent country-specific portfolios; (b) defining and maintaining standards for staff designated to support gender work; (c) facilitating gender work staff's coordination with investment officers, project leads and team leaders to encourage evidence generation that amplifies knowledge use to realize gender priorities; and (d) emphasizing the World Bank's and IFC's need for corporate monitoring and implementation evaluation.

CHAPTER 3: WORLD BANK GROUP OPERATIONS

President of the United Republic of Tanzania, H.E. Samia Suluhu Hassan (centre) paid a courtesy call to the Constituency Office during the 2022 Spring Meetings. Others are (L-R): Mr. Emmanuel Tutuba, WBG Alternate Governor for Tanzania; Dr. Floribert Ngaruko, Alternate Executive Director; Hon. Dr. Mwigulu Nchemba, WBG Governor for Tanzania; Dr. Taufila Nyamadzabo, Executive Director; Hon. Dr. Saada Mkuya, Minister of Finance and Planning (Zanzibar); Dr. Zarau Kibwe, Senior Advisor; Dr.Juma Malik Akil, Permanent Secretary, Ministry of Finance & Planning (Zanzibar); and Ambassador of the United Republic of Tanzania to the US, H.E. Dr. Elsie Kanza

Chapter 3: World Bank Group Operations

This chapter summarizes the operational performance of the WBG institutions, with focus on Constituency countries. It covers commitments and disbursements of resources made by the International Development Association (IDA), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Multilateral Investment Guarantee Agency (MIGA).

3.1 IDA Operations

IDA countries have faced daunting challenges, including the impact of COVID-19, conflicts, climate change, growing macroeconomic imbalances, and spillovers of the ongoing war in Ukraine. IDA members agreed in April 2021 to launch the twentieth replenishment of the International Development Association (IDA20) a year ahead, to commence in FY23, shortening the IDA19 cycle to two years (FY21–22), as a response to the heightened financial needs of IDA countries. This freed up resources amounting to US$12.5 billion, initially earmarked for use in FY23, that was availed in FY22. While responding to the multiple crises, IDA20 focuses on building back better from multiple crises. In the near term, IDA support will focus on addressing food security and liquidity constraints.

The adjustment to the IDA19 financing also released US$71.3 billion in resources made immediately available, and the balance of US$10.7 billion was carried forward to be utilized in the IDA20. IDA20 has made available US$93 billion in resources reserved for eligible countries for the period July 1, 2022, to June 30, 2025. Most of the allocation to countries is carried out through Performance-Based Allocations (PBA) criteria. In addition, eligible countries facing situations of fragility, conflict, and violence (FCV) are eligible for additional resources to their PBA drawn from the FCV Envelope. This envelope deploys resources through the following allocations: Prevention and Resilience; Remaining Engaged during Conflict; or Turn Around Allocation.

In FY22, IDA availed US$38.3 billion in net commitments. IDA availed additional commitments amounting to US$36.4 billion, including US$12.1 billion in grants in FY21 Almost 53 percent of FY21 commitments were dedicated to COVID-19 response. IDA's ambitious agenda focuses on helping countries recover from the crisis and advance on a greener, more resilient, and more inclusive path to development and national recovery.

There was a reduction in total disbursement by 7 percent, from US$22.9 billion in FY21 to US$21.3 billion in FY22. During FY21 and FY22,

Figure 3.1 Net IDA Commitments by Instrument (US$ Millions)

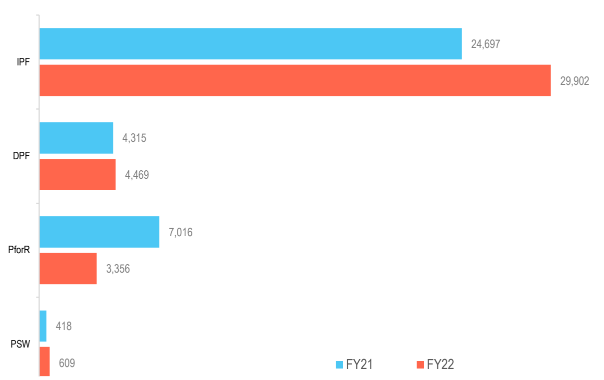


Figure 3.2 Gross IDA Disbursement by Instrument (US$ Millions)

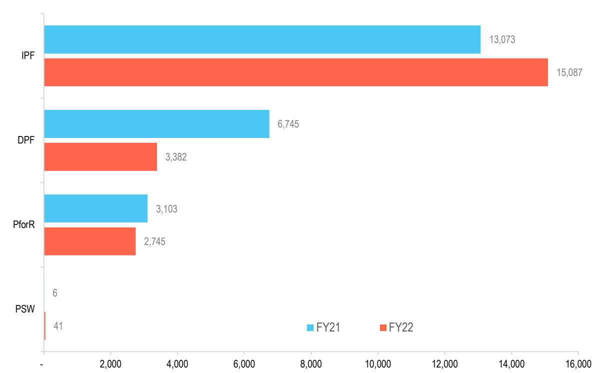


Figure 3.3 Net IDA Commitments by Region (US$ Millions)

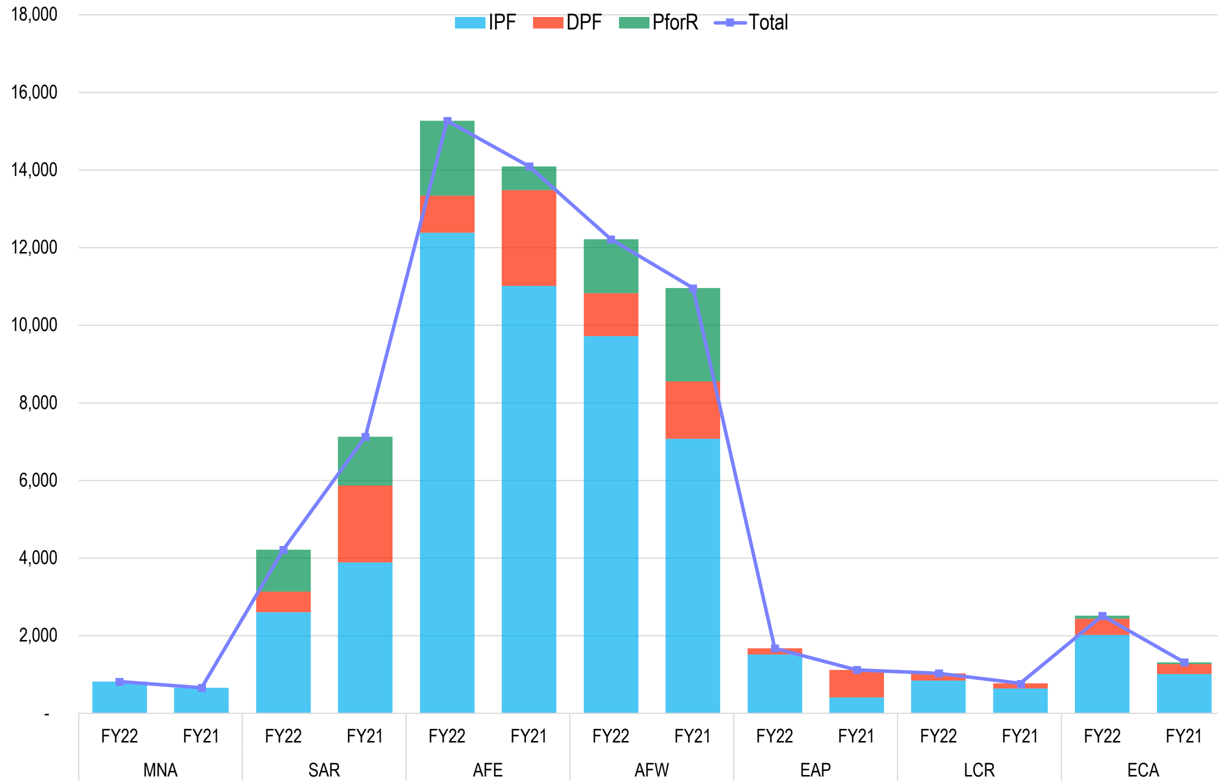


Figure 3.4 Net IDA Disbursement by Region (US$ Millions)

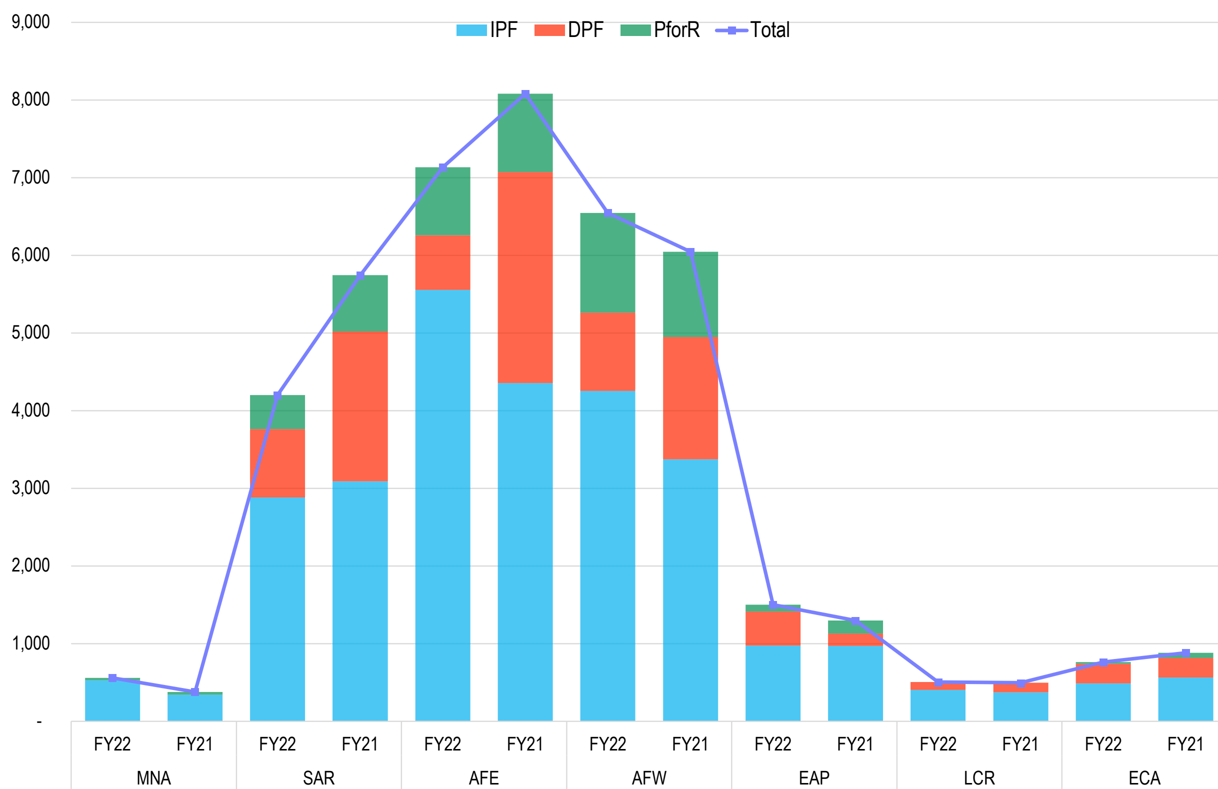


Figure 3.5 Net IDA Commitments by AfG1 Countries (US$ Millions)

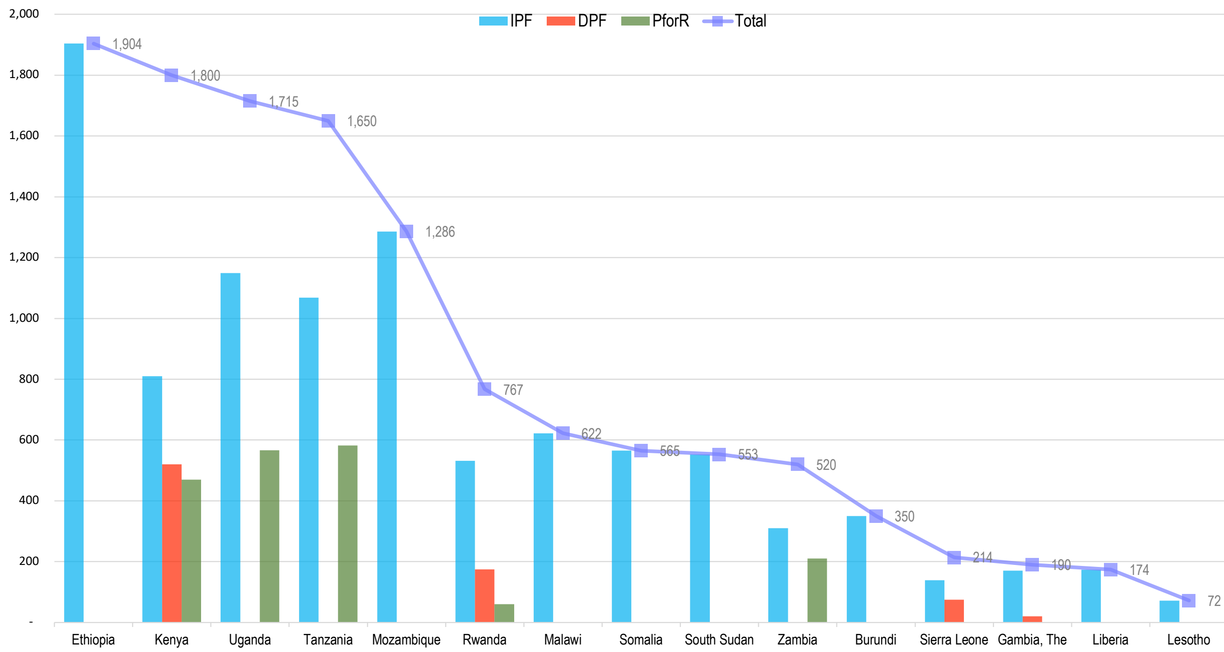
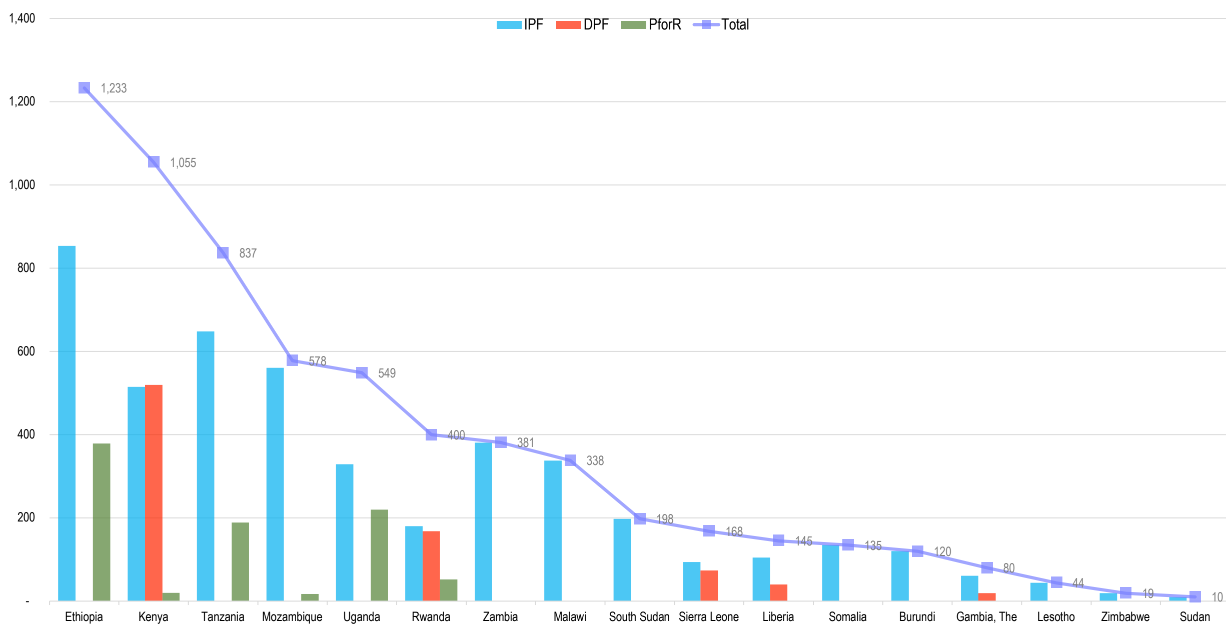


Figure 3.6 Net IDA Disbursements by AfG1 Countries (US$ Millions)



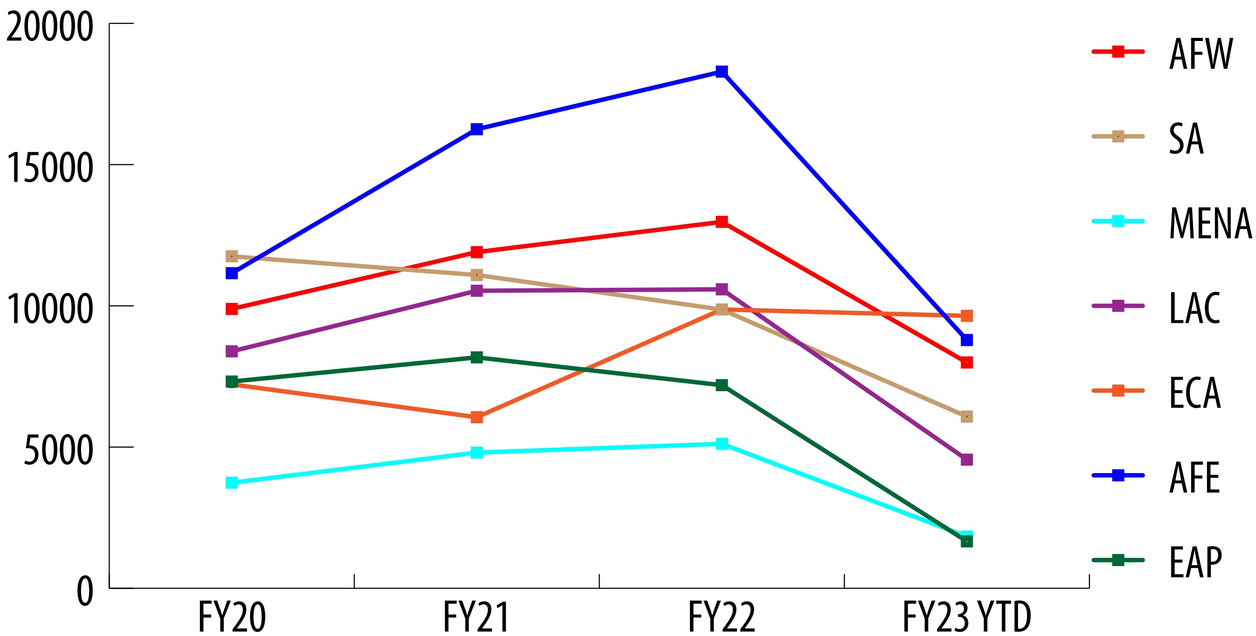
the bulk of IDA resources was disbursed through IPF, followed by DPF (Figure 3.2).

On net commitments and net disbursements by region, the Eastern and Southern Africa (AFE) region received most resources in FY22 and FY21, followed by the Western and Central Africa (AFW) region. The bulk of the resources was committed to IPF (Figure 3.3).

In terms of cross-continent comparisons, Europe and Central Asia are the regions with the highest IDA resources due to the ongoing conflict in Ukraine. IDA19 provided extraordinary responses from FY21 to date. Ukraine was granted access to IDA19 through a $1 billion facility in short-maturity non-concessional financing available in FY22.

In the Africa Group 1 Constituency, the Federal Democratic Republic of Ethiopia, followed by the Republic of Kenya, received the most resources from IDA during FY22 under the Investment Project Finance (Figure 3.5).

Figure 3.7 IDA Lending Trend by Region (US$ Millions)



IDA20 Engagements

IDA for Africa - Dakar, Senegal

The IDA20 Launch Summit held in Senegal on July 7, 2022, was graced by several Heads of State. The main objective of the Summit was to facilitate guidance from African leaders on the strategic choices for IDA20. The Bank presented the following topics for consideration; accelerating energy access; invest in the digital economy; more focus on food security; and continuous investment in human capital.

Following the open dialogue held by African leaders in a restricted session, the leaders issued a 15-point joint declaration dubbed the Dakar Call for Action which underscored the following focus areas:

- Africa commits to accelerating the economic transformation to mitigate future shocks;
- The continent is facing a major food and nutrition crisis for the third successive year, requiring urgent action to strengthen the response mechanisms to address the problem;
- Protecting, improving, and increasing investment in human capital is fundamental to achieving the structural transformation of African economies;

- Efforts will be intensified to accelerate the development of the digital economy and aim for universal access to broadband connectivity by 2030;
- Affirmed that cross-cutting projects financed by IDA20 must promote strong private sector involvement and will require support from the International Finance Corporation (IFC);
- Affirmed the commitment to implementing the African Continental Free Trade Area (AfCFTA);
- Called on partners to improve the concessional and disbursement terms of their support to Africa to limit the risks of public debt distress; and
- Affirmed the need for strong leadership and political commitment in Africa to deliver on IDA20, supported by improved continental-level coordination mechanisms to ensure optimal and fair utilization of IDA20 resources.

IDA20 Launch – Tokyo, Japan

The twentieth cycle of the International Development Association (IDA20) was launched at a high-level event in Tokyo, Japan on September 12-13, 2022. This followed the historic US$93 billion replenishment which took place in December 2021. The IDA20 cycle runs between July 1, 2022, and June 30, 2025. The launch was attended by representatives from donor and borrowing countries, officials from the Government of Japan, and World Bank leadership and members of the World Bank Board of Executive Directors. The launch took place at a time when the global economy is battling with climate change, COVID-19, conflict, inflation, rising debt, and food insecurity, which are all impacting the poorest people disproportionately.

The IDA20 is specifically designed to tackle the multiple crises in 5 ways:

(a) The twentieth replenishment framework is underpinned by a prioritization of human capital investments. Investments in people, their health, and their education feed into a country's overall economic health and resilience. The discussion stressed the need to prioritize progress toward universal health coverage, strengthen community-based responses, and leverage technologies to enhance essential health functions.

(b) Through this package, IDA will deepen support to countries and their systems to better prepare for and respond to future crises, including pandemics, financial shocks, and natural hazards. IDA20 will also invest in stronger and more resilient food systems by supporting agriculture and helping families cushion the effects of higher food prices. Several participants emphasized that partnerships should be geared towards better responding to country-level development priorities.

(c) IDA20 will prioritize tackling climate change, including by aligning operations with the Paris Agreement. Increasing climate co-benefits, and with high targets for green financing and ecosystem services will help countries to adapt to rising climate impacts and preserve biodiversity.

(d) IDA20 has special provisions through which countries can access additional resources particularly targeted at the vulnerable. The Window for Host Communities and Refugees which helps eligible host countries create meaningful longer-term development opportunities for refugees and host populations. Similarly, the Fragility, Conflict and Violence (FCV) Envelope provides financing to countries facing acute FCV risks.

(e) IDA20 has a strong handle and proactive plan for sustainable debt management. The Sustainable Development Finance Policy aims to incentivize countries to move toward transparent and sustainable financing and to further enhance coordination between IDA and other creditors in support of the countries' reform efforts. The policy helps address debt management, fiscal sustainability, and debt transparency challenges systematically and proactively over a medium-to long-term horizon.

The final session of the two-day meeting included two events. The first was a formal launch of IDA20, where WBG President David Malpass and Japan's Finance Minister, Suzuki Shunichi made remarks to celebrate this important milestone. This was followed by a closing session during which several partners shared their key takeaways from the discussions. Recurring themes were debt and creditor outreach, mobilizing private sector resources, gender, support for crisis response, and coordination among development actors. In the end, it was agreed that some of these themes could be taken up in future IDA discussions, starting in the planned IDA Day meeting scheduled for October 17, 2022.

3.2 IBRD Operations

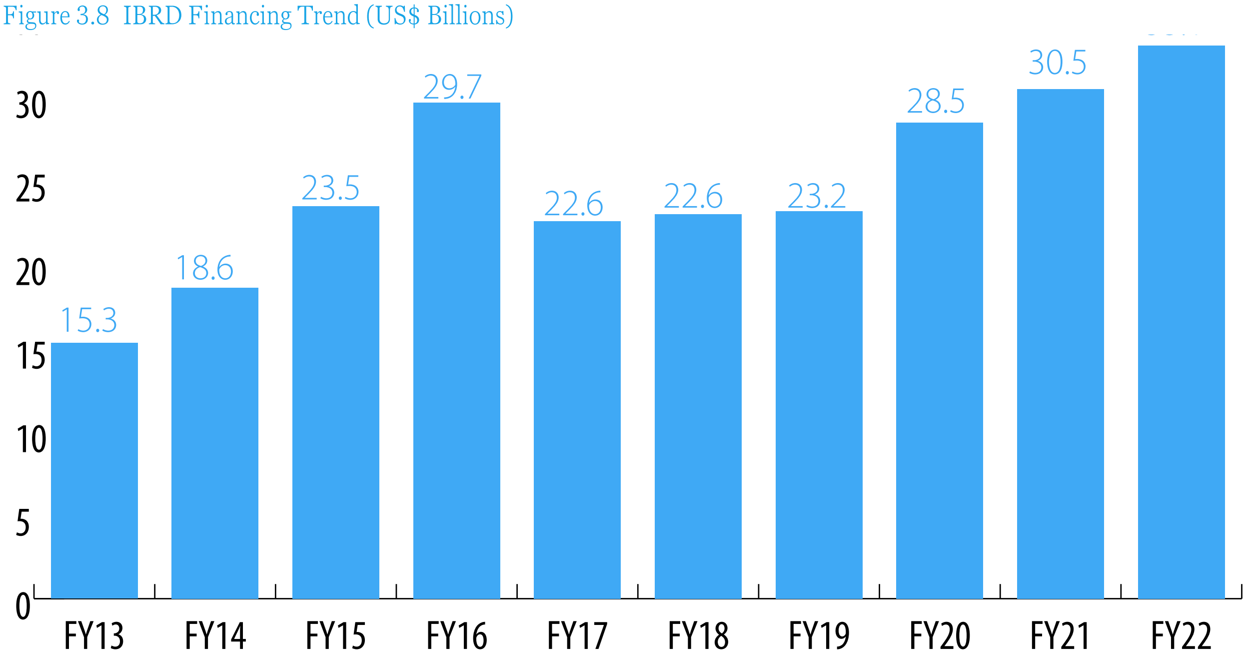
The International Bank for Reconstruction and Development (IBRD) is the arm of the World Bank that generally provides financing and knowledge services to middle income countries and creditworthy low-income countries. The objective of the IBRD financial model is not to maximize profits, but to earn adequate income to ensure that it has the long-term financial capacity necessary to support its development activities.

IBRD provided US$33.1 billion of new net loan commitments in FY22, through 136 operations (including operations in blend countries. The FY22 commitments represented a 49 percent increase above the pre-pandemic average from FY13-FY19 (Figure 3.15). This increase was mainly driven by an increase in Development Policy Financing (DPF) commitments, reflecting the Bank's continued support for COVID-19 related efforts, including US$3.3 billion of financing for COVID-19 vaccines.

The regions with the largest share of commitments during FY22 were Latin America and Caribbean region (LCR) with 28 percent, and Europe and Central Asia (ECA) with 18 percent of the total. From the outbreak of the war in Ukraine, through June 30, 2022, IBRD committed US$1.073 billion to help the Government of Ukraine provide critical services.

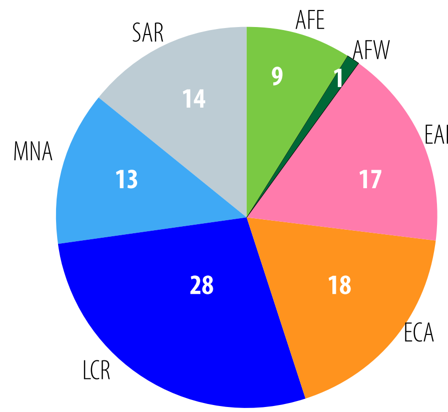
IBRD gross disbursements during the same period totaled US$28.2 billion, an increase of 18.9 percent over FY21. The increase was mainly driven by higher disbursements for Investment Project Financing (IPF) operations. The regions

Figure 3.8 IBRD Financing Trend (US$ Billions)



with the largest share of gross disbursements during FY22 were LCR with 32 percent, and East Asia and Pacific (EAP) with 19 percent of the total. IBRD disbursed US$1,428 million to Ukraine since the start of the war, including amounts from earlier commitments. Net disbursements, of US$14.9 billion in FY22, were the key driver for the increase in net loans outstanding, from US$218.8 billion at the end of the fiscal year ended June 30, 2021, to US$227.1 billion at the end of the fiscal year ended June 30, 2022. The increase was primarily due to higher Investment Project Financing (IPF) and Development Policy Financing (DPF) disbursements.

Figure 3.9 IBRD Commitment Share by Region (Percent of Volume)



3.3 IFC Operations

IFC's total financing is the sum of the organization's long-term finance (LTF) and short-term finance (STF). A comparison of FY21 and FY22 data indicates that IFC's total financing increased from US$31.5 billion in FY21 to US$32.8 billion in FY22, highlighting a 4.1 percent increase of US$1.3 billion.

In FY22, IFC's LTF program, which includes own account (OA) and core mobilization (CM) finance, totaled US$23.2 billion. This amount differs from the FY21 LTF program total of US$23.3 billion reflecting a marginal decline by 0.4 percent and US$0.1 billion in absolute terms. The decline is attributed to the slight decrease in core mobilization finance from US$10.8 billion in FY21 to US$10.6 billion in FY22, reflecting a 1.9 percent fall in mobilization.

In contrast, own account finance slightly increased from US$12.5 billion in FY21 to US$12.6 billion in FY22. The overall growth in financing was driven by STF which increased from US$8.2 billion in FY21 to US$9.7 billion in FY22, indicating an 18.3 percent rise. Therefore, the increase in core mobilization finance and STF between FY21 and FY22 is responsible for IFC's total finance rise at the end of FY22.

Table 3.1 IBRD Commitments and Disbursements (US$ Billions)

	FY21	FY22	Percent Change
Net Commitments	3.5	33.1	8.4
Gross Disbursements	23.7	28.2	18.9
Net Disbursements	13.6	14.9	9.5

Table 3.2 IFC Commitments (US$ Billions)

	FY21	FY22	Percent Change
Long Term Finance (Own Account and Core Mobilization)	23.2	23.3	-0.4
Own Account	12.6	12.5	0.8
Core Mobilization	10.6	10.8	-1.9
Total Financing (LTF +STF)	**32.8**	**31.5**	**4.1**

IFC Commitments in Africa

IFC's total commitments in Africa declined from US$9.1 billion in FY21 to US$8.2 billion in FY22, depicting a 9.9 percent reduction in financing. This performance is attributed to the decline in own account and core mobilization commitments between FY21 and FY22 where own account commitments dropped from US$ 2.8 billion in FY21 to US$ 2.6 billion in FY22. Similarly, the core mobilization commitment decreased from US$3.6 billion in FY21 to US$2.6 billion in FY22 reflecting a 7.1 percent and 27.8 percent decline respectively in the Africa Region. It is important to note that between the two years STF rose from US$2.8 billion in FY21 to US$3.0 billion in FY22, reflecting a 7.1 percent increase.

Table 3.3 IFC Commitments in Africa (US$ Billion)

	FY21	FY22	Percent Change
Long Term Finance (Own Account and Core Mobilization)	9.1	8.2	-0.4
Own Account	2.8	2.6	-7.1
Core Mobilization	3.6	2.6	-27.8
Total Financing (LTF +STF)	**9.1**	**8.2**	**-9.9**

In FY22, IFC's total commitments in Africa reached US$8.2 billion, trailing second after Latin America and Caribbean (LAC) region, whose commitments stood at US$8.7 billion during the same period. In FY21 and FY22, IFC's commitments in Africa accounted for 28.9 percent and 25 percent of total organizational commitments, respectively. The latter indicates that IFC's total commitments in Africa dropped by 3.9 percent between FY21 and FY22. On the other hand, although IFC's total commitments in Africa declined in FY22, the number of projects in Africa increased from 78 in FY21 to 85 in FY22.

IFC's Commitments in Other Regions

Middle East and Northern Africa (MENA)

IFC's total commitments in the Middle East and Nothern Africa (MENA) totaled US$2.4 billion in FY22 increasing from US$1.7 billion in FY21, marking a 41.2 percent increase. This is attributed to a significant rise in IFC's core mobilization and STF commitments within the region. Core mobilization commitments increased from US$0.6 billion in FY21 to US$1.3 billion in FY22, highlighting a 116.7 percent rise. Similarly, the STF commitments in the region increased from US$0.5 billion in FY21 to US$0.8 billion in FY22, depicting a 60 percent rise. Despite the increase in IFC's commitments in the MENA between FY21 and FY22, the number of regional projects dropped from 13 to 9 within the stated period.

Latin America and the Caribbean (LAC)

IFC's total commitments in LAC increased by 24.3 percent amounting to US$8.7 billion in FY22 compared to US$7.0 billion in FY21. The increase was motivated by the rise in IFC's own account, core mobilization and STF commitments within the region. The own account commitments increased from US$2.8 billion in FY21 to US$3.2 billion in FY22, indicating a 14.3 percent rise. Similarly, the core mobilization commitments increased from US$2.8 billion in FY21 to US$3.7 billion in FY22, highlighting a 32.1 percent rise. Relatedly, the STF commitments in the region rose from US$1.5 billion in FY21 to US$1.8 billion in FY22, depicting a 20 percent rise. The increase in IFC's commitments in LAC between FY21 and FY22 was accompanied by a rise in the number of projects in the region from 67 to 70.

East Asia and the Pacific (EAP)

IFC's total commitments in East Asia and the Pacific (EAP) increased by 26.4 percent to reach US$ 6.7 billion compared to US$5.3 billion in FY21. This increase is credited to a significant rise in IFC's own account, core mobilization and STF commitments within the region. The own account commitments increased from US$2.8 billion in FY21 to US$3.0 billion in FY22, indicating a 7.1 percent rise. Similarly, the core mobilization commitments rose from US$1.0 billion in FY21 to US$1.8 billion in FY22, highlighting an 80 percent rise in mobilization. Moreover, the STF commitments in the region rose from US$1.5 billion in FY21 to US$2.0 billion in FY22, depicting a 33.3 percent rise. Despite the increase in IFC's commitments in EAP between FY21 and FY22, the number of regional projects dropped from 55 to 51 within the stated period.

Central Asia and Türkiye (CAT)

IFC's total commitments in Central Asia and Türkiye (CAT) decreased by 7.4 percent to reach US$2.5 billion in FY22 from US$2.7 billion in FY21. This decline is attributed to the tremendous reduction of IFC's core mobilization commitments within the region from US$1.3 billion in FY21 to US$0.6 billion in FY22, depicting a 53.8 percent decline. Despite the reduction of IFC's commitments in CAT between FY21 and FY22, the number of regional projects increased from 17 to 20 within the stated period.

South Asia (SA)

IFC's total commitments in SA declined by 8.8 percent to reach US$3.1 billion in FY22 compared to US$3.4 billion in FY21. The decline is attributed to the reduction of IFC's core mobilization commitments which dropped from US$0.8 billion in FY21 to US$0.4 billion in FY22, indicating a 50 percent decline. The reduction of IFC's total commitments in SA was also reflected into a decline in the number of regional projects from 47 to 41 in FY21 and FY22, respectively.

Europe (EUR)

IFC's total commitments in Europe (EUR) declined by 45.5 percent to reach US$1.2 billion in FY22 compared to US$2.2 billion in FY21. This was partly motivated by the ongoing conflict in Ukraine, which affected IFC's pipeline in the region. IFC's own account dropped from US$1.2 billion in FY21 to US$0.9 billion in FY22, highlighting a 25 percent decrease while core mobilization commitments declined from US$0.8 billion in FY21 to US$0.2 billion in FY22, indicating a 75 percent drop. Moreover, IFC's STF commitments in EUR decreased slightly from US$0.17 billion in FY21 to US$0.15 billion in FY22, highlighting an 11.8 percent decline. The drop in IFC's total commitments in EUR translated into a reduction in the number of projects in the region from 32 to 19 in FY21 and FY22, respectively.

Lastly, commitment to global projects decreased from US$0.013 billion in FY21 to US$0.008 in FY22, equivalent to a 38.5 percent decline. The latter is attributed to the decrease in own account commitments at the previously stated rate. Following the indicated drop in total commitments, global projects reduced from 4 to 2 between FY21 and FY22, respectively.

Table 3.4 IFC Total Commitments and Projects in Africa and Other Regions (US$ Billions)

Region	IFC TC FY 22	IFC TC FY 21	Change (%)	Project No. FY22	Project No. FY21	Change (%)
Africa (AFR)	8.2	9.1	-9.9	85	78	9.0
Middle East (MENA)	2.4	1.7	41.2	9	13	-30.8
Latin America and the Caribbe-an (LAC)	8.7	7.0	24.3	70	67	4.5
East Asia and the Pacific (EAP)	6.7	5.3	26.4	51	55	-7.3
Central Asia and Türkiye (CAT)	2.5	2.7	-7.4	20	17	17.6
South Asia (SA)	3.1	3.4	-8.8	41	47	-12.8
Europe (EU)	1.2	2.2	-45.5	19	32	-40.6
Global (WLD)	0.008	0.013	-38.5	2	4	-50

IFC Disbursements

IFC's LTF own account disbursements amounted to US$11.4 billion in FY21, which rose to US$13.2 billion in FY22. The stated values highlight an LTF own account disbursement increase of 15.3 percent between the 2 years.

Regional LTF own account disbursements increased from: US$0.1 billion in FY21 to US$0.4 billion in FY22 in ME; US$0.7 billion in FY21 to US$0.9 billion in FY22 in EUR; US$2.1 billion in FY21 to US$2.7 billion in FY22 in LAC; US$1.0 billion in FY21 to US$1.1 billion in FY22 in SA; and US$2.1 billion in FY21 to US$3.4 billion in FY22 in the global sector. However, regional LTF own account disbursements decreased from: US$2.2 billion in FY21 to US$2.1 billion in FY22 in AFR; US$0.6 billion in FY21 to US$0.5 billion in FY22 in CAT; and US$2.5 billion in FY21 to US$2.1 billion in FY22 in EAP. Thus, MENA had the greatest positive change in regional LTF own account disbursements, while CAT had the greatest negative change in regional LTF own account disbursements. Also, Africa's regional LTF own account disbursements dropped by 4.5 percent between FY21 and FY22.

Sectorial LTF own account disbursements had the greatest positive changes in the: textiles, apparel & leather sector from US$12 million in FY21 to US$177 million in FY22; oil, gas and mining sector from US$4 million in FY21 to US$46 million in FY22; plastics and rubber sector from US$18 million in FY21 to US$129 million in FY22; public administration sector from US$38 million in FY21 to US$116 million in FY22; healthcare sector from US$95 million in FY21 and US$286 million in FY22; and transport & warehousing sector from US$219 million in FY21 and US$465 million in FY22. In contrast, sectorial LTF own account disbursements had the greatest negative changes in the education services sector from US$136 million in FY21 and US$26 million in FY22 and the accommodation & tourism services sector from US$356 million in FY21 and US$174 million in FY22.

IFC's outstanding LTF own account disbursements amounted to US$48.8 billion in FY21, which rose to US$49.5 billion in FY22. The stated values highlight a notable LTF own account disbursement increase of 1.4 percent between the 2 years.

Table 3.5 IFC LTF Own Account Disbursements in Africa and Other Regions (US$ Billions)

Region	FY22	FY21	Change
Africa (AFR)	2.1	2.2	-4.5
Middle East (ME)	0.4	0.1	300
Europe (EUR)	0.9	0.7	28.6
Latin America and the Caribbean region (LAC)	2.7	2.1	28.6
South Asia (SA)	1.1	1.0	10
Global (WLD)	3.4	2.1	61.9
Central Asia and Türkiye (CAT)	0.5	0.6	-16.7
East Asia and the Pacific (EAP)	2.1	2.5	-16

Outstanding regional LTF own account disbursements increased from: US$9.5 billion in FY21 to US$10.0 billion in FY22 in AFR; US$10.3 billion in FY21 to US$10.7 billion in FY22 in LAC; US$8.8 billion in FY21 to US$9.5 billion in FY22 in EAP; and US$3.4 billion in FY21 to US$3.5billion in FY22 in the global sector. However, outstanding regional LTF own account disbursements decreased from: US$2.65 billion in FY21 to US$2.57 billion in FY22 in ME; US$4.1 billion in FY21 to US$4.0 billion in FY22 in CAT; US$3.4 billion in FY21 to US$3.2 billion in FY22 in EUR; and US$6.7 billion in FY21 to US$6.1 billion in FY22 in SA. Thus, EAP had the greatest positive change in outstanding regional LTF own account disbursements, while SA had the greatest negative change in outstanding regional LTF own account disbursements. Also, Africa's outstanding regional LTF own account disbursements increased 5.3 percent between FY21 and FY22.

Table 3.6 IFC Sectorial LTF Own Account Disbursements (US$ Millions)

Sector	FY22	FY21	Change
Agriculture and Forestry	506	520	-2.7
Oil, Gas and Mining	46	4	1050
Utilities	70	59	18.6
Construction and Real Estate	425	378	12.4
Transportation and Ware-housing	465	219	112.3
Food & Beverages	263	188	39.9
Chemicals	379	457	-17.1
Non-metallic Mineral Product Manufacturing	154	104	49.5
Primary Metals	10	10	0
Pulp & Paper	113	104	8.7
Textiles, Apparel & Leather	177	12	1375
Plastics & Rubber	129	18	616.7
Industrial & Consumer Products	442	618	-28.5
Information	291	320	-9.1
Finance & Insurance	5,492	4,286	28.1
Collective Investment Vehicles	749	688	8.9
Wholesale and Retail Trade	2,130	2,286	-6.8
Professional, Scientific and Technical Services	75	90	-16.7
Health Care	286	95	201.1
Education Services	26	136	-80.9
Accommodation & Tourism Services	174	356	-51.1
Electric Power	664	448	48.2
Public Administration	116	38	205.3
Total	13,183	11,436	15.3

IFC Advisory Spending

In FY22, the majority of IFC's regional advisory spending went to Africa, US$0.099 billion out of a total of US$0.251 billion. The latter accounted for 39.4 percent of IFC's advisory spending in FY22. The organization also spent US$0.031 billion on global projects, US$0.029 billion on EAP and US$0.026 billion on LAC. IFC's least regional advisory spending went to CAT, US$0.011 billion (3.7 percent of the total FY22 advisory spending).

In FY22, most of IFC's sectorial advisory spending went to the finance and insurance sector (72 million; 28.7 percent), non-sector specific advisory services (47 million; 18.7 percent) and the agriculture and forestry sector (26 million; 10.4 percent). The least sectorial advisory spending was 0. The IFC spent no portion of its sectorial advisory spending in the primary metals, paper & pulp and plastic & rubber sectors.

Table 3.7 IFC's Outstanding LTF Own Account Disbursements in Africa and Other Regions (US$ Billions)

Region	FY22	FY21	Change
Africa (AFR)	10.0	9.5	5.3 percent
Middle East (ME)	2.57	2.65	-3.0
Central Asia and Türkiye (CAT)	4.0	4.1	-2.4
Europe (EUR)	3.2	3.4	-5.9
Latin America and the Caribbe-an region (LAC)	10.7	10.3	3.9
East Asia and the Pacific (EAP)	9.5	8.8	8.0
South Asia (SA)	6.1	6.7	-9.0
Global (WLD)	3.5	3.4	2.9
Total	49.5	48.8	1.4

MIGA Operations

In FY22, MIGA issued total guarantees worth US$4.94 billion in support of 54 projects across 32 member countries from all the six geographic regions. MIGA achieved a strong portfolio at end of Q4 FY22 of US$24.4 billion. Approximately 85 percent of all the projects addressed one of MIGA's priority areas, including 65 percent targeted at IDA17 and FCS countries and 54 percent supporting climate finance. Over 36 percent of the portfolio was in an IDA eligible countries while 12 percent was issued in FCS countries. In FY22, MIGA's support also begun to gradually re-align to support projects outside of its COVID-19 Response Program, with 15 percent of its issuances reported under the COVID Response Program as compared to 50 percent in FY21.

MIGA's guarantee issuance was supported by the rebound of Foreign Direct Investment (FDI) following the dramatic reduction in 2020 as a result of the COVID-19 pandemic. However, the long-term trend for FDI into emerging markets and developing economies remains flat. Additionally, the war in Ukraine occasioned greater geopolitical uncertainty with economic forecasts predicting a further dampening of investment going forward. FDI into IDA/FCS countries rebounded from US$45 billion of net inflows in 2020 to US$58 billion in 2021.

However, long term trend forecasts anticipate a flat increase of FDI into IDA/FCS in nominal terms and a decline as a percentage of GDP. Figure 3.1 below shows that despite the 2021 rebound in FDI, there is a long-term downward trend in private investment targeted at infrastructure. It is also supported by evidence in showing a trend of capital withdrawal from EMDEs relating to both debt and equity portfolio investors.

MIGA's outlook for IDA/FCS guarantees is nonetheless positive supported by ongoing business development efforts in these countries, and the de-risking support facilitated by the IDA Private Sector Window and applicable trust funds.

In FY22 MIGA also continued to reduce its targeting of one- off guarantees over US$1 billion as climate finance accounted for 28 percent of new gross issuance increasing from 17 percent in FY16, accounting for 28 of the 54 projects supported. As part of the Agency's continued response to the COVID-19 pandemic, MIGA issued US$1.7 billion of guarantees to support 8 projects in FY22 Q1-Q4 (Table 3.8).

MIGA has also leveraged the IDA Private Sector Window (PSW) to de-risk and expand operations into IDA- eligible countries. In FY22, MIGA issued 16 IDA PSW-supported guarantees in 10 African countries namely; Burkina Faso, Chad, the Democratic Republic of Congo, Republic of Congo, Ethiopia, Malawi, Mozambique, Niger, Uganda, and Zambia. The issuances accounted for a total of US$457 million, of which US$97 million was ceded to IDA using a shared first-loss structure.

Figure 3.10 Recovery of FDI into EMDEs (US$ Billions)

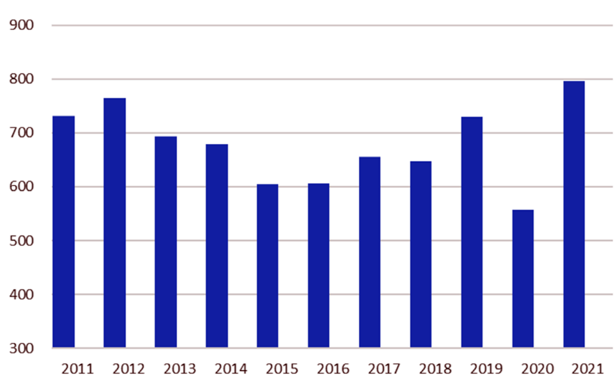


Figure 3.11 MIGA commitments in infrastructure projects in LICs and MICs

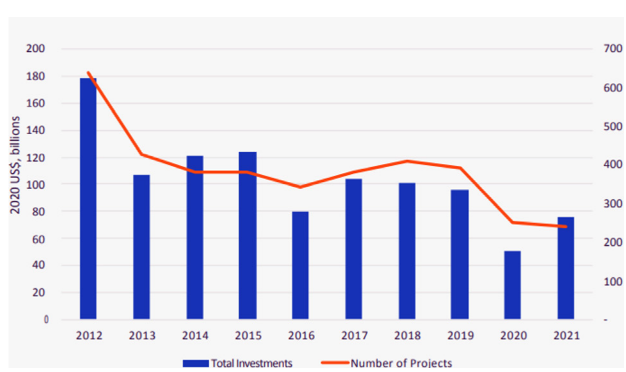


Table 3.8 Guarantees Issued under the COVID-19 Response Program (US$ Billions)

Guarantees offered under pillars of the COVID 19 Response	FY20	FY21	FY22	Total
Procurement of urgent COVID-19 medical supplies and services	0.1	0.1	0.4	0.5
Credit enhancement program: supporting governments at eligible sovereign, sub-sovereign, or SOE levels to provide short-term funding and working capital support to SMEs, corporates, and individuals during the current crisis	0.9	1.8	0.4	3.1
Capital Optimization: supporting financial institutions in extending lending in host countries by freeing up risk-weighted assets locked up in maintaining their mandatory reserves with central banks	1.1	1.6	0.9	3.6
	2.1	3.5	1.7	7.3

MIGA Guarantee Portfolio

In FY22, MIGA's gross outstanding exposure increased by 6.5 percent to US$24.4 billion from US$23.0 billion as of June 30, 2021 (Table 3.9). The increase of nearly US$1.5 billion was principally occasioned by the increase in new business volumes. In contrast, net outstanding exposure, marginally declined by US$143 million from US$9.1 billion as of June 30, 2021 primarily due to the negative currency adjustment effect of US$320 million and secondary reinsurance of US$84 million.

Portfolio Composition

Sectoral Composition

At the end FY22, MIGA's gross exposure continues to show the highest in the Finance and Capital Markets (FINCAP) and Energy and Extractive Industries (EEI) sectors. These sectors are followed by the Infrastructure (INF) and Manufacturing, Agribusiness and Services (MAS) sectors. When compared with FY21, the gross exposures as of end FY22 were higher in the MAS, EEI, and FINCAP sectors, and just slightly lower in the INF sector. The growth in FINCAP reflects the issuance under MIGA's COVID-19 Response Program, which is weighted to the financial sector as a means to ensure continued financing during the current crisis.

Regional Composition

MIGA's gross outstanding exposure at end FY22 reflects global diversification of its exposure in various sectors (Table 3.10). MIGA has continued to grow its exposure in SSA, increasing from US$5.4 billion in FY18 to US$6.2 billion in FY22.

The FY22 new issuances resulted in Political Risk Insurance (PRI) gross outstanding exposure of US$14.0 billion as of the end FY22. This comprised 57 percent of MIGA's overall gross portfolio exposure. The gross outstanding exposure of credit enhancement guarantees, which is the Non-Honoring (NH), stood at US$10.5 billion and constitutes the remaining 43 percent of the overall portfolio (Figure 3.12). The NH product's contribution to portfolio growth over the past five years has been substantial and reflects MIGA's efforts to enhance partnerships with member countries and the investor community.

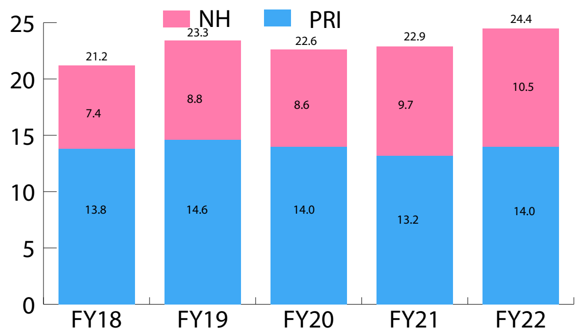
Table 3.9 Guarantees Portfolio and Activity (US$ Billions)

	FY18	FY19	FY20	FY21	FY22
FY Beginning Gross Exposure	17.8	21.2	23.3	22.6	23.0
FY New Issuance	**5.3**	**5.5**	**4.0**	**5.2**	**4.9**
Portfolio Runoff					
Cancellations	-0.4	-1.8	-1.5	-1.8	-0.3
Reductions	-0.7	-0.9	-2.0	-1.4	-1.6
Expiries	-0.8	-0.6	-0.5	-1.5	-0.8
Contra-Issuance			-0.5	-0.5	0.0
Translation Adjustments	0.1	-0.2	-0.1	0.4	-0.8
Total Runoff	-1.8	-3.4	-4.7	-4.8	-3.5
FY Ending Gross Exposure	**21.2**	**23.3**	**22.6**	**23.0**	**24.4**
Ceded Exposure	-13.3	-15.0	-13.4	-13.8	15.5
Exposure Exchange	0.0	0.0	0.0	0.0	0.0
FY Ending Net Exposure	7.9	8.3	9.2	9.1	9.0

Table 3.10 Gross Outstanding Portfolio by Region (US$ Billions)

Region	FY18	FY19	FY20	FY21	FY22
E. Asia & Pacific	2.5	2.6	2.5	2.8	2.9
Eur. & Cent. Asia	6.8	6.6	5.3	5.4	4.9
L. Amer. & Caribbean	4.3	4.3	4.1	4.2	5.3
Mid. East & N. Africa	1.2	3.0	3.0	3.0	3.5
S. Asia	1.0	1.0	1.3	1.2	1.4
Sub-Saharan Africa	5.4	5.8	6.4	6.5	6.2
Cross Regional	0.0	0.0	0.4	0.4	0.4
Total	21.2	23.3	22.6	22.9	24.4

Figure 3.12 MIGA Portfolio Composition by Product Type (US$ Billions)



CHAPTER 4: CONSTITUENCY ENGAGEMENTS

President of the Republic of Somalia, H.E. Hassan Sheikh Mohamud, with the WBG President, Mr. David Malpass, at the WBG Headquarters in Washington D.C.

Chapter 4: Constituency Engagements

Chapter 4 highlights the proceedings of the 23rd Statutory Meeting of the Africa Group 1 Constituency held during the 2022 IMF/WBG Spring Meetings. It presents an update on the implementation of the Medium-Term Office Strategy by reporting progress made under each of the five strategic objectives: mobilizing financial and technical resources; supporting private sector development; enhancing engagements with the Constituency countries; advocating for diversity and inclusion; and advocating for appropriate capacity development. The Chapter also provides update on the activities of two standing committees of the Board in which the Office is a member, highlights of the 59th edition of the African Caucus as well as takeaways from the Executive Director.

4.1 Highlights of the 23rd Statutory Meeting of the African Group 1 Constituency

The Constituency held its 23rd Statutory meeting on April 20, 2022. The Meeting was Chaired by the Vice-Chairperson of the Constituency, Honorable Samuel Tweah, Minister of Finance and Development Planning of the Republic of Liberia, in the absence of the Chairperson, Honorable Selibe Mochoboroane, Minister of Development Planning for the Kingdom of Lesotho.

Matters Arising from the 22nd Constituency Meeting

Governors raised two issues during the last Constituency Meeting held in October 2021. The first issue regarding land compensation under the WBG Environmental Social Framework (ESF) was raised by the Governor for the United Republic of Tanzania. The second regarding the Constituency Rotation Schedule was raised by the Governor for the Republic of Somalia.

On the first issue, the Executive Director reported that the Office had undertaken consultations with the World Bank Management regarding the Constituency countries' challenges in applying the ESF land compensation policy due to variances in the local laws governing land compensation. He highlighted that the ESF framework was due for a review during the next Board team and noted that the Office of the Executive Director (OED) was a member of the WBG Board Committee on Development Effectiveness (CODE), which would be the primary unit initiating the review process and assured Governors that he would use this committee to articulate the Constituency's ESF issues to Board Members and senior management of the WBG.

On the Constituency rotation schedule, the Executive Director highlighted that the Office had noted the concerns the Federal Government of Somalia raised regarding the rotation of Executive Directors in the Constituency. He reported that the OED had reached out to the Governor to elaborate on the system of rotation adopted by the Constituency to accord all members an equal opportunity to serve the Constituency.

The Governor for the Republic of Zambia questioned the effectiveness of the common framework for debt sustainability. He noted that it was the second time since HIPC/MDRI that Zambia faced a debt sustainability crisis and expressed concerns about the lack of global leadership in driving concerted efforts to deliver suitable debt restructuring and relief options for countries.

The Governor for the Republic of Zimbabwe noted the issues highlighted regarding the low global growth projections and food insecurity. He also noted the replacement of the Doing Business Report with the BEE. He further inquired about the preparations put in place by the Bank to ensure the credibility of the data.

The Governor for the Republic of Botswana also noted progress in preparing the new Business Enabling Environment (BEE) concept and inquired about the reference data for the BEE exercise. She emphasized the need to ensure adequate consultation with countries. She also highlighted the impact of the pandemic on debt levels emphasizing the high borrowing costs in Middle-Income Countries.

The Governor for Liberia expressed concern about the global silence over the Paris Agenda on Aid Effectiveness and called for a revisit of the agenda to address poverty. He also called for an evaluation of the role of the private sector in the Paris Agenda.

In his response to the issues raised on the debt burden, the Executive Director noted the Republic of Zambia's concerns and assured Governors that the matter would be articulated in the Development Committee Statement of the Constituency. On the issues related to the role out of the BEE, the Executive Director informed Governors of the Board's expectations for rigor in data integrity controls for the new BEE. The Executive Director also concurred with the assertion that borrowing countries should have a say on their development financing, as highlighted in the Paris Agenda.

The Constituency also received a presentation by the Mr. Samuel Maimbo, the Director of IDA Mobilization and IBRD Corporate Finance, and; Dr. Denny Kalyalya, the independent co-chair of the IDA20 Replenishment process and the Governor of the Bank of Zambia, to provide details on the IDA20 package. The presentation provided a synopsis of the trends in IDA financing, highlighting that policy commitments have increased over time while aid flows were declining. The presentation also brought the Governors attention to the accumulating undisbursed balances, which did not inspire confidence among the donor countries and challenged the Governors to take ownership of donor negotiations to ensure that they reflected their most significant views.

4.2 Implementation of the Medium-Term Office Strategy

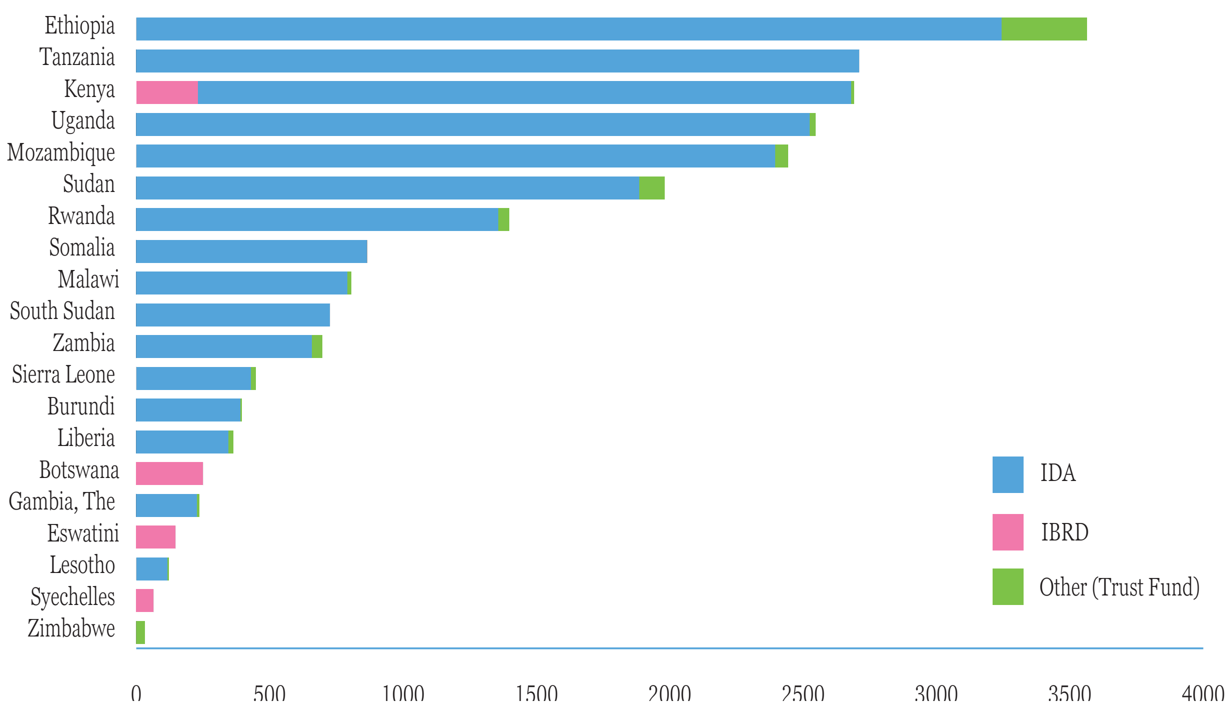
4.2.1 Mobilizing Financial and Technical Resources

The World Bank Group (WBG) is the premier development institution that serves its member countries with development financing, knowledge sharing through capacity development and convening power. In the wake of the pandemic and the ongoing Russian war in Ukraine, the Bank Group has played a countercyclical role in supporting member countries to respond to the health, social and economic impact of the crises. The Bank, and by extension, its Executive Board, has made unprecedented efforts to ensure its member states, especially from the developing world, have the resources they need to save lives and livelihood. The Constituency Office took individual and collective efforts to mobilize resources, advocate for increased resource commitments and timely disbursements of committed resources to constituency countries. These are the activities that the Constituency Office has committed to delivering through the Medium-Term Office Strategy. Accordingly, the following section presents the progress made in implementing the first goal of the Strategy.

The Office actively advocated for front-loading of IDA19 resources and early replenishment of IDA20. The Constituency Office, in collaboration with Borrowers' Representatives for the Constituency, advocated and supported Management's proposal to shorten the 19th Replenishment of International Development Association (IDA19) which aimed at front-loading additional resources needed by countries to adequately respond to the COVID-19 pandemic and its ensuring impacts. As a result, IDA19 was truncated to a two-year cycle instead of the typical three-year cycle with an envelope of US$72 billion.

While the shortened IDA19 proved instrumental in attenuating the pandemic's devastating impacts, the shortage of financing in the outer years of IDA19 necessitated early replenishment of IDA20 at a time both IDA donors and recipients were grappling with fiscal challenges precipitated by unforeseen budgetary resources. Encouragingly, relentless collective advocacy by IDA borrowers and the existential threat the pandemic posed to humanity culminated in the successful negotiations and conclusion of IDA20, with an envelope of US$93 billion, including US$23.5 billion of donor contributions.

Figure 4.1 World Bank Commitments to Constituency Countries (FY21-22)*



Committed resources to Constituency Countries were at a record level, and nearly all countries in the Constituency exhausted their national allocations. Over the last two fiscal years, total resources committed to Constituency countries were at a record level, reflecting surge in financing to address the impact of the pandemic. Total resources committed to the countries in the Constituency under a two-year IDA19 amounted to US$20.4 billion compared to US$19.0 billion under a three-year IDA18, a 7 percent increase despite the shortened implementation period. This compares with other Constituencies, considering the total IDA19 financing (US$72 billion). Encouragingly, almost all countries fully utilized their IDA19 envelopes. In realizing this progress, the Office undertook several advocacy activities to ensure no resources remained uncommitted as the IDA19 was ending. The Office held meetings with senior Management of the Bank to ensure that our countries had projects ready to exhaust all resources by June 2022. Countries were also encouraged to tap on resources from IDA Special Windows in which they were eligible, notably Regional Window, Window for Refugees and Host Communities, and the Scale Up Window. Also, the need to use all allocated IDA19 resources was a key message from the Executive Director during his missions to 21 of the 22 Constituency countries. Where a few countries could not fully use their allocated resources, the Office advocated for their resources to be reallocated to countries from the Constituency. Figure 4.1 above presents the total commitment for each Constituency.

Ensuring committed resources are timely disbursed is even more critical for Constituency countries to achieve the intended development outcomes of approved projects. IDA countries in Africa reportedly have substantial undisbursed resources for approved projects. Available data shows that countries in the Constituency sit on US$25 billion of undisbursed resources, equivalent to roughly 50 percent of their total active portfolio. In this regard, there is an urgent need to accelerate the disbursement of approved resources. There are at least two imperatives for improving disbursement rates. First, timely disbursement of committed resources allows countries to minimize transaction costs while maximizing the development impact of projects/programs. Second, higher disbursement rates bode well for our advocacy for more resources in future replenishment.

Support to Countries in Fragile and Conflict-Affected Situations

In FY22, FCS countries in AfG1 Constituency had 120 active projects with a total commitment amount of US$20.68 billion, compared to 90 active projects in FY20 with a total commitment of US$14.61 billion in 2020, equivalent to an increase of 33.3 percent and 41.5 percent in number and value respectively. Disbursements, however, averaged 39 percent in FY22, compared to 46 percent in 2020, as the pace of implementation had slowed due to lockdowns and restrictions imposed to contain the pandemic. However, the region had a pipeline of 45 projects with commitments of US$8.63 billion in FY22, compared to US$8.13 billion in FY20. Over the same period, the region has seen an increase of 40 (or 22 percent), GF+ staff, in FCS countries.

Increasing Support to Middle-Income Countries

The Medium-Term Office Strategy outlines seven strategic goals for increasing WBG support to the middle-income countries in the Constituency. These goals are to facilitate engagement with WBG management; support human capital development; foster jobs and economic transformation, increase private sector investment and Micro Small Medium Enterprise (MSME) development; increase regional Integration and trade; support capital markets; increase investment in infrastructure including digital technology; enhance debt management and advisory support; improve disaster risk management and mitigation, and managing financial risk.

Overall, WBG activities in the MICs in the Constituency increased[13], with commitments to new operations increasing from US$2,684 million in FY21 to US$3,450 million in FY22, an increase of 28.5 percent. The support was concentrated in blended countries, with very little progress if any in Botswana, Namibia and Seychelles.

Since the beginning of FY21, the WBG has supported 29 new projects under the strategic objectives of supporting human capital development amounting to US$1,376 million; Enhance debt management and advisory support disaster risk management and mitigation amounting to US$355 million; Fostering jobs and economic transformation and Increase private sector investment and MSME development amounting to US$550 million; Increasing investment in infrastructure including digital technology amounting to US$1,545 million; Increasing regional Integration and trade; and Supporting Governance amounting to US$502 million. During the same period, MICs also benefited from twelve (12) new Advisory Services and Analytics (ASA) activities.

4.2.2 Supporting Private Sector Development

The OED Medium Term Strategy identifies Private Sector Development as one of the pillars of Office engagement with the World Bank Group. To facilitate this engagement, the Executive Director initiated quarterly engagement with IFC's Vice President for Africa and the MIGA Vice President and Chief Risk, Legal and Administrative Officer. This quarterly engagement has yielded growth in the portfolio and pipelines in constituency countries, as demonstrated in the data presented below. This update will provide a synopsis of the activities the Office has undertaken to deliver on the goals outlined below and associated with implementing this strategic objective.

Table 4.1 June-End FY22 Commitments by Constituency Countries

Country	LTF Own Account	Core Mobilization	Total LTF	STF Own Account	Total STF	Total IFC Investment
Botswana	25.0	0.0	25.0	0.0	0.0	25.0
Burundi	5.0	0.0	5.0	0.0	0.0	5.0
Ethiopia	3.0	172.1	175.1	1.3	1.3	176.4
Kenya	249.9	183.5	433.4	316.6	316.6	750.0
Liberia	5.4	0.0	5.4	1.6	1.6	7.0
Malawi	0.0	0.0	0.0	5.2	5.2	5.2
Mozambique	104.0	318.0	422.0	2.3	2.3	424.3
Sierra Leone	2.7	0.0	2.7	3.6	3.6	6.3
Tanzania	120.0	0.0	120.0	13.9	13.9	133.9
Uganda	0.0	0.0	0.0	0.0	0.0	0.0
Zambia	35.0	0.0	35.0	0.0	0.0	35.0
Total Commitments						**1,568.0**

Growth of the IFC Portfolio in the Constituency Countries

IFC's commitments in FY22 significantly increased threefold in FY22 from US$508 million in FY21 to US$1.6 billion in FY22 (Table 4.1). IFC's commitments in FY22 continued to reflect an increase in the number of Long-Term Finance Commitments, contrary to previous years, which have been significantly driven by Short Term Financing (STF). This performance also diverges from the overall IFC portfolio in SSA, which STF essentially drives. In FY 22, IFC reached US$1.2 billion, primarily supported by the additional resources mobilized to support IFC investments in these countries. Mozambique received the highest mobilized resources reaching US$318 million, while Kenya received the most significant proportion of IFC's own account resources at US$249 million in FY22.

IFC's commitments in AfG1 constituency countries also increased due to new investments in the following six countries; Botswana, Burundi, Liberia, Malawi, Mozambique, and Sierra Leone.

The increased commitments were driven by notable investments, including Kings Beverages in Sierra Leone, resources targeted at IFC SME financing CRDB Bank in Tanzania (US$100 million) and Burundi (US$5 million), with a focus on women-owned firms. IFC also targeted climate finance investments through the support for green bonds issued by NMB Bank in Tanzania, US$35 million in Zambeef, the most extensive and integrated cold chain food products and agribusiness company in Zambia.

Increased use of the Private Sector Window

IFC and MIGA continued to leverage the private sector window in FY22. Cumulative issuances in FY22 reached US$1.488 billion in IDA-19 PSW Board, exceeding IFC's original IDA-19 allocation. This is a positive development, given the approval of a US$2.5 billion allocation for IFC and MIGA under IDA-20 PSW. The increased utilization of the PSW was strengthened by some notable projects targeted at SSA; COVID-19 Base of the Pyramid Extension, Africa Trade and Supply Chain Recovery Initiative, Build-Back-Better Emerging Markets

Sustainable Financing Transaction (BEST) Bond, and Kings Beverages Sierra Leone.

Table 4.2 IFC Portfolio Exposure in AfG1

Country	FY21	FY22
Botswana	0	25
Burundi	0	5
Ethiopia	10	176.4
Kenya	260	750
Liberia	0	7
Malawi	0	5.2
Mozambique	0	424
Namibia	30	0
Rwanda	10	0
Sierra Leone	0	0
Seychelles	10	0
Tanzania	100	133.9
Uganda	13	0
Zambia	75	35
Total	508.0	1561.5

Implementation of the decentralization agenda

IFC continues to strengthen its field presence, particularly in priority regions. The OED consistently advocated for decentralization as well as increased staffing, particularly senior-level staff in IDA/FCS countries, to enable agility in decision-making and to enhance engagement with country authorities in developing the private sector. In line with IFC's 3.0 Strategy, at the end of FY22, IFC's footprint included HQ plus 105 country offices in 100 countries across six continents. Africa has registered the most significant staffing percentage in country offices, increasing from 17 percent in FY21 to 18 percent in FY22.

Monitor the use of Intermediate Jurisdictions in WBG Private Sector Operations.

The Board of the World Bank Group, on July 21, 2022, approved the updated policy on the use of intermediate jurisdictions in World Bank Group's private sector operations. The OED has been at the forefront of advocating for solid Board consensus on the revised policy. Although a majority of the Board approved the policy, two Chairs abstained on the policy, specifically the Republic of France and the Chair representing the Nordic-Baltic countries, due to mandates from their Capitals.

Table 4.3 Commitments by Constituency Countries

Country	FY21	FY22
Botswana	15.6	25.0
Burundi	5.5	10.5
Eritrea	-	-
Eswatini	-	-
Ethiopia	95.4	55.5
Gambia, The	3.6	3.1
Kenya	927.8	1,055.8
Lesotho	-	-
Liberia	5.0	8.0
Malawi	9.5	6.4
Mozambique	206.2	305.0
Namibia	47.5	30.0
Rwanda	53.6	41.3
Seychelles	10.0	10.0
Sierra Leone	5.0	2.7
Somalia	-	-
South Sudan	1.3	0.7
Sudan	-	-
Tanzania	279.2	366.8
Uganda	192.0	152.0
Zambia	144.8	175.1
Zimbabwe	-	-
Total	1885.5	2037.8

In FY22, the Board approved 228 investment projects, of which 85 utilized IJs, representing 37 percent of the total. These 85 investment projects corresponded to US$4.46 billion in investment.

All IJs in the control structure for FY22 projects fulfilled the following conditions:

- Have committed to the Global Forum on the Automatic Exchange of Information (AEOI) or equivalent standards;
- Are members of the Organization for Economic Cooperation and Development (OECD) Base Erosion and Profit Shifting Inclusive Framework (BEPS IF);
- All IJs in the control structure for FY22 projects, with the exception of Malta, were "compliant" or "largely compliant" with the Global Forum on the Exchange of Information on Request (EOIR) standards; and
- No IJs are subject to Financial Action Task Force (FATF) "counter-measures" (FATF "Blacklist").

Two jurisdictions utilized as IJs in FY22 (the Cayman Islands and the UAE) are currently considered "jurisdictions under increased monitoring" by FATF for Anti Money Laundering (AML) / Combating the Financing of Terrorism (CFT) purposes (FATF "Grey list").

The use of IJs in investments undertaken in Africa accounted for 18 percent of the IJ usage per region. The Office will continue monitoring IFC operations in SSA to ensure they comply with the revised IJ policy.

Table 4.4 Headcount Per Region

Region *	FY22		FY21		Change (FY22 vs FY21)	
	Total	Percent of Total	Total	Percent of Total	Total	Percent
Africa	747	18	748	17	(1)	(0.1)
Central Asia and Türkiye	137	3	140	3	(3)	(2.1)
East Asia and the Pacific	493	12	508	12	(15)	(3)
Europe	243	6	253	6	(10)	(4)
Latin America and the Carib-bean	246	6	251	6	(5)	(2)
Middle East, Afghanistan, and Pakistan	153	4	156	4	(3)	(1.9)
South Asia	309	7	316	7	(7)	(2.2)
Western Eu-rope	68	2	65	2	3	4.6
Subtotal	2,396	57	2,437	57	(41)	(1.7)
Headquarters	1,838	43	1,846	43	(8)	(0.4)
Total	**4,234**	**100**	**4,283**	**100**	**(49)**	**(1.1)**

* Indicates open/term appointment staff headcount by duty station.

Table 4.5 Intermediate Jurisdiction Usage by Region (FY22)

	LAC	AFR	SA	EAP	EUR	WLD	MCT
The Bahamas, The	4						
Bermuda	4						
Canada	5						
Cayman Islands	7	1	4	5	1	1	2
Cyprus					2		
Guernsey		1			1		
Hong Kong SAR, China				3			
Jersey, C.I.		2					1
Ireland	1						
Isle of Man	1						1
Liechtenstein	1						
Luxembourg	3	3	1		3	1	1
Malta	2						
Mauritius		12	5				1
Netherlands	1	5			2		1
New Zealand	1						
Samoa				1			
Singapore	6		4	7		1	
Spain	4						
Switzerland		1		1			
United Arab Emirates		1		1			2
UK	1						
United States	9						
Uruguay	4						
Virgin Islands, British				5			1

4.2.3 Enhancing Engagement with the Constituency Countries

This OED has two strategic objectives deployed to enhance engagement with Constituency member countries. The first objective is to enhance interaction between the Office and Constituency countries by undertaking at least one official visit to each Constituency country during his/her tenure, to discuss with Authorities, the impact of WBG-funded projects on the challenges facing the country, and what the Office could do to effectively represent the country's interests. In line with the first strategic objective, the Executive Director has since the beginning of his tenure, undertaken twenty-one (21) official missions to the Republics of Botswana, Burundi, Eswatini, Ethiopia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Rwanda, Sierra Leone, Seychelles, Somalia, South Sudan, Sudan, Tanzania, The Gambia, Uganda, Zambia, and Zimbabwe. He visited 15 Constituency countries in 2021 and during the first quarter of 2022, he undertook six (6) official missions. Dr. Nyamadzabo also joined the Executive Directors' Group travel to the Republics of Zambia and Rwanda, where they interacted with Governors and other important stakeholders.

The Visit of Hon. Seedy Keita, Minister of Finance and Economic Affairs of The Gambia

On Wednesday September 13, 2022, the Minister of Finance and Economic Affairs of The Gambia, Hon. Seedy Keita paid a courtesy call on the Executive Director, who was represented by the Senior Advisor, Ms. Lonkhululeko Magagula, as he and Alternate Executive Director were traveling to Tanzania and Japan, respectively. During the discussion, Hon. Keita noted that his country was in dire need of capacity development to catch up with the level of reforms taking place in the country. He noted that low human capacity was posing a serious challenge to economic growth and development hence the need for the Bank to assist the Small State country with the relevant capacity to enable them to perform in the areas of domestic revenue mobilization, public financial management and other fiscal and rule-based governance programs. The country is currently experiencing debt distress, food insecurity, climate change, the rising cost of fuel amid subsidies, and a double-digit inflation rate. The downward trend of the economic trends is among other things due to the vestiges of COVID-19 and the ongoing war in Ukraine.

Minister of Finance and Economic Affairs, Hon. Seedy Keita (centre) with Ms. Feyi Borofice (left), World Bank Resident Representative for The Gambia, and Ms. Lonkhululeko Magagula, Senior Advisor to the Executive Director

Visit of President Hassan Sheikh Mohamud of the Federal Republic of Somalia at the World Bank Group

A high-level delegation headed by President Hassan Sheikh Mohamud of Somalia visited the World Bank Group on September 16, 2022. He was well received by Mr. David Malpass, World Bank Group President, and his Vice Presidents, International Finance Corporation IFC, Multilateral Investment Guarantee Agency (MIGA). During the meeting, President Hassan Sheikh Mohamud highlighted critical priorities during his tenure, including security, reconciliation, and the reform agenda. In addition, President Mohamud vowed to maintain the momentum in implementing the HIPC Completion Point triggers and obtaining debt relief agreements. He also mentioned the ongoing discussions on the Somalia's Country Partnership Framework with the WBG for FY24-28 and the importance of having Somalia's priorities aligned with the Country Partnership Framework.

President Mohamud also had a fruitful meeting with the Executive Directors of the World Bank Group, mainly Somalia's Bilateral creditors including the United Kingdom, United States of America, France, Italy, Algeria, Spain, the Nordic-Baltic States, Netherlands, Saudi Arabia and Switzerland. They discussed the importance of preparation for Somalia's post-HIPC Completion Point through strengthened

President of the Republic of Somalia, H.E. Hassan Sheikh Mohamud, his delegation and Executive Director's Representative, Ms. Lonkhululeko Magagula, meeting with the WBG President David Malpass (Not in the photo)

debt management, enhanced intergovernmental fiscal transfers, improved service delivery in health and education, and reforms that enable private investment-led growth and job creation. In this context, President Hassan Sheikh Mohamud appreciated their utmost support during the initial HIPC initiatives and willingness to support Somalia's national reform agenda.

Increasing WBG Support to Middle-Income Countries in the Constituency

The Constituency Office gives specific attention to Middle-Income Countries (MICs), that have not previously benefited much from the WBG support, either in terms of concessional resources or policy advice to support them in progressing beyond the "middle-income trap." Special attention is also being given to the island and land-locked small states, countries re-engaging with International Financial Institutions, and Fragile and Conflict-Affected States.

To fulfill the second strategic objective, the Africa Group 1 Constituency Office held two Middle-Income Countries Forums during the Executive Director's tenure. The first Africa Group 1 Constituency Middle-Income Countries Forum was held on April 23, 2021, and it provided Governors of the six MICs in the Constituency, namely, Botswana, Eswatini, Kenya, Namibia, Tanzania, Zambia, as well as Seychelles and WBG Management with an opportunity to extensively discuss the needs and possible areas for increasing WBG support to the MICs and the one small island state in the Constituency. The Forum was chaired by the Governor of World Bank Group and Cabinet Secretary for the National Treasury and Planning of the Republic of Kenya Honorable. (Amb.) Ukur Yatani Kanacho. Also, in attendance was the WBG Governor of the Kingdom of Eswatini; the Alternate Governor of the Republic of Botswana; and the Alternate Governor of the Republic of Tanzania. Government officials from these countries and the Republic of Zambia also attended. From Management, the Vice President (VP) of the Eastern and Southern African Region, Dr. Hafez Ghanem; VP of WBG Operations, Ms. Manuela Ferro; VP for IFC Middle East and Africa Region, Mr. Sergio Pimenta, and VP and Treasurer of the World Bank Treasury, Mr. Jingdong Hua together with their teams participated.

The second Forum was held virtually on April 29, 2022, under the theme of "private sector-led economic recovery and regional integration". The Forum which was Chaired by Hon. Dr. Thambo E. Gina, Minister of Economic Planning and Development, and the WBG Governor, for the Kingdom of Eswatini, provided a platform for a focused discussion of the WBG's support of the six MICs in the Africa Group 1 Constituency, to aid Governors and other participants to understand the progress made in implementing the two strategic areas of enhancing engagement with the WBG and mobilizing more resources to finance the development agenda of the MICs. The Ministers of Industry and Trade of MICs, and the Secretary General of the East African Community (EAC), were invited to discuss with WBG Management opportunities for increased WBG support for private sector development and regional integration.

4.2.4 Advocating for Diversity and Inclusion

During the past two years, the Office has engaged Senior Management to evaluate the WBG's progress in achieving diversity and inclusion (D & I) targets. The WBG Diversity and Inclusion agenda is viewed through advocacy, accountability, and inclusion. The primary object of the OED's advocacy for D&I is the growth of the pipeline of Sub-Saharan nationals within middle management who are eligible for promotion to senior management when a vacancy arises. At the senior management level, the Office is keen to see the region represented at that level as well. This section, therefore, assesses progress made by the Bank in this regard.

From 2019, the WBG made minimal progress toward all four diversity targets: Managers from Part II countries, Women Managers, Women at grade GF+ technical, and Sub-Saharan African and Caribbean, or SSA/CR nationals at grade GF+. The representation of SSA/CR nationals in grades GF and above marginally increased in FY2021 from 13.8 percent to 13.9 percent (Table 4.7). The representation of SSA and Caribbean nationals at grades GF and above increased in FY2022 from 13.9 percent to 14.2 percent, meeting and exceeding the set target at the WBG level for the fifth year in a row (Table 4.7).

Staff Regional Representation

While very little progress has been recorded on the diversity of nationality within the WBG, diversity measured by sub-regional representation slowly increased from FY18 to FY21 (Table 4.7). Some progress has been made on women's representation from FY19. In FY21, there was no change to the sub-regional representation for IBRD, with SSA at or above the WBG threshold. For IFC, Southern Africa moved from "significantly underrepresented" to "underrepresented," while the rest of SSA was at or above the WBG threshold. It is important to note that the annual growth rates for SSA have been on a downward decline, primarily because the sub-region has reached the established threshold.

An analysis of the annual growth rates of the WBG Staff, specifically, the Internationally recruited Staff show that the average annual growth rates for SSA have been on a downward trend since 2018. Institutionally, IBRD annual growth rates have increased from 1.8 percent to 2.9 percent in FY22. IFC's annual growth rates for Staff recruited from the SSA region peaked in FY19 at 24.6 percent – the highest institutional growth rate and declined to 2.1 percent in FY22. MIGA registered nil growth rates in FY19 and FY2020. It however substantially increased its recruitment of SSA nationals in FY21 to 30 percent and subsequently registered a stiff decline of -7.7 percent in FY22 (Table 4.7).

Diversity of nationality, measured by sub-regional representation, continues to change very slowly across the Bank Group. As with other batch hiring processes, the Young Professionals Program (YPP) continues to provide an opportunity to see the impact of diversity recruiting in a way that individual hiring often misses. The FY21 cohort of YPs is diverse in terms of gender and nationality. During FY21, 47 YPs were recruited by the Bank, 13 were from Africa, and these figures compared well with other regions (Table 4.8).

The current data shows the significant reliance on Universities from America and Europe (Table 4.9). The distribution of academic degrees by country of education continues to show more in the US and UK than in other countries. Recognizing that no new country was added to the top ten list, the Office will continue to advocate for increased recruitment from the region's leading universities.

Table 4.6 WBG Diversity Indicators (Percent), GF+ Graded open-ended and Term Staff (FY18-22)

Indicator	WBG Target	FY18	FY19	FY20	FY21	FY22
Part II Managers	50	42.7	42.3	41.5	41.6	42.9
Women Managers	50	41.0	42.9	43.3	43.5	42.2
Women at GF+ Technical	50	45.1	45.9	46.7	47.0	47.5
SSA/CR at GF+	12.5	12.7	13.5	13.8	13.9	14.2

Table 4.7 WBG Internationally Recruited Staff Representation by Region (Annual Growth)

Nationality/ WBG Institution	FY18	FY19	FY20	FY21	FY22
Sub-Saharan Africa	6.7	6.6	5.1	5.4	2.5
Caribbean	12.7	-1.6	-1.6	1.7	-6.6
Arab League	3.1	2.0	-3.5	5.2	1.0
China	3.8	7.2	6.8	1.3	1.3
European Union (excluding the UK, France, Germany & Italy)	1.3	0.3	1.2	2.6	0.5
Women	4.2	3.2	3.9	5.4	2.9
IBRD	6.2	1.8	1.8	4.1	2.9
IFC	8.0	24.6	15.1	7.4	2.1
MIGA	11	0	0	30	-7.7

Table 4.8 FY21 World Bank Young Professional Program Hires

Country	Sub-Region	Number
Africa	Eastern Africa	5
	Northern Africa	1
	Western Africa	6
Americas	North America	6
	South America	4
Asia	Eastern Asia	3
	The Middle East/Western Asia	1
	Southeastern Asia	2
	Southern Asia	3
Europe	Eastern Europe	1
	Northen Europe	4
	Southern Europe	2
	Western Europe	5
Oceania	Oceania	2

Table 4.9 Top Countries for Highest Degree of All WBG Staff (Percent)

Education Institution Country	Bachelor	Master	Doctoral	Total
United States	22.1	34.8	44.5	34.6
United Kingdom	3.3	12.3	15.2	11.4
India	17.3	8.6	1.1	8.6
France	1.0	6.6	7.6	5.9
Australia	1.1	1.9	1.7	1.7
Spain	0.3	2.1	1.0	1.6
Germany	0.0	1.4	3.9	1.6
Philippines	7.0	0.6	0.2	1.5
Italy	0.3	1.3	3.2	1.5
Canada	1.6	1.3	1.5	1.4

4.2.5 Capacity Development

After the identification of Capacity Development as one core topic in Africa Group I Constituency's Medium-term Strategy for FY2022-24, the Office engaged the World Bank's Independent Evaluation Group (IEG) as the first entry point for conversations on the subject. The rationale for prioritizing engagement with IEG is informed by the Group's role in evaluating WBG's performance in various fields including capacity building. Furthermore, a review of past evaluation reports produced by the IEG revealed a suite of products with a focus on capacity building/ development. As far back as the mid-2000s, the Independent Evaluation Group undertook a far-reaching evaluation of the World Bank's support for Capacity Building (CB) in Africa. The resulting report recognized the role of CB in development as well as WBG's active role in the subject area.

Among other things, the IEG report found that CB is a long-term undertaking and that recent country strategies for Africa did a better job at addressing capacity needs than did the strategies of the mid-1990s. The report made bold recommendations and called for the adoption of CB as a strategic development goal, as opposed to collateral or cross-cutting—when CB is treated as a mere addendum to projects.

Another point was the alignment between most of the recommendations of the IEG report with the perception and position of international development actors about capacity development at the time, as illustrated by the series of agreements, which culminated in the Paris Declaration on Aid Effectiveness (2005) and the subsequent Accra Agenda for Action (2009), whose core principles made capacity development the cornerstone of sustainable development.

Going forward, in the light of the long-term character of capacity development, the Office deemed it appropriate to engage IEG, WBG Management, and other relevant stakeholders to understand what is being done in the area of CB, what is needed, and how best can CB contribute to Africa's socio-economic transformation?

The objectives of the exercise are, first, to assess the approach the WBG is following in the area of capacity building to support SSA economies, and subsequently influence Bank Management to align its CB support to the economic transformation needs of Africa. Recognition by the WBG of the role of capacity building in development policy can be linked with its very early works, which through project and program components always included some aspect of support to local development – in most cases project implementation capacity. IEG's evaluation recognized increased effort to include capacity-building elements in country programs designed for Africa. This is observed in Bank Country Assistance Strategies (CASs), sector-wide programs, and budget support operations. In some CASs, capacity building is promoted through multisectoral projects that aim at addressing capacity development issues within and across ministries and levels of government. While commending this approach, OED highlighted other similar broad strategies as well as economic and sector works that could also be leveraged to enhance the effort on capacity building.

Many projects were observed to include capacity-building activities embedded as part of their major operational components. However, the evaluation identified that not enough focus was given to tracking and monitoring capacity-building activities. The evaluation also looked into sector-level capacity-building efforts by focusing on four sectors. The findings highlight that supports for capacity building in the roads sector was more effective compared to assistance to the other three sectors reviewed, namely health, education, and public finance management. The assessment ascribes better results in the roads sector to the usually clear goals in the sector, stakeholders with a direct interest in change, a known technique transferable across countries, and readily measurable results.

Discussions with the IEG affirmed that there is interest and demand to understand better how the Bank's support to capacity building in client countries is performing. Although the number of evaluations on capacity building focusing on SSA countries seems very low, some notable reports are identified, including one on Ghana Local Government Capacity Building, and Mali – Institutional Strengthening and Health Sector Support Project in the past few years.

There also seems to be a limited focus on evaluations and publication reports focusing on broader regions/continental dimensions as in the case of Sub-Saharan Africa-wide evaluations. The IEG has agreed to assess Bank capacity-building support, focusing on SSA. IEG will use one of its new products, namely the Evaluation Insight Synthesis Note (EIN) to investigate issues of capacity building. Based on recent discussions with IEG, the evaluation work is progressing as scheduled, and the first review of findings will be shared with the Constituency around the end of September 2022.

4.3 Updates on the Constituency Office's Engagement in the Committee on Development Effectiveness (CODE) and Audit Committee (AC)

4.3.1 The Committee on Development Effectiveness (CODE)

For the duration of his term, the ED was a member of the Committee on Development Effectiveness (CODE). This committee supports the Boards in assessing the development effectiveness of the WBG, providing guidance on strategic directions of each member institution of the World Bank Group, monitoring the quality and results of the World Bank Group operations, and overseeing or liaising on the work of the entities that are part of the World Bank Group's accountability framework. This includes the Independent Evaluation Group (IEG); the Inspection Panel concerning IBRD and IDA operations; the Compliance Advisor/Ombudsman concerning IFC and MIGA; and any others whose oversight or liaison is delegated to the Committee.

During the period 2020-22, CODE managed to successfully bring to term the following legacy issues:

(a) Oversaw the implementation of IFC/MIGA's

E&S Accountability -including CAO- and WB's Accountability Mechanism reforms.

(b) Endorsed, together with the Audit Committee, a revised Risk Appetite Framework.

(c) Provided guidance and approved the Updated Bank Policy on Development Cooperation and Fragility, Conflict and Violence (former OP2.30), along with the non-binding Vision Statement to make the Bank's work in FCV settings more effective.

(d) Discussed and endorsed Management's recommendations related to enhancing the effectiveness of Development Policy Financing (DPF) and improving its use as a tool to promote post-COVID-19 growth and poverty reduction, enhance the GRID agenda, and support policy and institutional reforms at the country level.

(e) Dealt with legacy evaluations effectively.

During this time, CODE focused on the WBG's strategy to tackle post-pandemic development challenges and advanced the discussion on key strategic Committee priorities such as having timely discussions on WB's Support for Public Financial and Debt Management in IDA-Eligible Countries; Enhancing the Effectiveness of the WB's Global Footprint; the Gender Midterm Review; LICs Debt Sustainability; Mobilizing Technology for Development; Addressing Fiscal Financial Vulnerabilities; an Early Assessment on the PSW; World Bank Engagement in Situations of Conflict; IFC's and MIGA's Support for Private Investment in Fragile and Conflict-Affected Situations as well as on the Development Effectiveness of the Use of Doing Business Indicators.

The Committee also provided valuable guidance to Management on the:

(a) WBG's Knowledge Strategic Framework;

(b) Establishment of the QBRR Chapter on Development Outcome Risks;

(c) IFC's pilot approach to Platforms which has a great potential for creating a space for more strategic dialogue between the Board and IFC Management, increasing IFC efficiency gains, and mobilizing private capital;

(d) Implementation of the WB's procurement framework- a valuable tool to enable borrowers to adopt a fit-for-purpose approach to among other things ensure project implementation in compliance with ESF and help maximize the development impact of the Bank's operations; and

(e) IFC and MIGA's Strategic Business Outlooks.

In addition, together with COGAM, CODE identified three strategic issues of significant implication for the WBG and where a WBG solution/approach has not been identified or agreed to between the Board and WBG Management. These include WBG's operating model, discussing the potential tensions between the country-driven demand model and global public goods and the need to revamp the MIC client focus; fragility and authorizing environment; and energy access and transition. During the final months, this CODE will prioritize, outcome orientation, knowledge, and strategic focus, including the links between these important priorities.

Going forward, CODE is committed to enhancing the WBG's outcome orientation to ensure linkages to WBG's results framework, improve the focus on achieving outcomes at the country level, and connect those outcomes to the twin goals and the SDGs. There continues to be a role for CODE to create a space to discuss key development effectiveness issues and to provide guidance and oversight on important strategic discussions that can strengthen WBG's country engagement model, position the WBG as a global convener, and ensure that the WBG continues to have the right tools and instruments to help client countries Build Back Better and achieve their SDGs.

4.3.2 Office Engagements on Audit Committee

The Office joined the World Bank Board Audit Committee (AC) as a member on June 10, 2022. Since then, the Office has actively engaged in the works of the AC in line with the Work Plan adopted earlier for FY22. The objective of the AC is to oversee the WBG's finances, accounting, risk management, internal controls, and institutional integrity. The Constituency joined the committee withe the intention of advocating fr the review of Intermediate Jurisdiction Policy.

The AC undertakes tasks to ascertain, (i) the integrity of financial statements for IBRD, IDA, IFC, and MIGA and financial reporting related to trust funds; (ii) the appointment, qualifications and independence of the External Auditor; (iii) the performance of Internal Audit and the External Auditor; (iv) the adequacy and effectiveness of financial, accounting and administrative policies, internal controls and the mechanisms to deter, prevent and penalize fraud and corruption in WBG operations and corporate procurement; (v) the effective management of financial, fiduciary (including procurement procedures), compliance and administrative risks in IBRD, IDA, IFC and MIGA, including trust funds; and (vi) institutional arrangements and processes for risk management across WBG institutions.

For the first quarter of FY23, the Audit Committee's Work Program focused on engagements covering FY23 Single Borrower Limit for IBRD clients, discussion with the Bank's Data Privacy Team supported by a bi-annual report, review of the WB's FY22 Quarter-4 Business and Risk Review, discussion on the WBG's Sanction System Annual Report for FY22, Report of the Integrity Vice Presidency for FY22 (Quarter 3-4), discussion around the WBG's Group Internal Audit FY22 Annual Report, and discussion on Group Internal Audit Action Plan proposed to implement the recommendations of External Quality Assessment (EQA).

4.4 Update on the 59th Edition of the African Caucus Meeting

The chairing country for the 2022 African Caucus, Morocco selected the theme "Towards a Resilient Africa". Two events have been held to date: i) the 2022 African Consultative Group (ACG) Meeting, traditionally held to review progress on the last Memorandum of the Caucus, and ii) the African Caucus Meeting, hosted by the chairing country. The Minister of Finance, and World Bank Group Governor for Morocco, Honorable Ms. Nadia Fettah Alaoui, chaired the ACG Meeting held in April 2022. The 2022 ACG continued to discuss issues raised by the Governors in the 2021 Memorandum to the leaders of the Bretton Woods Institutions (BWIs) and additional concerns under the topics of digitalization, energy access, resource mobilization and food security.

On digitalization, the Governors reiterated their call on the BWIs to support African countries with specific programs that addressed inefficiencies and developed early warning systems capable of detecting potential cyber risks and protecting intellectual property rights and personal data. They also encouraged the WBG and IMF to invest in programs that will boost human capital and enhance the capacities of key players, governments and policymakers, the private sector, programmers, financiers, entrepreneurs, and consumers in African countries to enable broader participation of all segments of the population in the digital economy. In addressing the digital divide, they requested the WBG to go beyond connectivity to include hard and soft infrastructure, applications, and services.

On energy access, Governors also noted Africa's need for increased energy baseload, access, and uptake, based on a mix of its energy sources, which include natural gas. They encouraged the WBG to shift to a paradigm that allows for phased transition and goes beyond "energy for poverty reduction" to "energy for shared prosperity", focusing more on the use of the energy mix for productivity, development, and transformation purposes.

On resource mobilization, The WBG and IMF were encouraged to provide countries with the necessary expertise and deployment of digital technology in tax administration to avoid tax avoidance and evasion and to ramp up resources for resilient and inclusive development. To ensure positive outcomes, Governors urged the Bank to consider the interests and capacities of developing countries as they scale up support and advocacy in global tax issues. They encouraged the WBG to lead the advocacy for international commitment and cooperation to stem IFFs at origin and destination points, including intermediate jurisdictions through which IFFs transit. Further, Governors encouraged IFC and MIGA to be more innovative with instruments that would mobilize more private capital. They also encouraged the WBG and IMF to lead global dialogue on comprehensive and sustainable debt treatment including and in parallel with other initiatives like the IMF's concessional financing package and policy reforms, to strengthen support to low-income countries during the pandemic and recovery.

On food security, Governors expressed their concerns over high inflation, coupled with substantial depreciation of currencies which was, reducing the purchasing power of their populations and pushing more people into poverty and hunger. They called for the WBG to urgently scale up social protection systems to enable governments to increase their capacity to reach the food insecure. They also commended the World Bank for the proactive preparation of a global program in support of food and nutrition security. Further, they recommended that such a program should focus on providing the short-term nutritional needs of poor populations while keeping long-term food security in view.

In response, the President encouraged Governors to continue raising their voices to support a strong IDA, which managed to mobilize a replenishment financing package of US$93 billion, from which Africa would receive about 70 percent. The President assured Governors that the Bank would continue to target fragile and conflict-affected sub-regions. On Regional Integration, the current World Bank Group's active portfolio in Africa amounted to over US$15 billion. Further, IFC was looking to invest US$1 billion through its Africa Trade Recovery Initiative (ATRI) to augment the trade and supply chain finance for importers and exporters of essential goods throughout Africa, including food and medical products. MIGA had about US$7 billion in active guarantees supporting cross-border private sector investors across Africa, including US$526 million in North Africa. The President emphasized the importance of access to reliable energy and internet connectivity. He reiterated the Bank's commitment to investing in a comprehensive approach to universal energy and digital access and regulatory frameworks.

On the subject of scaling up financing and repositioning public debt as a catalyst for sustainable growth, Governors commended the current efforts of the BWIs to provide policy advice and capacity development, in addition to their support to the G-20's Debt Service Suspension Initiative (DSSI) over the past two years and the extended debt relief under the IMF's Catastrophe Containment and Relief Trust (CCRT). They called on the BWIs to facilitate debt relief commensurate with the resources needed to recover from the compounding crises and they also requested the BWIs to promptly facilitate reforms that will build confidence in the G20 Common Framework. They proposed that the reforms should support, the extension of eligibility to highly indebted middle-income countries in Africa; the suspension of debt service for the duration of negotiations; and improved processes and decision-making that guarantee the participation of non-Paris creditors on comparable terms, effective participation of private creditors, transparency of loan terms and contracts. Governors urged the BWIs to assist the international community in establishing an "enhanced version of DSSI" that will provide a roadmap for new debt relief or restructuring for African countries grappling with increasing debt vulnerabilities.

On regional integration, Governors asked the WBG to increase its investments and diversify its upstream pipeline of bankable energy projects to include projects that expand the energy baseload on the grid and build resilience transmission and distribution networks. They further urged the WBG to consider investments in innovative technologies that enhance the performance of Africa's utility companies and facilitate carbon capture and storage. In this context, they requested IFC and MIGA to mobilize more private capital and commercial finance, particularly for the manufacturing of renewables within the continent and to link African countries to the emerging global value chains on battery storage. They also recommended implementing a regional approach to financing midstream and downstream hydro and gas-to-power projects across the Continent, building on Africa's interconnected power systems through its established regional power pools. A regional approach would help achieve universal energy access as countries with surplus electricity can export it to their neighbors.

Considering the impacts of climate change on African economies, Governors welcomed the renewed focus of several international financial institutions (IFIs), including the BWIs, to mainstream climate agenda into their work programs and help the authorities address shocks emanating from climate change and their resultant macro impacts. They called upon the BWIs to support their countries in managing climate transition risks and that this support should include well-tailored Technical Assistance (TA), financial sector stress testing for physical and transition risks in Financial Sector Assessment Programs (FSAPs) and integration of transition risks into prudential supervision. Governors urged the BWIs to foster deeper collaboration across their respective areas of comparative advantage, including on Green Budgeting and greening of the financial sector. They requested the WBG to facilitate access to green and affordable climate financing by prioritizing support to Africa as it implements its 2nd Climate Change Action Plan (CCAP, 2021-2025), which aims to increase climate finance to reduce emissions, strengthen adaptation, by investing in infrastructure and supporting green, resilient, and inclusive development. They also urged the IMF to ensure that the implementation of the climate strategy links effectively with the Resilience and Sustainability Trust (RST) and supports Africa's transition to greener economies.

The last meeting of the African Caucus will be held in October 2022, where the 2022 African Caucus Memorandum of the African Governors will be handed to the WBG President and the Managing Director of IMF.

African Caucus Participants with Honorable Nadia Fettah Alaoui, Minister of Finance of Morocco and Chair of the Caucus

4.5 Executive Director's Takeaways: What Have I Learned During My Tenure?

Serving the Africa Group 1 Constituency amid the COVID-19 pandemic and, subsequently, the war in Ukraine has been a challenging but equally rewarding journey for me and my able staff. During this extraordinary time, I have seen firsthand how the World Bank Group (WBG) has risen to the socio-economic needs confronting member countries due to overlapping crises. I believe that the WBG has learned valuable lessons from its responses to these crises. These lessons would be silver linings if the WBG leverages them to prepare better for any future disruptions and to make up for the lost years in efforts to accelerate poverty reduction and boost common and shared prosperity. As my service to the Constituency Office is ending, I would like to share lessons learned with you, Governors, in a bid to enhance the effectiveness of the Constituency Office. Similarly, I hope that some of these lessons would further enhance engagements between Constituency countries and the WBG in closing some of the many social, economic and development gaps.

First, and certainly, there is common knowledge that WBG support has always been demand driven. Constituency countries need to be proactive in asking for Bank support–financing, advisory services, and analytics–that aligns with, and responds to their development needs. For IDA countries, there has always been the indicative allocation of resources for each three-year IDA cycle. However, these resources are not ring-fenced for any of the 74 IDA countries, of which 18 countries are from the Constituency. Additionally, once approved by the Board, there is a need to prioritize the internal approval (cabinet or parliamentary level) of those projects within our countries. More importantly, we need to proactively work to speed up the disbursement of resources for approved projects. Timely disbursement is important in two ways. First, it allows countries to maximize development outcomes while minimizing transaction costs. Second, it strengthens our collective advocacy for more resources within the IDA cycle during negotiations for IDA replenishment. Experience shows that countries mobilizing resources beyond their national allocations are those that tap on IDA special windows. With this, I encourage countries to work with operational staff in the country office to explore IDA windows for which they are eligible.

A conducive office environment for staff and recruitment of qualified staff is critical for the Office's effectiveness and delivery of high-quality service to the Constituency. The leadership of the Constituency Office ought to strive to maintain an environment that incentivizes staff to make the best use of their skills and experiences for the good of the Office. Countries are also encouraged to nominate qualified candidates whenever they are invited to do so by the Constituency Office. Encouragingly, countries have responded to this call in our recent recruitments. Moreover, country authorities ought to consider this Office as a "leadership academy" in which capacity building of selected public servants takes place. It is also to the advantage of the Constituency and the individual countries to nominate qualified staff because, as our Constituency Rules and Guidelines stipulate, only staff with outstanding performance will have their terms extended for up to two years. In a nutshell, the effectiveness of the Office lies in the quality of the staff and the transparent administrative system, where everyone knows how and why certain decisions are taken.

The Office must ensure equality of opportunities for constituency countries and personnel. The Constituency Rules and Regulations demand that the Office serves all twenty-two countries equally regardless of income level or other economic dimensions. Equality of opportunities in governance/representation of and service to the Constituency Office is therefore vital in sustaining our unified voice critical in advancing and defending our shared interests.

Membership of the Office in standing committees is critical in influencing policies/programs of the Bank. Besides regular advancements of constituency interests through regular Board meetings, I encourage the Constituency Office to strive to be a member of the Board's standing Committees that allows it to influence Bank policies/strategies. It is from these committees that most of the WBG policies and strategies are discussed and brought to the Board for approval. While I refrain from prescribing which committee(s) the Office should be a member of, Constituency's priorities at any given Board term should inform the Office's membership in a committee.

Medium-Term Office Strategy: The Office, with the guidance of the Constituency Panel, put in place a Medium-Term Office Strategy to strengthen the effectiveness of the Constituency Office and, more importantly, to enhance its accountability to the Constituency Countries. The Strategy has facilitated systematic reporting to Constituency Governors during the Annual and Spring Meetings. Having seen its usefulness, I encourage the Office to build on, and regularly update the Strategy in line with the Constituency's priorities.

Missions to constituency countries are indispensable in discerning shared and distinctive development opportunities and challenges of Constituency countries. During my tenure, I visited all but one Constituency country–the State of Eritrea. These missions provided invaluable information which the Office uses to advance shared and country-specific concerns/interests of member countries at the Board of the WBG. It also informs the Executive Director of what works and what does not work when it comes to Bank-financed projects or strategies/policies. Our visitation equally allows the Office to experience and understand firsthand the development opportunities and challenges faced by a visited country, which is also valuable for informing the advice the Office provides on deepening the engagement with the WBG.

Engaging all development actors on the ground is critical in gaining broader support from the WBG Board. The Government, private sector, bilateral and multilateral partners, and civil society organizations are undisputedly the development actors in any given country. As such, it is essential to keep these actors, especially embassies of major shareholders of the Bank, abreast of the development agenda, including programs/projects to be financed by the Bank. The benefits of such engagements are at least twofold. First, some Board Members rely on their embassies for additional information to make informed decisions on country programs/projects. Secondly, some bilateral partners may be interested in co-financing Bank-financing projects/program.

Finally, I wish to assure you, Honorable Governors, that our Constituency Office strives to live up to the ideals its member countries have collectively espoused. It is indeed one of the multi-country Constituency Offices with an admirably clear rotation and governance system. This is undoubtedly an outcome of many years of mutual and honest engagements between you, Governors, and the Constituency Office. However, as our member countries are active shareholders of the WBG institutions and are still wrestling with myriad development challenges, we should not rest on laurels. There is an opportunity to relegate some of these challenges to the back banner by engaging strategically with the WBG institutions. Admittedly, such engagement is pivotal in leveraging this premier development institution's three comparative advantages: financing, knowledge and convening power. In this regard, the Constituency Office plays a crucial role in advocating for adequate resources commensurate with the scale of development challenges and WBG policies and strategies that resonate with the social, cultural, political, and economic setups of our countries. To this end, I believe the lessons I shared above would enhance the effectiveness of the Constituency Office in executing its dual roles of advancing and defending the interests of member countries and overseeing the performance of the WBG.

ENDNOTES

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4 Global Economic Prospects, World Bank Group, June 2022
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6 How sharp will be the global slowdown? Justin Damien Guénette, Brookings, July 2022, https://www.brookings.edu/blog/future-development/2022/07/01/how-sharp-will-be-the-global-slowdown/#:~:text=Growth%20in%20emerging%20market%20and,of%20EMDE%20growth%20since%202009.
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8 Africa's Pulse, No. 25, April 2022 - Cesar Calderon, Alaine Kabundi, Albert G. Zeufack.
9 Emerging Markets Drive Global Debt to Record $303 Trillion – IIF, https://money.usnews.com/investing/news/articles/2022-02-23/emerging-markets-drive-global-debt-to-record-303-trillion-iif
10 IMF World Economic Outlook: Gloomy and More Uncertain, July 2022
11 World Bank. Poverty and Shared Properity 2022: Correcting Course
12 An IMF study shows that for only six African countries a downgraded credit rating could cost them $13 billion in additional interest payments.
13 The figures cover Seychelles and the five MICs in the Constituency (Botswana, Eswatini, Kenya, Namibia, Seychelles and Tanzania). Zambia’s classification changed during the past year.

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 CHAIRPERSON	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

FIRST ROUND 2010 -2052

YEAR	DC REPRESENTATIVE	ALTERNATE	ASSOCIATES			
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	SIERRALEONE	SOUTH SUDAN
2034	MALAWI	MOZAMBIQUE	TANZANIA	GAMBIA	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 Representative and Alternate Members accorded opportunity in descending alphabetical order (Z to A)
3. Associate Members are selected on the basis of providing regional balance
4. Schedule revised to include South Sudan following the Country's membership to the Constituency in October 2012

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

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 first round 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

A Group of Executive Directors with Hon. Paula Ingabire, Rwanda's Minister of ICT and Innovation at Norrsken Hub

AFRICA GROUP 1 CONSTITUENCY TEAM

Dr. Taufila NYAMADZABO
Executive Director
Botswana

Dr. Floribert NGARUKO
Alternate Executive Director
Burundi

SENIOR ADVISORS TO EXECUTIVE DIRECTOR

Zarau Wendeline Kibwe
Tanzania

Fisseha Aberra Kidane
Ethiopia

Naomi Rono
Kenya

Lonkhululeko Magagula
Eswatini

ADVISORS TO EXECUTIVE DIRECTOR

Abraham Akoi
South Sudan

Azhari Elamin
Sudan

Ndapiwa Segole
Botswana

Abdirahman Bashir S.
Somalia

Venuste Ndikumwenayo
Burundi

Emmanuel P. Munyeneh
Liberia

ADMINISTRATIVE STAFF

Mohammed Ahmed
Senior Executive Assistant
Sudan

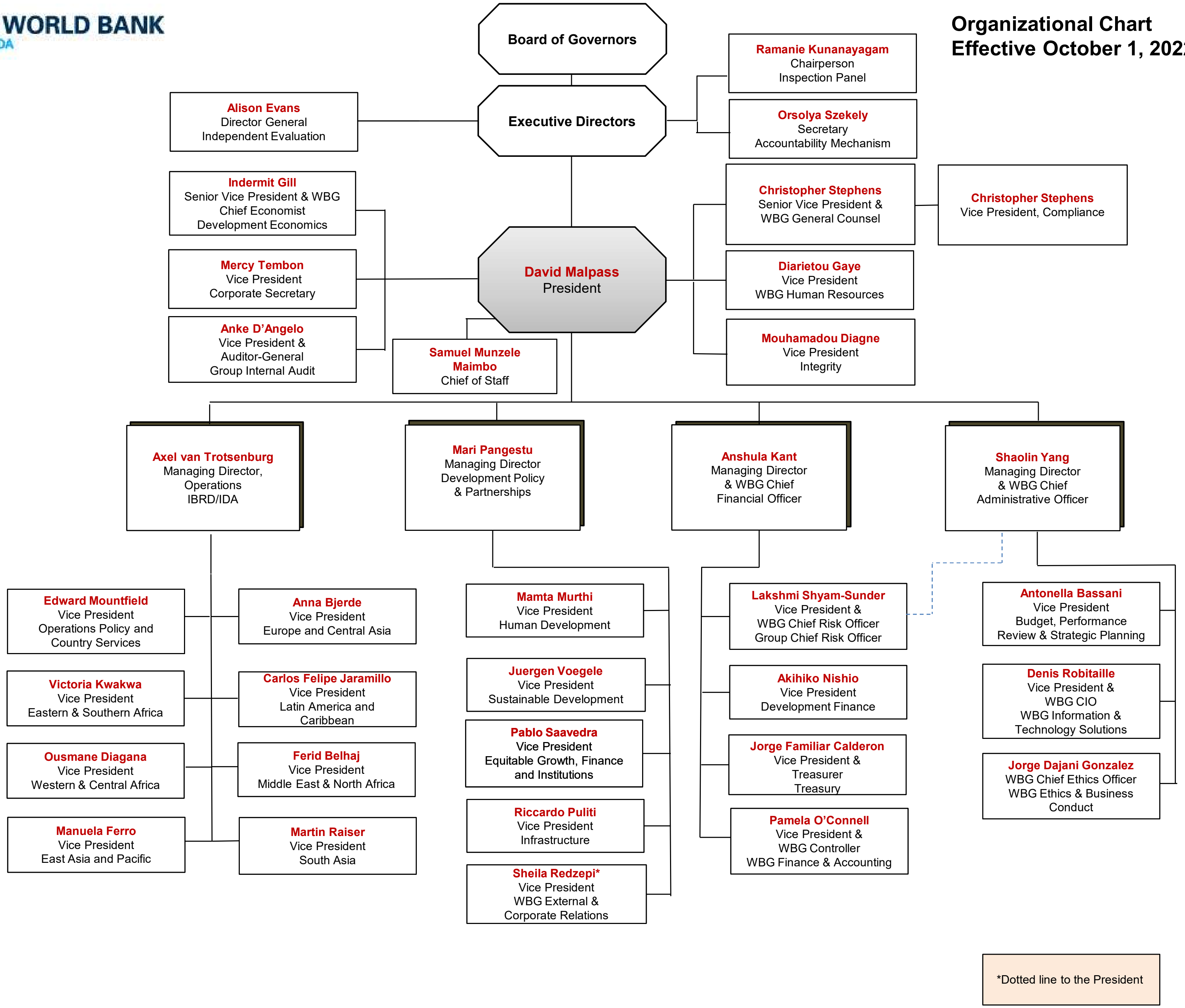
Lozi Sapele
Program Assistant
Zambia

Petronella Makoni
Program Assistant
Zimbabwe

Erica Nikuze
Program Assistant
Burundi

THE WORLD BANK
IBRD • IDA

Organizational Chart
Effective October 1, 2022



Office of Executive Director

Email: eds14@worldbank.org | Phone: +1 (202) 458 2105
Website: www.worldbank.org/eds14