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Group 1 Constituency Newsletter

WORLD BANK GROUP

OFFICE OF THE EXECUTIVE DIRECTOR

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The 2021 African Caucus Meeting

The 2021 African Caucus Meeting with the WBG President concluded, with Burundi handing over the Chairpersonship to Morocco. 📄 P. 4-5

IDA20 Replenishment Completed

IDA Donors pledged \$23.5 billion in contributions, leading to mobilization of \$93 billion for IDA20, expected to start in July 2023. 📄 P. 5-6

Executive Director's Missions

Dr. Nyamadzabo visited two Constituency countries in West Africa: the Republic of Sierra Leone and Republic of Liberia. 📄 P. 12-16

Highlights of the 22nd Constituency Meeting

Constituency Panel Meeting

The Constituency Panel, comprising Lesotho as the Chairperson; Liberia as the Vice-Chairperson; and Rwanda, Burundi, and South Sudan as members, met on October 12, 2021. The meeting's objective was to conclude its review of the Constituency Rules and clear its Report for the consideration of the Governors at the Constituency Meeting held on October 14, 2021.

The Panel's review of the Rules was guided by the approved Terms of Reference for the 2021 Statutory Review. The Panel convened its first meeting to receive and consider the Technical Committee Report on September 10, 2021. It evaluated the various issues identified in the Report. It concurred that the recommendations therein were intended to enhance Governance in the Constituency by providing clarity, strengthening transparency, professionalism, and effectiveness in the Office of the Executive Director. The recommendations also meant to improve the strategic contribution of Governors to the World Bank Group's (WBG) policies. Thus, the Constituency Panel unanimously approved the proposals contained in the Panel Report for consideration by the Constituency Governors.

The Panel also considered a report on the consultation process initiated in September 2021 to seek the members' endorsement or comments on the proposed eight amendments to the Rules. A deadline of October 6, 2021, was set to conclude consultations and submissions



Dr. Taufila Nyamadzabo, Executive Director

to the Panel. The report highlighted that the Office of the Executive Director received seven written "no objection" responses from the Republic of Zambia, the Republic of Botswana, the Republic of Kenya, the Republic of Sierra Leone, the Federal Democratic Republic of Ethiopia, the United Republic of Tanzania, and the Kingdom of Eswatini. All the seven member states considered the Panel's recommendations satisfactory and offered a no-objection to the adoption of the Report and its recommendations.

The Panel concluded its discussions by formally approving the Panel Report on the 2021 Statutory Review of the Rules, Guidelines, and Procedures for submission to the Constituency Governors for approval.



Executive Director's 2021 Annual Report to the Constituency

Recent Economic Development

As part of his 2021 Annual Report, the Executive Director shared the recent development of the global economy, focusing on Sub-Saharan Africa (SSA). He highlighted that the global economy continued to recover thanks to supportive policies, the deployment of vaccines, and the resumption of many economic activities. Regarding SSA's economic outlook, he informed the meeting that the region would recover from the deep recession inflicted by the COVID-19 pandemic. The SSA economy was expected to expand by 3.7 percent in 2021. That recovery was reflective of the combined impact of positive spillovers from strengthening global activity, better international control of the spread of COVID-19, and strong domestic activity in agricultural commodity exporters. He warned that while the regional growth was projected to edge up to 3.8 percent in 2022, its recovery rested on fragile foundations.

WBG Response to the COVID-19 Pandemic

The Executive Director highlighted that helping developing countries respond to the pandemic remained the key focus of the World Bank Group. Consequently, WBG expanded the vaccine envelope from \$12 billion approved in October 2020 to \$20 billion in June 2021 to scale up vaccine acquisition and deployment. He indicated that WBG-financed vaccine operations worth \$1.073 billion were being implemented by selected countries in the Constituency. He also said that four operations worth about \$264 million were under preparation.

Implementation of the Medium-Term Office Strategy

Dr. Nyamadzabo updated the Governors on the implementation of the Medium-Term Office Strategy, which was approved by the Governors during the 21st Constituency Meeting. On mobilizing financial resources to the Constituency countries, he indicated that the Office supported the shortening of the IDA19 cycle to two years and advancing IDA20. As a result, IDA19 lending in FY21 shot up to \$36.1 billion, from an average of \$23 billion in previous years, of which \$10.1 billion was committed to Constituency countries. Similarly, IBRD commitments to

the Constituency countries more than tripled, from \$91 million in FY20 to \$325 million in FY21.

On supporting private sector development, the Executive Director informed the meeting that IFC supported twenty operations worth \$508 million. On its part, MIGA's exposure to the Constituency amounted to \$1.7 billion. He also indicated that selected countries were able to use the Private Sector Window (PSW) resources amounting \$617 million, while projects worth \$2 billion were under preparation. Finally, he encouraged Constituency Countries to tap on the Regional Window for regional connectivity, and trade and market integration.

Dr. Nyamadzabo highlighted that the Office continued to enhance engagement with the Constituency countries. He indicated that Advisors/Senior Advisors continued to monitor the portfolio performance of all constituency countries to identify implementation challenges. As part of such efforts, the Executive Director reported that he undertook thirteen official missions to the Republics of Botswana, Burundi, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Seychelles, South Sudan, Sudan, Tanzania, and Zimbabwe.

Relatedly, Dr. Nyamadzabo informed the meeting that the Office continued to advocate for increasing WBG support to middle-income Constituency countries. The Constituency successfully held its first MICs Forum on April 23, 2021, where the Governors of MICs had the opportunity to discuss with WBG Management their priorities and emerging issues. He further indicated that WBG support to MICs increased over the reference period as the Bank-supported projects in human capital development, economic recovery and resilience, debt management and response to the COVID-19 pandemic.

Regarding the fourth strategic goal of advocating for diversity and inclusion, the Executive Director told the meeting that the Office continues to push for a fair pipeline of SSA nationals within middle management with potentials for promotion to senior management should a vacancy arise. He welcomed the WBG's pledge against racism and racial discrimination. He further indicated that the Constituency Office was pleased with the IFC's initiative to recruit African talent in western universities. The Executive Director insisted that the Office would advocate for the extension of such recruitment drive to top African universities.

Finally, the Executive Director updated the Governors that the Office was taking stock of the Bank's

capacity building initiatives to assess how the WBG approach to capacity building could be more relevant to the Constituency Countries. He highlighted the Office would engage the Independent Evaluation Group (IEG) to understand how effective the Bank's capacity initiatives were and elicit IEG's recommendations on the current practice.

Update on WBG Policies and Strategies

On the recent World Bank Group's policies and strategies, the Executive Director informed Governors that the Board had completed the IDA Voting Rights Review as tasked by the Board of Governors in previous meetings. The Board reached a consensus on the following reforms: first, a two-tier membership structure composed of Recipient and Non-Recipients instead of the current Part I/Part II structure. Second, a boost to the voting power of Recipients from 16.85 percent to 20.50 percent. Third, 100 percent Grandfathering for all transitioning members' voting power under the new framework. This implies that recent and future IDA graduates would carry over their full voting power as they transition to the new framework.

Regarding the WBG's Green, Resilient and Inclusive Development (GRID) approach, the Executive Director

indicated that this approach aims to scale up its support for resilient recovery by bringing together: (i) enhanced support for domestic resource mobilization; (ii) amplified private capital mobilization under the Cascade approach, including for climate change, through scaling up existing private capital mobilization (PCM) platforms and developing new platforms; (iii) scaled-up GRID and climate financing and to accelerate progress on country priorities and global public goods; and (iv) knowledge and advisory services for country capacity building to support sound policy reform, enhanced regulatory frameworks and addressing the social impacts of the transition.

Concluding Remarks

In conclusion, Dr. Nyamadzabo appreciated the support and guidance he received from the Governors and Alternate Governors during his first year of tenure as the Executive Director. He assured Governors that he would visit remaining Constituency countries over the remaining period of his term. He reiterated that those missions were instrumental for the effective delivery of the Constituency Office's mandates.

IDA Borrower Representatives' Report to the Constituency

The Borrower Representatives presented their report to the 22nd Statutory Meeting of the Africa Group 1 Constituency on October 14, 2021. The report highlighted progress on the negotiations of IDA20 Replenishment that would lead to the pledging of support by IDA donor countries. Recipient countries' Representatives are invited to the replenishment discussions to speak to IDA countries' needs and concerns and discuss, along with IDA Deputies (Donor Representatives), IDA resources, and policy framework.

Following the shortening of the IDA19 cycle to two years, IDA20 negotiations were launched during the 2021 IMF/WBG Spring Meetings. In this regard, IDA20 would assume the traditional three-year cycle but commence one year early to span the financial years FY23–25. Such advancement was meant to provide IDA countries with needed response to the COVID-19 pandemic. From April 2020 to June 2021, IDA accounted for the largest share of the WBG's multilateral response to the COVID-19 crisis. It committed \$25.2 billion to

support COVID-19 response, including financing 43 national COVID-19 vaccination programs.

During the first IDA negotiation meetings, WBG management emphasized the need for a robust financing framework for IDA20 to meet IDA countries' development needs. IDA's financing gap was estimated to be at least \$125 billion. IDA Management presented three financing scenarios for consideration ahead of the final pledging session to be held in December 2021. These scenarios are the Base Case scenario of \$90 billion, a Mid-High Case Scenario of \$95 billion and a High Case Scenario \$100 billion, which was requested by African Heads of States during their meeting in July in Abidjan, Côte d'Ivoire.

Three IDA20 negotiations meetings preceding the final pledging session by Donor Countries focus on IDA strategic directions and deliberations on IDA policy and financing package. IDA20 Policy Commitments are anchored on an enhanced framework underpinned by mutually reinforcing special themes and cross-cutting issues. Under the general theme of "Building Back Better from the Crisis Towards a Green Resilient and Inclusive

Future”, IDA20 will support the special thematic areas of Gender; Jobs and Economic Transformation (JET); Fragility, Conflict, and Violence (FCV); and the new special theme of Human Capital. Complementing these special themes are the cross-cutting issues of technology, debt, governance, and institutions. Additionally, the advent of the COVID-19 pandemic and lessons learned from its response underscore the importance for crisis preparedness, a new cross-cutting issue under IDA20.

In the current IDA cycle, IDA19, significant strides have been made to advance resources and appropriately channel them to meet the development needs of recipient countries. Under IDA20, a comprehensive package to meet recipient countries’ needs could be achieved through, among other measures, the increase of allocations to

IDA financing windows, especially FCV, Refugee, Crisis Response, and Private Sector Windows. Furthermore, there is a pressing need to leverage available resources by aligning financial and operational considerations, such as the need to ensure IDA’s sustainability through an optimized balance sheet and restructuring of the IDA loan structure to avoid IDA countries’ exposure to further vulnerability. Recipient countries, therefore, need to work collaboratively with World Bank Staff on the ground to leverage IDA resources to achieve desired development outcomes.

A final meeting would be held in December 2021. IDA Deputies and Representatives would review the final draft of Deputies’ Report and IDA Donors would pledge their contributions to the IDA20 financing package.

The 2021 African Caucus Meeting with the WBG President

The 2021 African Caucus Meeting with the WBG President, Mr. David Malpass, took place on October 25, 2021, on the margins of the 2021 IMF/WBG Annual Meetings. Dr. Domitien Ndiokubwayo, Minister of Finance, Budget, and Economic Development Cooperation, and WBG Governor for Burundi, chaired the meeting. This forum provided the African Governors of the WBG with a platform to deliberate on key issues impacting their economies, including the COVID-19 pandemic’s effect on human capital, digitalization, energy, IDA resources, and debt resolution, and the G20 Common Framework, among others. The meeting culminated in the 2021 African Caucus Memorandum presented to WBG President.

The Memorandum of the African Governors underscored the role of the Bretton Woods Institutions (BWIs) in helping Africa address developmental challenges, including inadequate healthcare and energy infrastructure. It urged the BWIs to fully use their comparative advantages and convening power to support Africa’s digital transformation by deploying their instruments innovatively and flexibly. Specifically, the Memorandum sought firm commitments and additional support from the BWIs in the following areas:

Mobilizing Resources: The African Governors sought the BWIs’ additional support in mobilizing resources through: (i) public financing, (ii) private capital, (iii) reduction of rising debt burdens to fund Africa-wide digital and energy infrastructure and

digitalization support, and (iv) stemming illicit financial outflows from Africa.

Enhancing Africa’s Capacity to Harness Potentials of Digitalization: The Governors urged the BWIs to provide advisory and financial services to undertake reforms needed to strengthen the policy, legal and regulatory environment. They also called for additional support to accelerate the development of human capital and strengthen the capacities of key players in the digital economy ecosystem.

Increasing Energy Baseload, Access, and Update: The Governors requested differential treatment of countries to recognize climate justice per the 2015 Paris Agreement. They also called for a “just” transition based on an energy mix that includes gas. They urged the BWIs to stay engaged in financing gas-fired power plants while applying differentiated financing models and instruments to avoid a One-Size-Fits-All approach.

Coin, Crypto Asset, and Central Bank Digital Currency (CBDC) Risks: African Governors welcomed the IMF’s digital money strategy and called for a regional digital money work program for Africa to equip country authorities with appropriate legislation, policies, and best practice. Additionally, they urged the BWIs to work with African countries in deploying CBDCs. They particularly called on the IMF to support countries in managing risks from foreign CBDCs and stable coins, including digital dollarization and cryptocurrencies.

The transmission of the Memorandum to the BWIs marked the end of the 2021 African Caucus. The

Governor of Burundi handed over the Chairpersonship of the Caucus to the Kingdom of Morocco. Consequently,

the Kingdom of Morocco will host the 2022 African Caucus meeting in August next year.

IDA20 Replenishment Concluded Successfully

Background

The International Development Association (IDA) is the arm of the World Bank Group (WBG) that mobilizes resources to finance the development efforts of Low-Income Countries (LICs). IDA delivers its mandate by providing grants and concessional credits supported by policy advice, technical support, and knowledge products. IDA resources are mobilized through a three-year replenishment in which donor countries contribute resources to the IDA envelope. The 20th cycle of the IDA replenishment (IDA20) was unique as mobilization of resources started a year ahead of the scheduled three-year cycle after IDA19. In the wake of the COVID-19 pandemic and its disproportionate impact on LICs, IDA has used much of IDA19 resources to provide financing needed for crisis response. Subsequently, IDA participants decided to advance the IDA20 cycle by a year.

IDA20 Strategic Directions and Policy Commitments

The Third IDA20 Replenishment meeting was held from October 28-30, 2021, on which IDA participants noted the strong IDA19 delivery, focusing on operations supporting crisis response. Participants discussed the proposed IDA20 overarching theme: Building Back Better: Towards a Green, Resilient, and Inclusive Future. The theme stresses the need to continue responding to the unfolding crisis while laying the groundwork for a sustainable recovery.

The October meeting fleshed out IDA20's planned integrated response under the five special themes, namely Human Capital (newly introduced), Climate Change, Jobs and Economic Transformation, Fragility, Conflict and Violence, and Gender and Development. In addition, the meeting emphasized IDA20's role in laying a foundational cross-cutting building blocks for sustainable development, in areas including Crisis Preparedness (newly introduced), Debt, Governance and Institutions (reclassified from special theme), and Technology.

The final IDA Replenishment meeting was held between December 14-15, 2021. During the meeting, Participants highlighted the significance of moving forward with IDA20 replenishment and reiterated the importance of the IDA20 overarching theme of building back better from the crisis towards a green, resilient, and inclusive future. Participants welcomed the ambitious policy and results framework and the enhancement to IDA policy architecture, which includes: (i) continuing the special themes of Climate Change, Gender and Development, Fragility, Conflict and Violence, Jobs and Economic Transformation, as well as cross-cutting issues of debt and technology; (ii) endorsing the introduction of Human Capital as a new special theme; (iii) approving the reclassification of Governance and Institutions to a cross-cutting issue; and (iv) introducing Crisis Preparedness as a new cross-cutting issue.

Overall, Participants acknowledged the IDA20 policy package to be robust and representing the priority areas of client countries towards the WBG's twin-goals and sustainable development goals. They further affirmed the progress made by IDA countries in raising their absorptive capacity and appreciated that delivering these commitments will require strong efforts by both IDA and client countries. Participants also praised the IDA20 results measurement system for being robust and ambitious.

Participants endorsed the IDA20 Deputies' Report with the following refinements on a non-objection basis. In addition to the Report text referring to temperature goal of 2 and 1.5 degrees Celsius, many Participants recognized the importance of pursuing the 1.5 degrees Celsius. Management proposed to reflect this on the IDA20 Deputies' Report and clarified that IDA20 supports climate consistent with IDA countries' commitments for low carbon and climate resilient development pathways. Its support aligns with the goals of the Paris Agreement and in agreement with Nationally Determined Contributions (NDCs), Long-Term Strategies (LTS), and other national climate commitments.

Participants also agreed to introduce some modifications to the text of the Deputies' Report on subjects including reference to energy projects, the

importance of harmony between humankind and nature, a review of how IDA is partnering with other group of actors, the inclusion of detail indicators to be used for LGBTI studies. Participants agreed to keep the size of the Private Sector Window at \$2.5 billion as in IDA19, with implementation progress and demand determining any need for future adjustment. Regarding the allocation for arrears clearance, it was agreed to remove the proposed \$300 million set-aside with the expectation that if meaningful progress arises in any country in arrears, Bank Management will propose reallocations in consultation with participants.

IDA20 Financing Framework

During the last IDA20 replenishment meeting, Participants noted that financing needs of IDA countries remains elevated due to the COVID-19 crisis and the immense challenges posed by climate change. While making their pledges, IDA donors underscored the unique value-for-money offered by IDA in helping low-income countries respond to the COVID-19 crisis and get back on track towards sustainable development goals. Many appreciated the additional balance sheet optimization measures included in the IDA20 financing framework, which would further increase in value-for-money.

At the final IDA20 replenishment meeting, partners pledged \$23.5 billion of contributions to support mobilization of \$93 billion for the IDA20 period (FY23-25). However, partner contributions fell short of the expected \$24.9 billion, thus missing the expected consensus target of \$95 billion. Although the IDA20 replenishment came out above the base scenario of \$90 billion, it did not meet both the mid-high and high case scenarios. Overall, the IDA20 replenishment turned out to be successful given donor countries' fiscal challenges precipitated by the COVID-19 pandemic.

Notwithstanding the shortfall on expected pledges, the IDA20 financing package represents notable improvement over IDA19's. It translates to an 11 percent increase in concessional IDA in real terms. IDA20 financing packages include a considerable increase in Special Windows. IDA20 resources to FCV countries will rise by 17 percent, Regional Window by 4 percent and Window for Refugees and Host communities by 8 percent. In the wake of the pandemic and climate change disasters, Small States are the most vulnerable. Thus, per capita allocations for Small States will increase fivefold compared to non-Small States. Finally, learning from the ongoing pandemic crisis, safeguarding development gains is of utmost importance. Therefore, resources for crisis response under IDA20 will increase by 31 percent.

Update on COVID-19 Vaccine Operations

Although new COVID-19 cases and associated deaths have slowed globally, access to vaccines remains highly unequal. Low-Income Countries (LICs) remain behind, having fully vaccinated an average of only about 2 percent of their populations. Meanwhile, High-Income Countries (HICs), have fully vaccinated more than 65.6 percent and some upper-middle-income Countries (UMICs) have made considerable progress in vaccinating a significant proportion of their populations. Although vaccine production increased sharply in 2021, expected to exceed 12 billion doses by the end of 2021, these would still not be immediately available to (LICs). Half of the advanced vaccine purchases with WHO Emergency Use Listing (EUL) are earmarked for HICs. At the same time, Sub-Saharan Africa has the lowest vaccination coverage due to a lack of access to vaccines.

COVID-19 cases and deaths may be severely underestimated due to weak detection in LICs, underlining the essential requirement for scaled-up testing and reporting capacity. Most SSA countries also failed to reach the goal of vaccinating 10 percent of their populations by

September. They are not likely to achieve the target of 40 percent coverage by the end of December 2021. By the end of September, 5.7 percent of the population in Sub-Saharan Africa had received at least one dose and only 3.4 percent were fully vaccinated. As production increases in 2022, it is expected that LICs would have greater access to vaccines.

Until November 2021, no variant, including the Delta variant, could evade any of the approved vaccines. This situation changed in November when, a new iteration of the coronavirus was first identified in Botswana and South Africa, prompting concern among scientists and public health officials. The discovery of Omicron prompted swift responses from governments worldwide. Several countries immediately banned flights from Southern Africa, and some like Israel, Japan, and Morocco barred foreign travelers' entry altogether. This drew much criticism from African leaders and scientists who felt that the move was premature and discriminatory to Africa. Investigations on the behavior and effect of the variant are ongoing and uncertainties are surrounding the Omicron variant. However, on November 26, the WHO

warned that it poses high global risks. Certain studies suggest that the variant is even more transmissible than the Delta variant and can overcome vaccination and immunity from previous infections.

Since its discovery, the variant has reportedly been identified in nearly 60 countries, on every continent except Antarctica. Although there is limited evidence of cases of severe illness, hospitalization, or deaths due to the variant and most cases were those of young adults, it is too early to determine whether Omicron is milder compared to other variants. Even if the variant turns out to be milder, it could still push hospitals to their limit.

When Omicron surfaced in South Africa, only 30 percent of the country's population had been vaccinated. The low vaccination rate made it difficult to immediately determine how effective vaccines were against Omicron. However, recent studies seem to suggest that people who got a third booster shot produced much higher levels of antibodies and responded better in fighting Omicron. These results have reinvigorated vaccination efforts and spurred widespread booster campaigns in many countries to prepare for Omicron surges in the weeks to come. Researchers expect Omicron to become dominant in many countries by the end of the year, creating a huge wave of cases in the weeks that follow. These findings and developments highlight the global threat posed by the virus and the dire need for more intense vaccination efforts and health system strengthening in SSA.

While there are some positive developments, such as the announcement of a Memorandum of Understanding (MOU) to supply up to 110 million doses to the African Union at the lowest tiered price by Moderna and efforts to seek an emergency authorization for a new antiviral pill to treat COVID-19, there are still serious challenges with vaccine deployment and distribution. Export restrictions, including from key COVAX supplier, Serum Institute of India (SII) are still in place, with uncertainty surrounding volumes when supply resumes; there are scale-up challenges, particularly with Johnson & Johnson (J&J); and the timing and likelihood of filing and regulatory approval for some candidates is still uncertain. Consequently, COVAX cut their forecast by 25 percent on September 8 and now expects to deliver only 470 million doses, enough to vaccinate just 17 percent of Africa's population. Donations have to a limited extent mitigated the delays in supply by manufacturers, but too few doses are expected to arrive in 2021 without concerted,

collective action. There are also transparency and coordination concerns surrounding donations and vaccine supply. Moreover, as deliveries increase, countries will require more health systems, deployment, distribution strengthening, and other demand-side support.

The WBG is working in collaboration with countries and partners to build supply capacity, secure financing for vaccines, and strengthen deployment. A Multilateral Leaders Taskforce (MLTF) was established to accelerate access to COVID-19 vaccines, therapeutics, and diagnostics by leveraging multilateral finance and trade solutions. The MLTF is taking collective action to accelerate access to vaccines and other COVID-19 tools. An MLTF Data Dashboard was developed to compile, track, and monitor key indicators and gaps on financing, production, delivery, trade, supply chain, and deployment to support faster, more targeted short-term and longer-term solutions. Given the prevalence of vaccine hesitancy, the MLTF also supports advocacy and awareness creation.

IFC's strategic investments are increasing manufacturing capacity and aim to overcome delays due to disruption of supply chains, R&D, and regulatory approval. Aspen is mitigating supply disruptions in Africa by enabling J&J filling, finishing, and packaging capacity for the COVID-19 vaccine with the first batches already manufactured. However, this has raised concerns among political leaders about the limited transfer of vaccine manufacturing expertise and intellectual property and the effectiveness and sustainability of the IFC strategy in reducing Africa's reliance on global vaccine supply chains, which have left the continent vulnerable to disruptions and delays.



L-R: Tanzania's Minister of Health, Hon. Dr. Dorothy Gwajima; Minister of Foreign Affairs, Hon. Amb. Liberata Mulamula; and US Ambassador to Tanzania Donald Wright receive a consignment of COVID-19 vaccine, donated by the US through the AU COVAX facility.

The financing need is great. The WBG projects that most LICs and LMICs will not be able to cover vaccine roll-out costs from expected growth in government health spending in 2021/22. The WBG focuses on the future, supporting countries to recover gains in health and human capital while preparing for and preventing future pandemics. However, the effectiveness of this

approach will depend on collaboration and the support of all development partners to strategize to address vaccine hesitancy, deployment capacity, health systems strengthening, and the ability of the private sector to impart knowledge, intellectual property, and boost vaccine manufacturing capacity of LICs, particularly SSA countries to produce vaccines and other therapeutics.

COP26: Key Outcomes and Implications for the WBG

International concern has been growing about the implications of climate change for world peace and stability. The increase in greenhouse gases in the past decades has led to global warming, followed by changing climate waves, severe droughts, unexpected hurricanes, floods, and other phenomena that have imposed direct repercussions on the future of humanity. Two issues are at the heart of this phenomenon: the first relates to industrialized countries concerned with the emissions associated with large industries, which have led to global warming. Another relates to the suffering of developing countries from the repercussions of climate change and their search for ways to confront them.

In this context, comes the Climate Summit in Glasgow (COP26)¹ that took place from November 1-13, 2021, after being postponed for a year due to the COVID-19 pandemic. The summit aimed to seek agreement on actions needed to

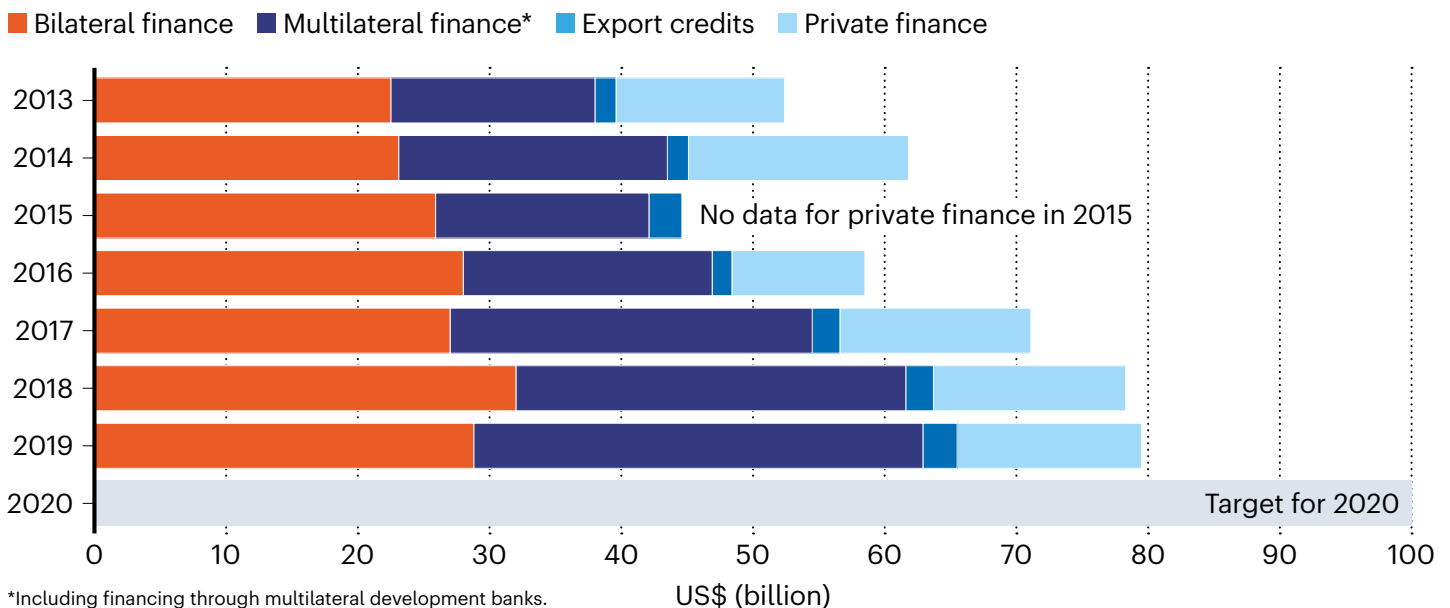
limit global temperature rise to 1.5°C above pre-industrial level, a goal that scientists say will spare the Earth the most devastating consequences of global warming.

Delegates from nearly 200 countries met to discuss ways to reduce carbon emissions by at least 49 percent from 2017 levels by 2030. They also discussed how to achieve carbon neutrality by 2050. To achieve such targets, the conference came up with ambitious pledges to change the pattern of energy consumption that required:

- Reducing human-caused emissions of carbon dioxide, methane, and others by 2030 to keep the target of global warming to 1.5°C within reach;
- Gradual but permanently moving away from fossil fuels as a source of energy and switching to renewable energy; and
- Protecting forests and afforesting barren areas to achieve zero carbon emissions.

MISSED TARGET

Rich countries promised developing nations US\$100 billion a year in climate finance by 2020.



Source: Jocelyn Timperley, "How to Fix the Broken Promises of Climate Finance". Nature. Vol 598. 21 October 2021.

1 This summit is known as the "26th Conference of the Parties to the Framework Convention on Climate Change" – (COP26).

Scientific evidence suggests that the world will be on track to warming around 3°C by the end of the century if agreed reductions in greenhouse gas emissions are not made. Most developed countries agreed to mobilize public and private financing to support developing countries to adapt and build resilience to climate impacts. The international community also made commitments to reduce funding for fossil fuel development and increase financial support for climate change adaptation and mitigation. Moreover, developed countries were urged to double their support for adaptation to vulnerable countries by 2025.

Countries announced bold measures to implement their commitments, including a \$555 billion US plan to mitigate climate change. China pledged to stop financing coal-fired projects abroad and committed to achieve net zero emissions by 2060. On its part, the European Union presented a proposal for new legislation on industrial emissions, aiming to reduce such emissions to 55 percent below 1990 levels by 2030.

Financial Commitments

Since the 2009 UN Climate Summit in Copenhagen, developed nations have pledged to channel \$100 billion a year to developing countries by 2020, to help them adapt and mitigate impact of further rises in global temperature. However, that pledge has never been fulfilled. The OECD estimates that contributions amounted to \$80 billion in climate finance for developing countries in 2019, up from \$78 billion in 2018. A series of pledges were made in the lead up to the Glasgow Summit, raising hopes that rich countries would be able to transfer \$100 billion to developing countries annually by 2022.

Additionally, nearly 500 global financial services firms agreed on to align \$130 trillion – 40 percent of the world's financial assets – with the climate goals set out in the Paris Agreement. Such commitments include investing in cleaner and cheaper technology to keep the carbon neutrality targets within reach. However, developing countries urged for actions, not words, as countries failed

to live up to the commitments to control climate change made in 2015 in Paris and 1992 in Rio de Janeiro.

Role of the WBG

The WBG is a key partner in global efforts to manage the urgent transitions of climate change. It is also a signatory of the Multilateral Development Banks' Joint Climate Statement committing to raising climate ambition for COP26 and beyond. The WBG, including IDA, is currently the largest multilateral provider of climate finance to developing countries. It provides a quarter of all public climate finance to developing nations, more than half of multilateral finance, and two-thirds of adaptation finance.

Remarks by President David Malpass and high-level delegation from the World Bank Group to COP26 confirm that the WBG will build on its Climate Change Action Plan to help countries achieve successful adaptation and resilience to climate change, and will:

- Take a leadership role among partners and other MDBs by accelerating and systematically integrating climate and development issues into analysis, assessments and operations by 2025;
- Increase alignment of its financing flows with the Paris Agreement and the uptake of new climate-related technologies as they emerge;
- Provide significant increases for financing high-impact climate projects, targeted towards reducing the trajectory of emissions and strengthening adaptation and resilience in developing countries; and
- Provide \$125 billion in climate finance over the next five years.

By implementing these measures, the WBG will support efforts to decelerate global warming and fulfill the climate goals agreed to at the summit in Paris and COP26. It will also help client countries adapt and build resilience while also taking steps to help the most vulnerable make a sustainable recovery.

Constituency Visits

The President of Zambia meets with the WBG President

The President of the Republic of Zambia, His Excellency, Mr. Hakainde Hichilema, met the World Bank Group President, Mr. David Malpass, on September 23, 2021, in Washington, D.C. His Excellency discussed Zambia's economic situation and briefed the WBG President about his government's agenda to address Zambia's urgent priorities. These include restoring macroeconomic stability, reducing unsustainable debt levels, and strengthening economic growth to create jobs and improve living standards for all Zambians.

In response, the WBG President welcomed the efforts by President Hichilema and his government to improve financial management and public procurement processes and affirmed the WBG's support during the process of recovery. In addition, he applauded the President's commitment to improving transparency of debt contracts to mitigate corruption and promote accountability.

Further, President Malpass and President Hichilema discussed the need to transform the ease of doing business in Zambia and how the World Bank could extend its support to reform the mining sector's regulatory framework and tax regime. President Malpass also welcomed Zambia's focus on expanding renewable energy sources as well as the emphasis on addressing human capital development. President Hichilema assured President Malpass of his commitment to work with the Bank and invited President Malpass and his staff to visit Zambia whenever appropriate.

Prior to this meeting, on September 22, the Minister of Finance and National Planning of the Republic of Zambia, Dr. Situmbeko Musokotwane, paid a courtesy call to the Executive Director, Dr. Taufila Nyamadzabo. Dr. Musokotwane discussed Zambia's development challenges and opportunities, the post-Covid-19 economic recovery program, and Zambia's debt crisis. He was accompanied to the meeting by the Acting Governor of the Bank of Zambia, Dr. Francis Chipimo, and Assistant Director, External Debt, Ministry of Finance



President of the Republic of Zambia, His Excellency Hakainde Hichilema meets WBG President, Mr. David Malpass

and National Planning, Mrs. Masitala Mushinga, while the Executive Director was accompanied by his Senior Advisor and Advisor for Zambia, Mr. Allan Ncube and Ms. Ndapiwa Segole, respectively.

The World Bank Managing Director Visits the United Republic of Tanzania

Ms. Mari Pangestu, World Bank Managing Director for Development Policy and Partnership, had her first mission to Sub-Saharan Africa by visiting the United Republic of Tanzania on November 15-16, 2021. Dr. Floribet Ngaruko, Alternate Executive Director, and Dr. Zarau Kibwe, Senior Advisor, joined the mission. The mission's objective was for the Managing Director to explore how the World Bank and Tanzania can further deepen their partnership.

During her mission, Ms. Mari Pangestu met with Her Excellency Samia Suluhu, President of the United Republic of Tanzania. She also met with Honorable Liberata Mulamula, Minister of Foreign Affairs and East Africa Community; Honorable Ummu Mwalimu, Minister of State, President's Office-Regional Administration and Local Government; Honorable Mohammed Mchengherwa, Minister of State, Public Service Management and

Good Governance; Honorable Dr. Mwigulu Nchemba, Minister of Finance and Planning; Honorable Jamal Kassim, Minister of State, President's Office-Finance and Planning (Zanzibar); and Honorable Hamad Masauni, Deputy Minister of Finance and Planning. Ms. Mari Pangestu paid a courtesy call to Prof. Ibrahim Juma, Chief Justice, and met with think tanks, young entrepreneurs, and selected development partners.

In her meeting with the President, the Managing Director discussed various ways to deepen the further partnership between the United Republic of Tanzania and the World Bank. Their discussions touched on a host of issues, including human capital, education, health, digital development, climate change, energy, and trade facilitation and regional integration.

Her Excellency appreciated the Bank's support in sectors that are a priority for Tanzania's development. She



L-R: Ms. Yaa Opong, Bank Staff; Dr. Zarau Kibwe, ED's Senior Advisor; **Dr. Floribet Ngaruko**, Alternate ED; Ms. Mara Warwick, Country Director for Tanzania; **Ms. Mari Pangestu**, Managing Director for Development Policy and Partnership; **H.E. Samia Suluhu**, President of the United Republic of Tanzania; Hon. Amb. Liberata Mulamula, Minister of Foreign Affairs and East Africa Cooperation; Hon. Hamad Masauni, Deputy Minister of Finance and Planning; Mr. Emmanuel Tutuba, Permanent Secretary and Tanzania's WBG Alternate Governor; Ms. Immaculata Ishemwabula, Bank Staff; and Ms. Souda Msemo, Commissioner for External Finance.

further requested the World Bank to support Tanzania in the digital economy, especially the establishment of the dedicated university for ICT; financing regional projects such as Standard Gauge Railway (SGR) along with fiber connectivity and trade facilitation; and energy access, especially using gas as transition source of energy as part of boosting green/blue economy agenda. Additionally, the President requested the Bank to positively consider Tanzania's offer to host IDA20 Medium-Term Review in 2023. Her Excellency highlighted that her administration is working diligently to ensure boys and girls have equal access to quality education at all levels. Finally, she assured Ms. Mari Pangestu that Tanzania is making effective use of the Bank's resources to improve the welfare of all Tanzanians.

In her response, Ms. Mari Pangestu commended President Samia for her insightful ideas on how the Bank could further support Tanzania's development to sustain its lower-middle-income status and address remaining development challenges. She indicated that many of priority areas identified by the President align with the

Bank's Green, Resilient and Inclusive Development (GRID) approach. In this regard, she was convinced that many opportunities existed for the Bank and Tanzania to foster GRID. Finally, the Managing Director assured the President of the Bank's continued support for Tanzania's development priorities.

In her two-day mission, Ms. Mari Pangestu visited four project sites of three IDA-financed projects. Her first field visit was to Makangarawe Market and Buza Health Centre in Temeke District financed by a \$300 million Dar es Salaam Metropolitan Development Project. She also visited the Integrated Justice Centre in Temeke, where she saw a Mobile Court and One-Stop Center for Probate and Family Matters. These facilities were financed by a \$65 million Citizen-Centric Judicial Modernization and Justice Service Delivery Project. Finally, she met with selected beneficiaries of a \$450 million Productive Social Safety Net project in Temeke District. She was able to see how this project helped low-income families start income-generating activities and improve social welfare.

Executive Director visits the Republic of Sierra Leone

The Executive Director, Dr. Taufila Nyamadzabo, accompanied by his Senior Advisor, Ms. Naomi Rono, undertook his first official mission to the Republic of Sierra Leone from December 6 -8, 2021. The purpose of the mission was to consult the Government on the Republic of Sierra Leone's development agenda and discuss ways to strengthen engagement with the WBG. The mission also discussed the impact of the COVID-19 pandemic on Sierra Leone's economy.

During this mission, the Executive Director met the President of the Republic of Sierra Leone, H.E Rtd. Brigadier Dr. Julius Maada Bio; the Minister of Finance, Honorable Dennis K. Vandi; the Minister of Health and Sanitation, Honorable Dr. Austin Demby; the Minister of Mines and Mineral Resources, Honorable Musa Timothy Kabba; Deputy Minister of Fisheries and Marine Resources, Mr. Ibrahim Turay; and the Deputy Governors of the Bank of Sierra Leone, Mr. Ibrahim L. Stevens and Mr. Sheikh Alhaji Yayah Sesay.

The Executive Director's discussions with the President focused on the performance of the World Bank portfolio in Sierra Leone as well as key priorities that the administration had identified to enhance their partnership with the WBG. President Bio appreciated the support received from World Bank, highlighting the resources mobilized to support his Government's

response to the COVID-19 pandemic. The Executive Director commended President Bio's administration for driving a robust reform agenda to enable inclusivity in human capital development, strengthen mineral resource governance and improve sustainability in the financing of development in Sierra Leone.

During his meeting with the Minister of Finance, the Executive Director received a brief on the macroeconomic landscape of Sierra Leone and an assessment of the impact of the COVID-19 pandemic on Sierra Leone's economy. He also discussed the outcomes from the recent review of Sierra Leone's portfolio that identified bottlenecks in implementing projects. He encouraged the Governor to prioritize implementing the relevant actions to improve the portfolio's performance.

During his discussions with the Minister of Health and Sanitation, the Executive Director received an update on Sierra Leone's health care system, including the Minister's strategic vision to structurally shift the approach to health care delivery in Sierra Leone. Dr. Nyamadzabo commended the Minister for leading the Government's response to contain the spread of the COVID-19 pandemic. He highlighted that the country's response had yielded positive early results, evidenced by Sierra Leone's ability to respond to the various waves and contain the aggressive spread of the virus and its variants.

The Executive Director's discussions with the Bank of Sierra Leone focused on the macroeconomic developments and challenges facing Sierra Leone. Dr. Nyamadzabo was informed that the IMF program was progressing well and remained a vital policy anchor for the Government of Sierra Leone to safeguard financial stability and address external shocks, including the COVID-19 pandemic. The discussions also highlighted the Government's plans to re-denominate the Leone, the country's currency. The Executive Director provided assurances of the World Bank's support for the re-denomination exercise and encouraged the Bank of Sierra Leone to engage the Country Office to explore opportunities for their technical and financial support.

During his mission, the Executive Director also had a chance to visit the Mortomeh (Mirimbo) Landslide site, which was reconstructed by the Government of Sierra Leone (GoSL), with support from the United Nations Office for Project Services (UNOPS). The project was financed by the World Bank through a US\$10 million grant to

support urgent repairs, rehabilitation and stabilization of the slope damaged by the mudslide on August 14, 2017. The landslide resulted in massive human impact—1,141 declared dead or missing, and over 6,000 people were affected by the disaster. The Executive Director was accompanied by the World Bank Manager for Sierra Leone, Mr. Abdu Muwonge, and the UNOPS Country Manager, Nick Gardner.



L-R: Mr. Sheku Bangura, Second Deputy Minister of Finance; Dr. Taufila Nyamadzabo, Executive Director; H.E. Rtd. Brigadier Dr. Julius Maada Bio, President of the Republic of Sierra Leone; Ms. Naomi Rono, ED's Senior Advisor; and Hon. Dennis K. Vandi, Minister of Finance.

Executive Director visits the Republic of Liberia

The Executive Director, Dr. Taufila Nyamadzabo, accompanied by his Advisor, Mr. Lamin Bojang, visited the Republic of Liberia on December 8-11, 2021. The mission aimed to consult with Liberian Authorities on the country's development priorities and discuss ways to strengthen the engagement between Liberia and the WBG. The Executive Director met with Honorable Samuel Tweah, Minister of Finance and Development Planning and WBG Governor for the Republic of Liberia; Honorable Tanneh G. Brunson, Deputy Minister of Budget and Develoement Planning; Hon. Augustus J. Flomo, Deputy Minister of Economic

Management; and other senior ministry officials. He also met with the WBG Liberia Country Team and visited selected sites of Bank-financed projects.

In his meeting with the Finance Minister, Dr. Nyamadzabo stated that his mission's objectives were to introduce himself as the new Executive Director for Liberia and to listen to any issues that Liberian Authorities would like to bring to his attention. He thanked the Minister for nominating him as the Executive Director for Liberia.

Dr. Nyamadzabo highlighted to Honorable Minister the five strategic priority areas of the Office of the Executive Director's (OED) for the next four years. These

include: (1) mobilizing financial and technical resources; (2) supporting private sector development; (3) enhancing OED engagement with member states; (4) supporting diversity and inclusion, especially the representation of Africans and African descents in the upper and middle level management of the WBG; and (5) advocating for relevant capacity development in member states.

The Executive Director commended the Government of Liberia for the low COVID-19 infection rate and appreciated the efforts to improve the vaccination rate. With 10.4 percent of the total population fully vaccinated, he noted that Liberia is among countries with the highest vaccination rates in the region. He assured the Minister on the Bank's readiness to support Liberia combat COVID-19 pandemic.

Dr. Nyamadzabo congratulated the Minister for the smooth implementation of the national portfolio as most of the projects are rated satisfactorily or mutually satisfactorily. He, however, highlighted the need for government's support on Improving Results in Secondary Education and Liberia Urban Water Supply projects, which are both rated unsatisfactorily. This, he noted, would help to improve the portfolio disbursement rate from 6.3 percent to a higher rate.

The Executive Director noted the progress made by Liberia in improving the overall Country Policy and Institutional Assessment (CPIA) rating from 2.9 to 3.0, that helped the country being removed from the list of Fragile and Conflict-affected Situations (FCS). He commended the Minister for the recent anti-corruption bills presented in the legislature and emphasized the importance of ensuring that they are passed by both houses and are effectively implemented. He shared with the Minister that Liberia stands a better chance to receive higher IDA allocation due to improvement in the CPIA and performance of the existing portfolio—key determinants of the Performance Based Allocation system of IDA resources.

At the end, Dr. Nyamadzabo thanked the Minister for the hospitality extended to him and his advisor and assured him of his commitment to represent well and defend the interests of Liberia at the Boards of the WBG.

In his response, the Honorable Minister noted that low-income countries are struggling during the COVID-19 pandemic and the emergence of the Omicron virus adds to a bleak global economic outlook. Honorable Tweah called for stronger engagement and more visibility of IFC operation in Liberia, especially in the agriculture sector which could be the key driver for the country's transformation. He stressed the need for a sector-wide

approach to transforming agriculture and called for donor support to map agricultural areas or land for rice cultivation. This, he noted, will require infrastructure and machinery for land clearance, stumping and investment to de-risk the sector. He asked that if the WBG could provide a five-year grace period on loans, why should not be possible for commercial banks to provide a two-year grace period for agricultural investments. He hinted that the COVID-19 pandemic had further weakened the private sector and called for support to unlock its potential.

On the portfolio disbursements, he noted that his ministry will meet project stakeholders to put up a framework on project governance. He noted that every 0.1 increment in the CPIA ranking will enable the country to access an additional US\$15 million. Considering this, he called on the Bank to support the country with technical assistance to overcome fragility. He highlighted the government's resolve to undertake governance reform in Liberia.

On energy, the Minister commended the WBG's support to minimize commercial losses and electricity theft. He noted plans to increase franchises in the sector to help reduce the tariff from 35 cents per kilowatt-hour to 21c/ kilowatt-hour or lesser. He further noted that this will reduce the cost and reliability challenges and therefore encourage more businesses and people to connect to the national grid.

Finally, Honorable Minister called for more representation for Liberians in the Bank as part of the diversity and inclusion agenda. He noted that the WBG is building an Office headquarter in Liberia that, he hoped, would increase the country's representation.

The Executive Director was able to visit three IDA-funded projects. He first visited a \$157.7 million Liberia Road Asset Management Project. It supports the country's efforts to reduce transport costs along the road corridor from Monrovia to the Guinea border and maintain the road in good condition over ten years. The Executive Director met the Minister of Public Works of Liberia, Madam Ruth C. Collins, and her team, who informed him that the 256km road project is a regional road linking Monrovia to the Guinea border. He was also informed that the rural part was completed, and the remaining part, covering the 6km dual carriage urban component, would be completed in 2023.

The second project visited by the Executive Director was a \$10 million Liberia Youth Opportunities Project. The project's objective is to improve access to income generation opportunities for targeted youth and strengthen the government's capacity to implement its cash transfer

program. It helps fight unemployment and promotes gender equality. It has different components such as bricklaying, agriculture, and tailoring. As part of the project, he also visited a women's tailoring workshop in Monrovia.

The COVID-19 Center Rehabilitation Project, part of the WBG US\$7.5 million Liberia COVID-19 Emergency Response Project, was the last project to be visited by Dr. Nyamadzabo. The Minister of Health, Dr. Wilhelmina Jallah, and her team welcomed him at the COVID-19 Treatment Center. The facility has a lab, isolation rooms, medical waste incineration, morgue, and borehole tower for water supply.

Since the facility is located at the former United Nations Mission in Liberia (UNMIL) based in Monrovia, the Minister requested for the rehabilitation of the other side of the facility to cater for the isolation of pregnant women should the need arise. She expressed concern that there is no oxygen plant on-site and requested the Bank to support them with one. She also noted that the facility did not have the requisite capacity to do COVID sequence; as a result, they used to send their samples to the US, Nigeria, or Ghana, which is not cost-effective. She informed the Executive Director that Columbia University in the US is currently training her staff in COVID sequencing to identify the different types of COVID cases.



L-R: Hon. Samuel Tweah, Minister of Finance and Economic Planning; Hon. Tanneh G. Brunson, Deputy Minister of Budget and Development Planning; Dr. Taufila Nyamadzabo, Executive Director; Mr. Lamin Bojang, ED's Advisor; and Hon. Augustus Flomo, Deputy Minister of Economic Management.



Minister of Health, Dr. Wilhelmina Jallah, welcomes Dr. Nyamadzabo at the COVID Treatment Center



Non-rehabilitated Structure at the COVID Treatment Center



Rehabilitated Structure at the COVID Treatment Center