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WORLD BANK GROUP

Group 1 Constituency Newsletter

OFFICE OF THE EXECUTIVE DIRECTOR

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COVAX Vaccine Distribution

The COVAX Facility released indicative allocation of vaccines. Countries need to ready their vaccination plans. P. 4

IDA Financing Option Agreed

IDA19 to be implemented for two years instead of three. Negotiations for advanced IDA20 to kick off in April. P. 5

Updated Policy to Support FCV

Operational Policy (OP 2.30) updated to strengthen Bank's engagement with FCV countries. P. 6

The Executive Director Visited Four Constituency Countries

Executive Director's Visit to the Kingdom of Lesotho

The Executive Director, accompanied by his Advisor, Ms. Kuenta Diaho, embarked on a mission to the Kingdom of Lesotho on January 11–12. The purpose of the mission was to meet the Minister of Development Planning, Governor for Lesotho to the WBG and the Chairperson of Africa Constituency Group 1 and Panel, Hon. Selibe Mochoboroane; the Prime Minister of Lesotho, H.E. Dr. Moeketsi Majoro; Minister of Finance, Mr. Thabo Sofonea; and the World Bank Country Manager and Staff.



Executive Director with Honorable Selibe Mochoboroane, Governor for the Kingdom of Lesotho and Chairperson of the Africa Group 1 Constituency

During his meeting with Hon. Selibe Mochoboroane, the Executive Director presented his Mid-Term Strategy. The Executive Director discussed the importance of the Governor's role as Chairperson of Africa Constituency Group 1 and

Panel. He described the role of the chairpersonship as crucial in promoting the quality, efficiency, equality of opportunities, governance and representation of the Constituency. Under this role, the Governor for Lesotho would lead a panel of five member Governors comprising the Chairperson and the Vice Chairperson of the Constituency, and three other members, drawn from at least two sub-regions of the Constituency.

The Executive Director reiterated his support to the Governor for Lesotho during his Constituency Chairpersonship for the period 2020–2022. To assist the Panel in its role, a technical team of Constituency Panel Countries' Officers would be composed to work collaboratively with the Panel on Constituency Panel technical issues. During his term, Hon. Mochoboroane would oversee the 2021 review of the Constituency Rules and Guidelines, which is conducted every five years, and the technical team would help in the preparatory work.



Executive Director with the Prime Minister of Lesotho, His Excellency Dr. Moeketsi Majoro

The Executive Director also discussed with Hon. Mochoboroane the need for the country's continued engagement with the WBG to determine how best it could deploy its advisory services to help the Government of Lesotho establish the national development bank.

During his meeting with the Prime Minister of Lesotho, the Executive Director discussed how the WBG could support the country's plan to procure and deploy COVID-19 vaccines. They also discussed the key role of private sector to the Kingdom of Lesotho's economic development. In this regard, they agreed that improving business environment for private sector participation should be one of the priority areas in the Kingdom's engagement with the WBG.

Executive Director's Visit to the Republic of Namibia

The Executive Director, accompanied by his Senior Advisor, Ms. Naomi Rono, undertook his first official mission to the Republic of Namibia from January 18–19, 2021. The purpose of the mission was to carry out consultations with Government officials and the private sector on the Republic of Namibia's development agenda and discuss ways to strengthen engagement with the WBG. The mission also served as an opportunity to discuss the impact of the COVID-19 Pandemic on Namibia's economy and explore ways the WBG could support the recovery and growth post the COVID-19 Pandemic. The Executive Director met the Minister of Finance and Governor of Namibia to the World Bank Group, Honorable Ipumbu Shiimi; the Governor of the Bank of Namibia, Mr. Johannes Gawaxab and paid a courtesy call to the Executive Secretary of the Southern African Customs Union, Ms. Paulina Mbala Elago.



Executive Director with Honorable Ipumbu Shiimi, Governor for Namibia and Minister of Finance, Ms. Ericah Shafuda, Executive Director for the Ministry of Finance and Ms. Naomi Rono, ED's Senior Advisor

In his discussions with Honorable Ipumbu Shiimi, the Executive Director was briefed on Namibia's development opportunities and challenges, focusing on the Government's approach to mitigating the effects of the COVID-19 Pandemic to recover and restore growth for Namibia's economy. The Minister highlighted that the success of the Government's post-COVID-19 recovery strategy would rely on the private sector's resilience and ability to rebound from pandemic-induced shocks. He also noted that the Government would be implementing a contractionary fiscal policy, given the limited fiscal space. As a result, the private sector's role in boosting growth would be critical to stimulate overall growth. The Executive Director also used the opportunity to update the Governor on his proposed mid-term strategy for the Constituency.

Executive Director's Visit to the Republic of Botswana

The Executive Director, Mr. Taufila Nyamadzabo, visited the Republic of Botswana from January 21–22, to consult with the Governor of the World Bank Group (WBG) and other Government officials on Botswana's development challenges and opportunities as a Middle-Income Country. The Executive Director was accompanied on this mission by his Advisor, Ms. Ndapiwa Segole. During the Mission, the Executive Director met His Excellency, the President of the Republic of Botswana, Dr. Mokgweetsi Eric Keabetswe Masisi; the Governor of the World Bank and Minister of Finance and Economic Development, Dr. Thapelo Matsheka; the Governor of the Bank of Botswana, Mr. Moses Pelaelo; the Minister of Investment, Trade and Industry, Ms. Peggy Serame; the Chief Executive Officer of Business Botswana, Mr. Norman Moleele, as well as the WBG Country Staff led by Mr. Rurangwa Guido.



Executive Director with His Excellency, the President of Botswana, Dr. Mokgweetsi Eric Keabetswe Masisi (left) and Honorable Dr. Thapelo Matsheka (centre), Governor for Botswana and Minister of Finance and Economic Development

The mission discussed ways in which the relationship between the Government of Botswana and the WBG could be strengthened and projects better implemented, as well as COVID vaccine procurement and distribution. The mission also provided an update on the activities and proposed strategies the Office of the Executive Director intends to execute to enhance this relationship. During a site visit, the Executive Director appreciated some of the project implementation challenges and the proposed measures to expedite the works on site.

Executive Director's Visit to the Republic of Mozambique

The Executive Director, accompanied by his Advisor, Ms. Kuena Diaho, embarked on an official visit to the Republic of Mozambique on January 25–27. The purpose of the mission was to explore ways through which the Office of the Executive Director would help the government strengthen its engagement with the WBG in alignment with the country’s development agenda. During the Mission, the Executive Director met Government authorities, private sector representatives and visited World Bank funded projects in the country.



Executive Director with Honorable Adriano Maleiane, Governor for Mozambique and Minister of Economy and Finance

During his meeting with the Governor of Mozambique to the WBG and Minister of Economy and Finance of Mozambique, Honorable Adriano Maleiane and Minister of Agriculture, Hon. Celso Ismael Correia, Mr. Nyamadzabo reiterated the WBG’s commitment to support the Government of Mozambique and enhance private sector activity through the International

Finance Corporation (IFC). The Executive Director discussed with the respective authorities how the IFC has been instrumental in promoting private sector development in the country, specifically, through the development of its medium and small enterprises (MSME) and investment climate reforms. The IFC has also been key to the country’s enhanced performance of its priority sectors of agriculture, energy, and transport, which the authorities highlighted were of significance to job creation in the country.



Executive Director with the Prime Minister of Mozambique, His Excellency Carlos Agostinho do Rosario

During his meeting with the Prime Minister, His Excellency Carlos Agostinho do Rosario, the Executive Director discussed the continued efforts by his office to engage WBG Management on promoting regional cooperation by supporting regional value chains, as the newly established Africa Continental Free Trade Area (AfCTA) would provide wide regional market for Mozambique’s exports. The Executive Director also met and discussed with the Minister for Agriculture, Hon. Celso Ismael Correia, the implications of fragility and conflict in the northern region of Cabo Delgado on food and job security. The two underscored the urgency of mobilizing resources needed to support the Government of Mozambique’s effort in addressing such fragility. Lastly, the Executive Director discussed with the private sector representatives the importance of partnerships and connectivity in enhancing private sector participation. The representatives appreciated IFC’s role in supporting growth of businesses, highlighting how digital technology had been central to their respective growth and sustainability.

Update on the Procurement of COVID-19 Vaccines

The Executive Board of the World Bank approved in October 2020 the additional financing of US\$12 billion to support vaccine purchase and deployment by low and middle-income countries; this support would be facilitated through the Global Vaccine Alliance (GAVI) under its COVID-19 Vaccines Global Access (COVAX) Facility. Since then, many vaccine candidates, have been produced. However, by the end of January, only one vaccine (Pfizer) had achieved the WHO Emergency Use Listing (EUL), and three vaccines had been approved by Stringent Regulatory Authorities (SRA). This resulted in the slow approval of project requests and the need to review the very stringent regulatory requirements of the WBG. As such, to date, few African countries have received vaccines and started COVID vaccination programs.

In the meantime, as COVID cases and hospitalizations increased, the strain on healthcare systems also increased. Between December and January, the death toll increased significantly, as the virus mutated, and new variants were discovered in several countries. This development has exerted additional pressure and uncertainty in the whole vaccine distribution process as some mutants could impact the effectiveness of vaccines and antibody treatments. It further underscores the need for additional capacity to test and diagnose the new variants and the move faster to roll-out the vaccines to reach herd immunity while continuing to implement stringent public health measures.

To effectively deploy vaccines, countries require strong national and subnational coordination; data information systems that identify vulnerable groups, monitor uptake, ensure accountability of prioritized roll-out, and inform planning; efficient vaccine safety systems and monitoring to detect adverse events; functional cold chain capacity to ensure safety and quality; training for the health workforce to administer vaccines; as well as awareness creation and communication to address misinformation and vaccine hesitancy.

Vaccines Secured Through the COVAX Facility

To receive vaccines from the COVAX facility, countries are required to submit finalized national deployment and vaccination plans. The final shipment of vaccines will be based on the production capacities of vaccine manufacturers and the readiness of countries and no doses will be allocated in the final allocation if a participating country is deemed not ready. The initial 90 million doses would support countries

inoculate 3.0 percent of the African population most in need of protection, including health workers and other vulnerable groups in the first half of 2021. As production capacity increases and more vaccines become available, the aim is to vaccinate at least 20 percent of Africans by providing up to 600 million doses by the end of 2021. Regulatory processes, cold chain systems, and distribution plans need to be in place to ensure vaccines are safely transported from ports of entry to delivery. About 320,000 doses of the Pfizer vaccine, which has already received WHO Emergency Use, have been allocated to four African countries—Cabo Verde, Rwanda, South Africa, and Tunisia—which have the capacity to store and distribute doses at minus 70 degrees Celsius.

COVAX Vaccine Distribution Forecast as of February 3, 2021

Country	AstraZeneca (Doses)
Botswana	117,000
Eswatini	108,000
Ethiopia	8,928,000
The Gambia	180,000
Kenya	4,176,000
Lesotho	156,000
Liberia	348,000
Malawi	1,476,000
Mozambique	156,000
Namibia	127,000
Rwanda*	996,000
Sierra Leone	612,000
Somalia	1,224,000
South Sudan	864,000
Sudan	3,396,000
Uganda	3,552,000
Zambia	1,428,000
Zimbabwe	1,152,000

*Rwanda is also expected to receive 102,960 doses of Pfizer vaccine

The COVAX facility has provided an indicative distribution forecast to guide and enable participants to prepare for the final allocation of the doses each country will receive in the first round of vaccine distribution. Although not binding, the information has been shared with all nations participating in the COVAX Facility to assist in their planning. The allocation may change depending on the readiness and other sovereign decisions of the recipient country.

Vaccine Procurement Through the Support of the African Union

Due to the scale of demand for vaccines and the need for financial support, the then African Union Chairperson, President Cyril Ramaphosa announced on January 14, 2021 that the African Union had also secured a provisional 270 million COVID-19 vaccine doses for Africa from Pfizer, Johnson & Johnson, and AstraZeneca. The Afreximbank would ensure that African States can rapidly access COVID-19 vaccines, promptly and at competitive prices by providing

Update on IDA Financing Options

IDA proposed a COVID-19 Emergency Financing (CEF) package to address the financing gap of all IDA countries through the Performance Based Allocation system while also providing additional targeted funding to severely hit economies. To mobilize the additional finance needed for FY22–23, IDA proposed two possible options: (a) IDA19 Supplemental that aimed to raise funding through donor pledges in June 2021, and (b) Advanced IDA20, which would shorten IDA19 to two years and start a three years IDA20 in FY23.

IDA countries emphasized on elevated financing needs and urgency

During the last three meetings of IDA Participants, IDA representatives highlighted how COVID-19 has been devastating African economies, most of which have extremely limited fiscal space and external buffers, and many are further constrained by higher debt burden. They appreciated the WBG's quick response in helping IDA countries, including the mobilization of US\$12 billion of additional funding for the implementation of the COVID-19 vaccination program, of which US\$6 billion is earmarked for IDA countries. The discussions also stressed additional challenges arising from natural disasters such as floods and locust invasions. While ongoing efforts to address health and economic disruptions were instrumental to reduce pandemic's impact, IDA countries are in dire need of scaled-up resources to procure and deploy vaccines, strengthen social safety nets and boost investments for economic recovery.

On the need for additional financing, IDA representatives stressed the importance of predictability and timing of IDA resources and the urgency of reaching a consensus on the financing option in order to avoid a financing cliff in FY22–23. While calling for equitable distribution of IDA resources

advance procurement commitment guarantees of up to US\$2 billion to the manufacturers on behalf of the Member States. The Africa Medical Supplies Platform (AMSP), on behalf of the Africa CDC, commenced the COVID-19 vaccines pre-order program for all African Union Member States on January 19, 2021. The platform also launched a new category on vaccine accessories to help the Member States procure products such as ultra-low temperature freezers, personal protection equipment, cotton wool rolls, syringes, and needles.

and leaving no country behind, IDA representatives expressed support to the proposed allocation of additional resources, of which 60 percent would go PBA framework while the remaining 40 percent would replenish the Crisis Response Window.

In appreciating long-standing solidarity among non-recipients and recipients under IDA's collaborative framework, borrower representatives articulated several areas of progress registered by their countries, including, among others, increased domestic resource mobilization, enhanced absorptive capacity, improved transparency in debt management, and improved public finance management. They also drew attention of IDA Deputies to other urgent issues such as access to vaccine, strengthening food security systems, strengthening value chains and support to microfinance services.

Donors acknowledged the challenges faced by IDA countries

Many IDA Deputies acknowledged the severity of the pandemic on low-income economies and supported the need for mobilizing significant additional resources. Deputies emphasized the need to maintain the IDA19 policy commitments, possibly with some modifications to reflect COVID-19's impact. Building back better was a common thread in the submissions of many donor representatives. Several deputies expressed their constituencies' interest in enhanced focus on climate change, biodiversity, FCV and disaster risk management, as part of the IDA implementation.

Several discussions reflected a broad donor interest in the continued implementation of the Sustainable Development Finance Policy (SDFP). Some concerns about a potential dilution of SDFP commitments and potential increase in debt vulnerabilities in IDA countries were highlighted. Deputies expressed their desire to see future IDA cycles being very strong on

debt management, domestic resource mobilization and mobilization of private capital.

Deputies stressed the need to assess IDA countries' absorptive capacities in order to determine the envelope for additional resources. Strong interest was also expressed in scheduling the IDA19 Mid-Term Review as early as possible to gauge better how resources were being used. As donor countries are also facing COVID-induced fiscal pressures, many Deputies requested the Bank to consider using more balance sheet optimization measures to fill the funding gaps. Regarding the use of the proposed additional resources, several donor representatives emphasized the need for selectivity, targeting the neediest countries and broadly adopting inclusive recovery.

The Way Forward

Most IDA Deputies expressed their preference for advancing IDA20 by one year as a way of mobilizing the additional finance needed for IDA countries. With this outcome, IDA Management would proceed with the preparatory steps for next IDA cycle while working on the operational details to frontload resources from

FY23 to FY22.

Bank Management committed to prioritize the Mid-Term Review (MTR) of IDA19 that would be stretched across the first three meetings of IDA20 negotiations. This review would help inform IDA participants' discussion around the policy commitments and financing needs. In this regard, the review of policy commitments and implementation status would be advanced while discussions on local currency financing and structural gap could be scheduled later in the year.

On the timeline and next steps, it was agreed that the four statutory meetings of IDA20 replenishment negotiations would be held between April and December 2021, with the first meeting scheduled for April 14–15, 2021. The Bank would provide detailed information on the annual financing needs of IDA countries and financing scenarios. The Bank would also explore further balance sheet optimization measures. On governance side, IDA Management would facilitate the nomination of an independent co-chair by IDA Participants and new Borrower Representatives would be selected for the IDA20 replenishment.

Updated Bank Policy: Development Cooperation and Fragility, Conflict, and Violence

Poverty is increasing in fragile settings, with up to 66 percent of the global extreme poor living in these contexts by 2030. In 2020 COVID-19 pushed an estimated 19–30 million additional people into extreme poverty in fragile settings. There are more violent conflicts than at any time in the past 30 years, impacting both low- and middle-income countries. These conflicts are increasingly protracted, forcefully displacing 79.5 million people around the world, the largest forced displacement crisis since World War II.

The COVID-19 crisis, along with other shocks and long-term risks are exacerbating FCV challenges, such as food insecurity, effects of climate change, inequality and gender disparities, and demographic pressures. These challenges underscore the importance of the Bank to remain flexible and agile in the face of rapidly evolving dynamics and priority needs of FCV situations.

Rationale for Update

Operational Policy (OP 2.30) was adopted by the Board in 2001 and has since become the policy bedrock for the Bank's engagement with FCV countries. It primarily addresses the Bank's work in relation to conflict and focusses its objectives only in countries that are vulnerable to conflict, are in the midst of

conflict, or are in transition from conflict. For the past two decades, OP 2.30, alongside its accompanying Bank Procedure documents have served the institution well as the operational framework for Bank engagements in conflict-affected and post-conflict situations—notably Afghanistan, Iraq, Somalia, Libya, and South Sudan—and continue to provide a flexible basis for Bank operations in challenging situations such as Yemen.

It is, however, important to note that the existing policy focuses primarily on post-conflict reconstruction. It does not reflect the Bank's emerging FCV work over the past two decades in addressing the drivers of fragility, addressing forced displacement crises, operating in active conflict situations, or engaging on the violence agenda. The updated Policy allows for strengthened risk identification and mitigation and aligns with current Bank practice in FCV settings.

Proposed Update to the Operational Policy (OP 2.30)

The Updated Policy will confirm key principles of the Bank's engagement in FCV countries in carrying out its development mandate while respecting political prohibitions. Some of the key areas include:

- Humanitarian Situations: Clarifying that the

Bank may provide development assistance in humanitarian crises, subject to certain principles to ensure it remains within its mandate;

- Forced Displacement: Providing a policy basis for the Bank’s development support in forced displacement crises; and
- Engagement with Security and Military Actors: Providing a framework for engagement with military and security actors.

The updated policy retains the principle-based approach of OP 2.30 and is underpinned by the Bank’s core mandate as a development institution. It aligns with the differentiated approach outlined by the FCV Strategy’s four pillars of engagement—prevention, remaining engaged in conflict situations, helping countries transition out of fragility, mitigating FCV spillovers. The update includes language on “principles” for engagement, including the FCV principles of engagement (differentiation, inclusion, legitimacy/ accountability, transparency, and private sector) which are incorporated throughout the policy.

It also retains the core principles of OP 2.30, especially the critical principles of consistency with the World Bank’s development mandate and of no political interference. It further includes two additional principles clarifying World Bank involvement in peace-building and the impact of sanctions.

In light of this, the Africa Group 1 Constituency Office supports the proposed updates. The Office recognizes the reality that there is a continuum between emergency relief activities, recovery, rebuilding, and partnership as part of an “integrated emergency recovery program”. This allows the Bank to effectively respond to emergency situations and achieve development objectives whilst adhering to its development mandate. We believe that the Bank should continue to serve the poor, the vulnerable and those in need in order to preserve and protect human dignity and wellbeing. Furthermore, the Bank’s engagement on security sector is still under discussion by the Executive Board. The Office would therefore inform Constituency countries on the outcome of this engagement once the Board discussion comes to conclusion.

Obituary: Prof. Benno Ndulu, IDA Borrowers’ Representative 2017—2021

The man who immensely contributed to the relevance of development economics in Africa and who generously shared and dedicated his intellectualism to seeking regional and global solutions to the continent’s development challenges is finally at rest. Prof. Benno Ndulu, a Tanzanian, served the Africa Group 1 Constituency at the World Bank Group as the IDA Borrower representative with honor and dedication. His pertinent and insightful remarks during the IDA19 negotiations will live long after we have bid him farewell. During his most recent intervention, he passionately appealed to the international development institutions “to provide lifelines to livelihoods of the most vulnerable” and to “the Bank and IDA partners [to] explore possible ways to help IDA Countries secure debt stocks reduction from Non-Paris Club Creditors and gain breathing room”.

The passing of a man who worked tirelessly to ensure Africa is positioned in its rightful place in development is an immeasurable loss to the continent and indeed the international development community, who tapped into his wealth of knowledge and wisdom to confront development challenges of the time. It is our hope that each one of us will truly honor Prof. Ndulu by upholding the values and principles he espoused

throughout his exemplary service to the continent and development community. May Prof. Ndulu’s soul rest in eternal peace in his final resting place.



Late Prof. Benno Ndulu