EXECUTIVE DIRECTOR’S REPORT TO THE CONSTITUENCY

Wednesday, April 20, 2022
Welcome Note

Twenty-third (23rd) Statutory Meeting of the Africa Constituency Group I
Honorable Sosten Alfred Gwengwe, Governor for the Republic of Malawi

Welcome to Africa Constituency Group I
Honorable Ernesto Max Elias Tonela, Governor for the Republic of Mozambique

Welcome to Africa Constituency Group I
Honorable Agak Achuil Lual, Governor for the Republic of Sudan

Welcome to Africa Constituency Group I
Africa Constituency Group I

Representation at the IDA20 Negotiations

Excellency Dr. Denny Kalyalya
IDA20 Co-Chair and Central Bank Governor for the Republic of Zambia

Ambassador Dr. Liberat Mfumukeko
Borrower Representative, Republic of Burundi

Mr. Sahr Jusu
Borrower Representative, Republic of Sierra Leone
• Environmental and Social Framework
  (United Republic of Tanzania)
  - Instituting changes to the Bank-wide policy mid implementation would present challenges
  - A comprehensive ESF Policy Review to be undertaken in fiscal year 2023
  - Technical team of Advisors and Government Representatives to be composed to compile recommendations to the ESF Policy Review Panel

• Constituency Rotation Schedule
  (Republic of Somalia)
  - No country shall serve more than once before the completion of the first round of the Executive Director rotation schedule
  - First round of the rotation schedule runs from 2010 to 2052
Recent developments in the global economy.

IMPACT OF COVID19

- Deceleration of the global economy from 5.5 percent in 2021 to 4.1 percent in 2022 and 3.2 percent in 2023
- Supply chain disruption
- Increased level of public debt

UKRAINE CRISIS

- Price inflation
- Scarcity of necessary commodities
- Increased fragility
Recent developments in the global economy.

Challenges in Sub-Saharan Africa

- Food insecurity
- Climate change disruptions
- Social unrest, and civil conflicts (Sahel and the Horn of Africa)

Consequences of Ineffective Response

- Handicap economic outlook for the region
- Increase uncertainties
- Deter foreign and private investment
An unprecedented level of uncertainty and disruption that followed the COVID pandemic led to the advancement of the IDA20 replenishment process by one year.

To accommodate client countries’ increased needs, IDA19 resources were frontloaded into FY21 and FY22.

IDA20's overarching theme is “Building Back Better from the Crisis – Toward a Green, Resilient and Inclusive Future”

IDA20 replenishment was successfully completed in December 2021 raising US$93 billion.
IDA20 policy focus is structured under five Special Themes:

- Human Capital (focusing on resilience to crisis)
- Climate Change
- Fragility, Conflict and Violence
- Gender and Development
- Jobs and Economic Transformation
POLICY ISSUES AND UPDATES

Enhanced IDA 20 Elements

• New financing terms introduced, including 50-years credit and Short-Maturity Loans
• The size of the FCV envelop increased to US$8.8 billion
• Regional Window increased to US$7.9 billion
• Allocation to Crisis Response Window raised to US$3.3
• IDA20 to maintain the Private Sector Window, Scale Up Window and the Host Communities and Refugees Window (HRW)
POLICY ISSUES AND UPDATES, cont.

2. BLENDED FINANCE
   - The blended Finance program received increased focus during the current fiscal year.
   - In December 2021, IFC’s Blended Finance program increased its commitments from US$489 million in FY20 to US$717 million in FY21.

3. BUSINESS ENABLING ENVIRONMENT (BEE)
   - Bank has initiated a replacement product for the former Doing Business product
   - The new product is Business Enabling Environment (BEE)
   - The BEE is still at the concept note stage and it is planned to cover 10 sectors

4. GENDER POLICY
   - The Bank reported on research findings on the effects of COVID on women.
   - Rise of infants, maternal mortality, an increase in teenage pregnancy, gender-based violence, and sexual harassment.
SELECTED POLICY ISSUES AND UPDATES, cont.

5. Intermediate Jurisdictions

- The current proposal is to update the Bank’s 2014 IJ policy to reflect new international standards on transparency and the requirements for enhanced tax due diligence and analysis.
- The Bank has identified two new and evolving international standards for the use of IJs in projects: The Global Forum’s Common Reporting Standards for Automatic Exchange of Information (AEOI); and the OECD Base Erosion and Profit Shifting Inclusive Framework (BEPS IF).

6. JOINT IMF-WB MULTIPRONGED APPROACH TO ADDRESS DEBT VULNERABILITIES

- An update was provided to assess the impact of the COVID crisis on debt situations of client countries.
- The update also reported on the implementation status of the G20’s Common Framework which appears to have stalled.
- Action needed to enhance the clarity of the CF process, and methods to achieve comparability of treatment to facilitate a restructuring.
SELECTED POLICY ISSUES AND UPDATES, cont.

- Over 10.24 billion doses administered globally
- WB partnership with development partners, including COVAX and AVAT
- A total of $11.6 billion commitments were approved under the COVID-19 Multiphase Programmatic Approach (MPA) as of February 3, 2022
- Financed projects enabled the purchase of 504m doses, of which 207 million were delivered and 156 million have already been administered
- 16 Constituency countries have ongoing COVID-19 operations valued at $1.669 billion, and preparations are underway for five(5) more countries valued at $688

7. VACCINE ACCESS
# WBG – COVID19 Response Support to Constituency Countries under the Multiphase Programmatic Approach (MPA)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Project (US$m)</th>
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</thead>
<tbody>
<tr>
<td>Burundi</td>
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<tr>
<td><strong>Total Commitment</strong></td>
<td><strong>1,669.2</strong></td>
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</table>
8. SOLAR PV SUPPLY CHAIN

- Global demand (solar, wind, and natural gas)
- Emergence of price pressures as a result of supply chain disruptions
- Challenges from global concentration of production centers in a few major producers

9. UPSTREAM AGENDA

- Key objective is to generate a pipeline of bankable projects that provide a solid and sustainable basis for IFC’s investment
- The upstream agenda also targets policy reforms that encourage private investment
IDA

- IDA committed US$49.5 billion for 412 projects
- 72.9 percent of the total commitments were for projects in SSA countries
- IDA19 commitment to Constituency reached US$16.7 billion by end of February 2022
- IDA disbursements for the Eastern and Southern Africa region registered the largest performance
- Constituency disbursements between July 2020 – March 2022 was US$10.4 billion
• Disbursements increased from US$19 billion in FY2017 to US$24 billion in FY21
• FY2022 shows a total disbursement of US$4.3 billion as of the end of January 2022
• A positive trend between FY2019 and FY2021 suggests strong demand arising from a COVID-19 response
WORLD BANK GROUP OPERATIONS (IDA, IBRD, IFC, & MIGA) cont.

IFC

- IFC commitment increased from US$10.6 billion in the first half of FY21 to US$12.5 billion in FY22
- IFC’s total commitments in Africa stood at US$1.2 billion
- IFC’s pipeline in Africa for FY 22 stands at US$ 6.3 billion with to potential mobilize an additional US$ 2.3 billion
- IFC disbursements to the Africa FY22 amounted to US$ 1.6 billion compared to US$1.3 million in FY21

MIGA

- FDI to Africa has declined significantly due to COVID19
- MIGA US$1.5 billion consisting of 21 projects compared to FY2021 with US$5.2 billion with 40 projects
- FY2022 quarter 2 was US$398.5 million consisting of 13 projects compared to FY2021 of US$512.51 million with 16 projects
CONSTITUENCY ENGAGEMENTS

Update on the Implementation of the Medium-Term Strategy

IDA Borrower Representatives Engagement

• EDS14 Office actively facilitates the work of the Group’s IDA Borrower Representatives

• Borrower Representatives presented the unique challenges and needs of Constituency Countries

• Borrower Representatives advocated for increased IDA resources
CONSTITUENCY ENGAGEMENTS

Update on the Implementation of the Medium-Term Strategy

Mobilizing Financial and Technical Resources

- Constituency actively participated in IDA20 negotiations
- Borrower Representatives participated in urgent meeting on financing Ukraine and Moldova
- Constituency supported provision of financial support to Ukraine and Moldova
- Borrower Representatives also emphasized the need for complementary financing for IDA countries to address the spill-over effect of the Ukraine war
Supporting Private Sector Development

- Continued engagement with IFC and MIGA on a quarterly basis to monitor the portfolio and pipelines in Constituency countries

- IFC’s commitment in the first two-quarters of FY22 for Africa stood at US$1.2 billion, with the size of pipeline projects for FY22 reaching US$6.3 billion
Enhancing Engagement with the Constituency Countries

- Visit to 21 of the 22 countries
- WB Executive Directors Group visit to the Republics of Zambia and Rwanda

Objective of Executive Directors’ Group Visit

- Visit WBG-funded projects
- Discuss challenges faced by visited countries with their authorities, respectively
Constituency Subscription Status.
IBRD 2018 Capital Increases (GCI and SCI)

Data as of 11 April 2022.

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<thead>
<tr>
<th>Member</th>
<th>Allocated Shares</th>
<th>Documentation Requirement</th>
<th>Pending Documents (where applicable)</th>
<th>% Paid/Allocated</th>
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Constituency Subscription Status.
IFC 2018 Capital Increases (GCI and SCI)

Data as of 11 April 2022.

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No shares allocated under the Resolution.
CONSTITUENCY ENGAGEMENTS

Update on the Implementation of the Medium-Term Strategy

Advocating for Diversity and Inclusion.

• The WBG established a Diversity and Inclusion Office whose mandate is to ensure that diversity is integrated into all aspects of WBG work

• The WBG places gender equality at the center of its diversity, equity, and inclusion agenda

• The Constituency continues to be an advocate for diversity and inclusion
The Office has engaged the World IEG to evaluate the WBG’s role and effectiveness in building capacity.

IEG acknowledged it has been a long time since they undertook an evaluation of WB’s work in the area of capacity building.

At the request of the Africa Constituency Group, IEG has agreed to undertake an evaluation using one of its new products – Evaluation Insights Synthesis Note.

The report will be completed by IEG and shared in September 2022.
THANK YOU