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Angola, Nigeria and South Africa

Larai H. Shuaibu
Executive Director

ANNUAL REPORT 2020

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Angola, Nigeria and South Africa

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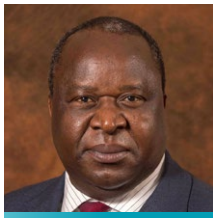

Mr Tito Mboweni
Minister of Finance and WBG Governor
South Africa

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Photo: Curt Carnemark / World Bank

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FOREWARD

When I assumed duty as Executive Director of the constituency in October last year, representing three unique and important countries — Angola, Nigeria, and South Africa — on the board of the World Bank Group (WBG), I had no idea of the magnitude of the challenges that would confront the institution and the entire world today. Regardless of income level, the COVID-19 pandemic has affected all countries around the world in some way, devastating health and causing economic and social disruption, with tens of millions of people at risk of falling into extreme poverty by 2021.

As African countries struggled to put measures in place to contain the virus and prevent economic collapse within a severely constrained fiscal environment, as usual, many looked to the WBG as a global convener and resource provider. With strong support from the board, the WBG responded swiftly and effectively within the limits of available resources. It has deployed its full complement of knowledge and technical, advisory, and financing instruments to support client countries. Through its COVID-19 Fast Track Facility, the WBG expects to spend up to USD160 billion over 15 months, through June 2021, to help developing countries with their response to the pandemic, save lives and jobs, and lay the foundation to build back stronger and better. The Bank, working with the International Monetary Fund (IMF) and the G20, was also able to push for some fiscal space for International Development Association (IDA) countries through the Debt Service Suspension Initiative. The past year also saw the finalization of the robust 19th replenishment of the IDA and the approvals of the Fragility, Conflict, and Violence and Multilateral Investment Guarantee Agency strategies, among other efforts.

Virtual meetings and home-based work have become the order of the day, with the 2020 spring and annual meetings of the WBG and the IMF held virtually for the first time.

Several reforms and changes took place over the past year in management, appointments, and retirements, including the split of the Africa region into two regional vice presidencies (VPs) the retirement the VP of the IFC, and the beginning of the search for a new VP to lead the IFC.

Although I spent only one year on the board, it was an eventful, busy year. I am happy to have been part of the Bank during a time that I believe will remain one of its most remarkable periods in history; 2020 is particularly significant for the Angola, Nigeria, South Africa Constituency, which was founded 10 years ago, when a third chair for Sub-Saharan Africa was approved as the 25th chair of the board of the WBG comprising Angola, Nigeria, and South Africa. I am also happy to say that our chair has continued to help strengthen the voice of Africa at the Bank and support Africa's interests. We pay tribute to our late colleague and my predecessor, Mr. Haruna Mohammed, who in cooperation with our constituency country officials, helped make the third African chair a reality and laid the foundation that we continue to build on today.

As this is my last Annual Report as the Executive Director for this great constituency, I would like to express my sincere appreciation to the Nigerian authorities, and the Governor for Nigeria, Minister Zainab Shamsuna Ahmed in particular, for giving me the opportunity to serve the constituency. I also thank the Governor for Angola, Minister Da Souza, and Governor Mboweni of South Africa, for supporting me in my tenure as Executive Director after the passing of my predecessor and colleague, Haruna Mohammed, in February 2019. My appreciation also goes to our deputies and their teams for their collaboration and support of me and the entire constituency office over the past year. I solicit the same support for the incoming Executive Director, Armando Manuel, and Alternate Executive Director, Khathutshelo Todani.

Most importantly, I am fortunate to have worked with a great team: Alternate ED Armando Manuel; advisers Fidel Odey, Sipho Bhanisi, Nyeso George, Reshma Sheoraj, Gil Matos, and Gladys Ekwere and assistants Barbara Molakeng and Nkem Okorie. They have been the engine room of our office, working hard to support me and the work of our constituency. Together we did our best to promote and protect our countries' programs and priorities, as well as those of the African continent, while promoting the twin goals of ending extreme poverty and boosting shared prosperity.

Larai Hajara Shuaibu
Executive Director for Angola, Nigeria, South Africa Constituency
The World Bank Group
Washington, DC
October 2020

ABBREVIATIONS

CSA	Country Partnership Framework
DSSI	Debt Service Suspension Initiative
EMDEs	Emerging markets and developing economies
FY	Fiscal year
GDP	Gross domestic product
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IMF	International Monetary Fund
MIGA	Multilateral Investment Guarantee Agency
PPP	Purchasing power parity
PSW	Private sector window
REDISSE	Regional Disease Surveillance Systems Enhancement
SDG	Sustainable Development Goal
WBG	World Bank Group
WCS	Working Capital Solutions

Photo: Xinhua / Alamy Stock Photo

EXECUTIVE SUMMARY

This report consists of five sections and three appendixes. Section 1 provides an overview of the global economy, with highlights of recent trends in emerging markets and developing economies, and an overview of the situation in Sub-Saharan Africa, including the countries of the constituency, in the context of COVID-19. In addressing developments in the global economy, the effect of the pandemic and some of the mitigating measures that the World Bank Group (WBG) and the constituency countries have undertaken are enumerated.

Section 2 describes WBG operations and the response of its organizations (International Development Association, International Bank for Reconstruction and Development, International Finance Corporation, Multilateral Investment Guarantee Agency) to the pandemic. Of particular note is the implementation update on the World Bank's USD14 billion Fast-Track COVID-19 Facility and the proposed USD160 billion as phase II of the response to the pandemic.

Section 3 summarizes WBG operations in the three constituent countries of Angola, Nigeria, and South Africa, including the status of the country portfolios.

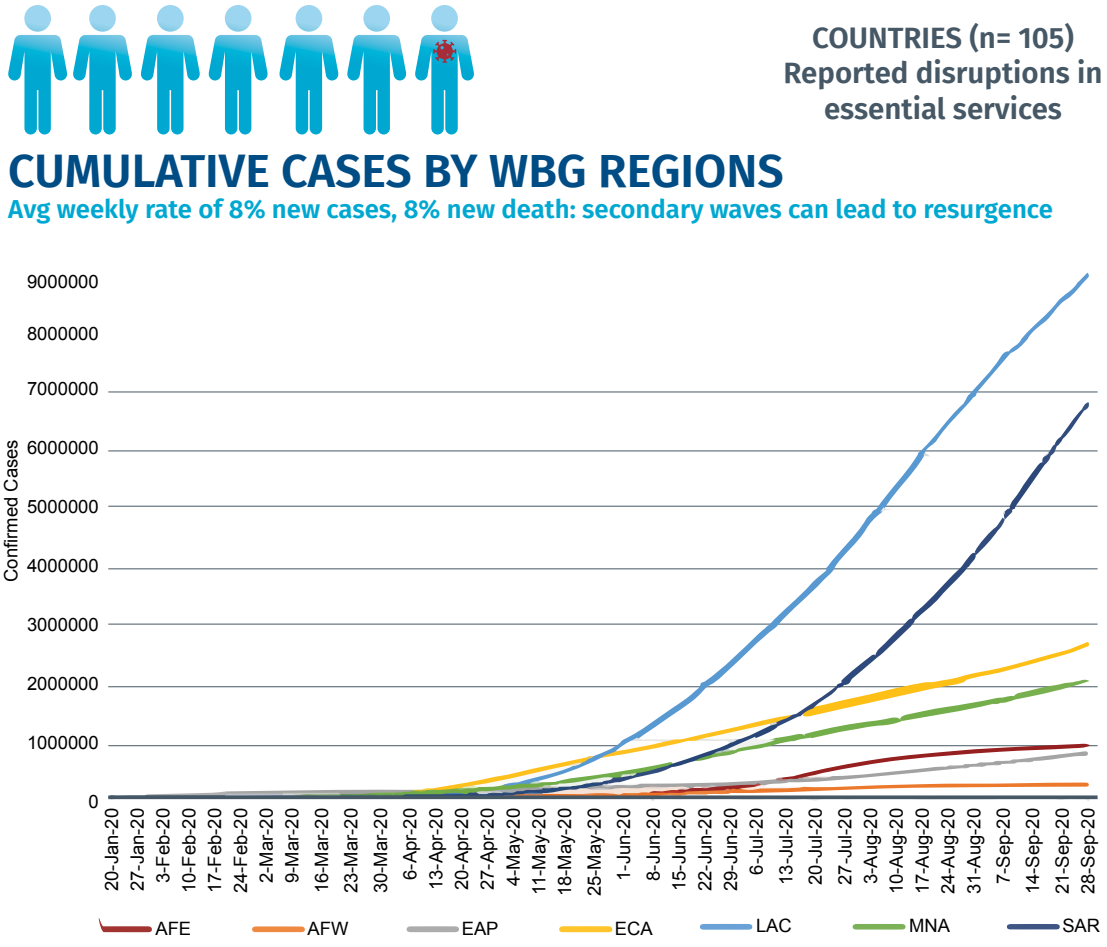
Section 4 summarizes the proposed discussions at the annual meeting. Of special importance is the synopsis of the three studies to be discussed at the virtual plenary.

Section 5 describes staff movements and outreach that the constituency office has undertaken, including a remembrance of the 10th anniversary of the constituency.
The appendixes are copies of communiques of the G24 Ministerial Meetings, the Development Committee Meeting, and the 2020 Memorandum of the Africa Caucus at the Bretton Woods Institutions to the president of the WBG and the managing director of the International Monetary Fund.

GLOBAL ECONOMIC PERFORMANCE

After the outbreak of COVID-19, global output collapsed in the first half of 2020. The World Bank Group (WBG) and the International Monetary Fund (IMF) had initially estimated that the loss of output would be 5.2 percent and 5.8 percent, respectively, with declines of more than one-fifth in some advanced and emerging-market economies. Without the prompt, effective policy support that was introduced in all economies, the contraction in output would have been substantially greater, but output increased swiftly after the easing of confinement measures and the initial reopening of businesses, even though the pace of the global recovery lost some momentum over the summer.

Figure 1 • Cumulative Cases of COVID Infection According to World Bank Region



Source: Technical Briefing note, October 2020

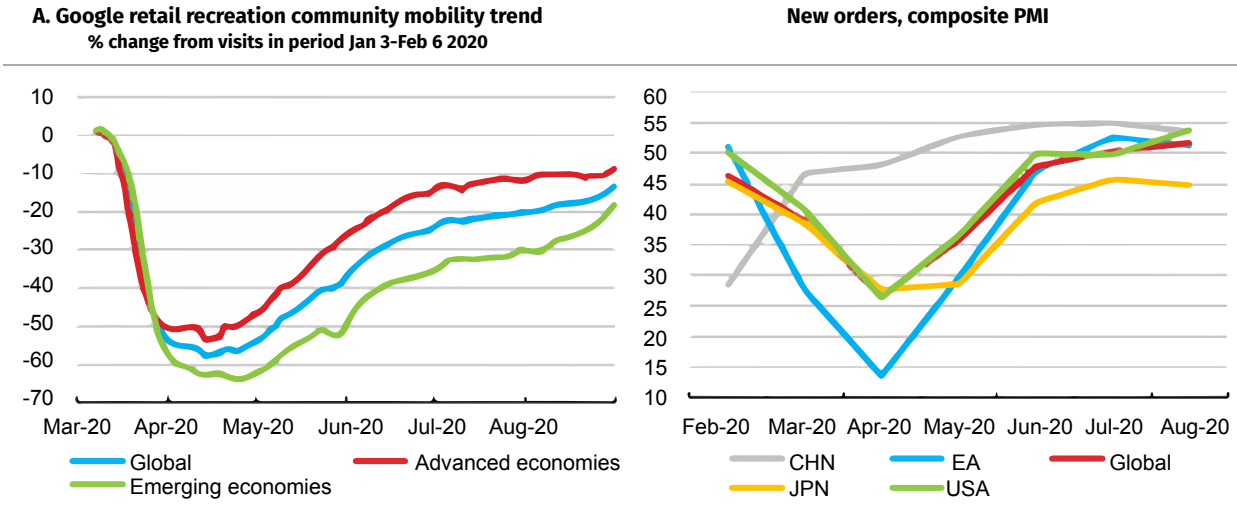
The outlook is uncertain, and projections depend on assumptions about the spread of the coronavirus and policy developments. The projections assume that sporadic local outbreaks will continue and will be addressed using targeted local interventions rather than national lockdowns; it is assumed that a vaccination will not be widely available until late in 2021. It is projected that global gross domestic product (GDP) will decline by 4.5 percent this year and then increase by 5 percent in 2021. The drop in global output in 2020 has been smaller than expected, albeit unprecedented in recent history, but this masks considerable differences between countries, with stronger GDP growth than expected in China, the United States, and Europe and weaker growth than expected in India, Mexico, and South Africa. In most economies, it is projected that output at the end of 2021 will remain below that at the end of 2019 and considerably lower than projected before the pandemic.

If the threat from the coronavirus fades more quickly than expected, greater confidence could boost global activity significantly in 2021, but a strong resurgence of the virus or more-stringent containment measures, could cut 2 to 3 percentage points from global growth in 2021, with higher unemployment and a prolonged period of weak investment.

Fiscal, monetary, and structural policy support needs to be maintained to preserve confidence and limit uncertainty but evolve with underlying economic conditions. Many central banks have appropriately announced policy easing in the past 3 months, and changes in policy frameworks are being introduced to convince investors that policy rates will be kept low for a long time. Fiscal policy support needs to be pursued in 2021, and recent announcements in many countries of additional fiscal measures are welcome; the aim must be to avoid premature budgetary tightening at a time when economies are still fragile. Maintenance of strong fiscal support should not prevent necessary adjustments to crucial emergency programs — including job retention schemes and income support measures — to limit long-lasting costs from the crisis and encourage reallocation of resources to expanding sectors. Enhanced global cooperation to maintain open borders and free flow of trade, investment, and medical equipment is essential to mitigate and suppress the virus in all parts of the world and hasten economic recovery.

After the initial recovery in many activities since confinement measures were eased, there are some signs from high-frequency indicators and business surveys that the global recovery has lost momentum since June, particularly in many advanced economies. Daily measures of mobility stabilized below pre-pandemic levels in July and August (figure 2A), and the recovery in many countries has settled at levels indicating only modest improvements (figure 2B). The localized lockdowns, border closures, and new restrictions imposed in some countries to address renewed virus outbreaks are likely to have contributed to the recent deceleration of the recovery in some countries, such as Australia.

Figure 2 • (A) Global Retail and Recreation Commodity Mobility Trends



Note: Panel A: based om PPA-weighted average of advanced and emerging-market economies. Data are not available for China.

Source: Google LLC "Google COVID-19 Community Mobility Reports", https://www.google.com/cvid19/mobility/ accessed 05/09/2020 OECO calculations.

A recovery is under way since the easing of strict confinement measures and reopening of businesses, but uncertainty remains high, and confidence is still fragile. In countries with monthly economy-wide estimates of economic activity, a bit more than half of the decline in output between January and April had been restored by July but with marked differences between countries and sectors. The increase in demand, particularly in China, has increased commodity prices and willingness to take risks in financial markets.

The extensive policy actions undertaken as the pandemic developed have helped prevent an even larger collapse and have protected the incomes of households and companies. With the recovery remaining uncertain, sporadic outbreaks of the virus still occurring, and many sectors still struggling to adjust, support for fiscal and monetary policy needs to be maintained to preserve confidence and limit uncertainty.

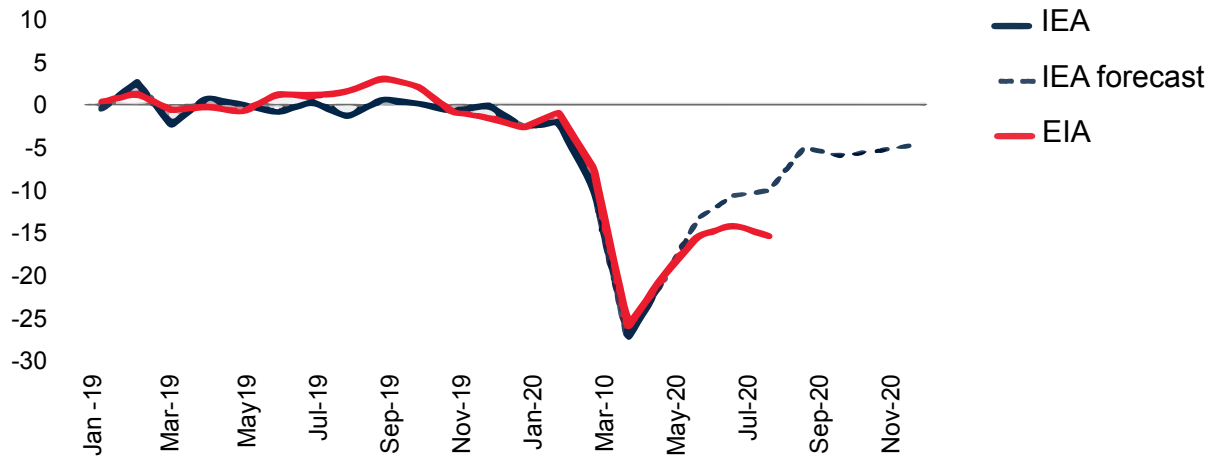
At the same time, a delicate balance must be struck between facilitating immediate recovery by supporting viable jobs and companies and ensuring that policy allows sufficient flexibility for necessary reallocation between sectors over time. This calls for flexible, country-specific policy support that can evolve as the recovery progresses. A renewed drive to implement structural reforms that provide opportunities for displaced workers and strengthen economic dynamism needs to accompany supportive macroeconomic policies, fostering reallocation of labor and capital resources to the sectors and activities with the greatest growth potential.

Enhanced global cooperation and coordination are essential to suppress the virus, hasten the economic recovery, and keep trade and investment flowing freely. Preserving open borders and providing the support necessary to enable emerging markets and developing economies (EMDEs) to address the consequences of the pandemic will also help prevent long-lasting obstacles to their growth prospects.

ADVANCED ECONOMIES

In most advanced economies, especially the United States, second quarter output was 31.7 percent lower than the previous quarter. For instance, in the United States, demand for oil, which indicates demand for energy, had a V-shaped recovery in April and May (figure 3). There is considerable uncertainty about haw the pandemic will evolve during the next few months, and comprehensive public health interventions are necessary to limit and mitigate new outbreaks and reduce uncertainty for consumers and businesses. In particular, governments need to maintain sufficient resources to allow large-scale test, track, trace, and isolate programs to operate effectively and ensure adequate health care capacity and stocks of personal protective equipment. Mitigation measures, such as physical distancing, personal hygiene campaigns, and widespread use of masks, also help limit spread of the virus. Notwithstanding a recent increase in infections, hospitalization and mortality remain low in most advanced economies.

Figure 3 • Oil Demand in the US (Percent year-on-year)



Source: Bloomberg

Note: IEA, International Energy Agency; EIA, U.S. Energy Information Administration.

THE EURO AREA

More recently, activity is showing signs of stalling in large part because of a resurgence in COVID-19 cases in several large euro area members, including France and Spain. Manufacturing and services purchasing managers' indexes fell in August, to 51.7 and 50.5, respectively. Although the sentix economic sentiment index, which represents investors' market expectations over the next month, for the euro area rose to –8 points in September, it remains solidly negative. Many of the countries in the euro area appeared to be experiencing the second wave of the pandemic, with many restricting movement because of the increasing incidence of COVID infections.

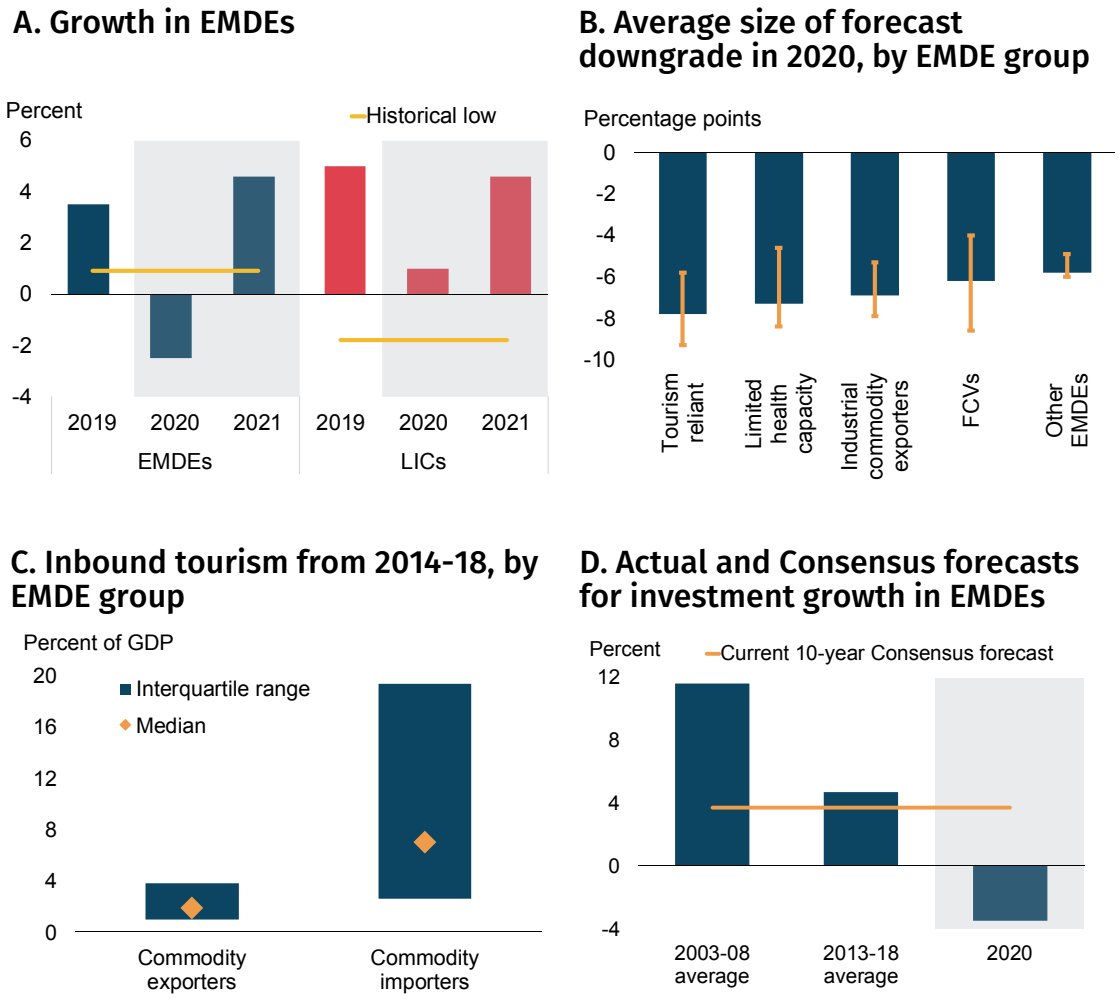
EMDES AND COVID

EMDEs are forecast to contract this year because of the pandemic. The effect is expected to be most severe for those with large domestic outbreaks and those that rely heavily on global trade, tourism, commodity exports, and external financing. Per capita incomes are projected to contract sharply as a result, causing the first net rise in global poverty in more than 20 years. Growth in EMDEs is projected to increase in 2021, following firming trade and investment as the effects of the pandemic wane, although subdued commodity prices are expected to temper the recovery in commodity exporters.

Aggregate EMDE economic activity is expected to contract by 2.5 percent in 2020 — 6.6 percentage points below previous forecasts and the worst rate since at least 1960, the earliest year for which aggregate GDP data are available. The projected fall in activity is broad based, with the economies of nearly 80 percent of EMDEs expected to shrink this year. All EMDE regions will be affected. Forecast downgrades are larger and recessions deeper in EMDEs with the most severe COVID19 outbreaks and those most susceptible to global spillovers, such as those that depend heavily on tourism, those that are deeply embedded in global value chains (Bulgaria, Mexico, Poland), and major exporters of industrial commodities. GDP growth in EMDEs is projected to rebound in 2021, to 4.6 percent, supported by expected growth in China and recovery of trade flows and investment. Excluding China, it is envisioned that EMDE growth will recover at a more modest pace next year, reflecting headwinds for commodity exporters amid subdued commodity prices and a weak rebound in services. Economies that depend on tourism will be subject to an additional drag on growth. Through its effect on investment, as well as the loss of human capital among idled and furloughed workers, COVID-19 is likely to dampen long-term growth prospects and productivity.

Photo: Trevor Samson / World Bank

Figure 4 • Emerging Market and Developing Economy (EMDE) Growth and Investment



Source: World Bank.

RECENT DEVELOPMENTS IN EMDES

The pandemic, and the associated domestic disruptions and global spillovers, has dealt a significant blow to EMDEs. Many have adopted restrictions to stem the pandemic, including economy-wide lockdowns, international border and school closures, and restrictions on domestic travel. In many EMDEs, efforts to slow the spread of the virus have dampened private consumption, generated widespread unemployment, and led to a sharp decline in retail sales. Uncertainty over the spread of the virus and the lifting of restrictions has coincided with erosion of business confidence and a decline in investment. Businesses have also had to contend with delivery delays in intermediate inputs, plunging demand, and limited access to financing. COVID-19 outbreaks are beginning to overwhelm health care systems in a rising number of EMDEs because of the small size of their health care systems and limited hospital capacity.

EMDEs have also faced unprecedented external headwinds from much weaker activity in major economies, sharp declines in commodity prices, disruptions to global supply chains and tourism, markedly lower remittances, and financial market turmoil. Manufacturing activity and new export orders have sharply contracted, particularly in EMDEs based on manufacturing or exports. Increasing supply-chain disruptions are likely as temporary export bans or border restrictions interrupt shipments. Tourist arrivals collapsed in the first half of 2020 as a result of widespread international border closures and travel restrictions. EMDEs that rely heavily on tourism faced large declines in services activity, particularly in hospitality, food, entertainment, and retail services.

Commodity exporters are also grappling with domestic outbreaks and the side effects of mitigation measures. There were initially more of these measures in commodity exporters than in commodity importers, in part reflecting greater fear about the consequences of domestic outbreaks in countries where the capacity of the public health system is low. As a share of GDP, government health care spending in commodity exporters is currently on average 30 percent lower than in commodity importers.

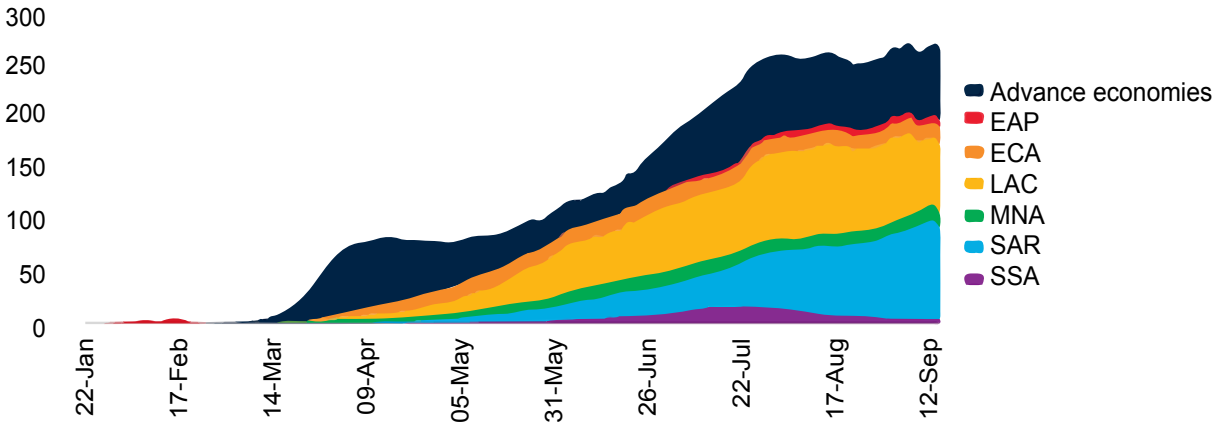
A number of commodity exporters have announced fiscal stimulus measures, and some have also partially reallocated spending to provide targeted support. Several central banks have provided monetary support, despite currency depreciations and substantial capital outflows. Severe domestic virus outbreaks and restrictions to stem the pandemic, all of which have greatly reduced consumption and investment, have curtailed growth in most commodity importers.[1] Although commodity importers tend to have more-developed health care systems than commodity exporters, there is considerable variation across regions. In Central European economies, the number of hospital beds per person is similar to that in the euro area, whereas there are far fewer in Sub-Saharan Africa.

SUB-SAHARAN AFRICA AND COVID

The pandemic continues to ravage the world, wreaking havoc in all regions, including Sub-Saharan Africa, although there are far fewer infected people in Sub-Saharan Africa than in other regions (figure 5). The growth rate of new infections has slowed somewhat, allowing some countries to ease their containment measures (figure 5), but the possibility of the pandemic spreading as aggressively as elsewhere is a very real threat. Governments have acted swiftly to support their economies. Africa's resilience is being tested, with falling revenues and limited fiscal space constraining well-thought-out efforts to mitigate the effects of the pandemic.

[1] World Bank: Global Economic Prospects; September, 2020

Figure 5 • New Covid Cases According to region (Thousands)



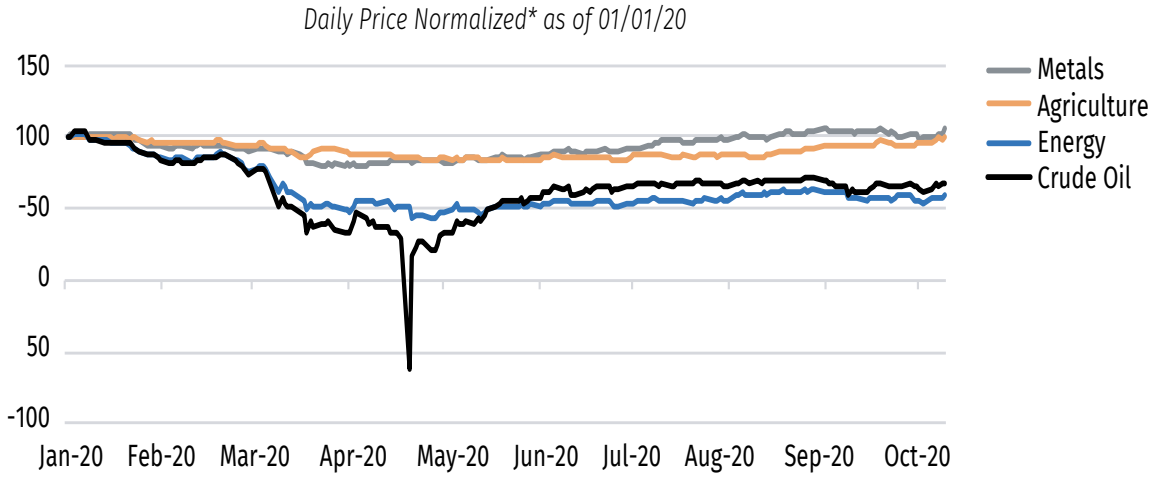
Source: Johns Hopkins University: World Bank.

Note: 7 day average for new COVID-19 cases. Last observation is September 14, 2020

The IMF Africa Department said in a September 2020 press release highlighting risks that global outlook has been particularly instructive. In line with this new outlook, and consistent with local high-frequency indicators, output in Sub-Saharan Africa is projected to shrink by 3.2 percent this year, more than double the contraction projected in April. To mitigate the effect of the pandemic, in most African countries, monetary and macroprudential policies have been eased, with some countries adopting a mix of reduced policy rates, injections of liquidity, greater exchange rate flexibility, and temporary relaxation of regulatory and prudential norms, depending on country circumstances. Although massive testing has been a challenge, except perhaps in South Africa, most of these countries are beginning to ease lockdowns, with gradual reopening of airports, schools, and businesses to restart their economies.

Because most Sub-Saharan African economies depend on commodities, with few or no buffers, fiscal space to withstand the shocks has been limited. Given the lack of fiscal space, an emerging challenge is how to dedicate resources to procurement of vaccines when available and how to restart and rebuild devastated economies. The three countries of the constituency are commodity exporters; their sensitivities to commodity indices are as shown in figure 6. The V-shaped spread is typical for commodity-dependent economies, indicating continued depression of potential revenues from trading in these commodities, although a sluggish recovery is occurring. The spreads shown in figure 6 indicate the near depletion of resources from these commodities.

Figure 6 • Cumulative Variation in Commodity Indices



Source: Office of the Chief Economist of AFR, WBG 2020

Angola has been very disciplined in managing the pandemic, especially on the health front. As of September 25, 2020, there had been 4,590 infections and 167 deaths (3.6 percent mortality). The effect of the pandemic has been greater on the economic front, with a total collapse of commodity (crude oil) prices in May 2020, as the sharp dip in the crude oil index shown in figure 6 indicates, with the spread suggesting a slow recovery. This situation compounded the pre-pandemic debt situation, although there appears to be some respite in sight, with Angola seemingly successfully embracing the Debt Service Suspension Initiative (DSSI) and on track to receive USD6.2 billion in debt relief over the next 3 years thanks to agreements with three of its major creditors.[2] "Angola said it was close to striking debt agreements with a number of Chinese banks and government agencies. The African oil exporter has buckled under a rising debt burden following a sharp decline in crude prices and amid the economic fallout from the coronavirus pandemic."[3] This is a major breakthrough, and we congratulate the authorities for its successful negotiation.

Nigeria has struggled with testing capacity. A recent update suggests that 58,082 persons had been infected and 1,103 had died as of September 25, 2020. Like Angola, Nigeria had sharp decreases in revenue because of the steep decline in crude oil and all other sources. Annual inflation climbed to 13.2 percent in August 2020, from 12.8 percent in July.[4] The central bank has said inflation is likely to rise to 14.1 percent by the end of December because of supply shocks caused by the pandemic, which has curtailed economic activity and created disruptions.

That said, the pandemic has provided momentum for reforms to the extent that energy and fossil fuel subsides are being reviewed. It has also enhanced the use of digital banking services in Nigeria, where restrictions on the number of dollars that can be withdrawn have contributed to long wait times

[2] Weekly Publication of the Office of the Chief Economist, AFR, World Bank, September 2020.
[3] Weekly Publication of the Office of the Chief Economist, AFR, World Bank, September 2020.
[4] Weekly Publication of the Office of the Chief Economist, AFR, World Bank, October 2, 2020.

because multiple trips are required to withdraw foreign currency. A new type of digital bank, without physical branches, is appearing. Most schools reopened on October 5, 2020, and businesses and other services have followed suit with the adoption of COVID protocols.

South Africa's testing capacity appears to be the best in Sub-Saharan Africa, illustrating its institutional capacity. South Africa has recorded 665,188 infections and 16,206 deaths, most in people with underlying health conditions. South Africa's economic output plunged in the second quarter of 2020, with its largest contraction ever as a strict lockdown to curb the spread of the coronavirus shut down most activity.5 GDP was 17.1 percent lower than in the same period in 2019. Adjusting for inflation, the economy was roughly the same size in the second quarter of 2020 as in the first quarter of 2007. Africa's wholesale sector confidence rebounded the most in the period, with recoveries in agriculture and international trade adding to the overall increase, according to the survey.

Photo: Arne Hoel / World Bank

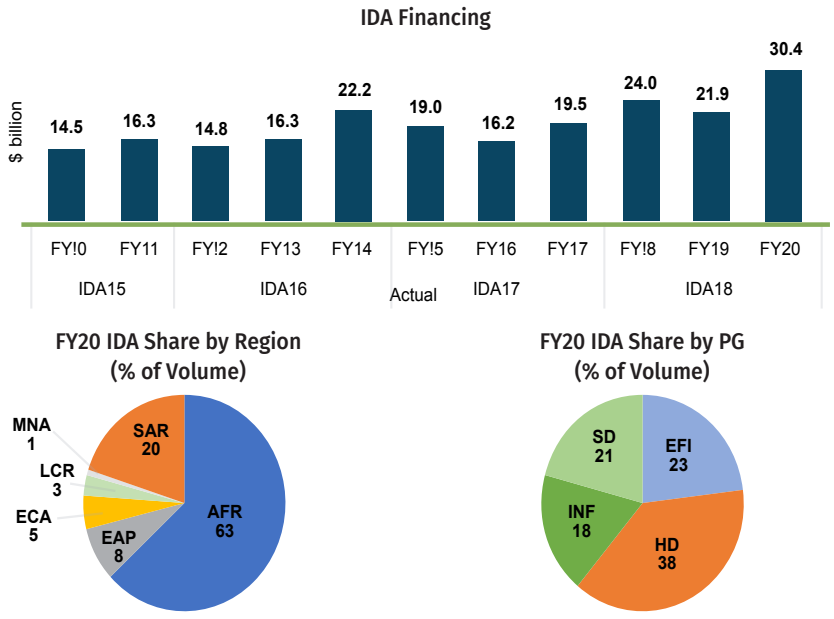
WBG RESPONSE TO COVID-19

INTERNATIONAL DEVELOPMENT ASSOCIATION

The pandemic has affected 19 International Development Association (IDA) countries severely because of their limited institutional capacity and fiscal space to respond to the crisis. This is in spite of the robust 18th replenishment of the IDA (IDA-18), which is in its last year of implementation, with USD30.4 billion spent in fiscal year (FY) 2020, most of which was in response to COVID-19 (figure 7). Africa, with nearly all the IDA countries, received 63 percent of IDA resources in FY20. The human capital development sector received the largest share of funding (38 percent), with most disbursements financing health and social safety.

As of the end of FY20, the Blended Finance Facility supported 14 countries in four regions (East Asia and the Pacific, Latin American and the Caribbean, South Asia, Sub-Saharan Africa) under both envelopes of the facility. USD124 million of private sector window (PSW) funds in support of the Global Trade Finance Program (76 percent of PSW first-loss guarantees and 43 percent of limit enhancement) helped the International Finance Corporation (IFC) deliver trade finance in IDA PSW-eligible countries

Figure 7 • Fiscal Year 2020 International Development Association (IDA) Financing Envelope



Note: IDA18 commitments do not include IF Private Sector Window for comparable comparison with previous IDA cycles. W8 Financing to infrastructure sectors to largely concentrated in SD and INF, and part of HD or EFI financing may also support infrastructure sectors.

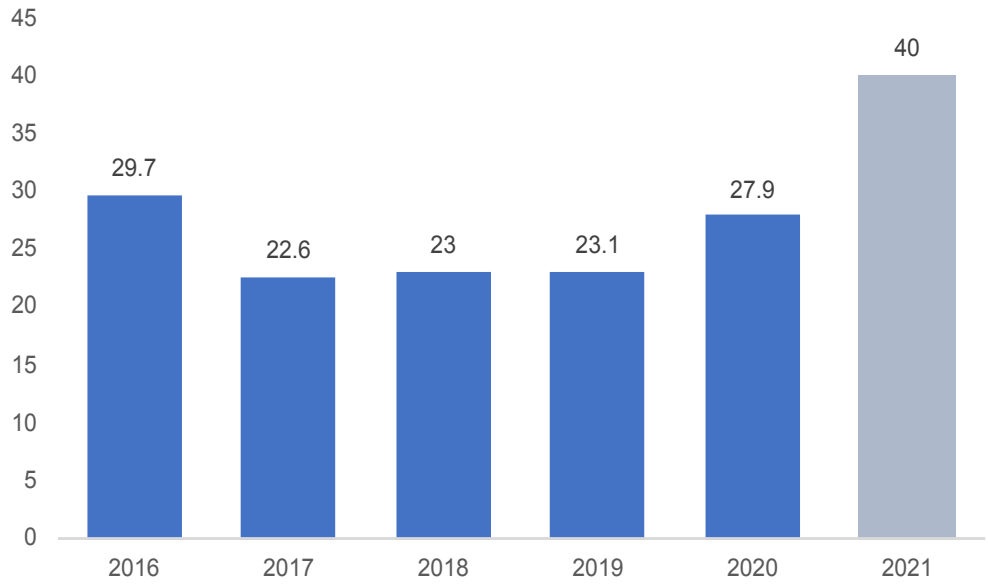
Under Working Capital Solutions (WCS), an IFC product that provides short-term loans to emerging market banks in markets where macroeconomic factors have limited the availability of U.S. dollars, six transactions were committed, using 23 percent (USD49 million out of USD215 million) of PSW first-loss

guarantee support. In addition, four WCS transactions were supported through performance-based incentives (using 27 percent of USD2.4 million) to benefit female customers and women-owned or -led enterprises. Although the PSW first-loss guarantee available for the Real Sector Crisis Response Envelope (USD80 million) has not been used, local currency support of USD4 million was requested for a transaction in Uganda from the PSW Local Currency Facility. Under WCS, the Blended Finance Facility is supporting five advanced-stage projects: three under the IDA PSW and two gender performance–based incentive projects with a total volume of USD18billion.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The health and economic shocks in International Bank for Reconstruction and Development (IBRD) countries as a result of this pandemic required a strong response from the IBRD, which has come through the World Bank (IBRD and IDA) Fast-Track COVID-19 Facility of USD8 billion and acceleration and restructuring of the existing pipeline of projects. Because of high demand for resources, IBRD funding to client countries increased from USD23 billion in FY19 to almost USD28 billion in FY20 and is projected to increase to USD40 billion in FY21 (figure 8).

Figure 8 • International Bank for Reconstruction and Development Commitments (USD billion)



Given the relatively few IBRD countries in Sub-Saharan Africa, the share of its funding to the region was small (USD1.7 billion). The IBRD COVID-19 response was concentrated in the fourth quarter of FY20. Of the USD15 billion that IBRD committed for all projects in that quarter, more than half was targeted toward the COVID-19 response.

IBRD support will be expanded significantly in FY21, with the Executive Board having approved use of the IBRD Crisis Buffer of USD10 billion, in addition to IBRD's normal annual planned lending, which will increase its lending to more than USD40 billion in FY21.

Given the expansion of IBRD funding and the rapidity with which it will be disbursed (with the expected increase in days payable outstanding), the IBRD's balance sheet is expected to be stretched. The capital adequacy of the IBRD is likely to be a significant topic of discussion for the Executive Board and governors.

INTERNATIONAL FINANCE CORPORATION

The IFC is responding to COVID-19 in an integrated and targeted manner with its Fast-Track COVID-19 Facility to mitigate the effects of the pandemic on the private sector. The private sector, which accounts for approximately 90 percent of employment in developing countries, is already exposed to the effects of severe supply chain disruptions and slowing economic growth. The revised USD8 billion response from the IFC is designed to help companies manage the operational and financial effects of COVID-19. IFC support through financial intermediaries and corporate clients has helped sustain jobs and continued economic activity in member countries. Of the USD8 billion, which is the total resources available under Phase I of the IFC Fast-Track COVID-19 Facility, the real sector appears, as usual, to be receiving less in terms of volume (USD303 million) and Global Trade Finance to be receiving the most (USD2 billion). The most innovative method is the increasing use of the Blended Finance Facility and the PSW to encourage operations in Sub-Saharan Africa and other IDA and fragile and conflict-affected countries.

Table 1 • Deployment of International Finance Corporation (IFC) Resources

IFC COVID Response (as of June 30, 2020)			Own Account		Core Mobilization (US$mn)
			#	Vol (US$mn)	
FTC	*FTCF*	*RSE*	11	303	165
		WCS	*13*	*808*	–
		GTLP	*1*	*400*	*400*
		GTFP	*na*	*2,000*	*na*
	Sub Total		*35*	*3,611*	*565*
COVID Financing Outside of FTCF	*GTFP Broader Crisis Response*		na	356	na
	5-day AOB COVID		*3*	*87*	*13*
	Regular COVID		*4*	*56q*	–
	Sub-total		*7*	*1,004*	*13*
	Total		**32**	**4,515**	**578**

The IFC invested USD303 million through the Real Sector Crisis Response envelope in 11 projects reaching clients in 10 countries, ranging from USD4 million for the hospital sector in Uganda to USD75 million for the housing sector in Vietnam. East Asia and the Pacific had the largest share of Real Sector Crisis Response projects (41 percent, or USD125 million, in two projects), and South Asia received USD85 million (28 percent) in three investments. Under the Financial Institutions Group envelope, USD808 million was committed for 13 WCS projects in 10 countries, with almost half in Sub-Saharan Africa

and the Middle East and Northern Africa. Sixty-three percent of WCS projects were in IDA countries. WCS enables the IFC to extend working capital loans to small and medium enterprises whose cash flows have been disrupted during COVID-19. The remaining USD400 million of the long-term finance Financial Institutions Group envelope was allocated to one Global Trade Liquidity Program project. The IFC also mobilized USD565 million through third-party investments related to projects under the Fast-Track COVID-19 Facility and USD13 billion for a broader COVID-19 response.

MULTILATERAL INVESTMENT GUARANTEE AGENCY

The Multilateral Investment Guarantee Agency (MIGA) response to COVID-19 continued to dominate the fourth quarter of FY20, weakening MIGA's market prospects and affecting how the agency operates. It is estimated that the global economy will contract by 5.2 percent in 2020 and that foreign direct investment will fall by 30 percent to 40 percent. In April 2020, as part of its response to the pandemic, MIGA launched a USD6.5 billion fast-track facility designed to support private sector investors and lenders in EMDEs. This facility, which complements the World Bank and IFC packages, allows for the purchase of urgent medical equipment; provides working capital for small and medium enterprises, corporations, and individuals; and supports immediate funding needs of governments. During FY20, the agency issued USD2.1 billion of guarantees under the facility in support of 18 projects, accounting for 53 percent of its FY20 guarantee issuance.

In the fourth quarter of FY20, MIGA issued total guarantees worth USD2.4 billion in support of 20 new projects, bringing total FY20 issuance to just under USD4 billion. In FY20 overall, MIGA supported a near-record 47 projects for USD4 billion of gross issuance, supporting total investments of USD7.3 billion in 30 MIGA member countries in all six geographic regions. As of the end of FY20, the gross portfolio was USD22.6 billion.

Guarantees issued in FY20 are expected to have a significant effect on development by providing access to new or improved electricity services to 12.4 million people, raising USD197 million annually in payments to host governments, generating USD4.3 million in domestic purchases, and supporting 4,034 direct jobs.

Almost 40 percent of all projects supported in the fourth quarter of FY20 were in IDA-eligible countries or fragile and conflict-affected countries. In FY20 overall, 72 percent of all projects supported were in IDA or fragile and conflict-affected countries or climate finance.

On April 9, MIGA's board discussed and endorsed its strategic and business outlook for FY21 to FY23 and on June 25 approved its administrative and capital budget for FY21, preparing the way for MIGA's continued efforts in the medium term in support of the WBG Forward Look agenda.

CONSTITUENCY COUNTRY PERFORMANCE UPDATES

ANGOLA OVERVIEW

Angola is a vast country with a long coastline in southern Africa bordered by Namibia to the south, the Democratic Republic of the Congo to the north, Zambia to the east, and the Atlantic Ocean to the west. Since 2002, Angola has maintained political stability after a long period of civil war, and the government of Angola has its first ever local elections scheduled for 2020, although because of the pandemic and the fall in the price of oil on the international market that has deepened the economic recession, they are most likely to be postponed.

After consolidating its political stability, Angola intends to reinforce its role internationally and regionally by helping attain lasting peace in the region, particularly in the Great Lakes region, where it has facilitated an agreement to end mounting tensions between neighbors Rwanda and Uganda.

The government is committed to an ambitious reform agenda to ensure macroeconomic stability and implement a diversified, inclusive growth model. Government policies are based on fiscal consolidation, tight monetary policy, and increasing exchange rate flexibility, as well as pursuing a new growth model through structural reforms to improve the business environment. It was estimated that 48.7 percent of the population was in poverty in 2019. The COVID-19 outbreak and low oil prices pose significant risks to the outlook.

ECONOMIC OVERVIEW

Despite significant progress toward macroeconomic stability and adopting much-needed structural reforms, it is estimated that the economy remained in recession in 2019 for the fourth consecutive year. It was estimated that real GDP decreased 1.1 percent in 2019, driven by the decline in international oil prices and the maturing of oil fields leading to a 5.2 percent decline in oil production.

The budget surplus was estimated to be 1 percent of GDP in 2019, down from 2 percent in 2018, and the government approved a conservative budget for 2020. Fiscal consolidation efforts are focused on measures to restrain expenditure growth and increase nonoil revenues. Despite the fiscal surplus, total public debt increased significantly, to an estimated 111 percent of GDP, driven by depreciation of the currency.

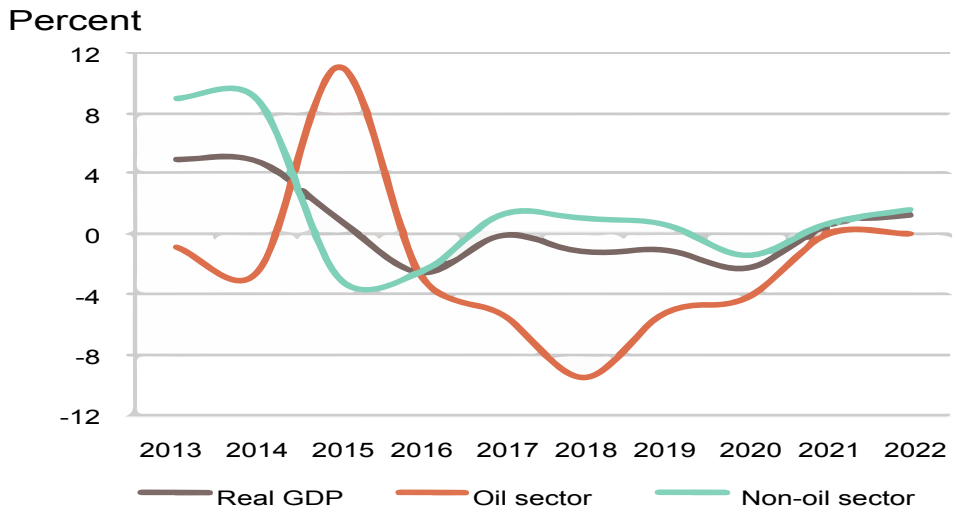
The government has made progress on structural measures such as approval of the privatization program, adjustment of electric and water tariffs, anticorruption initiatives, and approval of a new anti-money laundering law. The central bank has been working to implement a more flexible exchange rate regime.

The spread between the official and parallel exchange rates narrowed from 140 percent in January 2018 to approximately 25 percent at the end of 2019. Notwithstanding the depreciation and introduction of a value-added tax in October 2019, inflation remained at 16.9 percent in December 2019. The current account surplus narrowed to an estimated 3.3 percent of GDP in 2019, due to lower oil revenues. Nonetheless, net international reserves increased to USD11.7 billion (equivalent to 6 months of imports) owing to the latest eurobond issuance.

Angola is expected to remain in recession in 2020 because of the recent plunge in oil prices and the global slowdown resulting from COVID-19. Under the baseline scenario in which global growth falls to 2.2 percent in 2020 and oil prices to USD30 per barrel, GDP is projected to contract 2.3 percent in 2020, before recovering gradually in 2021 and 2022. The combined effect of supply and demand shocks will greatly affect the oil sector. The non-oil sector is also projected to shrink because of spillover effects from lower oil prices, lower imports of capital goods, tighter financing conditions, currency depreciation, and restrictions on the movements of goods and people.

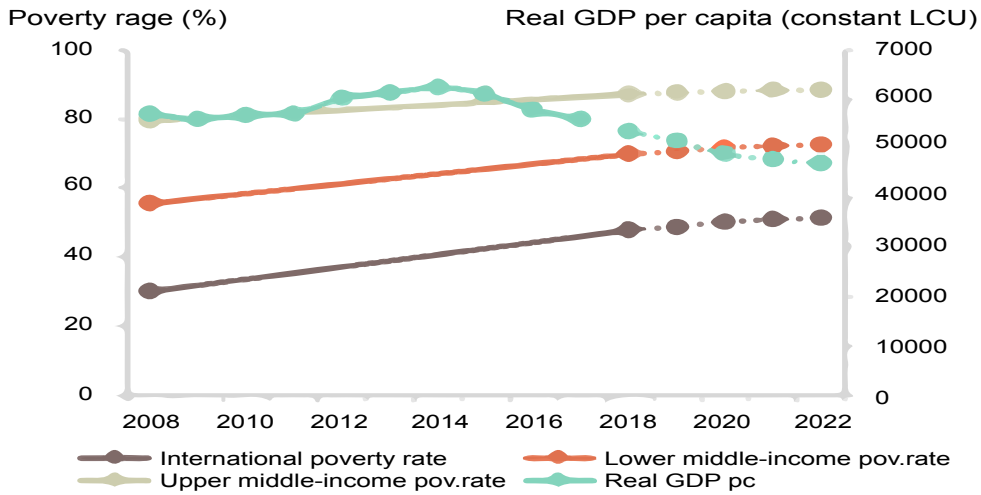
As a result, COVID-19 will limit labor income, mostly of the poor who work in vulnerable sectors such as services and other tradable. The government declared a state of emergency and began to implement measures to contain the outbreak after the first few cases were reported. Inflation is projected to increase significantly in 2020, given dependency on imported food, currency depreciation, a greater propensity for hoarding, and lower production. High food prices and limited imports of food items will directly affect the poor and may push vulnerable families into poverty. Inflation will decrease in the medium term, once these effects phase out. The lower burden of fuel subsidies will only partially offset the adverse combination of lower oil prices and additional health spending related to the COVID-19 pandemic, leading to a fiscal deficit of 5.0 percent of GDP in 2020. Public debt is expected to increase to 134.2 percent of GDP. It is expected that the government will seek to reprofile its debt, secure additional financing at concessional terms, and negotiate new parameters under the IMF program.

Figure 9 • Angola: Real Gross Domestic Product (GDP) Growth, Oil and Non-Oil Sectors



Source: Ministry of Finance, Angola. World Bank, April 2020.

Figure 10 • Angola: Actual and Projected Poverty Rates and Real Per Capita Gross Domestic Product (GDP)



Source: World Bank, April 2020.

During the United Nations 75th General Assembly in September 2020, His Excellency João Lourenço, President of the Republic of Angola, reaffirmed his government's commitment to work toward achievement of the 17 Sustainable Development Goals (SDGs) of the 2030 UN Agenda, with a particular emphasis on eliminating extreme poverty and reducing multidimensional poverty levels.

Photo: Arne Hoel / World Bank

Table 2 • Angola Poverty Macroscenario

	2017	2018	2019 e	2020f	2021f	2022 f
Real GDP growth, at constant market prices	*-0.1*	*-1.2*	*-1.1*	*-2.3*	*0.6*	*1.3*
Private Consumption	*2.9*	*2.1*	*2.8*	*2*	*2.5*	*3*
Government Consumption	*0.3*	*3.2*	*7.6*	*-4.9*	*4.1*	*5.7*
GrossFixed Capital In vestment	*3*	*-6.2*	*2.5*	*-15.1*	*o.o*	*2.6*
Exports, Goods and Services	*24.5*	*-10.3*	*-3.4*	*-4*	*0.7*	*1.3*
Imports, Goods and Services	*11.2*	*8.7*	*12.2*	*-10.2*	*6.2*	*8.4*
Real GDP growth, at constant factor prices	*0.6*	*-1.2*	*-1.1*	*-2.3*	*0.6*	*1.3*
Agriculture	*0.5*	*-5*	*1.5*	*1*	*1.5*	*2.4*
Industry	*-3.9*	*-5.4*	*-3*	*-2*	*0.8*	*1.1*
Services	*7.8*	*5.5*	*0.9*	*-3.2*	*0.2*	*1.3*
Inflation [Consumer Price Index)	*29.8*	*19.6*	*17.1*	*28.6*	*27.7*	*15*
Current Account Balance (% of GDP)	*-0.5*	*7*	*3.3*	*-3.1*	*-1.2*	*-0.6*
Net Foreign Direct Investment (% of GDP)	*-7.2*	*-6.1*	*-0.6*	*4.4*	*4.6*	*6.6*
Fiscal Balance (% of GDP)	*-6.3*	*2*	*1*	*-5*	*-2.3*	*-0.B*
Debt (% of GDP)	*68.5*	*89*	*110.9*	*134.2*	*136.8*	*137.6*
Primary Balance (% of GDP)	*-3*	*6.5*	*6.6*	*1.2*	*3.2*	*4.5*
I nternational poverty rate ($1.9 in 2011 PPPt		*47.6*	*48.7*	*50.1*	*50.8*	*51.3*
Lower middle-income poverty rate ($3,2 in 2011 PPPf		*69.8*	*70.6*	*71.6*	*72*	*72.4*
Upper roiddle iocome poverty rate C$5.5 ia 2011 ppJib')		*87. 2*	*87.6*	*88.1*	*88.3*	*88.5*

Note: GDP, gross domestic product; PPP, purchasing power parity

The government pays special attention to the first SDG: End poverty in all its forms everywhere. For this reason, 36 of the 70 action programs of the 2018 to 2022 National Development Plan are directly linked to eradication of extreme poverty and reduction of multidimensional poverty.

Programs for the eradication of extreme poverty and reduction of multidimensional poverty are based on productive inclusion or generation of work and income; expansion of infrastructure and supply of goods; expansion of social services with an emphasis on literacy, education, and health; and institutional capacity building, especially in the field of social assistance for children, women, young people, and elderly adults. In addition, in partnership with the World Bank, the government of Angola began on May 30, 2020, to implement a social monetary transfer program that will cover 1.6 million families until 2022 as part of efforts to mitigate the effect of the pandemic on the most vulnerable people.

With only 10 years left for completion of the United Nations 2030 agenda, the government is intensifying its initiatives to achieve as many SDGs as possible, mobilizing Angolan society for a decade of action to achieve these goals. A mechanism for consultation, mobilization of initiatives, and monitoring of all aspects of the SDGs was launched in early June 2020. The government of Angola has made a strong commitment to the SDGs that is clearly reflected in the country's National Development Plan.

Strategy with the World Bank

The World Bank is supporting Angola in its health sector's immediate response to the pandemic, strengthening the health system overall and its multisectoral response to the pandemic.

Immediate Response of the Health Sector

The World Bank has provided USD15 million through the Health System Strengthening project, a World Bank–funded health project in Angola. In addition to financing, the Bank provides technical assistance to and fiduciary support of procurement and financial management processes.

At the request of the Ministry of Health, the World Bank evaluated the COVID-19 Contingent Emergency Plan to align it and group it with activities within the framework of the World Health Organization benchmarks and proposed monitoring indicators. In addition, the Ministry of Health Central Coordination Unit, which is responsible for the operational management of the portfolio of projects in the health sector that the World Bank finances, led an exercise to quantify Angola's needs in the face of COVID-19, for which the ministry received technical support from the World Bank.

Country needs assessment — which was adopted became a very useful system, because it presented a quantification of COVID's needs, which served as a coordination tool. An exercise was conducted to define what Angola needs to respond to the pandemic, including equipment for intensive care, prevention, and diagnosis, based on the country's population, the capacity of its healthcare institutions, and what it already has.

In its multisectoral response, the World Bank is financing the country through two channels: the Regional Disease Surveillance Systems Enhancement (REDISSE) project and existing sector investment projects in the World Bank's portfolio in Angola.

Under REDISSE, an emergency component of USD10 million was activated to support actions in sectors in which the Bank has no existing projects or in which existing projects cannot provide financing because of limitations in the structuring of projects. Areas supported through the REDISSE emergency component include activities in the water, energy, electricity, agriculture, statistics, transport, and digital development sectors.

Strengthening of the Health System

REDISSE provides funding of USD60 million to strengthen the disease surveillance system so that participating countries do not work in isolation, because an epidemic does not respect borders.

Of REDISSE's USD60 million, USD10 million has been allocated to the multisectoral response. The balance of USD50 million is to strengthen the national system and prepare to respond to outbreaks and conduct surveillance. This regional window will support investments not only to respond to the pandemic, but

also to strengthen the national health system, such as purchasing ventilators, which can be used not only to respond to COVID, but also to treat other respiratory diseases.

Multisectoral Response

The World Bank approved emergency funding of USD45.45 million that can be made available through preexisting sectoral projects. During the visit of the new Regional Director of the Bank, World Bank officials met with the Intersectoral Committee for COVID-19 to deepen the dialogue regarding Bank support of multisectoral interventions to respond to the pandemic.

WBG PORTFOLIO ENGAGEMENT IN ANGOLA

WBG activities in Angola are undertaken as part of the Country Partnership Framework (CPF) for 2014 to 2016, which was extended through 2018. The next CPF will be prepared after discussions with the government; will be approved as soon as administrative conditions permit; and will focus on strengthening governance for economic and social transformation, encouraging diversification and private sector–led growth, and improving human capital using a multisectoral, spatial approach.

The World Bank is contributing to Angola's development by providing support in human capital, water, agriculture, and social and economic infrastructure.

The current World Bank portfolio comprises nine investment projects (IDA/IBRD) with a total net commitment of nearly USD1.8 billion (table 3).

Photo: Trevor Samson / World Bank

Table 3 • Angola Poverty Macroscenario

	Appr. FY	Closing Date	Total	IBRD	IDA	Others	Cum. Disb. ($M)	Undisb. Bal. ($M)	Total % Disb.
AO-Local Development Project	*2010*	*28-Feb-22*	*151.69*	*70*	*81.69*	*0*	*109.13*	*39.78*	*73.3*
Angola Learning for All Project	*2014*	*28-Feb-21*	*75*	*0*	*75*	*0*	*59.31*	*8.95*	*86.9*
Second Water Sector Institutional Development Project	*2017*	*31-Mar-24*	*350*	*350*	*0*	*0*	*35.66*	*314.34*	*10.2*
Smallholder Agriculture Development and Commercialization Project	*2017*	*31-Dec-21*	*70*	*70*	*0*	*0*	*42.21*	*27.79*	*60.3*
Angola Statistics Project	*2017*	*30-Nov-21*	*62*	*62*	*0*	*0*	*32.59*	*29.41*	*52.6*
Angola: Commercial Agriculture Development Project	*2018*	*31-May-24*	*130*	*130*	*0*	*0*	*15.38*	*113*	*12*
Angola Health System Performance Strengthening Project (HSPSP)	*2018*	*30-Sep-23*	*110*	*110*	*0*	*0*	*53.76*	*56.24*	*48.9*
Angola Growth and Inclusion DPF	*2020*	*1-Dec-20*	*500*	*500*	*0*	*0*	*500*	*0*	*100*
Strengthening the National Social Protection System Project (Cash Transfer)	*2020*	*31-Oct-23*	*320*	*320*	*0*	*0*	*0.8*	*319.2*	*0.2*
Total Angola			***1768.69***	***1612***	***156.69***	***0***	***848.84***	***908.71***	***48%***

Note: GDP, gross domestic product; PPP, purchasing power parity

Road Sector Public Expenditure Review

Angola has worked hard to rebuild its infrastructure, which was destroyed during its 27-year civil war. Most public expenditure on infrastructure has been in the transport sector, of which more than two-thirds has been spent on roads since the beginning of the reconstruction in the early 2000s. Angola has made significant efforts to rebuild its road network since the end of the civil war and spent an average of USD2.8 billion per year in road re-opening programs from 2004 to 2009.

The effect of recent investments is minor and can be seen in the poor quality of infrastructure in Angola. The government has recognized that Angola's economy needs the support of a well-integrated, efficient transport sector, making significant efforts to reconstruct its dilapidated road infrastructure and establishing a road maintenance fund.

In partnership with the World Bank, a road sector public expenditure review was undertaken, using the Ministry of Finance BOOST database to review and analyze the volume and structure of public spending in the road sector and identify trends. The World Bank Road Network Evaluation Tools Model has been used to evaluate the preservation (maintenance and rehabilitation) requirements of the Angolan road network. A geospatial analysis has been conducted to measure accessibility by road of agriculture markets, health centers, and schools.

The review examined the size, composition, allocation, and implementation of public expenditures on roads and assessed the efficiency and effectiveness of these expenditures at the national and subnational levels. It also reviewed the overall policy and institutional framework and made recommendations.

The objectives of this review are fully aligned with the objectives of the World Bank Country Partnership Strategy for Angola, which emphasizes supporting Angolan institutions. By working in partnership with government institutions, the review suggests building capacity to analyze the efficiency of spending on roads and to allocate funds in a way that supports Angola's development.

IFC INVESTMENT AND ADVISORY SERVICES IN ANGOLA

The current crisis is upending livelihoods, damaging business and government balance sheets, and threatening to reverse Sub-Saharan Africa's development gains and growth prospects for years to come. Angola, like any other country in the region, is facing this reality. The IFC recognizes that fragile and conflict-affected states are expected to be hit particularly hard, and although governments across the region reacted quickly, putting in place vital measures to try to slow the rate of infection, there are still situations that present significant risks, including limited access to safe water and sanitation facilities and fragile health systems.

COVID-19 is affecting the private sector in Angola and leaving many people jobless. The IFC is working with partners to help the private sector survive and recover from this crisis.

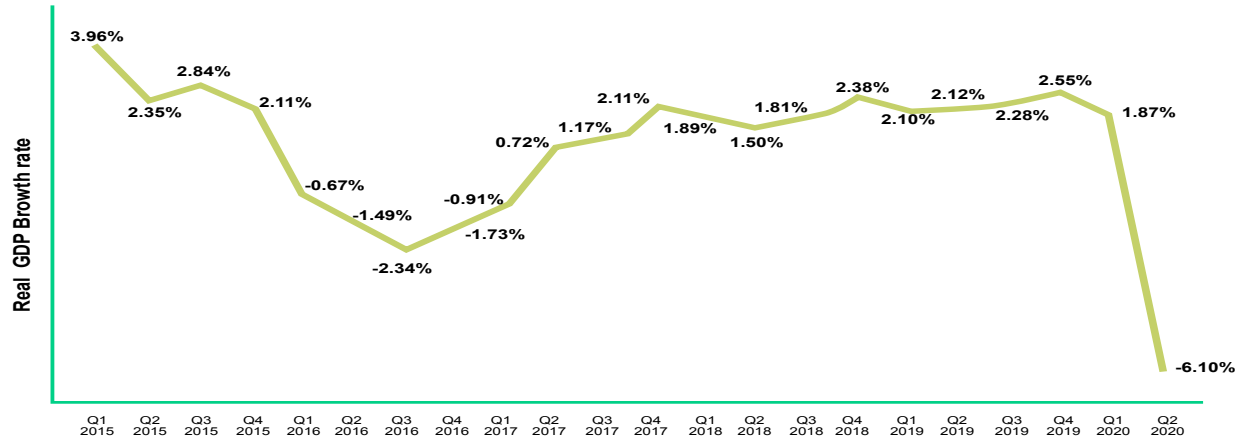
IFC is mobilizing its global USD8 billion Fast-Track COID-19 Facility to support country members and providing advisory support, including to financial institutions to help them manage risk, to apparel manufacturers to help them transition to producing medical personal protective equipment, and to the tourism industry to find ways to navigate this difficult period. It is hoped that this support will be of benefit to the private sector.

NIGERIA OVERVIEW

ECONOMIC OVERVIEW

The IMF June 2020 Economic Outlook for Nigeria stated that the Nigerian economy would have a greater contraction (5.4 percent) than the 3.4 percent it projected in April 2020. According to the Nigeria Bureau of Statistics, GDP grew 1.9 percent in 2018, 2.3 percent in 2019, and 1.9 percent in the first quarter of 2020 and declined 6.1 percent in the second quarter because of the effect of COVID-19 (figure 11).[6]

Figure 11 • Nigeria Gross Domestic Product, by Quarter, 2015 to 2020



The decline in GDP was largely attributed to significantly lower levels of domestic and international economic activity during the quarter as a result of the nationwide shutdown aimed at containing the pandemic and the decline in crude oil prices and output in line with Organization of Petroleum Exporting Countries cuts. The effect of the pandemic is significant in critical sectors of the economy, as unemployment of 27.1 percent at the end of the second quarter and an increase in inflation from 12.8 percent in July to 13.2 percent in August show. The persistent increase in food prices, which is a result of so many factors, largely drove the increase in inflation. The Central Bank of Nigeria slashed the interest rate on loans from 12.5 percent in August to 11.5 percent in September and injected a naira 2.3 trillion stimulus intervention. The government is also gradually easing the lockdown, but

[6] 2nd quarter Report of the Publication of the National Bureau of Statistics, Nigeria, September 2020

the recent removal of oil subsidies and increase in electricity tariffs and foreign exchange pressures are also depressing output growth and pushing domestic prices up, heralding challenging economic conditions for Nigeria in the fourth quarter of FY20.

Diversification of the economy and the revenue base was identified as of critical and immediate importance to steering the Nigerian economy away from recession toward growth in the FY20 budget, which will require reforms to enable strategic revenue growth, accompanied by the finance bill, with five strategic objectives:

I. Promoting fiscal equity by mitigating instances to regressive taxation

II. Reforming domestic tax laws to align with global best practices

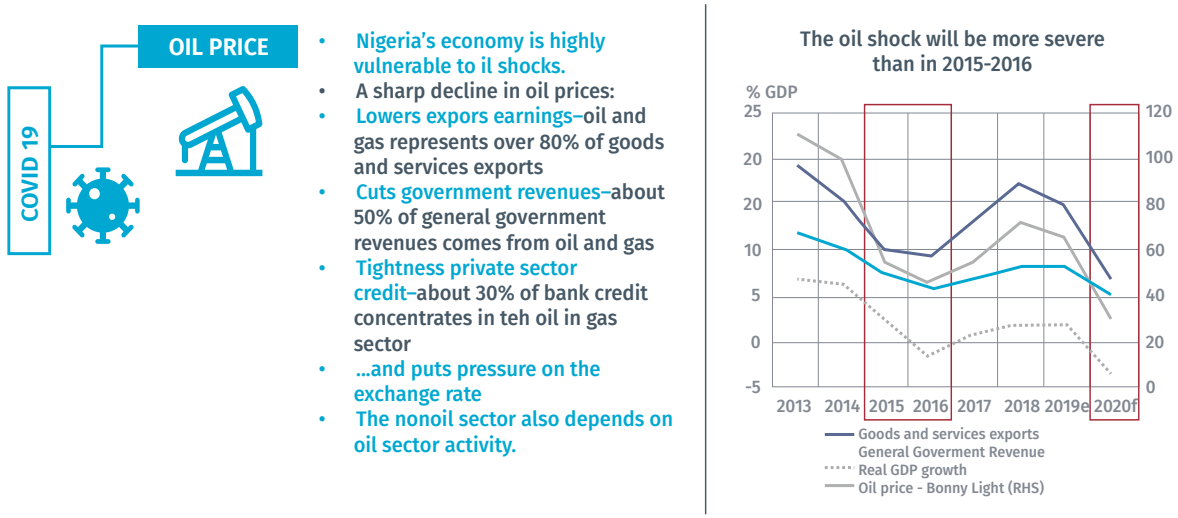
III. Introducing tax incentives for investment in infrastructure and capital markets

IV. Supporting micro, small, and medium-sized business in line with ease of doing business reforms

V. Raising government revenue targets

Nigeria is struggling to mitigate the health and economic costs of COVID-19 with an already weak economy and the collapse of international oil prices, which make it difficult for the public sector to sustain its most crucial social and economic activities.

Figure 12 • Oil Price Collapse



The Nigerian economy and government finance depend on sales of crude oil, which accounts for 90 percent of exports, 30 percent of banking sector credit, and 50 percent of consolidated government revenues; the status of the oil industry also affects nonoil industry and services. Given the collapse in oil prices and the effects of the pandemic, which may markedly increase Sub-Saharan Africa's vulnerability to debt distress, the increase in borrowing necessary to fund larger deficits will compound the strains. Government resources will be severely constrained, which could lead to curtailment of critical public services during the pandemic and even once it resolves.

Risks are therefore firmly tilted downward, with growing concerns that the pandemic may cause a food security crisis as border closures and trade restrictions disrupt trade in food and agricultural products. Rising unemployment, falling incomes, and potential shortages of essential items could lead to instability that may prevail well after the pandemic has faded.

WBG PORTFOLIO ENGAGEMENT IN NIGERIA

The World Bank is taking broad, fast action to help developing countries respond to the pandemic — providing critical funding to support public health interventions, working to ensure the flow of crucial supplies and equipment, and helping the private sector operate and sustain jobs. WBG strategy is to deploy up to USD160 billion in financial support over 15 months to help more than 100 countries protect their poor and vulnerable populations, support businesses, and bolster economic recovery. This includes USD50 billion in new IDA resources through grants and highly concessional loans. The WBG and other development partners are assisting Nigeria with significant fiscal and technical support as part of the pandemic response.

The WBG under IDA-18 is also doubling its resources to address fragility, conflict, and violence at the subnational and national levels and help stabilize places with high poverty and a large influx of people.

A systematic country diagnostic concluded in Nigeria in FY20 identified critical constraints and highlighted four priorities: breaking oil dependency, building human capital, promoting private sector–led growth, and rebuilding the social contract. Discussions on the Nigerian CPF commenced in November 2019 and are ongoing and scheduled for World Bank board approval in 2021. In view of the current health and economic crises, and in alignment with Nigeria's development agenda, the CPF is structured to support Nigeria's pandemic response, lay the foundation for recovery, and help lift 100 million Nigerians out of poverty, focusing on the following four pillars:

I. Investing in human capital and social inclusion

II. Promoting jobs and economic transformation

III. Reducing fragility and building resilience

IV. Strengthening the foundation of the public sector through evidenced-based policies to improve fiscal management and promote macrofinancial stability and inclusive growth in Nigeria

In terms of overall portfolio performance, the WBG net commitment in Nigeria as of September 30, 2020, which comprises IBRD, IDA, IFC, and MIGA investments, is USD12.9 billion. Under the portfolio, the IDA and IBRD have 31 active projects with a total net commitment of USD11.0 billion across Nigeria. The three sectors that top the portfolio are energy and mining (15.6 percent) and education (13.9 percent. The World Bank board of directors approved 11 projects between May and August 2020 under the IDA and IFC portfolio to support Nigeria in directly or indirectly addressing the effect of and recovery from the pandemic.

Table 4 • World Bank Group Nigeria Portfolio

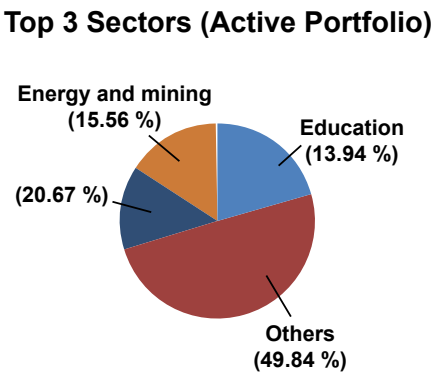
Population (millions) (2019)	201.0	IDA< Blend or IBRD	BLEND
GNI (billions) (Atlas) (2019)	407.9	IDA 16 allocation (SDR)	
GNI per capita ($) (2019)	2,030.0	% Change over IDA15	
GDP growth ($) (2019)	2.2%	Inflation Rate (%) (2019)	11.4%
Ranking In Doing Business Report (2019)	131		*Data as of Sept 30, 2020*

WBG	Net Commitements/ Commited ($m)*	Undisbursed ($M)*	Exposure (total sums disbursed & outstanding) ($m)
IBRD	500.0[1]	90.3	202.9[4]
IDA	10,514.1[1]	6,921.5	7,679.7[4]
IFC	1,838.6[2]	2566	1,582.1
MIGA			514.5[3]
World Bank Group	12,852.7	7,268.4	9,979.2

[1]Net Commitments for active portfolio projects. 2Outstanding balances of Undisbursed Commitmetns. 3MIGA Guarantees for Exposure. 4IBRD/IDA Exposure Data as of Sep 30, 2017.

IBRD/IDA	
Net Commitments ($m)	# of projects in portfolio
11,014.1	*31*
Disbursements in FY21 ($m)	%Undisbursed
70.5	*63.7*
#projects in FY21 pipeline	Of which Approved (YTD) (#)
9	*3*
Commitments ($m) in FY21 pipeline	Of which Approved (YTD) ($m)
5,225.0	*675.0*

Source: WBG Nigeria country office



IFC INVESTMENT AND ADVISORY SERVICES IN NIGERIA

The IFC's strategic plan for Nigeria over the next 4 years focuses on the energy and petrochemical sectors and boosting the growth of the digital economy. It has invested in the following.

I. A ground-breaking moveable collateral registry to encourage lending to small and medium enterprises

II. The energy sector, to increase efficiency and improve governance of the sector through the WBG Nigeria Joint Energy Business Plan

III. Three large fertilizer plants to help Nigeria become a top 10 global producer of urea

IV. Private hospitals, health maintenance organizations, and diagnostic centers

V. A comprehensive program to address crucial shortcomings which led to Nigeria rising 24 places and becoming a top 10 global reformer for Doing Business 2018

Table 5 • International Finance Corporation (IFC) Portfolio in Nigeria

IFC's own account ($m USD)									Syndicated ($m USD)		IFC AMC ($m USD)	
Loan		Equity		Quasi Equity (LN & ET)		GT (incl. Trade Fin) and Risk Mgm		IFC Total	B-Loan		Quasi Equity (LN & ET)	
Exposure	Cmtd	Exposure	Cmtd	Exposure	Cmtd	Exposure	Cmtd	Cmtd	Exposure	Cmtd	Exposure	Cmtd
703.9	904.8	125.9	157.5	134.4	137.5	617.9	638.8	1,838.6	356.6	461.8	55.3	67.3

IFC Investment Business - Top 5 Sectors (IFC Commited $m USD)			
1 Finance & Insurance	*1,178.8*	*Sustainable Business Advosry*	*7.5*
6 All others	*659.8*	*Investment Climate*	*5.9*
Total	*1,838.6*	*Acces to France*	*5.7*
		Total	*19*

The IFC investment portfolio in Nigeria (USD1.8 billion on September 30, 2020) consists of loans and equity and covers manufacturing, agribusiness, services, financial markets and insurance, infrastructure and natural resources, and disruptive technology and funds. The finance and insurance sector has received the largest commitment (USD1.2 billion).

MIGA OPERATIONS IN NIGERIA

MIGA has three active exposures in Nigeria in the infrastructure and manufacturing sectors, with the Azura Power Plant as the most outstanding MIGA's gross exposure in Nigeria is USD1.1 billion.

EMERGING CHALLENGES

It is projected that the Nigerian economy will further contract, consolidated government revenue will fall by more than 3 percent of GDP, and the number of people in extreme poverty will increase by 10 million to 15 million by 2022. The priorities for Nigeria in mitigating the effects of the current crises and laying a foundation for a strong recovery are to

- Contain the COVID-19 outbreak and build a sustainable recovery platform
- Enhance macroeconomic management to boost investor confidence

- Safeguard and mobilize revenue
- Reprioritize public spending to protect critical expenditures
- Protect livelihoods and support local economic activities

The Nigeria Economic Recovery and Governance Program, which was initiated in 2017 and pulled the economy out of recession and onto the path of economic growth, with 11 quarters of consecutive GDP growth, will be retired in December 2020. The federal government is devising a successor medium-term national development plan and launching the long-term Nigeria Vision 2050 under the joint chairmanship of the organized private sector and the Minister of Finance, Budget, and National Planning.

The main objectives of this successor plan are to lift 100 million Nigerians out of poverty within the next 10 years, sustain national development, and support regional and global strategic interests, as outlined in the African Union Agenda 2063, the Economic Community of West African States Integration Agenda 2050, and the SDGs 2030.

Strategies to achieve the Vision 2050 objectives are to address major constraints on Nigeria's growth and competitiveness, such as sporadic power supply, weak infrastructure, and institutional constraints; aggressively pursue structural transformation of the economy from one that relies heavily on oil exports to one that is diversified and industrialized; invest in human capital to transform the Nigerian people into active agents for growth and national development; and invest in infrastructure to create an enabling environment for growth, industrial competitiveness, and sustainable development.

SOUTH AFRICA OVERVIEW

South Africa entered the COVID-19 crisis from a position of weak growth and downward fiscal and debt trajectories. With the most cases in Africa (more than 600,000 as of September 20, 2020) and a very strict lockdown that brought economic activity to a standstill, South Africa has been hit particularly hard by COVID-19. It is projected that the economy will contract by 7.2 percent this year, and the rebound in 2021 is expected to be moderate — approximately 2.6 percent as preexisting structural constraints become binding again, especially electricity load-shedding. The fiscal deficit has widened, and public debt is expected to reach 82 percent of GDP in 2020, raising concerns about debt sustainability. Poverty is expected to rise to 60.2 percent in 2020, from 57.8 percent in 2019.

ECONOMIC OVERVIEW

The COVID-19 crisis has hit South Africa at a time when its economy was already weak. Over the last decade, GDP growth has been slowing, averaging 1.7 percent over 2010 to 2019, more than 2 percentage points below its average over the previous decade, and per capita real GDP growth has been slowing since 2014. Business confidence is at a decades-low level, and load-shedding has hit manufacturing

and mining activities particularly hard as the public utility Eskom faces protracted electricity supply challenges.

Fiscal balances have been deteriorating over the same period as a result of rising expenditures, especially transfers to public corporations, the public sector wage bill, and debt service payments. At the same time, weak economic growth has limited revenue collection. With deteriorating macroeconomic indicators, South Africa lost its last investment-grade rating last March. Nonetheless, the country benefits from large, deep domestic financial markets, and most public sector debt is denominated in rand.

Delivering on fiscal consolidation and structural reforms to restart the economy and increase growth will be critical to restoring debt sustainability and improving confidence. A worsening of investor sentiment could raise South Africa's borrowing costs, putting additional pressure on the budget and on the domestic banking sector to fund a growing share of the large borrowing requirements.

The economy entered a technical recession in the fourth quarter of 2019 and continued to contract in the first quarter of 2020 before the COVID-19 pandemic fully affected South Africa. As the number of COVID-19 cases rose, a strict lockdown in place from the end of March to the end of April brought the economy to a standstill, and GDP was 16.4 percent lower in the second quarter than in the same quarter of 2019. Inflation has been decelerating, hovering around the lower bound of the Reserve Bank's target band (3-6 percent) at 3.4 percent on average up to July. There was a surplus of 1.3 percent of GDP in the current account in the first quarter of 2020, driven by improving terms of trade and a net increase in exports as imports shrank by 13 percent because of weak domestic demand. Amid global and domestic uncertainty, South Africa experienced significant portfolio outflows that resulted in a depreciation of the rand of approximately 20 percent since the beginning of the year. Government 10-year bond yields increased to 13.1 percent at the end of March before stabilizing back around pre-COVID-19 levels in June. The banking sector remains stable, but bank-sovereign nexus risks are rising, especially for banks exposed to financially weak state-owned enterprises.

The South African authorities reacted decisively to COVID-19. The central bank eased monetary policy, reducing the repurchase agreement rate by a cumulative 300 basis points since January, and took several measures to provide market liquidity, including purchasing government bonds on the secondary market for 29.2 billion rand since April (~USD1.7 billion). The government launched a stimulus package amounting to 10 percent of GDP aimed at supporting the health sector, vulnerable households, and small businesses.

The pandemic has had a major economic and social effect on South Africans. Household consumption, which has been a driver of growth in recent years, has been severely hit. Retail trade from January to June was 10.6 percent lower in volume than over the same period in 2019. The unemployment rate, which was 29 percent before COVID-19, is expected to have increased significantly during the second quarter of 2020, with business surveys confirming that many firms have laid workers off as a result of the lockdown. Results of a household COVID-19 survey suggest that up to one-third of income earners

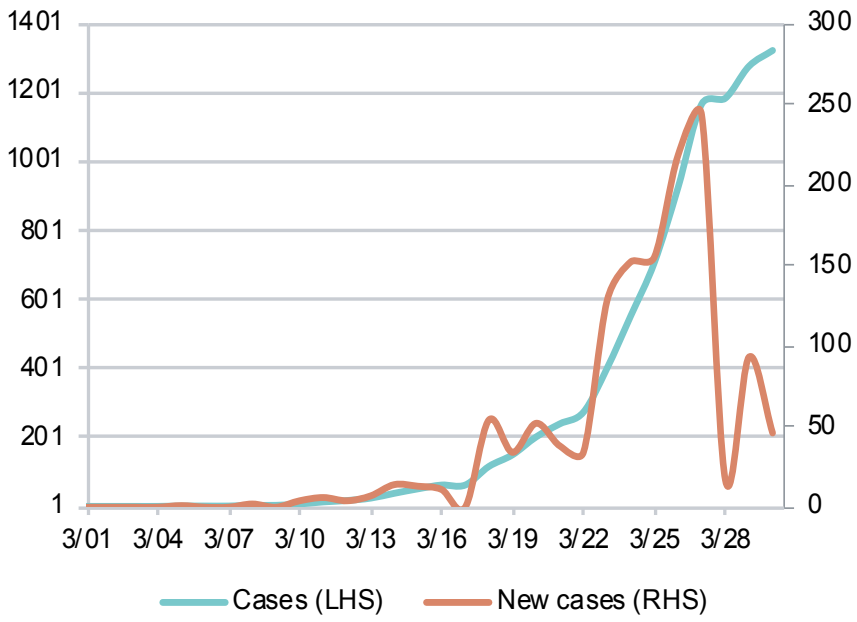
may have lost their income source between February and April, with a disproportionate effect on the most disadvantaged people, translating into heightened vulnerability, notably to hunger.

The effect of the COVID-19 pandemic globally and domestically will be a significant economic downturn in 2020. Because some activities have remained severely constrained into the second half of the year (e.g., tourism as the international travel ban stays in place), the economic effect of COVID-19 will be long and the recovery moderate during the second half of 2020. In addition, as economic activity restarts, preexisting structural constraints are arising again, such as reintroduction of load-shedding by Eskom since level 2 of the lockdown. GDP is expected to contract by 7.2 percent in 2020 and to rebound to 2.6 percent growth in 2021.

The fiscal situation has weakened. The fiscal deficit is expected to double to approximately 15 percent of GDP in FY21, and public debt is projected to reach 82 percent of GDP. Debt service, which is estimated to rise to approximately 5 percent of GDP in FY21, is the fastest-growing budget expenditure and threatens to crowd out poverty-reducing, growth-enhancing public spending. The government is committed to restoring fiscal sustainability and has set a target of reaching a primary surplus by FY24. Specific reforms to achieve this outcome have yet to be announced.

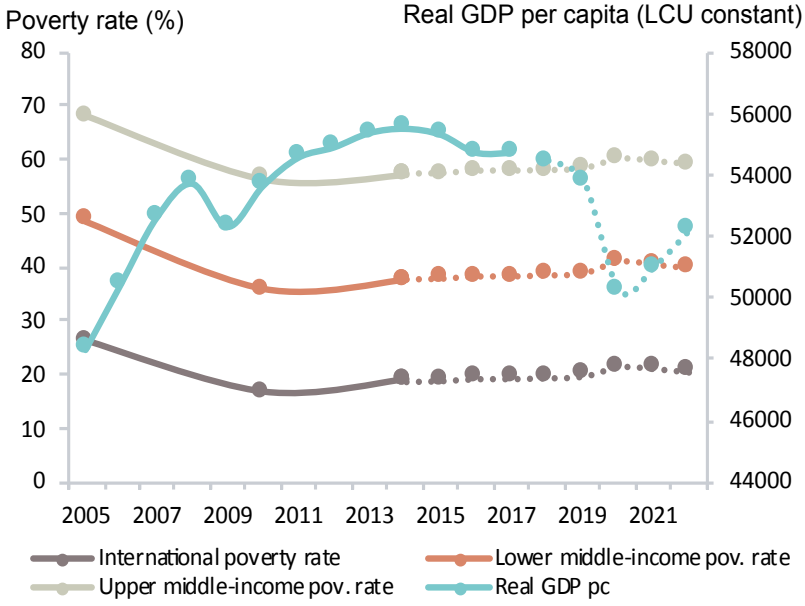
The COVID-19 crisis is likely to exacerbate inequalities. Unemployment is expected to increase significantly in 2020. Already vulnerable people such as workers in the informal sector and those with low levels of education are more likely to be unemployed because they disproportionately work in sectors that containment measures will affect the most (e.g., hospitality, retail trade). Approximately 2 million South Africans could fall into poverty, bringing the poverty rate (measured at the upper-middle-income country poverty line of USD5.5 per person per day in 2011 purchasing power parity) to 60.2 percent of the population in 2020.

Figure 13 • South Africa: Reported Cases of COVID-19



Source: Johns Hopkins database and World Bank staff

Figure 14 •South Africa: Actual and Projected Poverty Rates and Real Gross Domestic Product (GDP) Per Capita



Source: World Bank.

Notes: see table 2.

Table 6 • South Africa: Macro Poverty Outlook Indicators

	2017	2018	2019 e	2020f	2021f	2022 f
Real GDP growth, at constant market prices	*1.4*	*0.8*	*0.2*	*-3.5*	*2.7*	*1.9*
Private Consumption	*2.1*	*1.8*	*1.0*	*-6.7*	*3.5*	*2.4*
Government Consumption	*0.2*	*1.9*	*1.5*	*1.9*	*1.0*	*0.9*
GrossFixed Capital In vestment	*1.0*	*-1.4*	*-0.9*	*-5.4*	*1.5*	*1.5*
Exports, Goods and Services	*-0.7*	*2.6*	*-2.5*	*-21.7*	*7.2*	*4.0*
Imports, Goods and Services	*1.0*	*3.3*	*-0.5*	*-24.8*	*6.7*	*4.1*
Real GDP growth, at constant factor prices	*1.5*	*0.7*	*0.1*	*-3.5*	*2.7*	*1.9*
Agriculture	*21.1*	*-4.8*	*-6.9*	*2.5*	*3.0*	*3.0*
Industry	*1.1*	*-0.1*	*-1.5*	*-4.8*	*2.3*	*2.0*
Services	*1.0*	*1.3*	*1.2*	*-3.3*	*2.8*	*1.8*
Inflation [Consumer Price Index)	*5.2*	*4.5*	*4.1*	*3.3*	*4.2*	*4.5*
Current Account Balance (% of GDP)	*-2.6*	*-3.6*	*-3.9*	*-3.2*	*-3.1*	*-2.8*
Net Foreign Direct Investment (% of GDP)	*1.5*	*-0.3*	*0.5*	*-7.4*	*1.0*	*1.5*
Fiscal Balance (% of GDP)	*-4.0*	*-4.2*	*-7.1*	*-11.1*	*-10.8*	*-10.4*
Debt (% of GDP)	*52.7*	*55.6*	*64.1*	*71.8*	*77.7*	*83.3*
Primary Balance (% of GDP)	*-0.4*	*-0.4*	*-2.9*	*-6.2*	*-5.5*	*-4.6*
I nternational poverty rate ($1.9 in 2011 PPPt		*47.6*	*48.7*	*50.1*	*50.8*	*51.3*
Lower middle-income poverty rate ($3,2 in 2011 PPPf		*69.8*	*70.6*	*71.6*	*72*	*72.4*
Upper roiddle iocome poverty rate C$5.5 ia 2011 ppJib')		*87. 2*	*87.6*	*88.1*	*88.3*	*88.5*

Source: World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices.

Notes: e = estimate, f = forecast.

(a) Calculations based on 2014-LCS.

"(b) Projection using neutral distribution (2014) with pass-through = 0.87 based on GDP per capita in constant LCU. "

WBG PORTFOLIO ENGAGEMENT IN SOUTH AFRICA

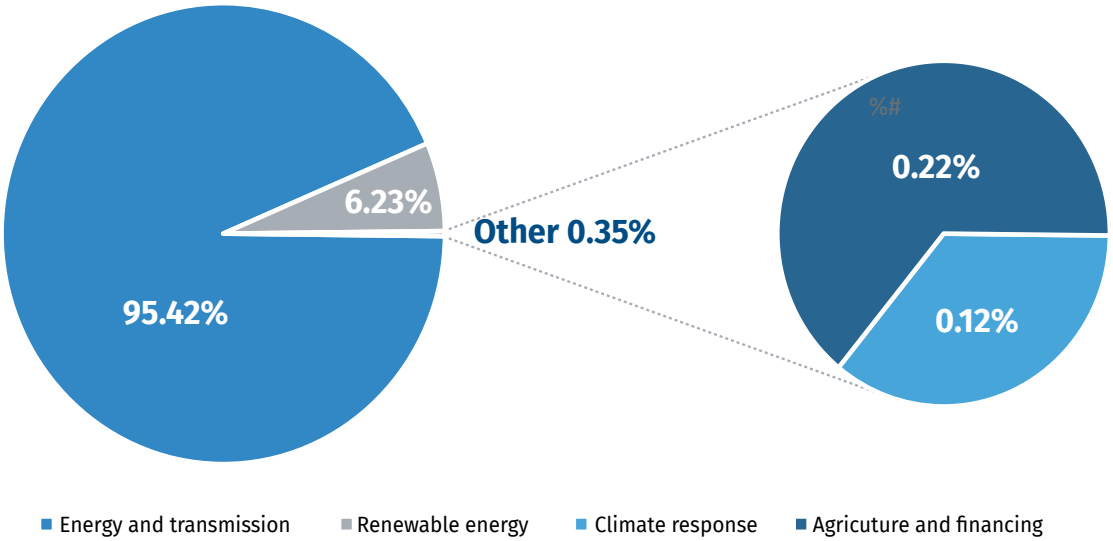
The WBG launched the South Africa Systematic Country Diagnostic, *An Incomplete Transition: Overcoming the Legacy of Exclusion in South Africa*, which identifies binding constraints on the reduction of poverty and inequality in South Africa: insufficient skills, skewed distribution of land and productive assets and weak property rights, lack of competition and of integration in global and regional value chains, limited or expensive connectivity and underserviced historically disadvantaged settlements, climate change, and water insecurity.

These constraints are being addressed as the next CPF is being prepared. Consultations are underway between the government of South Africa and the World Bank team to identify priority areas to be included in the CPF, and it is anticipated that the CPF will be presented to the WBG board for approval in the fourth quarter of 2020.

The South African portfolio consists of five active projects valued at USD4.2 billion, comprising two IBRD-financed projects (USD3.8 billion) and three trust-funded projects (USD300 million) with USD21.47 million disbursed in FY20 and USD3.15 billion disbursed overall.

As expected, satisfaction rises as grid-connected households move to a higher tier. Only 10.1% of households in Tier 5 are not satisfied with their service, compared with 57.7% of household in Tier 0 (figure 42).

Figure 15 • South Africa: Sectoral Composition of International Bank for Reconstruction and Development Lending



The Eskom Investment Support Project (USD3.75 billion) is the largest lending operation (with 82 percent disbursed to date) in the country. Complementing the project is the Eskom Renewables Support Project (USD300 million), financed by a climate investment fund to facilitate development of large-scale renewable energy capacity in support of South Africa's long-term carbon mitigation strategy. The project was restructured for the third time on December 27, 2019, to extend the closing date from December 31, 2020, to June 30, 2021.

The Land and Agricultural Development Bank of South Africa loan was approved in January 2017 (29 percent disbursed to date). The objective of the Land Bank project is to sustainably expand the Land Bank's financing in agriculture, especially to benefit emerging farmers. Implementation delays resulted in a project disbursement ratio of only 7 percent by September 2019 because of slow progress in aligning Land Bank environmental and social safeguard standards with World Bank performance standards and developing a pipeline of eligible subprojects.

A USD23 million technical assistance project was approved in FY17 with the goal of assessing the feasibility of and building the technical capacity to capture and store carbon in South Africa and USD5.0 million Trust Funded, South Africa Partnership for Market Readiness project, approved in FY17, which

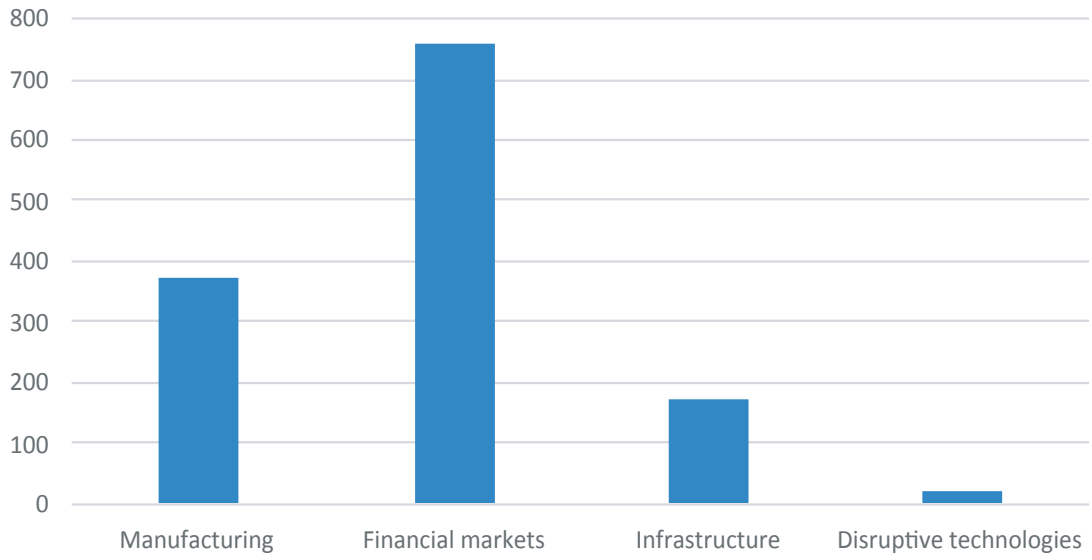
aims at strengthening the readiness of the government of South Africa for the design, preparation, and implementation of a carbon pricing instrument.

Thirty-five trust funds with a commitment value of USD303.87 million and 26 analytical services and advisory products with a commitment value of USD12.54 million, which are mainly trust funded. In addition, the portfolio has six active reimbursable advisory services–funded activities with a commitment value of USD11.25 million and a pipeline of two reimbursable advisory services–funded activities.

IFC INVESTMENT AND ADVISORY SERVICES IN SOUTH AFRICA

The IFC portfolio in South Africa continues to grow and includes equity, debt, and mobilization. Investments consist mainly of injection of resources into local operations and support for growth beyond domestic markets. As of 2020, the total IFC portfolio in South Africa was USD1.337 billion. The current IFC portfolio split per sector is shown in figure

Figure 16 • International Finance Corporation Portfolio in South Africa



In the last 6 months, the IFC has invested approximately USD200 million in a green bond with a 10-year maturity issued by the Standard Bank of South Africa, the largest lender in the country, demonstrating the IFC's commitment to supporting South Africa's transition to a green economy.

To respond to the pandemic, the IFC has made USD400 million available to South Africa's private sector under the WCS program and is in discussions with private sector stakeholders to explore how these funds could cushion the economic shock.

MIGA OPERATIONS IN SOUTH AFRICA

MIGA's current portfolio is USD1.681 billion, divided among the energy (42 percent) and financial (38 percent) sectors. MIGA closed four projects totaling USD62.7 million in renewable energy in December 2019. The pipeline for MIGA in South Africa includes a USD500 million financing to support guarantees for the financing of new road construction and capital optimization projects with the banking sector.

MIGA is working on a package that could include guarantees to support state-owned enterprises and commercial financing facilities to address the effect of the pandemic.

Photo: Arne Hoel / World Bank

ANNUAL MEETING NEWS

WBG RESPONSE TO COVID-19

Building on a record USD45 billion in financing from April through June, the WBG is helping countries lay the foundation for resilient recovery and renewed progress on the twin goals of poverty reduction and promotion of shared prosperity. The WBG delivered a record USD45 billion in financial support in the fourth quarter of FY20, reflecting the urgency of the crisis and the scale of client demand. This exceeds one-quarter of the USD160 billion in WBG financial support planned from April 2020 through June 2021. Although major bilateral creditors are providing crisis support primarily through the G20 DSSI, the WBG is providing large flows for urgent interventions that affect poor and vulnerable people. Sustained recovery hinges on containing the pandemic effectively, which poses significant challenges for WBG support beyond FY21. Incremental financing needs for developing countries arising from the crisis remain uncertain but will be likely to persist over the medium term given the outlook for a drawn-out recovery marked by stop-and-go episodes of the pandemic. As a result of the pandemic, external financing needs for active IDA countries could increase by up to USD100 billion per year, assuming that total incremental financing needs from the crisis are up to 10 percent of GDP per year and that only half can be met internally. For IBRD borrowers, the equivalent increase is up to USD600 billion annually. Because the pandemic had not been anticipated, in spite of the capital package, maintaining crisis response while meeting traditional assistance to countries is a challenge.

The ability of the WBG to address the COVID-19 crisis depends on its financial capacity. The need to respond to a crisis of such extraordinary severity had not been anticipated in recent shareholder agreements. Exploring options to increase WBG capacity to sustain support for resilient, inclusive, sustainable recovery in the context of fair burden sharing and continued international support merits consultation with shareholders and IDA deputies. It is in light of these that, at the spring meetings, a call was made for early encashments of subscriptions to the capital package. Governors are expected to reflect on whether they should endorse continuation of the WBG COVID-19 crisis response approach based on early implementation of the approved Fast-Track COVID-19 Facility as presented in this update and whether they should initiate discussions regarding the WBG's financial capacity beyond FY21.

EFFECT ON ANGOLA, NIGERIA, AND SOUTH AFRICA

The pandemic has triggered what is likely to be the deepest global recession including Angola, Nigeria, and South Africa, most of which are commodity exporters. This has harmed our countries in the critical areas of human capital, manifesting in a slowing of progress in poverty reduction, millions of jobs remaining under threat, millions of students affected by school closures, and millions of citizens falling into extreme poverty. Hunger is increasing, and the number of food-insecure people could increase in some parts of our countries. There is greater uncertainty, and downside risks predominate because a second wave of infections or delay in the introduction of vaccines could delay or derail recovery.

Angola, Nigeria, and South Africa are all commodity exporters whose revenues the pandemic has decreased. Even before the crisis, there were significant challenges to the growth of all three economies, along with rising debt. These countries did not improve their previous positions on the 2018 Human Capital Index, and critical infrastructural challenges remain, all of which indicates the need for significant additional resources to mitigate the effect of the pandemic. Although Angola and South Africa are not IDA countries, Nigeria receives IDA and IBRD funding, so the current state of WBG finances would affect all three countries' access to its resources.

ANGOLA'S, NIGERIA'S, AND SOUTH AFRICA'S POSITION

It is proposed that:

- The leadership of the WBG be commended for its response to the pandemic and strongly endorse continuation of the WBG COVID-19 response approach based on early implementation as presented in this update.
- To address the twin problem of disbursements and encouraging the private sector, flexible instruments such as development policy financing and the Program-for-Results should be carefully considered, because these instruments have the potential to calibrate the political economy. More visibility is needed for the IFC and MIGA to stimulate a private sector–led recovery.
- Preliminary discussions regarding the financial capacity of the WBG beyond FY21 be initiated, although given that the pandemic is universal, it would be necessary first to explore other measures such as early encashment of subscriptions, reprioritization of the portfolio, and balance sheet optimization to leverage additional resources before any discussion, to minimize fatigue and stimulate shareholder confidence.

GOVERNANCE REVIEWS IN THE WBG

The executive board is engaging in two processes to review governance aspects of the IBRD, IFC, and IDA: the 2020 review of IBRD and IFC shareholding and the review of IDA voting rights.

2020 REVIEW OF IBRD AND IFC SHAREHOLDING

In 2010, the governors agreed on a 5-year schedule of reviews of IBRD and IFC shareholding. The last review of the shareholding of these institutions was undertaken in 2015. Negotiations by the board and governors took time to complete and resulted in a 2018 IBRD capital package and the recently concluded IFC capital increase in April 2020.

Because the last reviews of IBRD and IFC shareholding were initiated in 2015, the executive board initiated a new round of reviews in 2020, in line with the mandate of the governors of 5-year reviews. The executive directors have reflected on the under- and overrepresentation of countries in the IBRD using the dynamic formula that the governors agreed to in 2015 as a guide to future IBRD shareholding reviews. Most board members feel that, although some countries are underrepresented, there is no need to proceed with an IBRD shareholding adjustment given that the 2015 review was not concluded until 2018 and countries have just started the process of paying for their allocated shares. Nevertheless, a few board members feel that an adjustment needs to be made, even if small, to honor the principle of gradual adjustments to IBRD shareholding and to raise funds for the institution.

Based on these assessments, Angola, Nigeria, South Africa, and most Sub-Saharan African countries are overrepresented in the IBRD because of their poor performance on the two variables used in the dynamic formula: GDP growth and contribution to IDA replenishments. The shareholding of Angola, Nigeria, and South Africa is currently 1.6 percent, which according to the dynamic formula, should be reduced to 1.23 percent.

The focus of the IFC has been limited to design of an analytical framework to guide IFC shareholding. Unlike the IBRD, where governors have agreed on the dynamic formula, there is no analytical basis to guide IFC shareholding reviews. Because of this lack of an analytical guide and the fact that the 2015 review led to an agreement only recently (April 2020), the board did not see a need to discuss under- or overrepresentation in the IFC. Furthermore, the board has advised against developing a unique IFC analytical framework and has recommended continuing with the current practice of using countries' shareholding in the IBRD as a guide to their target shareholding in the IFC.

REVIEW OF IDA VOTING RIGHTS

The current framework of IDA voting rights is considered to be outdated (last updated in the early 1970s) and complex and does not provide adequate incentives to attract new donors. IDA deputies requested a review of this framework during their midterm review of the IDA-19 in 2018. The governors

agreed on this review during their Development Committee meeting in 2019 and authorized the executive board to lead the review.

The executive board has undertaken the review using a systematic approach, focusing on the different elements of IDA voting rights, especially the membership structure of IDA countries and the voting calculation for the upper tier of the membership structure.

The governors will be updated on the progress made on this review through a report that has been prepared for the Development Committee. The target for the conclusion of this review by the board is the IDA-19 midterm review at the end of 2021.

Photo: Photo: Trevor Samson / World Bank

NEWS

PHILIPPE LE HOUEROU RETIRES FROM IFC

After 33 years with the WBG as chief executive officer of the IFC, Mr. Philippe Houerou is retiring. He will be remembered for his transformation of the IFC with IFC 3.0 and other impressive efforts, including chairing the ambitious IDA-19. Ms. Stephanie von Friedeburg, the current chief operating officer, will oversee the affairs of the IFC until the appointment of a permanent chief executive officer.

NEW CORPORATE SECRETARY FOR WBG

After serving the WBG for 29 years, 5 of which as Vice President and Corporate Secretary, Ms. Yvonne M. Tsikata has retired. She will be remembered for her calm disposition in navigating complex challenges. Ms. Diarietou Gaye has been appointed as the new Corporate Secretary.

NEW COUNTRY DIRECTOR FOR ANGOLA

The World Bank has named a new Country Director for Angola, Burundi St. Tome and Principe, and the Democratic Republic of Congo, Mr. Jean-Christophe Carret, a French citizen based in Kinshasa. Mr. Carret joined the World Bank in 2005 as a natural resource economist in Africa. His most recent assignment was as a country manager in Laos, where he deepened the policy dialogue on public finance management and green growth and helped implement a multisectoral approach to addressing chronic malnutrition in the poorest provinces.

Mr. Carret has just finished his first visit to Angola, where he met for 4 days with the Angolan authorities, institutional and business representatives, and technicians from some units for the implementation of projects financed by the World Bank.

During his visit, the new Country Director stated: “For the country’s growth and diversification of the economy, we don’t always have to invest in roads, electricity and building schools (...) we always need to invest in man, because if we have to attract investments in the future or now, they will have to use human capital so they can be implemented on the ground.”

The World Bank’s Regional Director for Africa reviewed the partnership between the parties with the Angolan government to understand what works well, what does not work as well, and what can still be done. Mr. Carret assumed that the WBG and the Angolan government are redefining the strategies

in the partnership and noted that the World Bank is adapting its position on the pandemic and its side effects.

Her Excellency Vera Daves, Minister of Finance of Angola, stressed that the partnership with the World Bank has two pillars. The first is related to projects and project financing, which are progressing at a normal pace in the fields of family farming, education, and health. The second is related to implementation of reforms and technical assistance. In this area, the World Bank is supporting the country in rethinking the water sector so that water companies can become more efficient.

Within the scope of the National Development Plan 2018-2022, the World Bank foresees making USD200 million available this year to support projects in education.

CELEBRATING 10 YEARS OF THE ANGOLA, NIGERIA, SOUTH AFRICA CONSTITUENCY!

This Annual Meetings is unique, because it marks the 10th anniversary of the constituency's creation, following the Reform of Voice that led to an additional constituency being created for Sub-Saharan Africa from the previous two constituencies for Sub-Sahara African on the executive board.

What has the Angola, Nigeria, South Africa Constituency achieved?

The constituency, along with the two other chairs has been highlighting matters affecting development and providing a voice and effective representation for Sub-Saharan Africa these matters. When the constituency was created, only South Africa was at the IDA's Donors Table. Today, all three countries have a voice at the table.

On major global concerns, the constituency has addressed various themes — especially the SDGs, access to energy, regional integration, jobs and economic transformation, and more recently, the digital agenda.

The constituency has been exemplary in promoting the international community's gender agenda — appointing women to fill 67 percent of executive director positions.

The constituency will continue to play its role in uniting the member countries on development concerns and maximizing the opportunities that the WBG offers in terms of financial resources and knowledge, particularly in the areas of human capital, institutional capacity, energy, jobs, and economic transformation.

OFFICE OF THE EXECUTIVE DIRECTOR

ANGOLA, NIGERIA, SOUTH AFRICA CONSTITUENCY

The First Team

Renosi Mokate
Executive Director
South Africa

Mansur Muhtar
Alternate Executive Director
Nigeria

Larai Shuaibu
Senior Advisor
Nigeria

Vuyelwa Vumendlini-Schalk
Senior Advisor
South Africa

Aliyu Ahmed
Advisor
Nigeria

Domingos Pedro
Advisor
Angola

Kurt Morais
Advisor
South Africa

Patricia Jean Smith
Senior Executive Assistant
South Africa

Nkem Okorie
Program Assistant
Nigeria

Remembering Executive Director Haruna Mohammed (November 1, 2018–February 1, 2019)

As the constituency marks its 10th anniversary during this Annual Meeting, we remember Mr. Haruna Mohammed, the late executive director, who passed away on February 1, 2019. Mr. Mohammed assumed duty in November 2018 as the fifth executive director of the 10-year-old Angola, Nigeria, South Africa Constituency after serving as the constituency's alternate executive director from November 1, 2016, to November 1, 2018. Before that, he had a distinguished public service career at the Federal Ministry of Finance, including serving as the Director of International Economic Relations. For many years, he also served as the director representing Nigeria's interest at the Organization of Petroleum Exporting Countries Fund for International Development and the Economic Community of West African States Bank for International Development. Before that, Mr. Mohammed served as a senior advisor in the Africa Group 1 Constituency of the World Bank, where he made lasting contributions to the promotion of development in Sub-Saharan Africa, including advocating for and being one of the initial authors of the concept note for the World Bank Voice Secondment Program.

Haruna Mohammed was a consummate development practitioner, and we will miss his professionalism, sense of industry, and advocacy for Sub-Saharan Africa's development.

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