AFRICA
GROUP I CONSTITUENCY

2023

Dr. Floribert Ngaruko

Executive Director,
AFRICA GROUP I CONSTITUENCY

ANNUAL REPORT

WORLD BANK GROUP
THE WORLD BANK IBRD • IDA | IFC International Finance Corporation | MIGA Multilateral Investment Guarantee Agency

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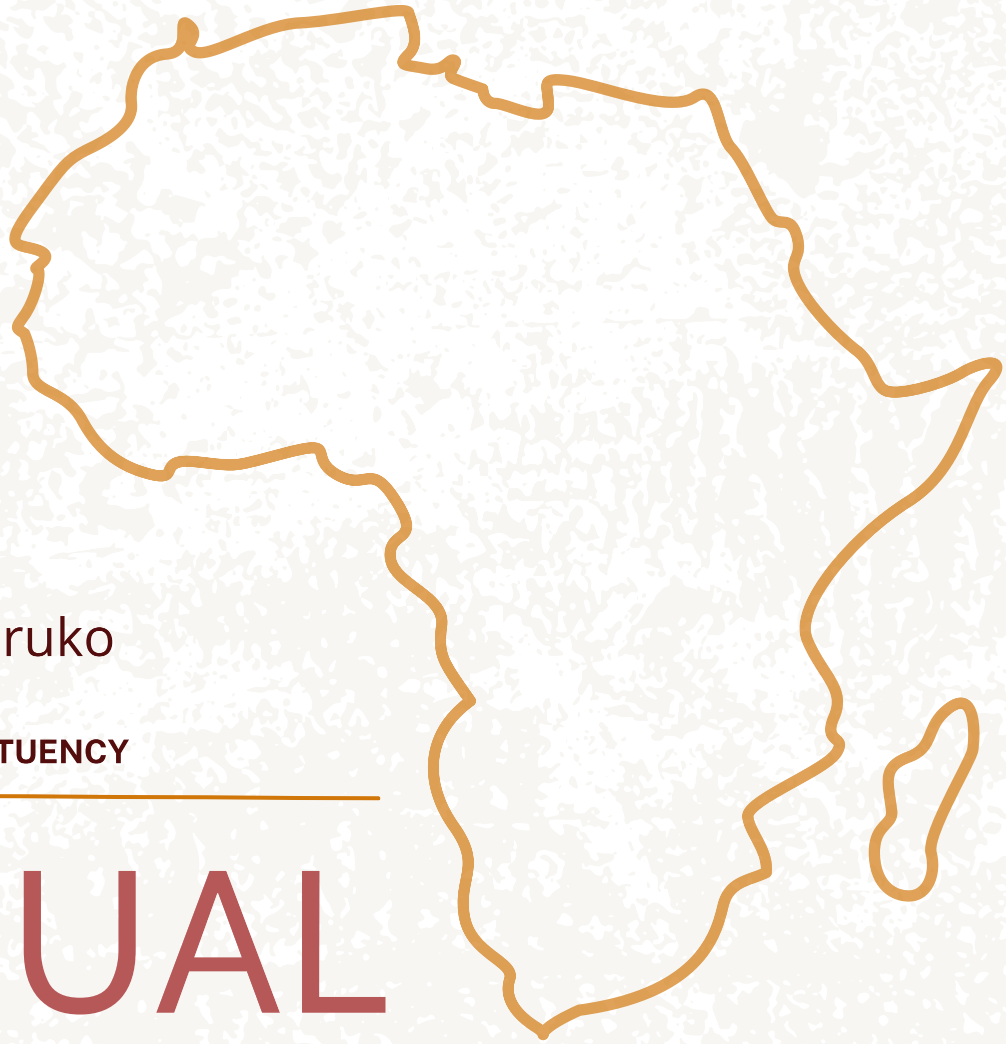

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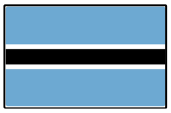
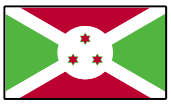
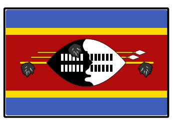
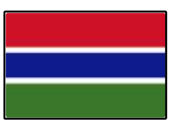
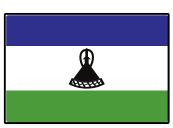
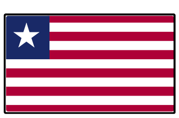
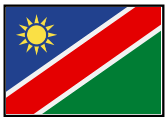
Acronyms & Abbreviations

AfG1	Africa Group 1 Constituency
AfDB	African Development Bank
WBL	World Bank's Women, Business, and the Law
COVID-19	Coronavirus Disease 2019
Common Framework	G20 Common Framework for Debt Treatment
CPF	Country Partnership Framework
CRW	Crisis Response Window
ED	Executive Director
EMDEs	Emerging Market and Developing Economies
FCS	Fragile and Conflict-Affected Situations
FCV	Fragility, Conflict and Violence
FY	Fiscal Year
GDP	Gross Domestic Product
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
GCI	General Capital Increase
LTF	Long Term Finance
MDB	Multilateral Development Banks
MIGA	Multilateral Investment Guarantee Agency
MTS	Medium Term Strategy
OECD	Organization for Economic Co-operation and Development (OECD)
OED	Office of the Executive Director
PCA	Paris Climate Agreement
PSW	Private Sector Window
SDR	Special Drawing Rights
SCI	Selective Capital Increase
SSA	Sub-Saharan Africa
STF	Short-Term Finance
US	United States
WBG	World Bank Group
WBL	World Bank's Women, Business, and the Law

Selected Development Indicators for Constituency Countries

	Country	Population, total	Mortality rate, infant (per 1,000 live births)	Poverty headcount ratio at $2.15 a day (2017 PPP) (% of population)	GDP per capita (current US$)	Central government debt, total (% of GDP)
	**Botswana**	2630296, (2022)	28.3, (2021)	15.4, (2015)	7737.655, (2022)	19.617, (2020)
	**Burundi**	12889576, (2022)	37.6, (2021)	65.1, (2013)	238.442, (2022)	162.562, (1999)
	**Eritrea**	3684032, (2022)	28.9, (2021)	.., (..)	643.791, (2011)	.., (..)
	**Eswatini**	1201670, (2022)	41.5, (2021)	36.1, (2016)	4039.519, (2022)	.., (..)
	**Ethiopia**	123379924, (2022)	34.3, (2021)	27, (2015)	1027.586, (2022)	31.449, (2019)
	**Gambia, The**	2705992, (2022)	34, (2021)	17.2, (2020)	840.011, (2022)	.., (..)
	**Kenya**	54027487, (2022)	28, (2021)	36.1, (2021)	2099.302, (2022)	.., (..)
	**Lesotho**	2305825, (2022)	57, (2021)	32.4, (2017)	1107.396, (2022)	2.903, (2020)
	**Liberia**	5302681, (2022)	56.7, (2021)	27.6, (2016)	754.533, (2022)	20.318, (2012)
	**Malawi**	20405317, (2022)	31.2, (2021)	70.1, (2019)	645.159, (2022)	44.894, (2019)
	**Mozambique**	32969518, (2022)	51, (2021)	74.4, (2019)	541.455, (2022)	86.245, (2021)

	Country	Population, total	Mortality rate, infant (per 1,000 live births)	Poverty headcount ratio at $2.15 a day (2017 PPP) (% of population)	GDP per capita (current US$)	Central government debt, total (% of GDP)
	**Namibia**	2567012, (2022)	29.4, (2021)	15.6, (2015)	4911.328, (2022)	4.641, (2019)
	**Rwanda**	13776698, (2022)	29.7, (2021)	52, (2016)	966.328, (2022)	48.429, (1992)
	**Seychelles**	100060, (2022)	12, (2021)	0.5, (2018)	15874.540, (2022)	62.707, (2015)
	**Sierra Leone**	8605718, (2022)	78.3, (2021)	26.1, (2018)	461.362, (2022)	.., (..)
	**Somalia**	17597511, (2022)	71.1, (2021)	.., (..)	461.776, (2022)	.., (..)
	**South Sudan**	10913164, (2022)	63.8, (2021)	67.3, (2016)	1071.778, (2015)	.., (..)
	**Sudan**	46874204, (2022)	38.9, (2021)	15.3, (2014)	1102.147, (2022)	8.659, (1999)
	**Tanzania**	65497748, (2022)	34.1, (2021)	44.9, (2018)	1192.404, (2022)	.., (..)
	**Uganda**	47249585, (2022)	31.2, (2021)	42.2, (2019)	964.225, (2022)	51.303, (2021)
	**Zambia**	20017675, (2022)	40.2, (2021)	60.8, (2015)	1487.908, (2022)	71.246, (2021)
	**Zimbabwe**	16320537, (2022)	35.7, (2021)	39.8, (2019)	1266.996, (2022)	.., (..)

Source: World Bank DataBank: https://databank.worldbank.org/home

Foreword

I am pleased to present the Annual Report to the Governors of the World Bank Group (WBG), Africa Group 1 Constituency. As I complete my inaugural year as the Executive Director, this report provides a comprehensive overview of the WBG's endeavors and accomplishments in a year marked by unprecedented global challenges.

Dr. Floribert Ngaruko
Executive Director

In a world grappling with the ongoing repercussions of the COVID-19 pandemic, fragilities within and between countries, and the complexities of climate change, the World Bank Group has navigated a complex global landscape characterized by weak economic growth, increasing poverty and deepening environmental challenges. As we reflect on the past year, the economic landscape has undergone significant shifts. According to World Bank's Global Economic Prospects of June 2023, the global economy has slowed with a projected growth rate of 2.1 percent for 2023 compared to the 3.1 percent registered in 2022.

The slowdown of the global economy has presented uneven regional dynamics. This, coupled with the effects of volatility in the commodity markets and tighter financial conditions, is expected to weigh down on the economic growth of the Sub-Saharan Africa (SSA) region. SSA's output is projected to expand by 3.2 percent in 2023 compared with 3.7 percent in 2022. This deceleration happens at a time when the region's average debt level is at an all-time high, underscoring the urgent need for sustainable solutions to mitigate the risk of more defaults, if not a full-blown debt crisis. The urgency of such measures was recently acknowledged by global leaders at the UN Sustainable Development Goals (SDG) Summit held in September 2023.

Notwithstanding the compounding challenges with which our countries continue to grapple with, some progress has been made in selected areas. Notable among them is the gender empowerment and women's legal rights. Several countries in our Constituency have enacted legal changes that have contributed to reducing gender-based violence and promoting women's financial inclusion.

In the face of challenging times for the global economy, WBG's support for SSA has remained unwavering. In FY23, new financing from IDA for SSA countries was substantial. Meanwhile IBRD has increased its commitments. Our Constituency countries are among the beneficiaries of the ramped-up support of the World Bank. Also noteworthy is the increased private investments in Africa, demonstrating the International Finance Cooperation's (IFC) commitment to the region's development. The Multilateral Investment Guarantee Agency (MIGA) has played a pivotal role in mobilizing financing from private sources, particularly in the form of Foreign Direct Investments (FDI). Notably, a significant share of MIGA's support is dedicated to low-income countries and climate change operations.

The WBG also remains steadfast in its commitment to addressing pressing global issues at strategic level. This is partly illustrated by the "World Bank Group Gender Strategy 2024-2030" that emphasizes innovation, financing, and collective action to drive change. The WBG has adopted the "WBG Paris Alignment Approach" that seeks to align the WBG-financed operations with the Paris Climate Agreement's goals.

As you are aware, Honorable Governors, the WBG has embarked on a transformative journey outlined in the "WBG Evolution Roadmap", a three-pronged reform package that aims to evolve the WBG vision and mission, enhance its operational model, and strengthen its financial model and financial capacity. These reforms are critical for the WBG to be able to address issues ranging from climate change to crisis response and private sector engagement with strong emphasis on achieving good development outcomes. As we convene for the 2023 Annual Meetings, we earnestly seek Governors' feedbacks on the progress made on the WBG Evolution Roadmap and further guidance on the World Bank's new directions.

In ensuring that the Office of the Executive Director (OED) effectively represent and defend interests of the Constituency countries at the WBG Boards, I had the privilege of visiting 12 member countries in FY23. These missions offered me an opportunity to gain a deeper understanding of not only each country's development prospects and challenges, but also the opportunities represented by recent and upcoming developments , as leverage for enhanced effectiveness of the OED, going forward. I therefore seize this opportunity to convey my heartfelt gratitude for the enriching discussions and the warm welcome extended to me during the visits.

I wish to conclude with encouraging development with respect to the African Union's admission to the G20, which is a unique platform to influence strategic directions on key global issues. The OED avails itself to work closely with the African Union in advocating for more inclusive policies that better align with the continent's aspirations and needs. I also extend my commendations to the Republic of Zambia, the United Republic of Tanzania, and the Republic of Kenya for not merely serving as hosts for major global events, but for also displaying exemplary leadership on pertinent development issues. These include, but are not limited to, agriculture policies, food systems, human capital, and climate change. Going forward, African leadership will be equally pivotal in championing and advocating for robust resource mobilization to support IDA's long-term sustainability, starting with a robust IDA21 Replenishment. To this end, I encourage you, Honorable Governors, to appeal to our highest political leaders to lead the charge and secure the necessary resources to strengthen IDA's long-term financial capacity.

Dr. Floribert Ngaruko
Executive Director

Executive Summary

Economic projections made by the World Bank in early 2023 were factoring in signs of resilience to global economic activities taking cue from growth momentums in several major economies. However, subsequent periods have witnessed the fading away of potential growth drivers. Accordingly, the World Bank's Global Economic Prospects June 2023 report forecasts global growth to slow down to 2.1 percent from the 3.1 percent recorded in 2022, before rebounding marginally by 2.4 percent in 2024. The slowdown in 2023 is characterized by uneven regional dynamics with growth in advanced economies projected to slow to an average of 0.7 percent, growth in EMDEs (excluding China) projected to decline to 2.9 percent, while China's economy is forecasted to rebound by 5.6 percent. Average global inflation is forecasted at 5.2 percent for 2023, well below the two-decade high of 7.5 percent recorded in 2022. Falling commodity prices, particularly fuel and food prices compared to their 2022 peaks and subdued global demand contributed to softening inflation. In nearly half a century, EMDEs' debt is now at an all-time high. The world's poorest countries now owe US$62 billion in annual debt service to official bilateral creditors, up by 35 percent from the past year.

The WB forecasts growth for SSA to decelerate to 3.2 percent in 2023 from 3.7 percent in 2022. Tighter global financial conditions, volatility in commodity prices, and the worldwide economic slowdown, in addition to the spillovers from the Russia-Ukraine conflict, are contributing for weaker economic activities in region. As witnessed by the dynamics in the past three years, Africa's debt situation has continued to worsen with some countries already defaulting on their debt payments. More broadly, elevated financing needs, high levels of debt, and limited fiscal space are expected to weigh down on activity and exacerbate unfavorable debt dynamics in SSA. On the region's outlook, the WB projects growth to pick up to 3.9 percent in 2024. The economy of the Eastern and Southern Africa region is forecasted to expand by 3.1 percent in 2023 with further rebound of 3.9 percent projected for 2024.

In response to evolving complex global landscape characterized by weaker economic growth, increased poverty and deepening climate change challenges, the WBG has embarked on a transformative journey outlined in the WBG Evolution Roadmap. The strategy aims to strengthen the institution's capacity to address pressing global issues by revisiting its vision and mission, bolstering the WBG's operational model, and deploying additional resources. Simultaneously, the WBG is finalizing a 'Gender Strategy 2024-2030', which emphasizes gender equality, highlighting women's pivotal role while also recognizing the challenges faced by men and boys. The strategy underscores innovation, financing, and collective action as crucial drivers for change, strongly emphasizing accountability and learning. Furthermore, the 'WBG Paris Alignment Approach' commits the institution to align its climate finance operations with the Paris Climate Agreement's goals by 2025, emphasizing mitigation, adaptation, and financing goals.

The WB also initiated an IDA Crisis Facility as a mechanism to mobilize supplemental resources to help vulnerable countries better respond to the crises. This effort will be complemented by portfolio cleanups, expansion in IDA bond program, and additional balance sheet optimization measures to enhance IDA's capacity. In this regard, upcoming IDA21 negotiations discussions will be critical to bolster IDA's medium and long-term financing capacity as well as sustainability. The IFC provided an update on its Blended Finance program highlighting that it has directed over US$3 billion in donor funds to facilitate US$12 billion in investments and attracting private sector capital. The above initiatives collectively reflect the WBG's ongoing efforts to address global challenges, promote gender equality, enhance the role of the private sector, increase resources available for crises recovery, and align with climate goals.

On WBG FY23 operations, IDA committed US$34.2 billion with new financing for SSA amounting to US$25.7 billion. SSA's share in IDA financing stood at 75 percent for FY23 compared to 72.6 percent in FY22. In FY23, 55 projects were approved for 14 Constituency countries with a total commitment of almost US$10 billion. Despite a significant decrease in overall IDA commitments in FY23, new funding for constituency countries did not diminish significantly, which reflects the heightened need of the region to address broader problems of crises recovery and fragility. During the same period, IBRD committed US$38.5 billion globally, which is 16.7 percent higher than the resources committed in FY22. Most IBRD clients are in the Europe and Central Asia and Latin America and the Caribbean regions. Clients in East and Southern Africa and West and Central Africa accessed 7.3 percent and 1.4 percent of IBRD's funding respectively. During FY23, only three constituency countries, namely Botswana, Kenya and Seychelles accessed IBRD funding amounting to US$650 million.

On its side, IFC's commitment in Long-Term Finance (LTF) increased to US$31.7 billion in FY23 from last fiscal year's US$23.1 billion. IFC LTF commitment in Africa reached US$6.9 billion in FY23. Some highlights from IFC's FY23 focus on AfG1 Constituency countries include investment in the hospitality sector in South Sudan, women-entrepreneurship-focused investment in Tanzania, and telecom sector investment in Ethiopia. During FY23, MIGA issued new guarantees worth US$6.4 billion across 40 projects in 29 countries. Of these, MIGA supported 14 projects with guarantees amounting to US$1.9 billion in the SSA region, across 11 countries.

On the OED's Medium-Term Strategy (MTS), the Office undertook a mid-term review in November 2022 to align the strategy with emerging priorities. The review recommended retaining all five goals of the MTS, with appropriate modifications. Since the beginning of FY23, to meet the objective of mobilizing more resources for the Constituency, the OED has remained engaged in IDA discussions by supporting the participation of the Constituency's IDA Borrower Representatives. Looking ahead, the MTS will further evolve to reflect the outcomes of the World Bank Evolution.

The Office of the Executive Director (OED) continued to engage all Constituency countries in support of their development efforts. Over the past year, the Executive Director undertook official missions to 12 Constituency countries. The Office also accompanied the WBG President, the WBG Managing Director for Operations, and the WB Vice President of the Eastern and Southern Africa Region, during their visits to Ethiopia, Malawi, Kenya, Somalia, and Burundi. The OED also participated in the 60th African Caucus, which was hosted by the Republic of Cabo Verde. The meeting culminated in the production of Africa's position on the WBG Evolution; and the African Caucus Memorandum to be delivered to the IMF and WB leadership in Marrakesh. The OED was also represented in four major events held on the African continent in the past few months. These events were the Dialogue on Africa Agricultural Leadership held in Zambia from June 1-2, 2023, the African Human Capital Summit, hosted by the United Republic of Tanzania from July 25-26, 2023, the Africa Climate Summit hosted by the Republic of Kenya from September 4-6, 2023, and the Africa Food Systems 2023 Summit hosted by the United Republic of Tanzania from September 5-8, 2023.

Over the past year, the OED added four advisors from Burundi, Liberia, Sierra Leone and Rwanda, which fills all the positions approved for the OED. The Executive Director's Office has continued to systematically assess the performance of both Advisors and Senior Advisors to ensure they effectively support the OED in discharging its dual mandates: representing member countries at the World Bank Group (WBG) Boards and providing oversight of the WBG. The first assessment under my term was conducted immediately after the 2023 Spring Meetings. This assessment applied an enhanced performance assessment framework that takes into account diverse criteria such as creativity, communication, problem-solving acumen, client focus, teamwork, interpersonal relationships, and operational efficiency.

CHAPTER 1

Economic Performance

Chapter 1

This Chapter presents an overview of recent global economic developments, the medium-term outlook, as well as risks to the global economy. The report also covers economic performance and prospects of the Sub-Saharan Africa (SSA) region.

1.1. Global Economic Performance

In early 2023, the global economy was showing signs of recovery and resilience. However, the momentum started to fade in the second half of the year, with a slowdown particularly evident in advanced economies. The slow growth is explained by the impact of credit and monetary tightening in major economies and the continued spillover effect from the Russia-Ukraine conflict. Rising interest rates to help control inflation in developed countries have exacerbated the burden of debt servicing and tightened financial conditions, with higher borrowing margins for the most vulnerable Emerging Market and Developing Economies (EMDEs). Many banks in the US and Europe have suffered huge unrealized losses due to the sharp rise in interest rates, with the consequent negative impact on investments. Although the spillover from banking turmoil in advanced economies to EMDEs has so far been limited, countries with clear macroeconomic policy weaknesses experienced slower growth, greater fiscal stress, and currency depreciations. With rising inflation, tightening global financial markets, and rising debt and debt services levels, many EMDEs are simply becoming weaker economically.

The Russia-Ukraine conflict has contributed to rise in global food prices. EMDEs continue to be hit hard by their dependence on the region for fuel and grain imports, driving millions of people into hunger and food insecurity, particularly in SSA. Despite recent slowdowns, high prices in many countries have led to political unrest and even violence. The Food and Agriculture Organization's (FAO) Food Price Index (FFPI) averaged 124.3 points in May 2023, 35.4 points lower than its level in the corresponding month last year which marked the highest value for the index for the past two decades [1],[2] . The pressure on global supply chains has also eased due to the slowdown in global commodity trade witnessed in the first half of 2023, in conjunction with weak global industrial production. With supply chain disruptions subsiding with shorter lead times, fewer material shortages, and lower energy prices, excess demand appears to be the main driver of persistently high inflation in advanced economies, although continued weakness in logistics may also be an important factor.

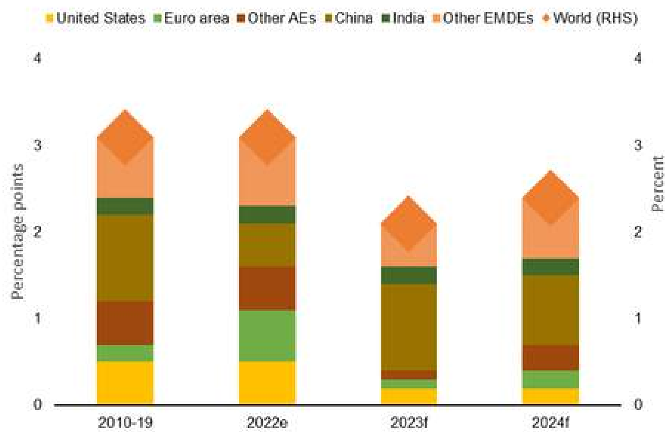
1.1.1 Mid-Term Outlook

Global Growth

The global economy remains in precarious conditions amid the spillover effects of global shocks. According to World Bank's June 2023 estimates, growth is projected to slow down from 3.1 percent in 2022, to 2.1 percent in 2023, before rebounding to 2.4 percent in 2024. Even these moderate growth estimates are based on the assumption that tight

[1] Statista, Global food price index 2000-2023, M. Shahbandeh, June 15, 2023.
[2] The FAO Food Price Index (FFPI)

Figure 1.1 Contributions to global growth



Source: World Bank

monetary policy conditions in advanced economies undertaken to rein in high inflation will not spill over into EMDEs. Global growth in 2024 could turn out to be weaker than expected if monetary policy tightens to combat inflation. The primary drivers of growth in 2023 are expected to come mainly from growth in the East Asia and Pacific (EAP) region. This will help reverse the per capita income losses caused by the pandemic on EMDEs. Downside risks also stem from geopolitical tensions, social unrest and natural disasters caused by climate change. They also reflect the ongoing conflict in Ukraine, prolonged stress in China's real estate sector, and rising debt service payments.

Regional Growth

Growth in advanced economies is expected to slow to an annual average of 0.7 percent in 2023. This largely reflects the continuing impact of large interest rate increases on central bank policy since early 2022. However, growth is expected to recover to 1.2 percent in 2024 due to projected recovery in the Euro area [3].

Banks stress add to the downside risks to the US economy and increase fears of a recession. Growth for the US economy is projected to be 1.1 percent in 2023, with early resilience giving way to a significant slowdown due to tightening monetary conditions. Weakness is expected to continue into 2024, slowing to 0.8 percent, although activity is expected to pick up at the end of the year, as inflation subsides, and the effects of monetary policy tightening wear off. In addition, recent bank failures have been blamed for curbing consumption and household spending.

In the Euro area, growth is expected to slow to 0.4 percent this year, mainly because of monetary policy tightening, with a projection of rebound to 1.3 percent in 2024. The Japanese economy is projected to slow down from 1.0 percent growth in 2022 to 0.8 percent in 2023 before weakening further to 0.7 percent in 2024, as external demand is anticipated to moderate as a result of simultaneous monetary tightening in major advanced economies.

Growth in China is predicted to rebound to 5.6 percent in 2023, spurred by economic reopening which boosted

[3] Global Economic Prospects Report, World Bank, June 2023.

consumer spending, particularly in the services sector. However, as the reopening loose momentum amid slowing external demand, growth is expected to ease off to 4.6 percent in 2024. The services-based growth will limit positive impacts on the country's trading partners through demand for goods and commodities, as industrial activity has slumped to its weakest level since the country ended its zero-COVID policy in December 2022. Partly, this is attributed to the recent overlapping adverse shocks - such as the spillover from the Russia-Ukraine conflict, and the ongoing cycle of global monetary tightening. Recently, the People's Bank of China (the central bank) introduced a cut to policy interest rates to boost economic growth.

In EMDEs other than China, growth is projected to decline to 2.9 percent in 2023, from 4.1 percent in 2022, before recovering to 3.4 percent in 2024[4]. The increase in growth that EMDEs can sustain over the medium term raises optimism about the prospects for per capita growth and poverty reduction. It could also have a positive impact on the ability of many economies to cope with rising debt servicing costs, especially higher interest rates.

Growth in Sub-Saharan Africa is projected to slow to 3.2 percent in 2023, down from 3.7 percent in 2022, and then rise again to 3.9 percent in 2024[5]. However, these rates mask wide variation across the region. Although baseline projections for 2024-2025 envision a recovery in growth, per capita income growth is expected to remain slow compared to the pace needed to achieve meaningful progress in reducing extreme poverty. The Eastern and Southern African sub-region is projected to see deceleration to 3.1 percent in 2023, from 3.7 percent in 2022, while forecast for 2024 indicates rebound by 3.9 percent. Funding pressures may affect the region's long-term outlook and could force countries to reduce expenditures on critical development sectors, thus dampening the region's growth potential; (Section 1.2 below provides more detail on Sub-Saharan Africa).

Average growth in the LAC region is estimated to have decelerated from 3.7 percent in 2022 to 1.5 percent in 2023, mainly affected by a slowing global economy and tightened financial conditions. However, it is projected to pick up to 2.0 percent in 2024 as governments strengthen their efforts to boost job creation and maintain social spendings[6].

Global Inflation

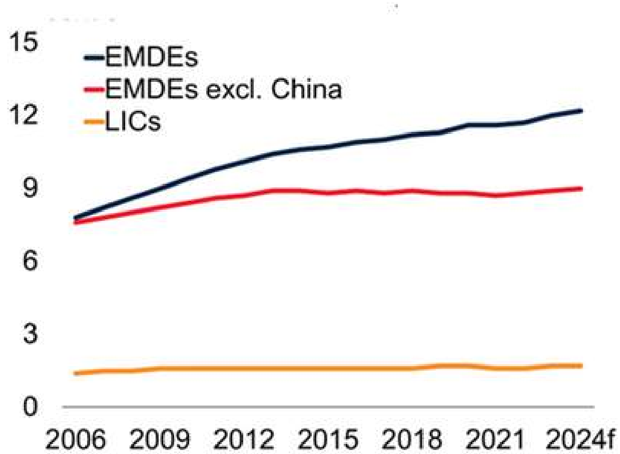
Average global inflation is estimated to average 5.2 percent in 2023, well below the two-decade high of 7.5 percent recorded in 2022. This is mainly due to falling commodity prices, particularly fuel and food prices, below their 2022 peaks and declining global demand[7]. While upward price pressures are expected to ease slowly, inflation in many countries - especially advanced economies, Western Asia, South Asia, and Africa - is expected to remain well above central banks' targets. While headline inflation rates have been declining, core inflation in the United States and Europe remains high, driven mainly by rising prices for services (such as housing and transportation) and strong wage growth.

Inflation in China remained weak. China's recovery is expected to be less dependent on commodities compared to previous periods, so the prospects for a boost in global prices are lower. CPI inflation rose by 1 percent on average in the first half of 2023 (on an annual basis), reflecting weak aggregate demand. In contrast, the CPI averaged 5.6 percent for the US and 7.7 percent for the Eurozone over the same period[8].

[4]Op. cit.
[5]Op. cit.
[6] IMF, Regional Economic Outlook, April 2023.
[7]World Economic Situation and Prospects: Department of Economic and Social Affairs, June 2023. https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/MB172.pdf
[8]Swiss Re Institute, June 2023

Across EMDEs, average core inflation slowed in the first half of 2023, while it rebounded in advanced economies. A prolonged period of high inflation may pose a particular challenge for EMDEs, where inflation expectations are generally less stable than in advanced economies and more sensitive to current inflation rates. Headline inflation is projected to average 10.3 percent in 2023, exacerbated by currency depreciation and monetization of the fiscal deficit, compared to 13.1 percent in 2022[9]. This level is higher than the region's five-year average of 9.2 percent and gives little hope for any possible rapid move towards easing monetary policy.

Figure 1.2: EMDEs GDP per capita (as percent of advanced-economy level)



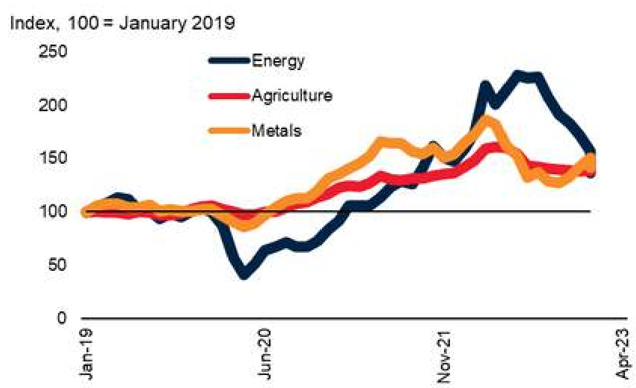
Source: World Bank

The persistence of high inflation rates in developing countries with large numbers of poor people represents an additional obstacle to the eradication of poverty in developing countries. Emerging evidence from countries affected by the current food price crisis confirms that women and children are most directly affected by resulting hunger and malnutrition. IMF projections suggest that inflation will remain above its pre-pandemic level beyond 2024, despite the decline in the prices of oil and agricultural commodities, and a return to the target inflation in developed economies (about 2.0 percent) is unlikely before 2025 in most cases.

Commodity Markets

The sharp rise in commodity prices that began three years ago and saw a surge to multi-decade highs has finally come to a halt. From oil, gas and wheat to lithium, copper and iron ore, prices of the world's leading commodities have started to fall significantly across the board. Energy prices have fallen steeply since their peak in the third quarter of 2022, as warmer than predicted weather has slashed natural gas and electricity consumption, especially in Europe. Oil prices averaged US$80 per barrel from the beginning of 2023 to the third quarter but remained volatile. According to the World Bank, energy prices fell 1.8 percent in June 2023 led by coal (-13.1 percent) and oil (-1.2 percent). Non-energy prices eased by 1.9 percent, food prices fell by 3.5 percent, beverages gained 1.1. percent, while raw materials changed little. Fertilizer prices decreased by 9.3 percent which contributed to the decline in the agricultural cost[10].

Figure 1.3: Major Commodity Price Indexes



Source: World Bank

[9] Regional Economic Outlook, IMF, April 2023
[10] Commodity markets, World Bank- https://www.worldbank.org/en/research/commodity-markets

Metal prices increased in early 2023, reflecting signs of a stronger-than-anticipated recovery in China (Figure 1.3). Those gains were subsequently reversed largely due to subdued global demand amid mixed supply developments. The declines in aluminum (-3.7 percent) were offset by gains in iron ore (+7.9 percent) and tin (+6.6 percent) and precious metals fell by 2.7 percent[11]. Agricultural prices have eased with good production prospects for most crops. In 2023-2024, Ukraine is expected to export six million tonnes less of wheat and 10 million tones less of corn[12].

Debt Dynamics

In nearly half a century, debt in EMDEs is now at an all-time high. In about nine out of ten EMDEs, debt is now higher than it was in 2010, and in about half of these countries, debt accumulation has risen by more than 30 percentage points of GDP[13].

Historically, high debt levels have always been associated with increasing debt distress in EMDEs. The current landscape, characterized by rising interest rates and projected slower growth is expected to negatively impact the debt sustainability of many EMDEs. According to the Institute of International Finance (IIF), global debt amounted to nearly US$300 trillion in June 2022, or 349 percent leverage on global GDP, and more recently the Russia-Ukraine conflict has caused it to rise to new heights. This debt covers borrowing by governments, businesses, and households. The world's poorest countries now owe US$62 billion in annual debt service to official bilateral creditors, up 35 percent from the past year. Without swift and supportive actions, the growing debt burden coupled with higher financing costs would most likely weigh down on investment and further impede recovery in the EMDEs.

Low-income and middle-income countries are expected to face multivariate issues as they try to contain their rising debt burdens and move towards debt sustainability in a post-COVID-19 era. In the short to medium-term, debt resolution and increased concessional financing are critical to easing the debt burden and creating fiscal space for recovery and development spending. The G20 Common Framework established to provide a coordinated platform for effective debt resolution is supported by the World Bank to help debt-stressed countries move to a sustainable debt trajectory. The G20's official creditors have agreed to coordinate to provide consistent debt relief with the debtor's ability to pay and maintain basic spending needs.

A crucial aspect of the Common Framework is negotiating commercial and non-Paris Club creditor lending on comparable terms to ensure fair burden sharing, which in practice has proven difficult to implement. So far, only three countries - Chad, Ethiopia, and Zambia - have applied for debt relief under the Common Framework and each has experienced significant delays before starting to make limited progress recently. Factors inhibiting progress included weak coordination between the Paris Club and other creditors, as well as many government institutions and agencies within creditor countries, which could take time and slow down decisions.

Borrower countries have raised issues regarding the need for creditor information and improved creditor coordination for those outside the Common Framework. They also called for debt service suspension during restructuring negotiations and greater clarity on different steps and timelines in the Common Framework to accelerate decision-making. Recent developments show that the Common Framework needs to be revised to address weaknesses in

[11] Op. Cit.
[12] South China Morning Post, 18 July 2023.
[13] Ayhan Kose, World Bank, https://documents.worldbank.org/en/publication/documents-reports/documentdetail/249451631308017450/the-aftermath-of-debt-surges

facilitating its implementation, especially in the context of the latest interest rate increases that have pushed up borrowing costs and made debt management more difficult. African countries' prospects can be improved by helping them transition to robust programs with fair and comprehensive debt treatment to reduce the likelihood of widespread debt defaults.

1.2. ECONOMIC PERFORMANCE IN SUB-SAHARAN AFRICA

1.2.1 Growth and related developments

SSA's recovery has been stalled by a series of persistent crises. According to the World Bank, SSA's growth is projected to decelerate from 3.7 percent in 2022 to 3.2 percent this year[14]. Like other parts of the world, this is mainly due to tighter financial conditions, volatile commodity markets, and the worldwide slowdown. The disruptions caused by the Russia-Ukraine conflict have added to the mounting stress on food supply chains in the region. The conflict has also driven up energy prices, with spillover effects on food supply chains via rising energy bills and soaring fertilizer prices. Increases in the cost of living lowered the affordability of food for a large segment of the population and led to sharp increases in the number of poor, particularly in countries lacking social security programs. Small countries have particularly suffered from high food and energy import prices.

An important factor influencing this outcome is the significant financing pressure these countries face. Fiscal deficits have widened due to a contraction in economic activity, leading to increases in already high public borrowing. Access to foreign markets has been sharply curtailed and official development assistance has continued to decline. Despite noticeable progress, over the last two years, the region has seen a decline in investments. These financing pressures are already hitting countries hard, forcing them to make difficult decisions when investing in critical areas like health, education, and access to clean water and energy.

Persistent global inflationary pressure and tight monetary policies have led to higher borrowing costs in the region and put greater pressure on exchange rates. Interest payment related burden on public debt is rising, due to increased reliance on elevated market-based financing coupled with a long-term decline in aid budgets. The shortage of financing is affecting countries that are already suffering from exacerbated macroeconomic imbalances. High inflation has weakened the purchasing power of households and hit the most vulnerable. Moreover, most countries experienced widening current account deficits, mainly due to softening demand for exports, widening trade deficits, higher borrowing costs, and lower-than-expected current transfers. Exchange rates also came under pressure, reflecting slower foreign exchange inflows and a general deterioration in the terms of trade for non-oil exporting countries.

The disruptions caused by the Russia-Ukraine conflict have added to the mounting stress on food supply chains in

[14] Africa's Pulse, World Bank, Economic Update for Sub-Saharan Africa, April 2023.

the region. Supply bottlenecks in countries affected by conflicts have also driven up energy prices, which have spillover effects on food supply chains through rising energy bills.

1.2.2 SSA Debt

According to the International Monetary Fund (IMF), about 60 percent of low-income countries are at high risk or already in debt distress. In 2015 that number was below 30 percent. Presently, Africa faces the most elevated debt challenge among all developing nations, with certain countries already experiencing debt defaults. For many of these countries, the challenges are intensifying, and there is a looming risk of economic collapse unless G20 creditors agree to accelerate debt restructurings and suspend debt service while the restructuring is negotiated. It is also critical that private sector creditors implement debt relief on comparable terms. Recent experiences of Chad, Ethiopia, and Zambia show that the G20 Common Framework for Debt Treatment (Common Framework) must be improved. Zambia for example only struck a deal last June after a long delay to restructure US$6.3 billion in foreign debt, including debt owed to China, in a breakthrough for indebted nations around the world that have faced lengthy negotiations with their creditors within the Common Framework. The debt earmarked for restructuring includes US$1.3 billion in arrears, and private sector creditors are expected to do the same on the US$6.8 billion owed to them. In this regard, Zambia is seen as a test case for the Common Framework and there is a need for swift action to build on this momentum and provide a roadmap to assist countries facing increasing debt vulnerabilities.

The G20 put in place the Common Framework with the aim of helping these borrower countries to address insolvency and protracted liquidity problems. The international community also scaled-up its financial support, including record IMF emergency lending and a US$650 billion allocation of Special Drawing Rights (SDRs), US$21 billion of which was allocated directly to low-income countries. The G20 leaders pledged to support low-income countries by lending US$100 billion of their SDRs to contribute towards the financing challenge of poorer countries. These efforts should be further strengthened to help heavily indebted countries.

The World Bank warns that the growing burden is increasing the risk of default, particularly in SSA[15]. Countries such as Sudan and Somalia were classified as heavily indebted even before the pandemic crisis. These countries (in particular Somalia) will need to transition to aggressive programs and economic restructuring, which will require concerted efforts by development partners.

1.2.3 Growth Outlook

According to the World Bank's June 2023 forecast, economic growth in SSA is projected to pick up from 3.2 percent in 2023 to 3.9 percent in 2024. The African Development Bank (AfDB) projections indicate that East Africa is expected to register the highest regional economic performance on the continent in 2023 and 2024, with growth projections of over

[15] Are we ready for the coming spate of debt crises? Marcello Estevão, World Bank, March 2022.

5 percent[16]. According to AfDB projections, two countries in the region, Ethiopia and Tanzania, are forecasted to post stronger growth rates of above 5 percent in 2023 and 2024, while five oil-exporting countries in the region are forecasted to register an average growth rate of 3.2 percent in 2023 and 3.0 percent in 2024.

IMF indicates that while GDP is projected to grow by 5.1 percent on average in low-income developing countries during the period 2023-2024, average per capita income growth is likely to remain at just 2.8 percent over the same period. This will be lower than the average in middle-income economies (3.2 percent) and falls short of the path required to achieve the SDGs, and to narrow the prosperity gap with middle-income economies[17].

In addition, the per capita growth in low-income countries in 2024 is forecasted to remain below the 2019 levels by an average of 6 percent, which will delay progress towards the SDGs[18]. The slowdown in economic activities is also manifested in areas of trade, with trade growth projected at just a third of its pace in 2022. However, these prospects are related to developments in the global economy, such as the decline in demand for industrial exports, especially from China, the tightening of global financial conditions, and higher commodity prices. Elevated interest rates in the U.S. and developed economies push more developing countries toward debt distress and threaten development prospects. Moreover, with higher inflation and domestic and international monetary policy tightening, capital inflows are expected to decline. This could increase pressure on exchange rates, leading to significant currency depreciation in many countries.

1.2.4 Risks and Way Forward

SSA's growth prospects remain subject to multiple downside risks, even though most of the region is expected to continue growing. Persisting supply-chain disruptions, financial tightening which exacerbates debt and debt servicing costs, prolongation of the Russia-Ukraine conflict which is increasing global uncertainty, increasing food insecurity caused by climatic conditions, as well as geopolitics and protracted conflicts, such as those in the Sahel region and Horn of Africa, could create an unstable backdrop for the region’s future growth prospects.

With lower external buffers, financing needs will remain significantly higher across the region. The fall in the import cover ratio is widespread, which could make local currencies more vulnerable to exchange rate pressures, and thus increase the risk of dampening inflationary expectations. Current account deficits are elevated in many countries that are still grappling with soaring import bills, widening interest rate differentials, and increased debt and debt-service costs. Most countries will not be able to afford expanded social programs to arrest the reversal of poverty gains from the pandemic and increases in food prices within tight fiscal space, while limited access to external borrowing could hinder recovery as debt burdens and financing needs increase.

Extreme weather conditions can lead to a serious decline in water supplies and severely disrupt agriculture which is the main source of livelihood and employment of millions of poor and vulnerable people in the region. Increases in average temperatures could significantly reduce crop yields, leading to lower food supplies and exports.

[16] African Development Bank, East Africa Economic Outlook, Mobilizing Private Sector Financing for Climate and Green Growth, July 2023.
[17] IMF World Economic Outlook report, April 2023.
[18] Global Economic Prospects, World Bank, June 2023

On the external front, the outlook is affected by the tightening cycle of restrictive monetary policy in advanced economies which may amplify the uncertainties. With almost 50 percent of the countries in SSA in high or medium debt distress, such tightening could lead to a reversal of portfolio flows, leading to currency depreciation, and increasing the likelihood of financial distress. Interest payments are taking an ever-bigger share of resources—more than one-fifth of revenues in many countries—leaving little fiscal space to make the investments necessary to revive growth.

Countries' prospects can be improved by confronting these challenges, while also endeavoring to build resilience and reduce vulnerabilities to other crises as they arise. The global community could help by enhancing its financial support to implement policies that will pave the way for strong recovery, improved competitiveness, high-quality growth, export diversification, and foreign debt sustainability. Domestically, government spending should be channeled to support the poor and vulnerable, invest in growth-enhancing opportunities with larger multipliers, while divesting from non-performing programs.

CHAPTER 2

SELECTED POLICY ISSUES AND UPDATES

Chapter 2

2.1. World Bank Evolution: A Path to a "Better and Bigger" World Bank

Amidst a complex global landscape characterized by a myriad of intertwined challenges, including the relentless fight against poverty and the ongoing challenge of climate change, the World Bank's role has assumed unparalleled significance. During the 2022 IMF/WBG Annual Meetings, the Development Committee issued a directive to the World Bank Group's Board and Management, urging them to formulate a comprehensive strategy aimed at fortifying the organization's capacity to address these pressing global issues.

The resulting strategy, known as the WBG Evolution Roadmap, is envisioned to enhance the institution's capacity to support client countries in pursuit of both the Twin Goals and the Sustainable Development Goals (SDGs) while simultaneously tackling overarching global challenges. The discussions regarding the Evolution Roadmap underscored the imperative need to transition the WBG's vision and mission towards a greater focus on immediate priorities of client countries and pressing global priorities.

In pursuit of this ambitious agenda, the Evolution Roadmap presents a novel approach characterized by a focus on impactful development and a readiness to engage in well-calculated risk-taking. To effectively fulfill this expanded mandate, the road map asserted the need to secure the necessary resources, which will be drawn from the WBG, client countries, and development partners.

The 2023 Annual Meetings in Marrakech will provide a platform for the Governors of the WBG to discuss and provide guidance on the various proposals presented under the three pillars of the Evolution Roadmap.

Pillar 1: Enhancing the Vision and Mission of the WBG

The Evolution Roadmap discussions have yielded a strong consensus between the Board and Management on a new vision, "to end poverty on a livable planet". The revised vision maintains the focus of the institution's mandate on the eradication of poverty within the context of a sustainable planet. This vision goes hand in hand with a the Bank's new mission which is to end extreme poverty and boost shared prosperity on a livable planet by amplifying inclusion, resilience, and sustainability. By focusing on these pillars, the World Bank aims to align its endeavors with the principles of sustainable development. This mission is intended to serve as a loadstar, directing the institution towards supporting development that is not only inclusive and resilient but also environmentally sustainable.

In practical terms, the World Bank's scope of support will encompass an array of critical issues, ranging from biodiversity preservation, climate change mitigation and adaptation, digital transformation, ensuring access to clean and affordable energy, bolstering food security, fortifying resilience in fragile regions, preparing for pandemics, and enhancing water resource management.

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Pillar 2: Strengthening the Operational Model

The new vision and mission will also be implemented within the context of a strengthened One World Bank approach. Recognizing that this is central to institutional transformation, the Roadmap emphasizes the need for a comprehensive overhaul of the institution's operational framework, extending to knowledge dissemination and partnerships, with the overarching aim of enhancing efficiency and expediting progress. The proposals benefited from extensive consultations with stakeholders worldwide as well as the Staff of the WBG. While numerous aspects have been deliberated and are anticipated to be finalized during the Marrakech meeting, there will also be a need for further discussions and decisions that extend beyond the scope of the Annual Meetings.

The primary objective of reforming the WBG's operational model is to assist clients achieve significant impact at scale. The reforms presented in Marrakech will therefore concentrate on six broad areas:

- Reconceptualizing the Bank's primary knowledge products (such as the new Country Climate and Development Reports, enhanced Public Finance Reviews, and upgraded Country Private Sector Diagnostics, in addition to existing Poverty Assessments and Country Economic Memoranda).
- Strengthening WBG's involvement at the country level (including consistent engagement in global, regional, and country-specific opportunities while fostering partnerships).
- Improving crisis readiness and response tools to enhance resilience (including the proposed Rapid Response Option, Climate-Resilient Debt Clauses, and expanding the use of catastrophe bonds and insurance).
- Implementing a set of replicable and expandable country-level operations alongside more customized initiatives, including Global Priority Programs that encourage a focus on specific global challenges.
- Initiatives to facilitate and mobilize private capital (by leveraging innovative mobilization platforms and maximizing the use of the originate-to-distribute model to optimize our financial position).
- Supporting increased, progressive, environmentally friendly, and growth-oriented domestic resource mobilization. Concessional financing will play a pivotal role in incentivizing these endeavors.

A pivotal component of this transformation will also involve a shift to measuring what matters. This will involve a significant overhaul and redesign of the WBG scorecard. The new scorecard will cease to be an inward-looking metric, instead evolving into a dynamic tool for managing and catalyzing action. It will be designed to prioritize outcomes that directly benefit people and the planet, shifting away from a myopic emphasis on internal processes or inputs. In essence, this transformation signals a commitment to a more agile, responsive, and purpose-driven World Bank, where the overarching goal is to make a tangible difference in the lives of individuals and the health of our planet.

The optimization of the operational model will also focus on initiatives that strengthen the WBG's capacity to enhance its global impact. This will include; systematic engagement with the private sector to unlock its potential,

Figure 2.1: World Bank Evolution Roadmap

Source: World Bank

emphasizing collaboration, coordination and innovative instruments across all the WBG entities. Strengthening synergy between private and public finance while promoting equitable tax policies and governance is paramount to the successful implementation of the new vision and mission. Additionally, a Knowledge Compact is expected to deliver impactful knowledge, informed by systematic impact evaluation and diagnostics. Partnerships will play a pivotal role, facilitated through a Partnership Charter and improved coordination at both country and global levels. Reforming the operational model will also improve operational efficiency and enable a shift from individual transactions to a wholesale approach enabled by embracing programmatic approaches while investing in the valued workforce of the WBG. The goal is to foster inclusion, partnership, and trust, ultimately driving global development and addressing pressing challenges for a more equitable and sustainable future.

Pillar 3: Strengthening the Financial Model

The Evolution Roadmap discussions have been influenced by global calls for significant measures to enhance its lending capacity and address a range of interconnected challenges in tandem with the need for more impactful development efforts. The Board has considered various proposals and strategies from Management that could increase its financial capabilities, foster sustainable development, and combat poverty while preserving its triple A credit rating.

To achieve this, the institution is leveraging a multi-pronged approach that involves both its own capital and external resources. Recognizing the importance of concessional resources, the World Bank seeks to incentivize borrowers to tackle cross-border issues and attract private finance, particularly for low-income countries. Various measures have already been implemented, with more proposals awaiting shareholder consideration, all aimed at optimizing existing resources while maintaining financial sustainability.

In the short term, the International Development Association (IDA) is addressing its short-term financing gap with the Crisis Response Window and other measures. Looking ahead, the World Bank envisions an even more ambitious IDA21, necessitating significantly larger financing volumes. Meanwhile, the International Bank for Reconstruction and Development (IBRD) is taking strategic steps, including the endorsement of Balance Sheet Optimization (BSO) measures, opening opportunities for up to US$50 billion in additional lending over the next decade. Furthermore, IBRD explores innovative avenues such as hybrid capital and shareholder guarantees to bolster its financing capabilities, with an eye on sustainable development projects and climate initiatives. The International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) are also actively engaged in enhancing their financing capacity through a blend of strategies ranging from blended finance to origination and collaboration with partners.

The Evolution Roadmap discussion indicates that the World Bank Group aims to expanding its financing arsenal, which is vital for addressing today's global challenges and ensuring a sustainable future for all. Concessional finance remains a cornerstone of this effort, supporting the institution's mission to foster inclusive development across the world's diverse economic landscapes. Management and the Board are aligning on principles for concessional resource allocation, emphasizing their continued importance for IDA countries and as tools to encourage solutions to global challenges in IBRD countries. The path forward includes fundraising from existing sources and exploring additional public and philanthropic avenues to secure the resources needed to drive positive change on a global scale.

2.2 Breaking Barriers: Sub-Saharan Africa's Strides Towards Gender Equality and Legal Empowerment

Women have faced pervasive discrimination and adverse outcomes in almost all walks of life; significantly more than what can be summarized in one article or even two. This narrative holds globally, even in high-income countries like the United States, where women make 83 cents for every dollar men earned in 2020[19], and in Organization for Economic Co-operation and Development (OECD) countries, where the gender wage gap is estimated to be 11.9 percent on average as of 2021[20]. However, data reveals that this discrimination is notably more pronounced in lower-income countries in almost all spheres of social development and economic empowerment. Specifically in Sub-Saharan Africa (SSA), women with extreme inequalities reflect a complex interplay of historical, socio-cultural, and economic factors. The region has been plagued with persistently low levels of women's education, with only 60 percent of African women achieving literacy in 2020 compared to the global average female literacy of 88 percent[21]. Their access to economic opportunities has also been staunchly curtailed[22], contributing to their marginalized status. Disproportionate rates of poverty (62.8 percent of the world's extreme poor women live in SSA in 2022[23]) and inadequate access to healthcare services (maternal mortality rate in SSA is 536 deaths compared to the global average of 225 deaths per 100,000 live births as of 2020[24]) have also exacerbated their vulnerability, particularly in rural and underserved areas.

Further, the region is characterized by high incidences of gender-based violence, where 35 percent of partnered women have been subjected to physical violence, sexual violence, or both by a current or former intimate partner in their lifetime[25], undermining women's safety and well-being. Cultural norms have also often reinforced traditional gender roles, restricting women's agency and participation in decision-making. In many instances, these cultural norms are further bolstered by archaic discriminatory laws instituted by colonial powers, which remain in practice today[26]. Given the extent of the colonization of SSA, these prejudices are widespread and substantially more difficult to overcome. Further, the persistent influence of patriarchal systems impedes women's economic progress not just at the household level but also at the national level. These disparities endure within the legal frameworks that govern nations and states. Regulations that exhibit bias against women and girls solidify gender disparities and serve as significant impediments to the attainment of women's economic advancement and fundamental rights. These legal obstacles also curtail nations' ability to fully harness their potential for economic growth and social progress.

Figure 2.2: Map of Women, Business, and the Law Score for the state of laws in 2022

Source: World Bank

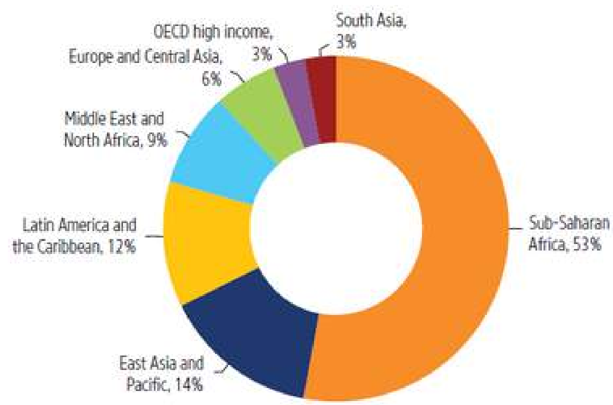
[19] U.S. Census Bureau, "Income and Poverty in the United States: 2020"
[20] OECD data indicator Gender wage gap.
[21] UNESCO Institute for Statistics (UIS). UIS.Stat Bulk Data Download Service, https://apiportal.uis.unesco.org/bdds.
[22] International Labour Organization. "ILO Modelled Estimates and Projections database (ILOEST)" ILOSTAT, https://ilostat.ilo.org/data/
[23] Source: UN Women, UNDP and Pardee Center for International Futures using the International Futures modeling platform.

The World Bank's Women, Business, and the Law (WBL) [27] project shows where legal rights and freedoms for women have differed from 'men's around the world for 53 years. It tracks how the law affects women's decisions and opportunities at various stages in their lives—from the essentials of freedom of movement and safety to the reconciliation of work and parenting, from the ability to own assets and access credit to the ability to inherit their fair share of property. The underpinning premise, substantiated by economic research, posits that a legal environment where women have the same rights and opportunities as men paves the way for inclusive economic prosperity benefiting all segments of society. The WBL index measures legal differences across eight indicators structured around different phases of a woman's career. A positive reform refers to a change in legislation that has positively fulfilled one out of a set of binary pre-determined questions regarding the legal rights of a woman.

Women still have only three-quarters of the legal rights of men. The Global WBL score for the state of laws in 2022 stands at 77.1 out of 100, representing a slight increase from 2021. Despite nearly 90 million women achieving legal parity in the past decade, the absence of equal rights affects over 2.4 billion women, with a majority residing in South Asia and Sub-Saharan Africa. Economies with scores surpassing the global average of 77.1 tend to be in the OECD high-income group, Europe and Central Asia, and the Latin America and Caribbean regions.

Amidst the challenges, WBL data reveals that Sub-Saharan Africa has emerged as a frontrunner in advancing 'women's legislation and rights toward economic empowerment. The region has accounted for more than half of all reforms worldwide in 2022, with seven countries- Benin, the Republic of Congo, Côte d'Ivoire, Gabon, Malawi, Senegal, and Uganda- enacting 18 positive legal changes. Although from the same region, these economies are relatively diverse: two are low-income (Malawi and Uganda), four are lower-middle income (Benin, the Republic of Congo, Côte d'Ivoire, and Senegal), and one is upper-middle-income (Gabon). Progress is also occurring widely across the region, with reforms captured in West, Central, East, and Southern Africa and across seven of the eight indicators.

Figure 2.3: Number of positive reforms in 2022, by region



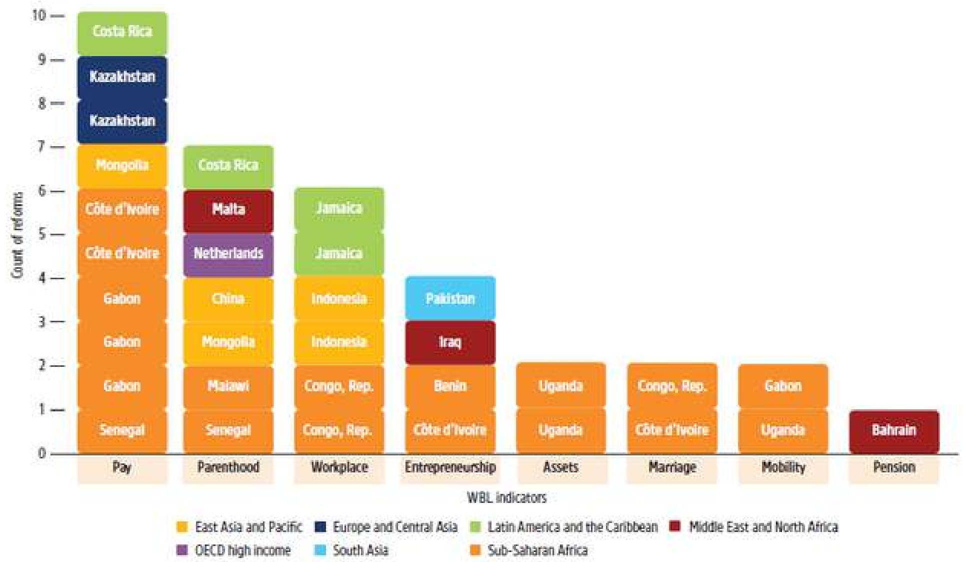
Source: World Bank

Côte d'Ivoire and Gabon have had impressive reform agendas, becoming the first two economies in Sub-Saharan Africa with WBL index scores of at least 90. Both economies embarked on substantial revisions of legislation affecting women's pay by eliminating restrictions on their work. Gabon mandates, for the first time, that for work of equal value, equal remuneration should be provided for all workers regardless of their origin, opinion, sex, or age. Senegal also reformed in this area, removing restrictions on women working in industrial jobs. The Republic of Congo and Côte d'Ivoire have also made remarkable strides in addressing gender-based violence against women. Specifically, both economies adopted laws addressing domestic violence for the first time. Both laws address all forms of domestic violence, including physical, sexual, psychological, and economic forms of abuse, with criminal penalties and special

[24] Source: WHO, UNICEF, UNFPA, World Bank Group, and UNDESA/Population Division. Trends in Maternal Mortality 2000 to 2020. Geneva, World Health Organization, 2023
[25] Source: The United Nations Inter-Agency Working Group on Violence Against Women Estimation and Data (VAW-IAWGED) (WHO, UN Women, UNICEF, UNSD, UNFPA, UNODC)
[26] Source: Braunmiller, J. C., & Dry, M. (n.d.). Reforms to Enhance Gender Equality in the Democratic Republic of Congo: From Advocacy to Implementation. World Bank.
[27] Women, business and the law, World Bank Group. World Bank. (n.d.). https://wbl.worldbank.org/en/wbl

procedures to obtain protection orders against perpetrators. Benin and Côte d'Ivoire promoted women's financial inclusion by prohibiting gender-based discrimination in financial services.

Figure 2.4: Reforms enacted by countries in each WBL Indicator from 2021*-2022



Source: World Bank
*Count of reforms since October 2021

Change within the region is also unfolding in areas that present more significant challenges for reform, such as women's mobility and inheritance. These areas are difficult to change due to inherent expenses like paid family leave and entrenched social conventions. On parenthood, notable advancements have been achieved in Malawi and Senegal. In 2021, Malawi enacted amendments to its employment act, granting fathers at least two weeks of fully paid paternity leave. Senegal revised its labor code, forbidding the termination of employment for pregnant women.

Further, Gabon streamlined the process for married women to acquire passports by removing the requirement for spousal authorization, facilitating women's international travel. Uganda's 2022 Succession (Amendment) Act not only abolished the previous mandate for women to adopt their husbands' domicile upon marriage but also adopted gender-neutral language, enabling women to select their residences just like men. This transformative act also rectified prior provisions that favored sons over daughters in inheritance and denied widows any entitlements to shared property and the marital home. The amendment redefined the concept of a legal heir to include both genders and established equitable distribution of intestate property. This law was a landmark achievement for Uganda since the amendment was passed after years of delay in updating old provisions and tackling a particularly challenging area to reform[28].

As Sub-Saharan Africa's pioneering efforts continue, the region's dedication to fostering gender equality offers hope for a more inclusive and prosperous future. Countries like Uganda, Gabon, Côte d'Ivoire, and more stand as exemplars, imparting valuable insights on the propagation of women's legal empowerment. While the challenges are formidable, it is evident that the region has not only recognized the urgency of addressing gender inequality but has

[28] World Bank. Women, Business and the Law 2023. Washington, DC: World Bank. doi:10.1596/978-1-4648-1944-5. License: Creative Commons Attribution CC BY 3.0 IGO

also taken the first step towards dismantling barriers that have hindered women's progress for generations. Beyond addressing economic disparities, countries within the region have confronted deeply ingrained cultural norms and practices that have limited women's agency, mobility, and access to opportunities. The next course of action calls for governments to ensure smooth implementation and enforcement of these laws and that the gap between law and practice is diminished to fully realize women's rights. This includes educating women about new legislation, implementing institutions that can ensure these rights are enforced, and instituting robust monitoring mechanisms to safeguard the fair practice of the law. This would further translate to making advocacy, policy, and budget commitments earmarked for this effort. While the journey is ongoing and challenges remain, the region's commitment to addressing deeply ingrained inequalities through legal changes has the potential to reshape not only laws but also social norms and perceptions, ultimately paving the way for a more inclusive and prosperous future for women and societies.

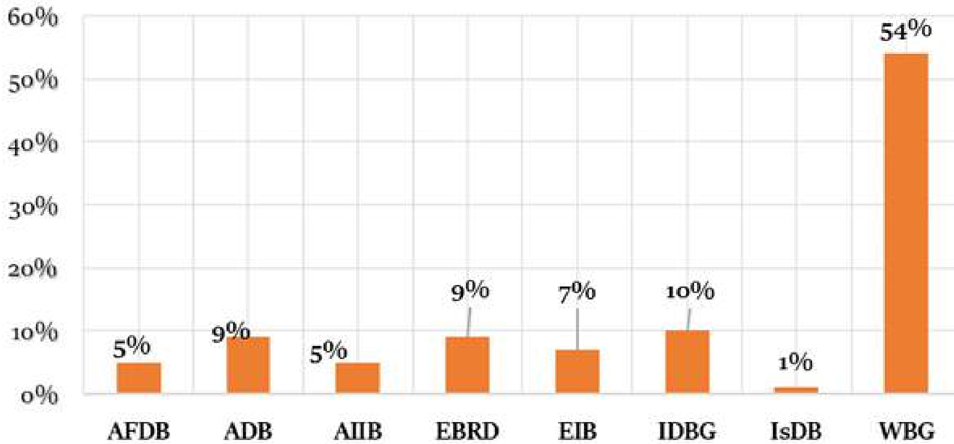
2.3 The WBG Paris Alignment Approach

The World Bank Group (WBG) continues to maintain its prominent role as the primary source of climate finance for low- and middle-income countries. As it advances into the future, the institution is actively reshaping its climate policy to address a range of global challenges, including pandemic preparedness, fragility, conflict, and biodiversity conservation. By the year 2025, the WBG plans to complete alignment of its climate finance architecture with the Paris Climate Agreement (PCA), which was adopted on December 12, 2015, and entered into force on November 4, 2016. This alignment is being realized through a comprehensive framework known as the WB Paris Alignment.

At the heart of the PCA lies the critical objective of limiting the increase in global average temperatures to well below 2°C above pre-industrial levels. Equally significant is its aim to bolster the global response to climate change within the context of sustainable development and poverty eradication, a mission that closely mirrors the core of WBG operations. As part of its Climate Change Action Plan (CCAP), the WBG is working to ensure that all its financing operations align with the goals of the Paris Agreement by 2025.

The PCA encompasses three pivotal objectives: mitigation, which centers on reducing greenhouse gas emissions; adaptation, focusing on enhancing resilience to the adverse impacts of climate change; and the financing goal, which emphasizes aligning financial flows with low greenhouse gas emissions and climate-resilient development pathways. To meet these objectives, all WBG operations are now subjected to a rigorous and transparent assessment against the PCA's standards, ensuring that only projects aligned with the WBG's Paris Alignment commitment receive financial support. This new framework came into effect on July 1, 2023, when 100 percent of WBG operations became inextricably linked with the Paris Alignment. However, both the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) currently lag this commitment by 15 percent, with plans to reach complete alignment by July 1, 2025.

Figure 2.5. FY21 WBG climate finance funding to low and middle-income countries



Source: World Bank

Crucially, it's important to note that the WBG's Paris Alignment does not supersede a country's nationally determined contributions (NDCs), which are fully anchored in the Paris Climate Agreement. The approach acknowledges that countries possess unique needs and circumstances when integrating climate action with their development objectives. Consequently, countries retain the responsibility of prioritizing their climate programs according to their specific contexts and within the scope of their national development goals. While recognizing this diversity, the WBG's Paris Alignment assessment remains operational, context-driven, and time-specific, aligning with the distinct development objectives of each nation.

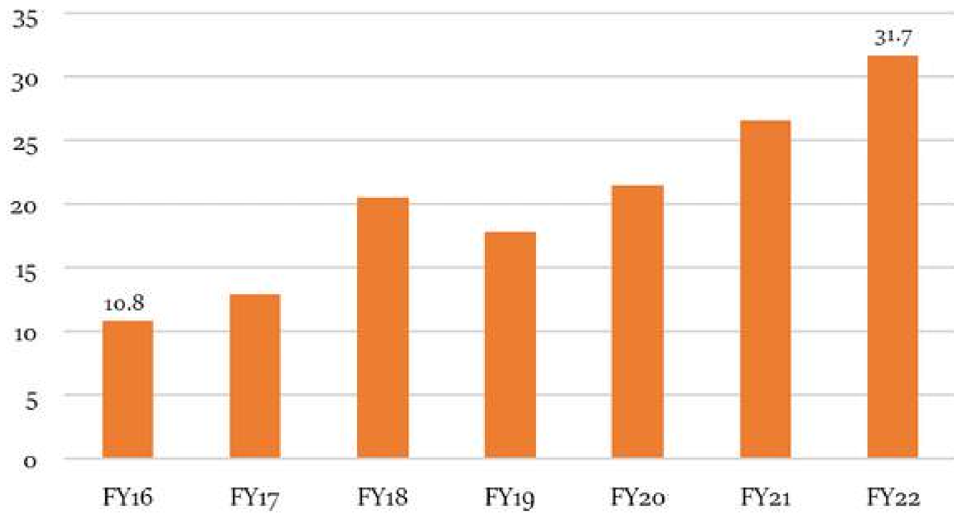
The WBG Paris Alignment represents an ongoing, inclusive, and iterative process. As technology, markets, and innovations evolve to facilitate greenhouse gas emissions reduction, the alignment approach adapts accordingly. This process involves a learning-by-doing approach, refining guidance, capacity building at both institutional and client levels, and adopting new mechanisms as lessons emerge. Regulatory support serves as a crucial tool in implementing and measuring achievements, providing necessary guardrails for progress.

At the institutional level, IFC and MIGA will continue to operationalize climate mitigation measures through action plans. These plans aim to address any potential gaps in alignment with the goals of the Paris Agreement, whether in direct investments or the financial sector, over time. Post-commitment monitoring ensures that clients are making credible transitions toward alignment in both mitigation and adaptation efforts.

Figure 2.5 below depicts the WBG's role as the leading provider of climate finance to low and middle-income countries further emphasizing its pivotal position in global climate financing. In 2021, WBG support for climate finance represented a substantial 54.5 percent (equivalent to US$27.3 billion) of the total support provided by Multilateral Development Banks.

Figure 2.6 underscores the remarkable growth in WBG climate finance over the past six years, tripling from US$10.8 billion to US$31.7 billion, signaling a resolute commitment to addressing the pressing climate challenges of our time.

Figure 2.6: Trend in WBG climate finance FY16-FY22 (US$ billions)



Source: World Bank

2.4. Blended Finance Update 2023

After nearly thirty years of progress, recent setbacks have dealt a significant blow to global efforts to reduce poverty and achieve the Sustainable Development Goals (SDGs). Urgent action is needed to reverse unfavorable trends in economic growth, human development, and poverty reduction, while also addressing the escalating challenges of climate change, heightened fragility and conflict, and increasing food and energy insecurity.

According to estimates from the World Bank, an annual investment of US$2.4 trillion is required from 2023 to 2030 to confront the global issues of climate change, conflict, and pandemics in developing countries. The World Bank Group's Evolution Roadmap emphasizes that achieving this level of investment is only possible with active participation from the private sector. Emerging markets must now harness the capital, innovation, and employment opportunities that the private sector offers to address these pressing global development challenges.

IFC's blended finance, a strategy combining concessional funds from partners with the International Finance Corporation's (IFC) own financing, stands out as a powerful tool to cushion part of the risk IFC and investors face when deciding to provide funding to high-impact projects in low and middle-income countries. It also serves to catalyze private sector investments and solutions crucial for development. With over 15 years of experience, IFC has earned recognition as a leader among development finance institutions in employing blended finance solutions. IFC employs a disciplined approach to allocate concessional funds efficiently, minimizing subsidies and market distortions. IFC achieves this through structured instruments designed to balance the risk-return profile of individual transactions, encouraging more investments.

IFC Blended Finance Portfolio

Over the past decade, IFC's blended finance portfolio has grown significantly, adapting to meet pressing development needs. Since 2010, IFC has channeled over US$3 billion in concessional donor funds, facilitating US$12 billion in investments from their resources. During this time, IFC's blended finance has supported 373 high-impact development projects across 87 countries, attracting an average of US$7 in commercial capital (including IFC, Multilateral Development Banks (MDB), Development Finance Institutions (DFI), and purely private commercial funds) for every US$1 of concessional resources. When focusing on commercial co-funds alone (excluding IFC and MDB/DFI co-investments), nearly 60 percent of the third-party capital mobilized by IFC's blended finance comes from these private sources.

In the fiscal year 2022, IFC achieved a record of US$803 million in blended finance commitments (up from US$717 million in the previous fiscal year), deployed across various sectors and regions, including low-income and fragile situations, climate transition, gender equality, access to finance for micro, small, and medium-sized enterprises, agriculture, and trade. These concessional funds supported 12 percent of IFC's total Long-Term Finance (LTF) Own Account (O/A) commitments and enabled an additional US$1.3 billion in commercial third-party capital from sponsors, private investors, and development finance institutions.

IDA Private Sector Window

Since the inception of the IDA Private Sector Window (PSW) under IDA18, IFC's use of blended finance has shifted toward the world's poorest and most fragile markets. During this period, approximately 20 percent of IFC's LTF commitments in IDA17-FCS or LIC-IDA172 countries have been supported by blended finance, extending IFC's reach. In IDA19, IFC fully utilized its IDA PSW allocation for the first time, directing significant resources to help clients in the poorest nations cope with the impact of COVID-19. More recently, there has been a growing demand for concessional support, even in middle-income countries (MICs), to address global challenges such as climate change, resurgent conflicts and fragility, and food security.

Blended Finance Impact

IFC evaluates the impact of blended finance-supported investments across various dimensions, including their geographical reach, leverage, actual and anticipated development outcomes, and portfolio results. Over the past five years (Fiscal Years 18-22), clients involved in IFC's blended finance-supported projects have reported supporting an average of 90,000 jobs annually, contributing to the reduction of 0.5 million tons of Greenhouse Gas (GHG) emissions per year (in the real sector), and reaching an average of 669,000 farmers each year. Projects supported by the IDA18 and IDA19 PSW alone are expected to create between 582,000 and 796,000 new jobs (cumulatively) and expand credit access to 3.1 million micro, small, and medium-sized enterprises, with 43 percent being women-led. Generally, IFC's blended finance-supported projects demonstrate a higher expected development impact compared to its overall portfolio, as measured by Anticipated Impact Measurement and Monitoring (AIMM), despite carrying higher credit risks.

These findings underscore the efficacy of blended finance in enabling IFC to undertake projects with greater impact, even in riskier markets. The increased risks in blended finance-supported projects result in lower profitability for IFC compared to similar transactions, even when considering the concessional elements. This highlights IFC's prudent use of blended finance, its adherence to minimum concessionality levels, and its collaborative approach with clients and donor partners.

A case for scaling-up

As outlined in the WBG Evolution Roadmap, addressing global challenges like climate transition and fragility necessitates a substantial increase in blended finance deployment in both low-income and middle-income countries. However, the availability of concessional resources is severely limited. Currently, IFC has approximately US$2.3 billion in concessional funds available for deployment, with only US$200 million accessible across all countries, including middle-income markets. The remaining US$2.1 billion is earmarked for low-income and fragile markets. Looking ahead, IFC estimates a need for an additional US$6-8 billion in concessional blended finance over the next five years, beyond the IDA PSW, to meet strategic priorities, especially in middle-income countries. IFC is actively engaged in discussions with both new and existing multilateral, bilateral, and philanthropic donors to secure concessional funding for climate action, food security, and other Global Public Goods (GPGs). Simultaneously, IFC is exploring ways to enhance its risk appetite beyond its significant co-investments alongside the concessional resources it deploys. IFC's focus is on expanding the deployment of concessional resources in both low and middle-income countries, broadening the scope of blended finance to support poverty reduction, technology adoption, and global challenges such as climate transition in middle-income countries.

2.5 IDA's Short to Medium Term Financing Capacity and the IDA Crisis Facility

IDA is the largest external funding source of development finance for the world's poor and most vulnerable countries. Established with the mission to combat poverty, IDA achieves this through the provision of grants and zero or low-interest loans (credits) to countries in need. These vital funds are largely sourced from contributions made by wealthier member countries, known as Donor Partners. Additionally, IDA's resources are bolstered by contributions from the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), and repayments from previous IDA credits.

In the pre-COVID period, the pursuit of appropriate policies by many low-income countries, in the context of a supportive global environment, and resource flows from the IDA window enabled many IDA client countries to reduce poverty over many years. However, with the onset of COVID and additional global disruptions, clients' needs and priorities suddenly changed in favor of averting economic and social crisis. As the world witnessed in the last three years, hard-won gains were reversed, with poverty and inequality worsening globally. In this context, a need arises to reconsider the adequacy of IDA's short-term and medium-term financing capacity.

IDA's Short-Term Financing Capacity

During the IDA20 negotiations and consistent with the goal of medium to long-term financial sustainability, key assumptions were made, including a replenishment of US$91.0 billion and nominally flat commitment authority in IDA21-23, with donor contributions set at US$24.0 billion. However, the protracted impacts of COVID-19, coupled with the spillover effects of the Russia-Ukraine conflict, as well as global challenges such as food insecurity, demand for energy, climate change, and natural disasters, have stretched IDA's capacity to its limits. Consequently, there has been a front-loading of commitments in Fiscal Year 2023 (FY23), with an increase from US$30.0 billion to US$33.0 billion. The appreciation of the US dollar against the Special Drawing Right (SDR) also reduced the volume of IDA20 financing in US dollar terms. These factors have culminated in a US$3.0 billion reduction in the projected FY24 and FY25 commitment authority to US$27.0 billion each, down from the original plan of US$30.0 billion each for IDA20. This has significant implications for IDA's financing sustainability in the medium and long terms.

IDA's Medium-Term Financing Capacity

IDA's medium-term capacity is closely tied with progress to the Sustainable Development Goals (SDGs). Over the past few years, multiple crises have disrupted growth trajectories in many IDA client countries, exerting pressure on IDA's medium-term financing outlook and its ability to maintain sustainability. The Debt Sustainability Analysis (DSA) of many IDA countries has also deteriorated considerably since IDA20 negotiations, with more countries transitioning from low to moderate and high risk of debt distress. This shift has led to increased concessionality in IDA20 financing terms, resulting in a sharp decline in IDA's medium to long-term sustainable financing capacity and a reversal in its capacity gains. Considering these challenges, IDA countries are keen to accelerate progress toward the SDGs and address global challenges while staying on course to meet their targets.

The future of IDA's financial sustainability is a shared concern for client countries and donor nations alike. The IDA21 replenishment discussion will be the first key step to bring back IDA towards strengthening its capacity commensurate with the targets set in the SDGs. In this process, the IDA20 mid-term review, scheduled to take place in the United Republic of Tanzania in December 2023 will be crucial.

In line with these considerations, IDA's partners should explore enhancing its long-term financial capacity by increasing grant contributions to future IDA replenishments. Additionally, a real increase in concessional resources is vital to achieving the SDGs and bolstering IDA's medium-term financing capacity. Finally, the exploration of Balance Sheet Optimization (BSO) measures, such as reviewing IDA's capital adequacy framework and expanding the Capital Value Protection Program, holds promise for enhancing IDA's capital efficiency in the medium to long term.

The IDA Crisis Facility

To maintain financing volumes at US$30.0 billion per annum in FY24 and FY25, several options are under consideration. Firstly, there is the option of cleaning up IDA's portfolio by canceling and recommitting already allocated IDA resources, potentially amounting to US$2.0 billion over FY24 and FY25. Another avenue is the expansion of the fixed-rate bond program from US$15.0 billion to US$20.0 billion, raising an estimated US$0.5 billion over FY24 and FY25, subject to market conditions. Third is the ongoing fundraising for the IDA Crisis Facility under Crisis Response Window Plus (CRW+), targeting an indicative amount of US$4.5 billion (assuming US$3.0 billion in donor contributions), to fortify IDA's short-term financing needs. In this context, the IDA Crisis Facility is intertwined with the short-term financing needs of IDA while it will also have a bearing on the medium-term.

The IDA Crisis Facility was approved by the WBG Board on May 18, 2023, recognizing the elevated needs of clients in particular related to the domains of food security and climate change. The Board approved the establishment of the Crisis Facility for IDA to enhance support for the world's poorest and most vulnerable nations, with a special focus on Africa and the Middle East. This facility will supplement financing for the remaining two years of IDA20 (from July 2023 to June 2025), as two-thirds of the resources allocated for the Crisis Response Window (CRW) have already been committed within the first year. The Crisis Facility will also play a pivotal role in helping countries address some of the incremental needs arising from the crisis response.

In light of recent global challenges, the IDA Crisis Facility has taken center stage. Much like the CRW, this facility was established to address and mitigate the impacts of public health crises, economic emergencies, natural disasters, food insecurity, and climate change. It is the poorest and most vulnerable countries, particularly in Sub-Saharan Africa, that have borne the brunt of crises such as the COVID-19 pandemic, surging global energy and food prices, and rising inflation. These challenges have only been compounded by the ripple effects of the Russia-Ukraine conflict, further eroding the hard-won gains of developing nations' earlier progress. In response, IDA's Crisis Facility steps in, aiming to provide additional resources to address these crises, leveraging IDA's comparative advantage and development mandate.

Access to the Crisis Facility is contingent on several factors, including a country's access to alternative sources of financing, the severity of the crisis's impact, and the country's ability to utilize its own resources effectively.

In the spirit of global solidarity, the Crisis Facility will complement the ongoing efforts of multilateral and bilateral partners to finance the reconstruction and recovery in Ukraine. It will also aid in addressing the social and economic impacts of the influx of Ukrainian refugees in neighboring Moldova. The Crisis Facility will benefit from IDA's leveraging potential, effectively multiplying each dollar invested. Donors are expected to pledge their contributions to the facility until December 2023 when the Crisis Facility's funding envelope will be finalized.

2.6 World Bank Group Gender Strategy 2024–2030

In response to the evolving challenges of achieving global gender equality, the 2024-2030 World Bank Group Gender Strategy was crafted to expedite progress towards a sustainable, resilient, and inclusive future. This strategic framework is intricately aligned with the overarching goals set out in the World Bank Evolution Roadmap. In comparison to its predecessor, the 2016-2023 Gender Strategy, the 2024-2030 iteration demonstrates a bolder ambition in addressing gender disparities, as illustrated in Table 2.1. Developed collaboratively by the World Bank, the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA), this strategy revolves around three central objectives and emphasizes six key outcomes.

The new strategy is acutely attuned to the current global context, prioritizing critical facets such as ending gender-based violence, expanding access to care, enhancing digital connectivity and mobility, and facilitating other enabling services. Moreover, it underscores the crucial role of women as leaders, steering us toward a future that is not only sustainable but also resilient and inclusive. This strategy also explicitly reaffirms the World Bank Group's unwavering commitment to non-discrimination, inclusivity, and equal opportunities for all, including sexual and gender minorities.

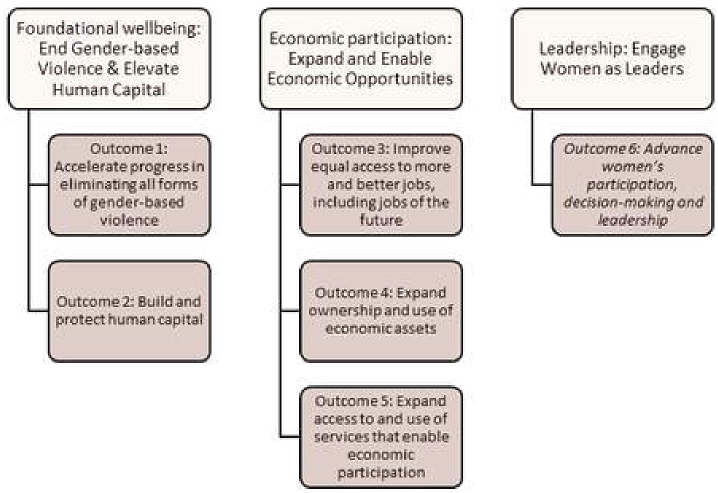
Table 2.1: WB Gender Strategy of 2016-2023 and 2024-2030

2016-2023	**2020-2030**
Outcome	
Close Gender gaps between men and women 4 pillars: human capital jobs, assets, voice & agency	Accelerate gender equality for all 6 Outcomes: end Gender Based Violence (GBV), human capital, jobs, assets, services (care, mobility, digital), leadership
Drivers of Change	
Provide data, evidence, and financing	Innovating (behavioral), financing (instruments and client capacity), and acting collectively (wider partnership & stakeholder engagement)
Internal Accountability	
Introducing gender tags/flags with accountability in project design	Complementing the gender tag/flag with accountability for gender results in project implementation. Enhancing gender outcome orientation in country engagement as One WBG.

Source: WBG Gender update 2023

Recognizing the multifaceted nature of gender disparities, the strategy acknowledges the unique challenges faced by men and boys, as well as the vulnerabilities stemming from the intersection of gender with poverty, ethnicity, disability, and other social characteristics. Consequently, it emphasizes the active engagement of men and boys in addressing both gender-specific issues and broader gender equality concerns.

Figure 2.7: The 2023-2030 WBG Strategy outcomes and objectives



Source: World Bank

Catalysts for Change

The strategy identifies three key drivers of change towards gender equality: innovation, financing, and collective action. "Innovating" involves the promotion of data-driven solutions and evidence-based insights, harnessing digital tools and behavioral analysis. This approach emphasizes learning from local initiatives and refining them to effect lasting change. "Financing" entails securing and allocating resources effectively, leveraging both public and private sector investments. By doing so, the strategy aims to maximize the impact of limited public resources by channeling them to where they are needed most. Finally, "acting collectively" recognizes that achieving gender equality necessitates coordinated efforts from public and private sector entities, civil society, and international agencies. The World Bank Group has indicated that it will assist its clients in testing, adapting, and scaling up solutions while integrating gender perspectives into macroeconomic and public finance policies, sector strategies, and private sector practices.

Fostering Accountability

The proposed strategy places a strong emphasis on accountability for gender outcomes. It builds upon existing practices of incorporating gender considerations in project design and implementation through mechanisms like the "gender tag/flag." This accountability will be further reinforced by giving greater prominence to gender outcomes in project implementation and country engagement. Country Partnership Frameworks will elevate gender equality as a synergistic development priority, engaging diverse stakeholders in the process. To ensure measurable results, the

the 2024-2030 WBG Gender Strategy will introduce an outcome-oriented results framework, aligning with the World Bank Group's corporate commitments and the Evolution Roadmap.

Implementation and Learning

In implementing this strategy, the World Bank Group intends to draw valuable lessons from the previous 2016-2023 Gender Strategy. Experience has shown that sustained engagement can significantly narrow gender gaps when combined with a commitment to learning from past experiences, adapting to varying contexts, and scaling successful initiatives. To strengthen the impact of gender considerations, the strategy seeks to enhance the use of gender tags/flags by extending their influence from project design to encompass support for implementation and results. This holistic approach underscores the importance of strategic country engagements and the effective use of gender data and evidence.

Additionally, the World Bank Group will provide comprehensive support for implementation, including the development of guidance notes, templates, training resources, and relevant materials, some of which will be monitored through the results framework. The IFC and MIGA will also develop their Gender Strategy Implementation Plans (GSIPs), detailing their respective goals and roadmaps for implementation.

Recognizing the power of a unified approach, the strategy emphasizes a one-World Bank Group perspective to enhance gender outcomes. This involves coordinated support for sector-specific interventions that align with each country's gender priorities.

Public Consultation and the Road Ahead

The draft of the strategy is currently open for public consultation, demonstrating a commitment to inclusivity and a diversity of perspectives. Following these consultations, the strategy will be refined to incorporate feedback from the Board, and insights garnered during the consultation period. Public consultations are expected to conclude by the end of November 2023, offering additional country-specific context and insights into the activities of partner organizations. The revised strategy is anticipated to be presented for a comprehensive Board discussion in early 2024.

The 2024-2030 World Bank Group Gender Strategy stands as a testament to the World Bank Group's unwavering dedication to addressing gender inequalities comprehensively and ensuring a more equitable and inclusive global future for all.

2.7 Food and Nutrition Security: A global concern for poverty reduction and shared Prosperity

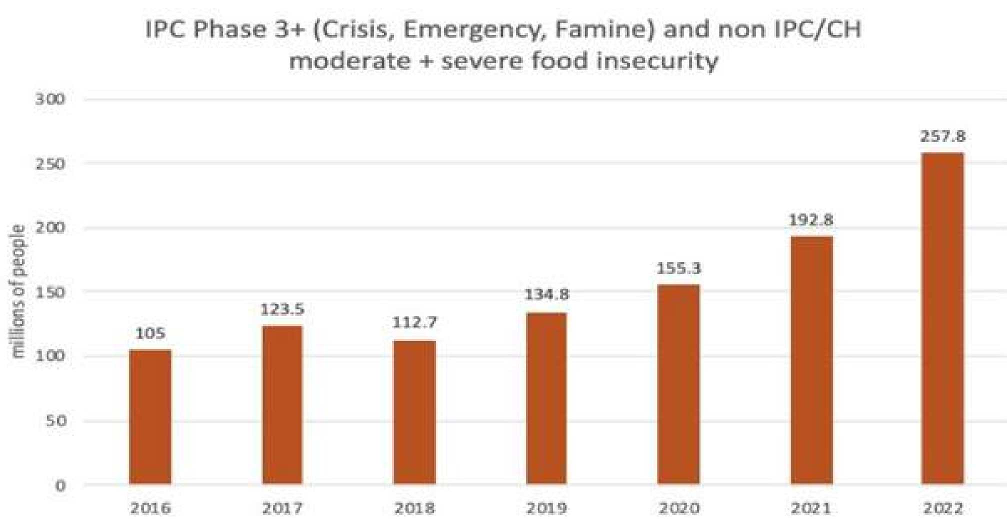
We must eat to live, but unfortunately, millions are not eating enough to live due to food inequality and extreme poverty.

The simplicity of the above statement is the realism of a global challenge: food and nutrition security, especially in Sub-Saharan Africa. Each day more than 10 percent of the world's population goes to bed hungry. The inequality associated with the production, distribution, and consumption of food is no longer a function of the Malthusian theory as technological advancement and innovation have paved the way for increased total factor productivity. It is not a problem of scarcity but the production, availability, and affordability of food.

In its third update on Food and Nutrition Security (FNS) released on 14 September, the WBG notes that global food insecurity continues to rise affecting 258 million people in 2022 compared to 105 million people in 2016. The availability of food is impeded by climate change vulnerabilities, scarcity of natural resources, and conflicts. Household consumption of healthy food is low due to high prices compounded by restrictive food policies and barriers to trade. With these multiple constraints, achieving SDG2 (zero hunger) in the next seven years though not impossible, would require actionable support, new policy approaches, and political commitments from affected countries and global support from the developed world

"It is not a problem of scarcity of food but the production, distribution, availability, affordability, and equal access to, and consumption of nutritional food."

Figure 2.8: Number of people facing food crisis worldwide (2016 – 2022)



Source: World Bank

In its June to November 2023 outlook, FAO-WFP on early warnings on acute food insecurity, identified more than 22 hunger hotspots of which 50 percent are located within Sub-Sahara Africa. Between April 2022 to June 2023, the WGB scaled up its outreach to address and sustain the growing rate of hunger and worsening malnutrition through a US$50 billion IBRD/IDS, IFC + MIGA food and nutrition security commitment.

The WBG support is expected to benefit 335 million people by strengthening the pillars for resilient and sustainable food systems, especially for women which constitute 53 percent of the affected. The One WBG financial support is divided into both short-term (US$22.9 billion) and long-term (US$27.0 billion) covering more than 90 beneficiary countries including 37 in SSA and 20 FCV. Additionally, 40 percent of the new commitments will go to 11 of the 22 hunger hotspots countries.

To ensure sustainable success, the WBG will continue to use global and regional knowledge including gender integration and food safety improvement, building urgency on food security response, and transitioning from humanitarian aid to development-oriented growth. Importantly, programs and projects are developed from country-level operations, informed by global and regional knowledge to influence policies and food systems transformation.

Addressing long and short-term interventions to food and nutrition security would require multisectoral solutions to build resilience and tackle all dimensions of food and nutrition insecurity, as well as scaling up short- and medium-term solutions to establish and enhance early warning/early action and crisis preparedness. The long-term goal will focus on trade policy, climate change, and food security strategy, repurposing public policy, and support for healthy diets to ensure food stability and food utilization. Another long-term goal would include global food and nutrition security to ensure food availability and food access.

These short and long-term interventions are closely linked to the objectives of the One WBG Evolution Roadmap including scaling up and optimizing for impacts, supporting good country outcomes while addressing global challenges, engaging at regional and global levels to complement country engagement, and mobilizing domestic resources.

To achieve sustainable results and reduce food and nutrition insecurity, these strategic interventions would require complementarity. First, responsible action and political commitments from affected countries. The Africa Climate Summit and African Food Systems Summits held in Nairobi and Dar Es Salaam manifest regional solidarity in understanding and addressing the nexuses between climate change and food security.

In addition, the 2023 G20 Summit in New Delhi, India which called for scaling up financing, enhancing global food security and nutrition, strengthening global health, and improving pandemic preparedness to accelerate progress on the SDGs represents a global consensus for global action.

CHAPTER 3

WORLD BANK GROUP OPERATIONS

Chapter 3

This section discusses operational results of four WBG entities, namely IDA, IBRD, IFC and MIGA. The data and analysis will focus on FY23 deliveries and comparison with the previous fiscal year.

3.1. IDA Operations

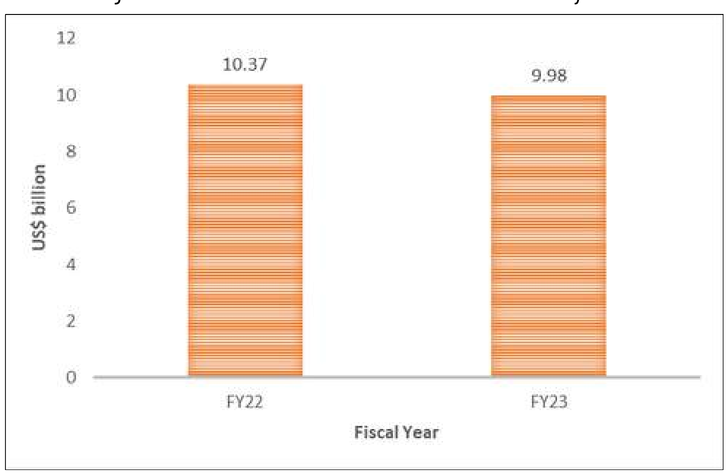
In FY23, IDA was still operating under a challenging global environment. While the world was slowly recovering from the COVID-19 crisis, the prolongation of the Ukraine-Russia crisis compounded by the effects of climate change makes the recovery effort tasking for IDA clients. Those overlapping crises prolonged macroeconomic imbalances with acute social implications, due notably to economic activity disruptions, inflation, conflicts, and food insecurity, among others. IDA support and interventions remained critical for clients with focus on providing development financing and cross-sector support that aimed to respond to the complex set of development challenges and assist member countries to improve their development outcomes. In FY23, IDA financed 192 operations in all eligible IDA clients availing US$34.24 billion new funding – 9 percent less than total IDA financing delivered in FY22, which was US$37.72 billion, financed from the last year of IDA19.

New IDA financing for Sub-Saharan Africa (SSA) in FY23 was US$25.75 billion – 6 percent lower than the corresponding amount in FY22, which was US$27.41 billion. Despite the decrease in the absolute magnitude of IDA financing for SSA, the relative share of the region remained in line with recent trends. IDA financing for SSA stood at 75 percent of total IDA delivery in FY23 compared to the 72.6 percent share committed for SSA in FY22.

For Africa Group 1 (AfG1) Constituency countries, 55 projects were approved during FY23 for a total IDA commitment of US$9.9 billion. In FY22, IDA approved US$10.37 billion 76 projects for the AfGI Constituency countries. Despite a significant decrease in total IDA commitment in FY23 compared to FY23, the new funding for Constituency countries did not diminish significantly, which reflected the heightened need in the region, including funding to address wider problem of crisis and fragility. The average financing volume for each project appears to have increased from FY22 to FY23 as reflected by a 38 percent decrease in project count.

Despite a stable aggregate IDA commitment volume for all Constituency countries between FY22 and FY23, the volume varied among member countries with some registering increase in commitments while others witnessed a decrease from the level in FY22. FY23 was the first year of IDA20, hence provided an opportunity for all clients to tap into their IDA Performance Based Allocation (PBA). There was an increase in the total amount committed for Kenya, Tanzania, Ethiopia, Liberia, Mozambique and Zambia while FY23 commitment

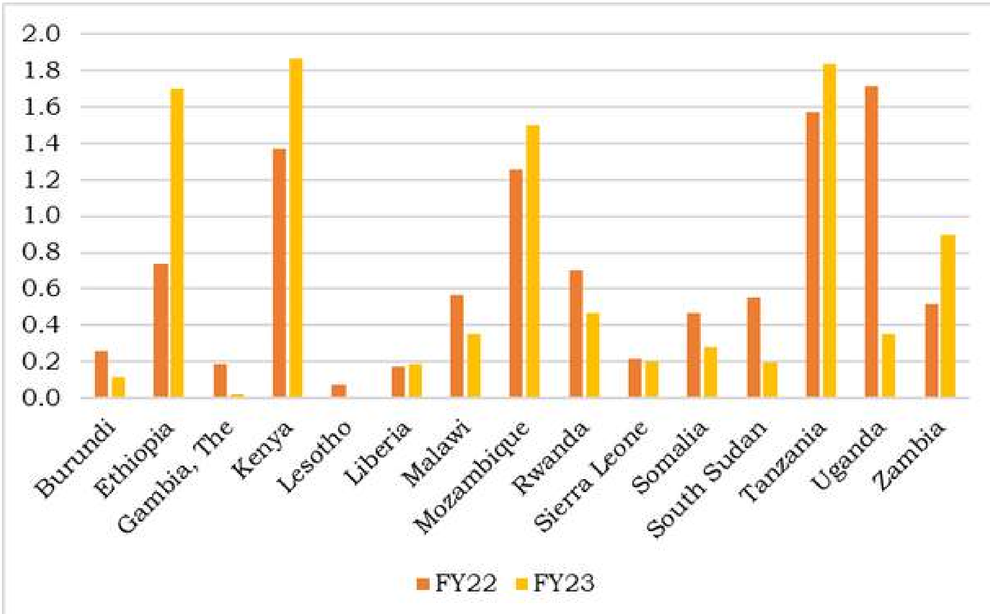
Figure 3.1: FY22-FY23 IDA Commitments for Constituency Countries



Source: World Bank

level was lower for Burundi, the Gambia, Lesotho, Malawi, Rwanda, Sierra Leone, Somalia, South Sudan, and Uganda (Figure 3.2).

Figure 3.2: FY22-FY23 Total IDA Commitment for Constituency Countries, US$, billions



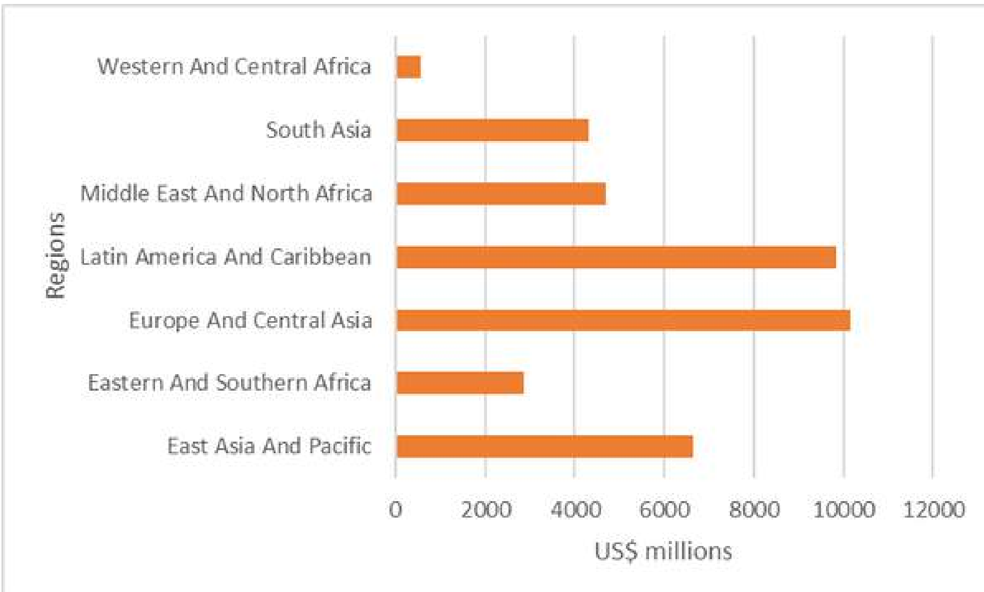
Source: World Bank

Overall, IDA continued to play a critical role in assisting client countries with their recovery effort since the onset of the pandemic as Constituency countries struggle with the overlapping crises. However, in the context of elevated financing needs, recent discussions and simulations of IDA financing scenario indicate substantial decrease in the resources available in FY24-FY25. It is therefore imperative to advocate for a robust resource mobilization effort through the IDA Crisis Facility to bridge the shortfall estimated at US$ 6 billion for FY24-FY25 period. More importantly, Constituency countries and more broadly Sub-Saharan Africa should strengthen its effort in lobbying for a strong IDA21 replenishment. The discussion for around IDA's medium- and long-term financing capacity is expected to start in earnest during the IDA20 Mid-Term Review meeting planned for early December 2023 in the United Republic of Tanzania.

3.2 IBRD Operations

The International Bank for Reconstruction and Development (IBRD) is the institution of the WBG that provides financing and advisory services to middle-income and creditworthy low-income countries. As the WBG Evolution takes center stage with a new vision of reducing extreme poverty, boosting shared prosperity on a livable planet, it is expected that the IBRD will have enhanced role in addressing global challenges. In this regard, IBRD will assist member countries shape policies and finance investments for local benefits and global good, through financial support, innovation and knowledge. During 2023 Fiscal Year, IBRD total commitment was US$38.5 billion to member countries. The new financing supports 136 projects and it is 16.7 percent higher than FY22 lending of US$33 billion for almost the same number of operations.

Figure 3.3: FY23 IBRD Commitments by Region



Source: World Bank

Most IBRD clients are located in the Europe and Central Asia region, and Latin America and Caribbean Regions each region accounting for about a quarter of total IBRD FY23 lending. East Asia and Pacific, Middle East and North Africa, and South Asia absorbed 17 percent, 12 percent and 11 percent of the lending respectively during the reporting period. The share of East and Southern Africa was 7.3 percent, while West and Central Africa had 1.4 percent. During FY23, three Constituency countries, namely Botswana, Kenya and Seychelles were the only countries to access IBRD funding. The total IBRD financing for the three countries was US$650 million.

IBRD provided 36.4 percent of its total funding in FY23 in the form of Development Policy Operation (DPO), indicating the important role that budget support plays in macroeconomic stabilization efforts of client countries. About US$17 billion (45 percent) of the year's funding was channeled via Investment Policy Financing (IPF) with the balance 18.6 percent deployed through the Bank's Program for Results (PfR) financing instrument.

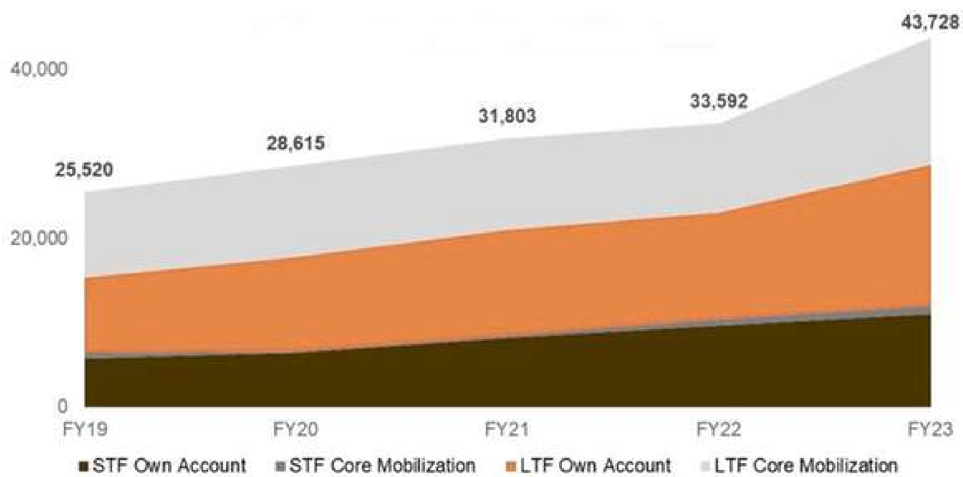
3.3 IFC Operations

IFC resource commitments

The International Finance Corporation (IFC) is the private sector arm of the WBG which works to improve the lives of people in developing countries by investing in private sector growth. IFC commitments are divided into Long-Term Finance (LTF) and (b) Short-Term Finance (STF), each of which is further categorized into own account and core mobilization finance.

In FY23, IFC's LTF commitment increased to US$31.7 billion from US$23.1 billion in FY22. Of this amount, own account finance contributed US$16.7 billion, up from the US$12.6 billion in FY22 and depicting a 32.5 percent growth. Similarly, core mobilization surged by 41.5 percent from US$10.6 billion in FY22 to US$15 billion in FY23. The surge in LTF bodes well for the recovery efforts of client countries which is coming after an extended period of heightened uncertainty depressing private sector investment below its potential.

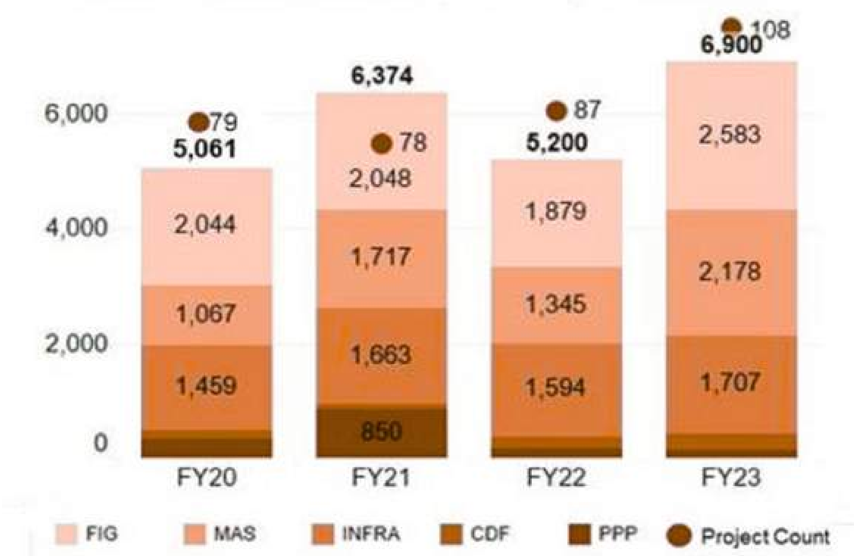
Figure 3.4: IFC annual resource commitments FY19 – FY23



Source: IFC

As part of the FY23 delivery, IFC saw strong focus on climate change related investments, gender equality and inclusion, food security, and driving digitalization. The program delivery includes an IFC commitment of US$1.5 billion in food security related projects in FY23. Other progress areas during the fiscal year include, increased financing volume going to women-owned enterprises, strong delivery through the trade and supply chain finance program, whose expansion assisted in onboarding new partners bank in client countries including in Burundi and Rwanda.

Figure 3.5: IFC total LTF commitments in Africa by industry, US$, millions



Source: IFC

IFC's commitment of Long-Term Finance in Africa reached US$6.9 billion in FY23. Of this sum, support to Financial Institutions (FIG) commanded the highest share (37 percent), followed by 31 percent going to Manufacturing, Agribusiness and Services (MAS), 25 percent absorbed by Infrastructure and Natural Resources (INFRA) projects. The balance supported Disruptive Technology and Funds (CDF) and Public Private Partnership (PPP) projects. With this robust financing, IFC was able to expand the reach of its program to 41 countries compared to the 36 countries reached until FY22.

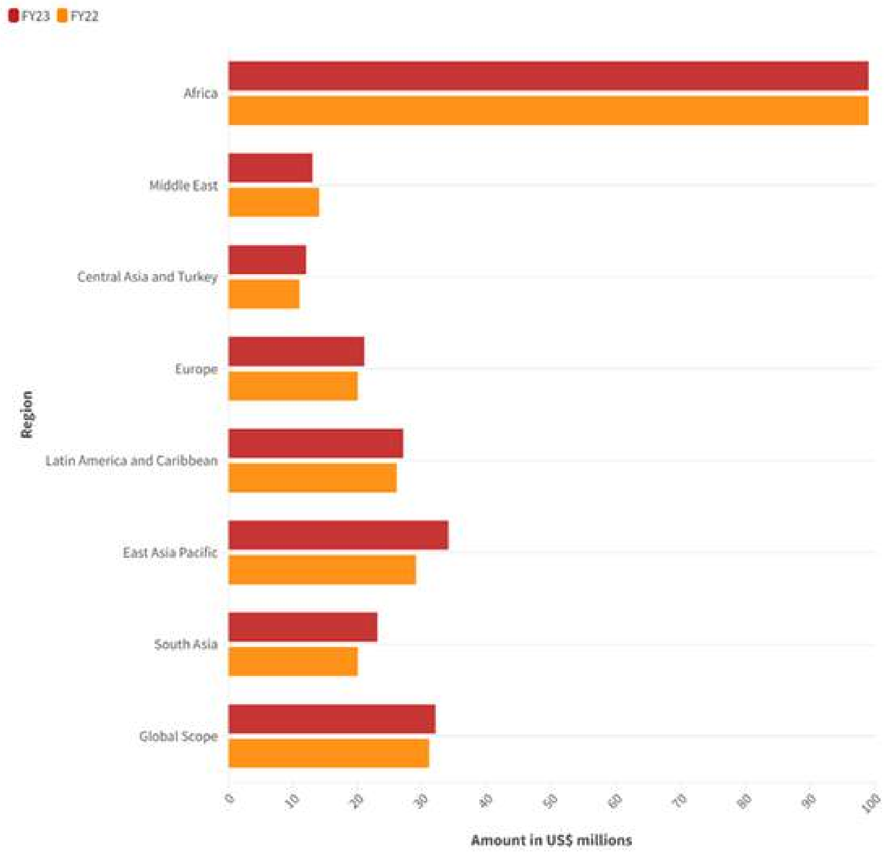
AfG1 Constituency countries are among those that benefited from the rubust IFC financing in FY23. IFC support include its first investment in a decade in South Sudan, a project focused on providing financing and mentorship to women entrepreneurs in Tanzania. IFC also invested US$100 million in Commercial Bank Tanzania, to help grow the bank's SME loan portfolio, with 25 percent targeted to women-led businesses. In addition, IFC delivered WBG level support to Ethiopia which bolstered the country's effort in liberalizing the telecom sector backed by a US$1.2 billion investment in Safaricom Ethiopia.

IFC Advisory Services

In FY23, IFC's Upstream/Advisory program also maintained a strong focus on IDA countries (76 percent) and Fragility and Conflict Situations (39 percent) growing to US$450 million, with Upstream supporting a five-year investment pipeline of over US$8.1 billion across 36 countries.

IFC advisory spending totaled US$251 million in FY22 which increased to US$260 million in FY23. Most of the advisory spending went to the Africa region, accounting for 39.4 percent and 38.1 percent of the FY22 and FY23 spending, respectively. Looking at IFC's advisory spending by sector, the largest percentage of advisory spending went to the finance and insurance sector in both FY22 and FY23 (Figure 3.6).

Figure 3.6: IFC Advisory Spending by Region, FY22-FY23



Source: IFC

3.4 MIGA OPERATIONS

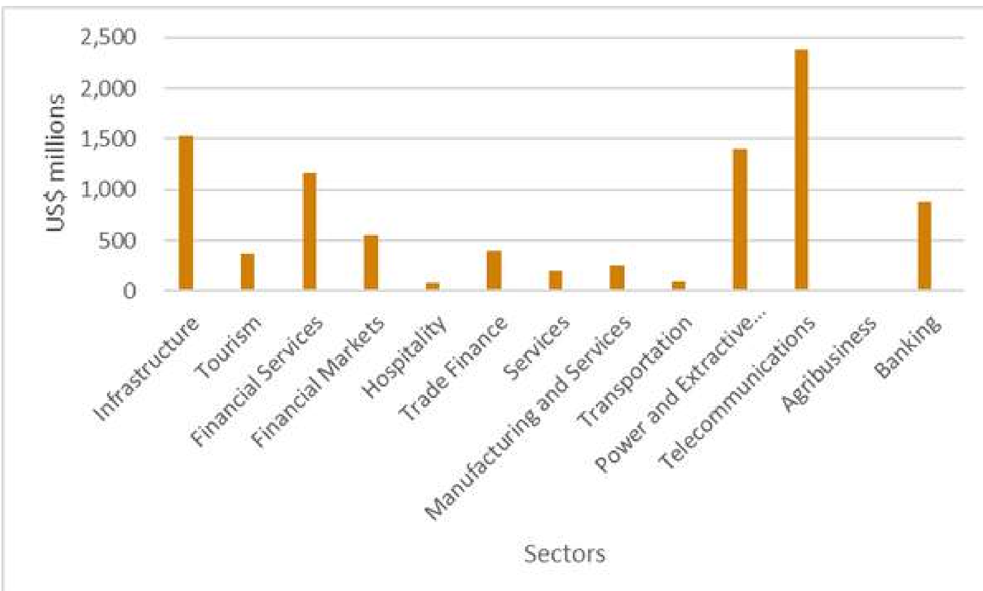
The Multilateral Investment Guarantee Agency (MIGA) was established to provide political risk insurance and credit enhancement to investors and lenders to facilitate foreign direct investment in emerging economies. Over the years, MIGA continued to make significant impact despite the prevailing global development challenges such as the COVID-19 pandemic and the ongoing conflict in Ukraine that affected its operations.

MIGA FY23 priority areas included digital technology, trade finance, guarantees supporting the purchase of medical goods and services, credit enhancements through government agencies, and capital optimization of financial institutions. MIGA's FY23 operational focus included Ukraine, mainly through its trade finance instrument.

During FY23, MIGA issued US$6.4 billion in new guarantees across 40 projects in 29 countries. Of the 40 projects supported, 37 projects were in low-income countries, fragile and conflict-affected situations or involved in climate finance.

In FY23, MIGA issued guarantees amounting to US$1.9 billion focusing on SSA, in support of 14 projects in the region across 11 countries. Part of the highly impactful projects supported includes Wakamba Telecom Project in Ethiopia where MIGA issued a guarantee of up to US$1 billion for political risk insurance against the equity investment in the first privately owned telecommunications network in the country. Other projects in the region included a railway project in Gabon, a road project in Kenya and two non-honoring guarantees in Botswana and Senegal. In addition, MIGA backed additional projects in the Democratic Republic of Congo, Ethiopia, Gabon, Guinea, Kenya, Madagascar, Namibia and South Africa. MIGA's focus sectors in SSA include agribusiness, power and extractives, telecommunications, and financial services (Figure 3.7).

Figure 3.7: MIGA Supported Investments in SSA by Sector



Source: MIGA 2023

In FY23, MIGA made a significant impact through its guarantees. The total guarantees issued in FY23 are expected to support 40 million new internet subscribers, connect 55 million people to mobile telephone networks, create over 8700 jobs, enable governments to generate over US$128 million in tax revenue annually and ensure that on an annual basis, about 800 000 metric tons of carbon dioxide (CO2) emissions is avoided.

CHAPTER 4

CONSTITUENCY ENGAGEMENTS

Chapter 4

This Chapter highlights the OED's engagement with the Constituency countries, the progress made in the implementation of the five pillars of the Office's Medium-Term Strategy and the Constituency's participation in the African Caucus.

4.1. HIGHLIGHTS OF THE 25TH STATUTORY MEETING OF THE AFRICA GROUP 1 CONSTITUENCY

The Africa Group I Constituency held its 25th Statutory meeting on the margins of the 2023 Spring Meetings of the IMF/WBG on April 13, 2023, from 8:30 am to 11:00 am, at the WBG Headquarters in Washington, DC, USA. The meeting was Chaired by the Chairperson of the Constituency, the Minister of Finance for the Republic of Liberia, Hon. Samuel Tweah.

On Matters Arising from the 24th Constituency Meeting, the Executive Director responded to the following two matters.

- Land Compensation Policy: During the Constituency Meeting, the Governor of Tanzania requested an update on the World Bank's Land Compensation Policy. The Executive Director elaborated that a midterm review of the Bank's environmental and social framework was scheduled for 2024. The OED would liaise with the Constituency Chairperson to set up a committee comprising Constituency Members to initiate the Constituency's review of the policy. The recommendations generated by the committee would subsequently be submitted to the Constituency for consideration and endorsement for onward submission to World Bank Management.
- IDA Crisis Response Window: The Governor of Ethiopia inquired about increasing the resources available under the IDA Crisis Response Window (CRW). In response, the Executive Director confirmed that the OED will continue to advocate for additional CRW resources mobilization.

As part of the main business for the day, the ED briefed Governors about the ongoing conversation on the World Bank Evolution, structured around three building blocks: a) the World Bank Group's Mission and Vision, b) the Operating Model, and c) the Financial Model. The Board of Executive Directors agreed on an enhanced mission statement to be presented to the WBG Governors during the 2023 Spring Meeting. The ED explained that the revised mission was "To end extreme poverty and boost shared prosperity by fostering sustainable, resilient, and inclusive development." The Board agreed to retain the vision of "a World Free of Poverty." On the financial model, the ED explained that the Board supported the proposals intended to increase the financial capacity of the World Bank Group. Discussions on the operational model emphasized the importance of the country engagement model and enhancing the World Bank Group's operating model to reflect the enhanced mission and better leverage the private sector through the One-World Bank Group and Cascade approaches.

The Constituency also received a presentation from the CEO of South Bridge Investments, Dr. Frannie Leautier. Dr. Leautier shared her reflections on the Evolution Roadmap process informed by her role as the Chair of the G20 High-Level Panel on Reviewing MDBs' Capital Adequacy Frameworks. The G20 Panel she led comprised eminent experts from academia, the private sector, civil society, and think tanks who keenly understood the workings of multilateral development banks and worked to providing their independent views. The objectives of their work were to provide credible and transparent benchmarks on how to evaluate MDB Capital Adequacy Framework (CAF), and also to provide views about a consistent understanding of the Capital Adequacy Frameworks of MDBs to the shareholders of MDBs and the credit rating agencies. The other objective was to enable shareholders to consider what could be the adaptations to the current frameworks that allowed MDBs to maximize their financing capacity.

Dr. Leautier shared several key messages that align with Governor's role in shaping the WBG Evolution. These messages included recognizing the unique opportunity presented by the roadmap to reform the MDBs and urged to fully take advantage of it. Additionally, she emphasized the importance of sustaining political momentum for coordinated actions to encourage the MDBs to implement the recommendations. Dr Leautier also understood the necessity of advocating for an increase in climate finance with an emphasis for adaptation financing which is critical for Africa. She also highlighted that the Panel believed the WBG Evolution was an opportunity to have constructive dialogue with the credit rating agencies, given their crucial role in influencing risk perceptions and credit pricing for African countries.

Finally, the Constituency received an update on the Development Committee discussions. The Minister of Finance and the Governor of the Federal Republic of Somalia, Hon. Elmi M. Nur, presented the Constituency's DC Statement. The Statement articulated the concerns and interests of the Constituency, which were to be considered in shaping the development agenda for the World Bank Group.

The Statement highlighted the multiple global crises impacting developing economies and the consequent reversal of hard-won development gains. These intertwined crises continue to have devastating effects on African economies, which were already grappling with significant macroeconomic distress, and slow economic growth magnified by natural disasters, food insecurity, and conflicts. These crises have exacerbated and amplified the macroeconomic imbalances, exposing large segments of the African population to vulnerability and entrenched poverty. The Statement also recognized the threat climate change poses to Africa's development, particularly the most vulnerable countries, contributing to food insecurity, diseases, population displacement, and water shortages. The Statement pointed to the need for the World Bank Group Evolution process to support Africa to achieve and sustain high growth essential for ending extreme poverty and reducing inequality by 2030.

4.2. IMPLEMENTATION OF THE MEDIUM-TERM OFFICE STRATEGY

At the two-year implementation point of the Office of the Executive Director's (OED) Medium-Term Strategy (MTS), the OED undertook a mid-term review (MTR) in November 2022 to align the strategy with emerging Constituency priorities. The review affirmed that advocacy work for mobilizing financial resources remains a cardinal goal of the Constituency, in recognition of the increased financing needs in Sub-Saharan Africa, rising food and energy prices, and overlapping social and economic crises. The mid-term review of the MTS also recommended retaining the other four goals of the MTS, with appropriate modifications.

4.2.1 MOBILIZING FINANCIAL RESOURCES

Enhanced resource mobilization for client countries is crucial to the realization of the World Bank's twin goals of ending extreme poverty and promoting shared prosperity. This implies that resource mobilization must be aligned with the strategies and goals of the Bank while focusing on the priorities of client countries and at the same time fostering and managing robust relationships with development partners. Guided by the country-based model, the Bank aligns its resource mobilization to the Constituency's emerging priorities.

IBRD and IDA

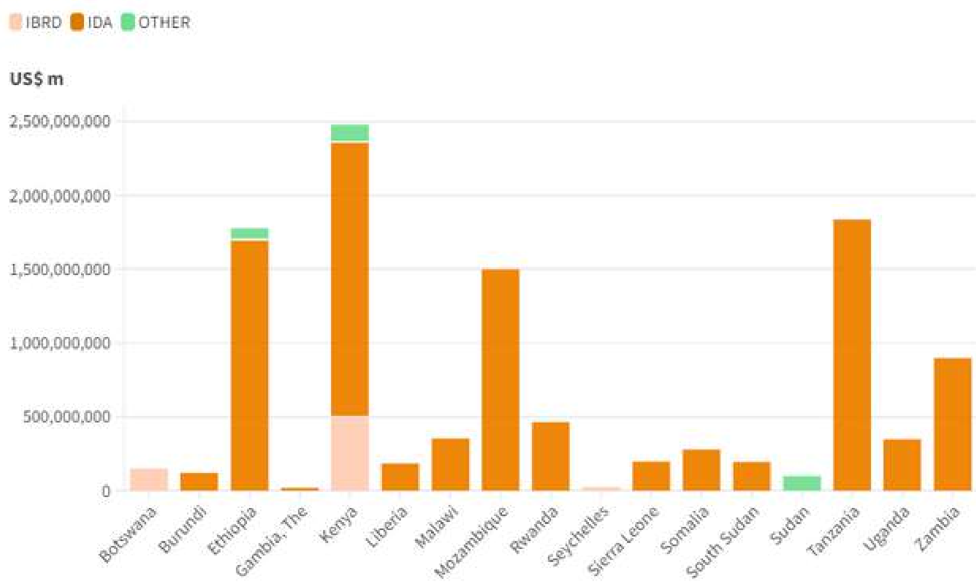
IBRD raises most of its financial resources from the world's financial markets supported by its triple-A rating, which typically enables it to offer financing to middle-income developing countries at competitive pricing. The Bank also earns income from the returns on its equity and from the small margin it makes on lending. There are three fully IBRD eligible countries in our Constituency, one blend country, and the rest are IDA countries. IDA is the largest source of funding for most of our Constituency countries, providing them with grants and low-interest loans (credits). IDA raises its resources largely from contributions by its richer member countries (Donor Partners), supplemented by additional transfers from IBRD, IFC, and repayments of credits by clients. IDA's development partners, represented by (IDA Deputies) meet with the borrowers' representatives every three years for regular IDA replenishment cycles and review development challenges and appropriate responses as well as strategies for the next IDA cycle.

Commitments

FY23 was the first year of IDA20 implementation. While the IDA20 replenishment process and outcome were widely considered successful in raising US$93 billion for the period FY23-FY25, the discussion during the replenishment did not anticipate the food and energy crisis that followed from the Russia-Ukraine conflict. Accordingly, during the IDA meeting held in December 2022, the IDA Borrower Representatives of AfG1 Constituency countries advocated for additional contributions to the IDA Crisis Response Window (CRW) which was quickly depleted due to the heightened needs of clients. The discussion around the increasing financing needs of Sub-Saharan Africa was further amplified during the IDA Day meeting of April 17, 2023 (held on the margins of the 2023 Spring Meetings), and subsequently on June 29, 2023, during a virtual IDA meeting focusing on IDA's Financial Outlook and Options to Strengthen IDA's Financing Capacity.

The 2018 Capital Increase Resolution was instrumental in putting on the agenda the need to recapitalize the WBG to effectively participate in addressing the development challenges of EMDEs. As observed subsequently, resource availability for IBRD countries was still constrained by the limited capital size of IBRD. The discussion around the 'Evolution of the WBG' includes proposals to enhance the lending capacity of IBRD, mostly through balance sheet optimization measures. The OED, through its Board engagements, supports the strengthening of IBRD's lending capacity, coupled with enhancement to the WBG's operational model and maintaining the Bank's country engagement model to effectively meet the twin goals and address global challenges. The OED's medium-term strategy prioritizes enhanced performance in commitments and disbursement of resources to client countries, a subject that features prominently on the agenda of the OED's engagement with World Bank Management and Constituency Governors.

Figure 4.1: WB Resource Commitment to Constituency Countries FY23



Source: World Bank

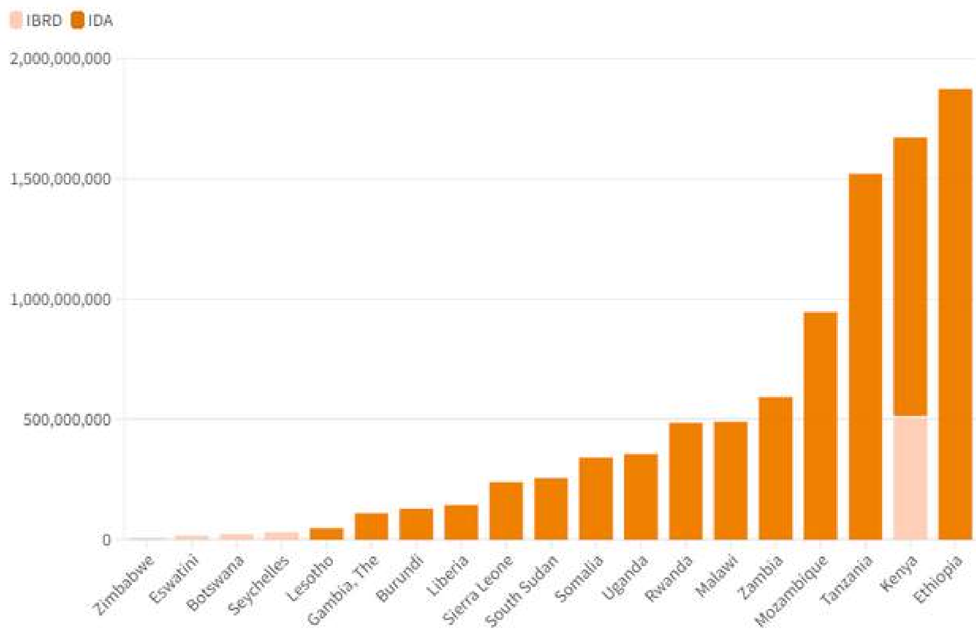
During FY2023, the Bank committed a total of US$10.9 billion for 17 Constituency countries (Figure 4.1). IDA was the major source for this commitment, accounting for US$9.9 billion (90.8 percent) of the total volume. IBRD accounted for about US$0.7 billion (6.4 percent) during the period with the rest coming from trust funds accounting for about US$0.3 billion (2.8 percent). These amounts indicate strong delivery, reflecting an increase in commitments and the Bank's activities for FY23 to counter the negative effects of global challenges facing client countries.

Disbursements

The role of the OED is to regularly engage client countries and WB Management on improving the implementation of projects, speeding up disbursements and enhancing overall portfolio performance in constituency countries. Discussions with Governors during Official missions also identify poorly performing projects and emphasize actions required to facilitate faster disbursements from the portfolio.

In volume terms, Constituency countries registered a strong disbursement performance during FY23, with US$9.28 billion disbursed for 19 constituency countries (Figure 4.2). The OED recognizes that more effort was applied to accelerate disbursements for active WB portfolios in the Constituency during the second half of FY23. IDA accounted for most of the disbursement in FY23, with a total of US$8.7 billion (93.6 percent) of the disbursed volume. Sixteen (16) IDA Constituency countries accessed these resources during FY23 compared to fifteen (15) Constituency countries that accessed IDA resources in FY22. Four Constituency countries accessed IBRD resources during FY23 with a total amount of US$0.58 billion (6.4 percent), a slight increase compared to FY22. However, the average disbursement ratio for Constituency countries whose average portfolio age is more than three years remained low, indicating a need to put more effort into accelerating project implementations. The OED will continue to work with client countries and the WB Management to highlight project implementation issues.

Figure 4.2: WB disbursements to Constituency Countries FY23



Source: World Bank

Support to Countries in Fragile, Conflict-Affected Situations

Critical to achieving the World Bank's twin goals of ending extreme poverty and promoting shared prosperity is tackling the challenges of Fragility, Conflict, and Violence (FCV). In recent years, the global FCV landscape has worsened significantly, impacting both low and middle-income countries. The world is facing the largest forced displacement crisis ever recorded. The World Bank lists eight (8) Constituency members as countries in Fragile and Conflict-Affected Situations (FCS) in FY23 (5 under conflict, and 3 under institutional and social fragility).

The World Bank's support to client countries in FCS is anchored in the FCV strategy. The OED witnessed the continued relevance of the FCV strategy in providing a dedicated targeting framework to support FCV countries, including through the IDA FCV envelope and WBG global crisis response instruments. The Global Crisis Response Framework (GCRF) was used to deliver US$11.9 billion to FCV countries, including to our Constituency member countries.

Lessons learned from the implementation of the FCV strategy will provide insights for adjustments and potential modification of the strategy during the ongoing FCV strategy mid-term review. The OED is actively engaged in the review of the current FCV strategy.

Support for Countries in non-accrual status

The Office continues to monitor progress and advocate for the re-engagement of the State of Eritrea and the Republic of Zimbabwe. The OED remains committed to initiating discussions with the authorities in Eritrea. These discussions will focus on establishing the most effective modalities for re-engagement and determining how the OED can aid throughout this process. Regarding Zimbabwe's reengagement efforts, the Government of Zimbabwe in December 2022 established a Structured Dialogue Platform with all creditors, Development Partners, and other stakeholders to institutionalize dialogue on economic and governance reforms that support the Arrears Clearance and Debt Resolution Process.

The President of the African Development Bank, Dr. Akinwumi A. Adesina, is championing this process with the former President of the Republic of Mozambique, H. E. Joaquim A. Chissano, being the High-Level Facilitator supported by the technical advisor, Mrs. Luisa Diogo, former Prime Minister of Mozambique. The Government held the inaugural Structured Dialogue in December 2022 and its second dialogue on February 23, 2023. A Zimbabwe Roundtable was held during the African Development Bank's Annual Meeting in June 2023. The meeting acknowledged the critical reform measures undertaken by Zimbabwe and participants commended the country for the progress so far. Participants further applauded the country's efforts in establishing the Structured Dialogue Platform and its commitment to economic and governance reforms for arrears clearance and debt resolution. Attendees urged Zimbabwe to persevere with its reform agenda to further improve economic well-being.

4.2.2 SUPPORTING PRIVATE SECTOR DEVELOPMENT

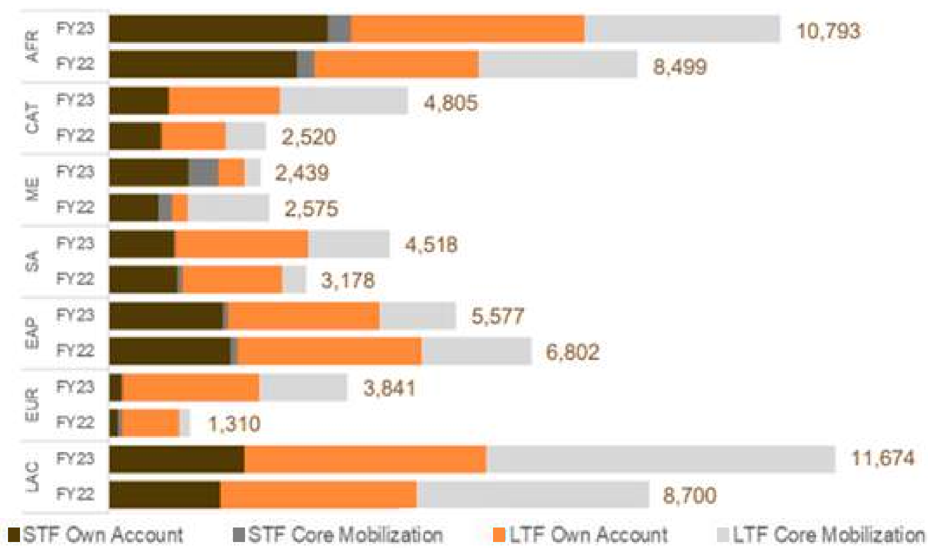
This section delves into the activities of the International Finance Corporation's (IFC) as it relates to Africa and AfG1 constituency countries, with a specific emphasis on private sector development. The OED Medium-Term Strategy recognizes private sector development as a fundamental pillar for WBG engagement with the AfG1 constituency. To foster and strengthen private sector focused investments from the WBG, the Executive Director undertakes quarterly engagements with key IFC and MIGA Management, including the Vice President for Africa and the MIGA Vice President and Chief Risk, Legal, and Administrative Officer.

IFC

IFC's FY23 total commitment for the Africa region was US$10.8 billion, an increase of 27 percent from FY22. Commitment to Africa comes to almost a quarter of the total IFC commitment in FY23 (Figure 4.3). Long-term own account financing, long-term core mobilization and short-term own account financing contributed to most of the resources committed during the year. Long-term core mobilization for Africa reached US$3.1 billion in FY23 depicting a 25 percent increase from the US$2.5 billion commitment registered in FY22.

In the past five years, IFC has facilitated investments in 17 of the 22 Constituency countries committing an aggregate amount of US$15.3 billion via IFC's own account investment (STF & LTF) and core mobilization (Table 4.1). Commitment for AfG1 Constituency countries in FY23 was US$1.9 billion, up from the US$1.6 billion recorded in FY22, supported by strong Long-Term Finance delivery. On the aggregate, Kenya leads on the absolute volume of IFC own-account LTF and own-account STF, while Mozambique dominates in the core mobilization space. Ethiopia, Tanzania and Uganda also performed very well as destinations for IFC commitments in the past five years.

Figure 4.3: IFC FY22-FY23 by Region, US$, millions



AFR: Africa; CAT: Central Asia and Turkiye; ME: Middle East; SA: South Asia: EAP: East Asia and the Pacific; EUR: Europe; LAC: Latin America and the Caribbean

Source: IFC

On the advisory side, FY23 IFC advisory program delivery increased to US$260 million from US$251 million in FY22. More than half of the projects approved in FY23 were in IDA countries, equivalent to a 55 percent share of new approvals. The African region's share for the advisory program stands at 38 percent of the total for the year, followed by East Asia and Pacific, with a 13 percent share. Sector wise, the Financial Institutions Group (FIG) was the largest recipient with a 27 percent share of the total program.

Table 4.1: IFC Commitments in AfG1 Constituency Countries, US$ million, (FY19-FY23)

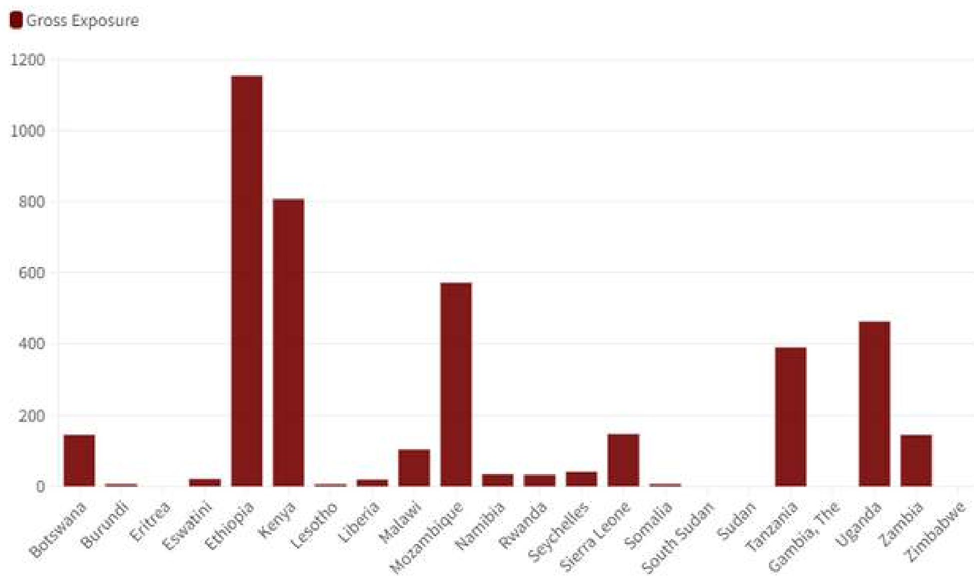
Country	Own Account LTF	Own Account STF	Core Mobilization
Botswana	100.7	-	-
Burundi	44	9.1	-
Eritrea	-	-	-
Eswatini	-	-	-
Ethiopia	922.5	25.9	1,568.50
Kenya	2,502.90	1,348.60	908.9
Lesotho	-	-	-
Liberia	72.4	180.9	5
Malawi	59	204.9	15.9
Mozambique	383.9	43.1	3,224.00
Namibia	174.5	-	-
Rwanda	175.4	145.1	138.5
Seychelles	30.1	-	9.5
Sierra Leone	127.2	64.8	142
Somalia	-	-	-
South Sudan	8.8	-	-
Sudan	-	-	-
Tanzania	905.3	196.1	33.6
Gambia, The	11.4	33.5	-
Uganda	577	29.1	373.1
Zambia	389.2	4.6	133.7
Zimbabwe	0.1	-	-
Total	6,484.40	2,285.7	6,552.82
AFR Program	37,458.60	24,583.80	31,052.00
EDS14 of AFR Program	17%	9.3%	21%

Source: IFC

MIGA

MIGA's portfolio in EDS14 Constituency, as proxied by its gross exposure, exceeded US$4 billion as of July 31, 2023 (Figure 4.4). It's important to note that this reflects MIGA's increased focus on private sector development in these nations, which is a crucial aspect of MIGA's engagement strategy.

Figure 4.4: MIGA Gross Exposure in Constituency Countries (US$ million)



Source: World Bank

Ethiopia and Kenya stand out as the largest destinations for MIGA supported private investments in the Constituency. MIGA guarantee is also backing up significant amount of private sector investment in Mozambique, Uganda, Tanzania, Sierra Leone, Botswana, Zambia, and Malawi. On the other hand, several countries, such as Eritrea, South Sudan, Sudan, and Zimbabwe, have no reported MIGA exposure as of the given date, highlighting potential areas where MIGA's support could be expanded.

4.2.3 ENHANCING ENGAGEMENT WITH THE CONSTITUENCY COUNTRIES

From December 2022 to July 2023, the Executive Director undertook official missions to thirteen Constituency countries. The Executive Director held several discussions with authorities focused among others, on development priorities and challenges faced by Constituency countries, strengthening collaboration with the World Bank Group, and the performance of WBG financed portfolio. In addition, the Executive Director briefed authorities on ongoing discussions on the World Bank Group Evolution and the global development challenges that affect most countries and impact the World Bank Group's achievement of its mission and vision. The Executive Director also discussed the status of the 2018 IBRD/IFC Selective Capital Increase (SCI) and General Capital Increase (GCI) and urged authorities to submit the relevant documentation.

In his update, the ED highlighted that the main purpose of the GCI is to raise the capital stock both for the IBRD and IFC to enhance their financial capacity. Both institutions' GCIs allocate shares pro-rata to all members of the institution, whereas the SCI is implemented primarily for rebalancing members' shareholding and voting power. As of September 25, 2023, 13 out of the 22 Constituency countries had completed the subscription process for the IBRD General Capital Increase (GCI) and Selective Capital Increase (SCI). Regarding IFC capital increase, as of September 22,2023, 2 countries have fully completed their documentation and payments under the GCI and SCI. In addition, 9 others have completed the documentation process.

4.2.3.1 ED's visit to the Republic of Uganda

On December 20-22, 2022, the Executive Director (ED), Dr. Floribert Ngaruko, and his Senior Advisor, Mr. Fisseha Kidane, visited the Republic of Uganda to consult with the Government of Uganda and other entities to help strengthen cooperation between the Republic of Uganda and the World Bank Group. The ED met with Hon. Matia Kasaija, Minister of Finance, Planning and Economic Development who is also the Governor for Uganda at the WBG. Dr. Ngaruko briefed the Governor on critical issues including the WBG Evolution, the need to absorb IDA20 allocation, ongoing CPF discussions, portfolio issues, capital subscriptions, as well as the Voice Secondment Program.

During the Mission, the ED also met with the Minister of Health, Ms. Ruth Aceng, Attorney General Hon. Kiryowa Kiwanuka and representatives of the private sector and the WBG Uganda country office staff. The ED further met with the IMF Representative, who briefed the ED about the fiscal rule established by the Republic of Uganda to manage oil revenue, and the government's effective expenditure management. The IMF indicated that Uganda's prudent fiscal management during the COVID crisis played a crucial role in avoiding severe economic damage. After the Mission, the ED visited one of the World Bank-financed projects - the Kampala Institutional and Investment Project, which despite delays experienced because of an Inspection Panel investigation, still registered some notable achievements.

Executive Director Dr. Floribert Ngaruko (fourth from left) with the CEO of Private Sector Foundation Uganda (fourth from right). Senior Advisor to the ED and staff of PSFU also in the picture

4.2.3.2 ED's visit to the Republic of Liberia

The ED, accompanied by his Advisor, Mr. Emmanuel Munyeneh undertook an official Mission to the Republic of Liberia on February 13-14, 2023. During the Mission, he paid a courtesy visit to H.E. George Weah, President of the Republic of Liberia. President Weah informed the ED about the country's investment needs in energy to help ease the limited access to electricity. The President expressed appreciation for the WBG's support in the expansion of the country's infrastructure to help facilitate trade, boost agriculture production, enhance tourism, reduce poverty and boost shared prosperity for all citizens.

The ED also met with Senior Government Officials from the Ministries of Finance and Development Planning, Education, Gender, Children and Social Protection, and Agriculture, as well as the officials from the World Bank Country Team. As part of the visit, the ED participated in a field trip to one of the sub-stations of the Liberia Electricity Corporation, where he used the opportunity to brief Hon. Samuel Tweah, Minister of Finance on the ongoing conversation around the Evolution of the WBG. The Minister called on the ED to advocate for more resources to help resolve some of the challenging issues in Constituency countries. The Minister identified human capital and access to electricity as major constraints to economic growth and private sector-led investment.

Executive Director Dr. Floribert Ngaruko with H.E. President George Weah, President of the Republic of Liberia

4.2.3.3. ED's Mission to the Republic of The Gambia

Between February 16-17, 2023, the ED accompanied by his Advisor, Mr. Emmanuel Munyeneh embarked on a two-day mission to the Republic of The Gambia. During the mission, the ED met with the Minister of Finance and Economic Affairs, Hon. Seedy Keita to discuss the country's development challenges as well as on strengthening the cooperation between the Republic of The Gambia and the World Bank Group. The ED shared with the Minister developments around the World Bank Group Evolution discussions. During the meeting, Hon. Keita noted that there were disbursement challenges with the WB portfolio. The ED also made a courtesy call to the President of the Republic of The Gambia, H.E. Adama Barrow. H.E. President Barrow commended the WBG for the financial support in grants and loans. He pointed out that the Country's National Development Plan was ambitious hence the need for continuous engagement with the WB.

The ED also met with Senior Government Officials from the Ministries of Tourism, Health, and Agriculture as well as staff and management of the World Bank Country Office. The two-day interactive meeting provided an opportunity for the ED to deepen his understanding of The Gambia's development challenges, including the issue of inflation. The visit also enabled the ED to interact with the World Bank Country Office on the implementation of World Bank-financed projects in the country.

Executive Director Dr. Floribert Ngaruko with H.E. Adama Barrow (fourth from left), President of the Republic of The Gambia.
Also in the picture is Hon Seedy Keita (third from right), Minister of Finance and Economic Affairs, Republic of The Gambia.

4.2.3.4. ED's Mission to the Republic of Sierra Leone

On February 20-22, 2023, the ED, accompanied by his Senior Advisor, Ms. Naomi Rono, undertook a mission to the Republic of Sierra Leone to consult the Government on Sierra Leone's development agenda, including key priorities and challenges. The Executive Director paid a courtesy visit to H.E. Rtd. Brigadier Dr. Julius Maada Bio, President of the Republic of Sierra Leone. The ED's discussions with President Bio focused on the President's vision to anchor Sierra Leone's development agenda around agriculture. The President expressed his deep appreciation for the strong engagement between Sierra Leone and the World Bank and called for more robust engagement between Sierra Leone's private sector and the WBG. The ED commended the President for consolidating peace and championing a progressive reform agenda in multiple sectors, including mining, gender equality, land, and financial inclusion in Sierra Leone and pledged his continued support to ensure that WBG's engagement reflects Government priorities.

The ED met with the Governor for the WBG and Minister of Finance, Hon. Sheku Ahmed Fantamadi Bangura as well as the Governor of the Bank of Sierra Leone, Prof. Kelfala M. Kallon. During the meeting, the ED noted the significant macroeconomic pressures facing the Government of Sierra Leone and recognized the impact on the GDP outlook. He welcomed the Government's strategy to stabilize the economy and stimulate growth in FY23 and was encouraged by the Government's commitment to remain steadfast on the structural reform agenda and welcomed the ongoing engagement with the IMF. The discussions with the Bank of Sierra Leone Management team focused on macroeconomic developments evolving against the challenging global context. The Governor of the Bank of Sierra Leone appreciated the foreign exchange support the World Bank program provided for Sierra Leone. He updated the ED on the impact of the currency depreciation and high inflationary pressure that had resulted mainly from exogenous shocks to the economy . The Executive Director welcomed the Governor's assurance of the country's commitment to focusing on the structural reform agenda while addressing the urgent cyclical spending needs.

The ED also held a roundtable discussion with several Ministries managing World Bank-funded projects, including: the Ministry of Agriculture, Ministry of Education, Ministry of Energy, Ministry of Health and Sanitation, Ministry of Information and Communication, Ministry of Mines and Mineral Resources, Ministry of Technical and Higher Education, Ministry of Trade and Industry, Ministry of Tourism and Culture and Ministry of Youth Affairs.

Executive Director Dr. Floribert Ngaruko with H.E. President Julius Maada Bio, President of the Republic of Sierra Leone

4.2.3.5. ED’s Visit to the Republic of Zambia

On March 14- 15, 2023, the ED, accompanied by his Advisor Ms. Ndapiwa Segole, visited the Republic of Zambia to discuss with the Zambian authorities the country’s development challenges and opportunities, as well as the status of the debt situation. The mission provided an opportunity to discuss ways in which the relationship between the Government of the Republic of Zambia and the World Bank Group (WBG) could be strengthened and projects better implemented to enable the country to access more resources.

Dr. Ngaruko met with the Governor of the World Bank Group and the Minister of Finance, Hon. Dr. Situmbeko Musokotwane, the Governor of Reserve Bank of Zambia, Dr. Denny Kalyalya, Minister of Agriculture, Hon. Reuben Mtolo Phiri, Minister of Transport and Logistics, Hon. Frank Tayali, Minister of Energy, Mon. Peter Chibwe Kapala, the President of the Zambia Chamber of Commerce and Industry, Dr. Chabuka Kawesha, as well as the World Bank Country Office Staff. During the mission, the ED discussed the WBG Evolution process, and the Minister was of the view that the WBG should do more on private sector development to help countries grow their economies. In his meetings with the ministries of Agriculture, Transport & Logistics and Energy, the ED discussed the ministries’ priorities, project implementation challenges and ways in which the Bank could enhance its support for the Ministries. The Minister and the Governor of the Central Bank thanked ED for his briefing and encouraged him to continue supporting the country to conclude the debt restructuring process. The ED also interacted with the WBG Country office staff to understand challenges that affect their conditions of service. On private sector development, the ED held discussions with the President of the Zambia Chamber of Commerce and Industry to discuss the importance of sustainable private sector development and strengthening SME development to promote economic growth. After the mission, the ED took a site visit to the Zambia Agribusiness and Trade project to appreciate some of the implementation challenges of the WBG-funded projects.

Executive Director Dr. Floribert Ngaruko with Hon. Dr. Situmbeko Musokotwane, Minister of Finance and Economic Planning,cRepublic of Zambia

4.2.3.6. ED's Visit to the Republic of Burundi

On March 17-21, 2023, ED, accompanied by his Advisor, Mr. Venuste Ndikumwenayo, visited the Republic of Burundi and had a courtesy meeting with the Governor of the World Bank Group and Minister of Finance, Budget, and Economic Planning, Hon. Audace Niyonzima, to discuss the WBG's support to the country and progress on ongoing economic reform measures in the country. This meeting was attended by other two Ministers, namely Hon. Prof. Francois Havyarimana, Minister of Education (Alternate Governor), and Hon. Dieudonne Dukundane, Minister of Infrastructure as well as some key government officials representing the Ministers responsible for Industry and Trade, Energy, Health, Youth, Communication, and Security and Local Administration. Ministers expressed satisfaction with the strong partnership between Burundi and the WBG and highlighted the need to accelerate efforts to improve the low disbursement rate.

While on the visit, the ED paid a courtesy visit to H.E. Gervais Ndirakobuca, Prime Minister of Burundi to discuss Burundi's progress in addressing corruption and promotion of good governance. The discussion also covered Burundi's cooperation with both the WBG and the IMF particularly focusing on the exchange rate policy reform, as well as the reforms in the energy and mining sectors. The ED also held meetings with representatives of the private sector and the staff of WB Bujumbura Country Office.

Executive Director Dr. Floribert Ngaruko with H.E. Audace Niyonzima, Minister of Finance, Budget and Economic Planning, Republic of Burundi, visiting a WB-financed project site.

4.2.3.7. ED's Visit to the Republic of Rwanda

On March 21-23, 2023, the ED, supported by his Senior Advisor, Mr. Fisseha Kidane, undertook a mission to the Republic of Rwanda, to consult the Government on Rwanda's development agenda, including the country's priorities and challenges. The ED met and briefed the Rt. Hon. Dr. Edouard Ngirente, Prime Minister of the Republic of Rwanda on the Evolution of the WBG and used the opportunity to highlight the additional work required to improve WB-financed project implementation performance in the country. He also discussed Rwanda's development agenda and priorities, highlighting the progress made so far, emerging signs of strong economic recovery in 2023, and remaining development challenges, including a deficit in access to water supply and sanitation services. The ED further congratulated the Prime Minister on Rwanda's performance, including the quality of dialogue with the WBG, the use of innovative project designs and a strong focus on climate change. The Prime Minister also expressed the importance of the Constituency Meetings to raise and discuss common issues for the membership including collaboration on regional integration.

The ED met Hon Dr. Uzziel Ndagijimana, the Governor for the WBG and Minister of Finance and Economic Planning and briefed him on the ongoing discussions on the WBG Evolution. The ED highlighted the challenges of project implementation in Rwanda since COVID, and the need to improve disbursements. The Minister thanked the ED for the Office's proactive role and described the partnership between Rwanda and the WB as very strong, partly reflecting the confidence of several partners to co-finance Bank-supported projects. The Minister highlighted the significant potential for strengthening regional cooperation among economies in Eastern Africa including by leveraging IDA's regional window and using some of the Bank's guarantee instruments.

In addition, the ED held meetings with Dr. Erneste Nsabimana, the Minister for Infrastructure; Dr. Valentine Uwamariya, the Minister for Education, and Dr. Ildephonse Musafiri, the Minister for Agriculture and Animal Resources. Discussions on sectoral issues, priorities and challenges were held with the Minister of Infrastructure, the Minister of Education and the Minister of Agriculture and Animal Resources. Dr. Ngaruko also met with the CEO of Rwanda's Private Sector Federation, the World Bank Country Manager for Uganda, and staff, and visited one WB-financed project site.

Executive Director Dr. Floribert Ngaruko during a site visit to a primary school in Kigali, Rwanda.
In the picture are officials of Rwanda's Ministry of Education and sector specialists from the WB Rwanda Country Office

4.2.3.8. ED's Visit to the Kingdom of Eswatini

On May 11-12, 2023, the Executive Director, Dr. Floribert Ngaruko, accompanied by his Senior Advisor, Ms. Lonkhululeko Magagula, visited the Kingdom of Eswatini. The Executive Director met the Prime Minister, Rt. Hon. Cleopas Sipho Dlamini; Minister of Finance, Senator Neal Rijkenburg, the Alternate Governor of the WBG and Principal Secretary of the Ministry of Economic Planning & Development, Ms. Thabsile Mlangeni and other Senior Officials in the Ministries of Economic Planning & Development and Finance; Minister of Health, Senator Lizzy Nkosi and Senior Officials in the Ministries of Health and Education; Senior Officials of the Ministry of Natural Resources and Energy, the Managing Director of the Eswatini Electricity Company, Mr. Ernest Mkhonta, and representative of the Eswatini Water Services Corporation; and the World Bank Country Office Staff. The purpose of the visit was to consult with the Authorities in Eswatini on the development challenges facing the country, as well as the implementation of the new Country Partnership Framework and opportunities for strengthening Eswatini's relationship with the World Bank Group (WBG). The ED took the opportunity provided by the visit to discuss the WBG Evolution and the prospects for Eswatini to mobilize concessional financing to address global challenges. The mission ended with site visits to the Eswatini Water Supply and Sanitation Access and the Eswatini Network Enhancement and Access Projects in, the most poverty-stricken region of Shiselweni.

The Executive Director, Floribert Ngaruko with the Right Honourable Prime Minister, Cleopas Dlamini

4.2.3.9. ED's Visit to the Republic of Malawi

On May 8-9, 2023, the ED, accompanied by his Advisor Mr. Josef Halwoodi undertook an official mission to the Republic of Malawi. The ED met with Hon. Sosten Gwengwe, WBG Governor and Minister of Finance and Economic Affairs; Hon. Sam Kawale, Minister of Agriculture; Hon. Madalitso Wirima Kambauwa, Minister of Education and Hon. Dr Michael Usi, Minister of Natural Resources and Climate Change as well as Ms. Sphiwe Mauwa, Director of Administration in the Ministry of Industry and Trade.

During the meeting with Hon. Sosten Gwengwe, WBG Governor and Minister of Finance and Economic Affairs, the ED expressed the Office's condolences to the government and people of Malawi for the devastating impact and loss of lives caused by Tropical Cyclone Freddy. He also discussed the WBG evolution and the need for Malawi to access more support to address emerging global challenges particularly the issues of climate change. The ED discussed the need for Malawi to build more resilience to address disaster-related pandemics that continue to impact its economic performance. The ED reiterated the Office's commitment to strengthen the partnership and support Malawi during difficult times. The ED further indicated that his Office in partnership with the WBG Community Connection Campaigns and UNICEF had launched a Disaster Relief Drive contributions on April 26, 2023, which lasted until May 10, 2023, towards Malawi Cyclone. He further commended the Government's commitment to governance and economic reforms and encouraged the Government to continue addressing corruption. The ED encouraged Malawi to build capacity to stimulate economic recovery in the face of low reserves and limited fiscal space. He further encouraged the government to fast-track procurement processes and address the bottlenecks that hinder project implementation to improve its disbursement rate.

Executive Director, Dr. Floribert Ngaruko pictured with Hon. Sosten Gwengwe, Governor and Minister of Finance and Economic Affairs (3rd from right). Second from left is Josef Halwoodi, Advisor to the Executive Director, Mr. William Matambo, Deputy Governor of the Reserve Bank (second right) and other Senior officials from the Reserve Bank of Malawi.

In another meeting, the ED met with Hon. Sa Kawale, Minister of Agriculture to discuss the diversification and commercialization in the agriculture sector. He further paid a courtesy visit to the Hon. Kambauwa, Minister of Education to appreciate the progress Malawi has made on Human Capital. During the meeting with Hon. Dr. Usi, Minister the Minister expressed the need to build capacity to adapt, implement climate-smart projects, and become more resilient to increasingly frequent and severe disasters. In his meeting with Ms. Sphiwe Mauwa, Director of Administration in the Ministry of Industry and Trade, Dr. Ngaruko highlighted the importance of the private sector and Micro and Small Medium Enterprises (MSME) development as the primary drivers of job creation and indicated that the WBG's private sector arm, IFC provides supports to private sector development, to enable economic transformation and job creation. Dr. Ngaruko also visited the WBG Country Manager, Mr. Hugh Riddell, and the staff in the Country Office to discuss human resource related issues. After the official visit, the ED visited the Dedza One Stop Border Post Project constructed under the Southern Africa Trade and Transport Connectivity Project and Dedza Hospital Trauma Centre and Dedza District Hospital.

4.2.3.10. ED's Visit to the Republic of Namibia

On May 15-16, 2023, the ED accompanied by his Advisor Mr. Josef Halwoodi visited the Republic of Namibia to consult with the Government on development challenges, opportunities, reforms, and economic recovery plans and to explore ways to strengthen the partnership between Namibia and WBG. The ED met with Hon. Ipumbu Shiimi, World Bank Group Governor and Minister of Finance and Public Enterprises; Hon. Calle Schlettwein, Minister of Agriculture, Water and Land Reform; Mr. Ebson Uanguta, Deputy Governor of the Bank of Namibia; Mr. Sikongo Haihambo, Executive Director in the Ministry of Industrialization and Trade; Mr. Bryan Eiseb, Acting Executive Director in the Ministry of Mines and Energy as well as Mr. James Mnyupe, Economic Advisor to the President.

During the meeting with the Minister of Finance and Public Enterprises of the Republic of Namibia, Hon. Shiimi discussed recent economic developments and the fiscal policy stance of the government over the medium term, which is focused on reducing the fiscal deficit and stabilizing public debt, diversifying, and growing the economy to enable job creation. The Minister also discussed the green hydrogen project and its anticipated transformational impact on the economy which includes inter alia: creating massive employment opportunities to support the government's efforts in fighting poverty, production of clean energy (free from carbon dioxide) as well as ammonia, which can be used in fertilizers and can be exported to the region.

The ED commended the Minister for his leadership and for achieving 4.6 percent GDP growth during FY22. The ED also discussed the WBG Evolution Roadmap and the appointment of the new World Bank President, Mr. Ajay Banga and highlighted that the President's primary focus is on the private sector development, which is very critical for Namibia given the importance of private sector development in Namibia's Fifth National Development Plan (NDP5).

He further held sectoral meetings with Hon. Schlettwein, Minister of Agriculture, Water and Land Reform; Mr. Ebson Uanguta, Deputy Governor of the Central Bank of Namibia; Mr. James Mnyupe, Economic Advisor to the President; Mr. Eiseb, Acting Executive Director in the Ministry of Mines and Energy; and Mr. Haihambo, Executive Director in the Ministry of Industrialization and Trade.

Executive Director, Dr. Floribert Ngaruko with Hon. Ipumbu Shiimi, Governor and Minister of Finance and Public Enterprises of the Republic of Namibia (center) accompanied by the Advisor to the Executive Director, Mr. Josef Halwoodi (right).

4.2.3.11. ED's Visit to the Republic of South Sudan

On June 18-20, the ED, accompanied by his Advisor Mr. Abraham Diing Akoi, visited Juba, South Sudan, to consult with authorities and government officials aimed at strengthening the relationship between South Sudan and the World Bank Group to support South Sudan's development agenda. During the visit, the Executive Director met with H.E. Dr. Riek Machar, First Vice President of the Republic of South Sudan, Hon. Dr. Dier Tong Ngor, Minister of Finance and Planning, Senior Management of the Ministry of Finance and Planning, and Hon. Johnny Ohisa Damian, Governor of Bank of South Sudan. The authorities discussed the ongoing conflict in Sudan as a major challenge causing an influx of refugees and trade disruptions that could significantly affect South Sudan's development priorities. High food insecurity and widespread extreme poverty compounded by insufficient official development assistance, weak governance, inadequate service delivery, and ongoing localized conflict are also significant concerns. The Executive Director also met with various representatives from the Donor Community to discuss the World Bank Evolution Roadmap and the World Bank Country Staff to address various human resource concerns raised by the staff.

4.2.3.12. ED's Visit to the United Republic of Tanzania

Dr. Floribert Ngaruko, Executive Director for Africa Group1 Constituency, visited the United Republic of Tanzania during July 27-29, 2023. The main purpose of the visit was to consult with the authorities of the United Republic of Tanzania on the development challenges facing the country, as well as the portfolio and the implementation of the new Country Partnership Framework and opportunities for strengthening United Republic of Tanzania's relationship with the World Bank Group (WBG).

From the left to the right: Mr Rished Bade (Commissioner for external Finance), Dr. Natu El-Maarmy Mwamba (Permanent Secretary), Dr. Mwigulu L. Nchemba (Minister of Finance), Dr. Floribert Ngaruko (Executive Director) and Mr. Venuste Ndikumwenayo (Advisor to the Executive Director)

The visit was conducted right after the Heads of States Summit on Human Capital that took place between July 25-26, 2023, which impacted the availability of different authorities that the Executive Director had initially expected to meet. His visited was therefore limited to the meeting with the Hon. Minister of Finance and his delegation and a field visit of one project financed by the World Bank.

The Meeting with the Minister of Finance, Governor for the United Republic of Tanzania to the World Bank Group, Hon. Mwigulu L. Nchemba and his team touched, among others, on (i) recent macroeconomic developments, challenges, and outlook , (ii) the World Bank portfolio and the implementation status of active projects, (iii) preparations for hosting the IDA Mid-Term Review to take place in Zanzibar in December 2023, and (iv) the initiatives underway to connect Tanzania, Burundi and the Democratic Republic of Congo through a standard gauge railway project and its financing and strategies for the three countries.

The Executive Director also visited the Dar Es Salaam Urban Transport Improvement Project (DUTP), of which the objective is to address traffic congestion through scale-up of Bus Rapid Transit (BRT) system and improved accessibility into Dar Es Salaam city.

Dr. Floribert Ngaruko, Executive Director (second from left) visiting the BRT project in Dar Es Salaam

4.2.3.13. World Bank Group President's visit to Ethiopia

President Ajay Banga's visit to Ethiopia, occurring from July 31 to August 3, 2023, holds immense significance in revitalizing collaborative relationship between the World Bank Group (WBG) and Ethiopia. The President's engagements during the visit were diverse and strategic, encompassing diplomatic discussions with Prime Minister Abiy Ahmed, explorations of Ethiopia's cultural heritage, and strategic meetings aimed at bolstering the country's economic growth and stability. Key topics covered during the discussion included the Homegrown 2.0 reform agenda, currency exchange concerns, and support for private sector development. The visit also emphasized regional diplomacy and cooperation, culminating in a dinner hosted by the Ethiopian government, reaffirming their commitment to collaboration and partnership.

Executive Director, Dr Floribert Ngaruko with WBG's President visiting the BRT project in Addis Ababa - Ethiopia

4.2.3.14 WB Vice President for East and Southern Africa's Visit to Burundi

The Executive Director joined Ms. Victoria Kwakwa, the Vice-President for Eastern and Southern Africa region, during her visit to the Republic of Burundi between September 6-9, 2023. This visit was an opportunity to re-affirm the WBG's continuous support for Burundi, gain in-depth understanding of the role the Bank is playing in the country, and engage officials of the Burundian government in discussions on topics relating to the economic transformation agenda of the country.

From Right to Left: Dr Floribert Ngaruko (ED), Audace Niyonzima (Finance Minister-Burundi)., H.E. Gervais Ndirakobuca (Prime Minister of Burundi), Victoria Kwakwa (VP-AFE), Albert Zeufack (WB),, Hawa Cisse Wague (WB), Malick Fall (IFC).

The visit of the Vice-President was framed under the overall theme "**Support reforms and build infrastructure for strong, sustainable and inclusive growth**", and the focus was particularly put on (i) deepening economic and structural reforms; (ii) bridging the infrastructure gap (energy, road & railway); (iii) improving resilience to conflict and climate change; and (iv) reinforcing human capital. With this design, the meetings with the various authorities served to (a) emphasize the strong collaboration between the authorities and the WBG, (b) discuss critical aspects linked to the country's development and growth; and (c) examine future directions for WBG support in Burundi to scale up development.

The key meetings included systematic discussions with the Minister of Finance, with the Prime Minister, and with the President of the Republic. The meeting with the Prime Minister and selected members of the Government focused on the engagement of the WBG in supporting the country on its reform agenda already initialed in collaboration with the IMF. The meeting was also an opportunity for the authorities to formally request the support from the World Bank Group to support the vision of the authorities regarding the economic transformation to eradicate poverty and foster sustainable and inclusive growth, through reforms and financing for key sectors, notably the mining sector and infrastructure.

From Right to Left: Dr Floribert Ngaruko (ED), Malick Fall (IFC), Hawa Cisse Wague (WB), H.E. Evariste Ndayishimiye (President of Burundi), Victoria Kwakwa (VP-AFE), Albert Zeufack (WB), Audace Niyonzima (Finance Minister-Burundi).

Towards the end of the visit, there was a courtesy visit to H.E. Evariste Ndayishimiye, President of Burundi where the discussion stressed the economic reform agenda that the country has embarked on and there was an exchange on the priorities of the government to see how the Bank can finance key infrastructure.

4.2.3.15. WB Vice President for East and Southern Africa's Visit to Kenya and Somalia

On February 6-7, 2023, Ms. Victoria Kwakwa, the World Bank Vice President for Eastern and Southern Africa, made her inaugural mission to the region by visiting the Republic of Kenya. The Office of the Executive Director, represented by the Alternate Executive Director (AED), Dr. Zarau Kibwe, and Ms. Naomi Rono, Senior Advisor to the Executive Director accompanied Ms. Kwakwa on this mission. The VP met with the President of the Republic of Kenya, H.E. President William Ruto, the Cabinet Secretary of the National Treasury and Economic Planning, Prof Njuguna Ndung'u, and the Governor of the Central Bank of Kenya, Dr. Patrick Njoroge. The WB Vice President discussed the macroeconomic situation of Kenya in addition to the immediate, medium-term, and long-term needs of the country, resulting in an agreement on follow-up actions.

World Bank Vice President for Eastern and Southern Africa Victoria Kwakwa and Alternate Executive Director Dr. Zarau Kibwe with H.E. President William Ruto, Republic of Kenya

On February 5, 2023, Ms. Kwakwa, the World Bank VP for East and Southern Africa, visited the Republic of Somalia. Ms. Kwakwa was accompanied by the Alternate Executive Director, Dr. Zarau Kibwe, and the Advisor to the Executive Director, Mr. Abdirahman Bashir Shariff. Ms. Kwakwa met with H.E. Hassan Sheikh Mohamud, President of the Federal Government of Somalia, H.E Hamza Barre, Somalia's Prime Minister, the Minister of Finance, key Cabinet Ministers and some of the development partners based in Somalia. The Vice President noted the aggressive economic reforms undertaken by Somalia's leadership and their strong commitment to work with the IMF, WBG, and other partners to reach the Highly Indebted Poor Countries (HIPC) completion point by the end of 2023. The Federal Government of Somalia authorities appreciated the Vice President's visit to Somalia and the substantial increase in the Bank's investment in Somalia's key priority areas which include emergency response and social protection, improving the business environment, capacity building, governance, and social sector recovery.

The Alternate Executive Director, Dr. Zarau Wendeline Kibwe with H.E., Prime Minister H.E. Haamza Barre (second from right), H.E Elmi Nur, Minister of Finance (second from right), WB Vice President for Eastern and Southern Africa, Ms. Victoria Kwakwa (fourth from right), WB Country Manager for Somalia, Mr. Keith Hansen (fourth from left), Country Manager Ms. Kristina S (second from left) and Mr. Abdirahman Sheriff, Advisor to the ED (left)

4.2.3.16. World Bank Group Managing Director for Operations' Visit to Malawi

On April 27-29, the World Bank Group Managing Director for Operations, Ms. Anna Bjerde undertook her first visit to the Republic of Malawi. She was accompanied by Ms. Victoria Kwakwa, Regional Vice President for Eastern and Southern Africa and the Office of the Executive Director, represented by Dr. Zarau Wendeline Kibwe, the Alternate Executive Director and Mr. Josef Halwoodi, Advisor to the Executive Director. During the visit, the WBG Delegation paid a Courtesy Call to H.E. Dr. Lazarus Chakwera, President of the Republic of Malawi. On behalf of the WBG delegation, Ms. Anna Bjerde conveyed the WBG's condolences for the devastating impact and loss of lives due to Tropical Cyclone Freddy, which further strained Malawi's economy—already beset by multiple development challenges caused by the COVID-19, conflict in Ukraine and Russia, and climate change. Ms. Bjerde underscored that because of the global dimension of these challenges, the WBG had embarked on a process to address them holistically, in the context of the WBG Evolution. The Managing Director commended the Malawian Government's efforts in implementing the Agricultural Commercialization Project, which, once fully executed, has the potential to increase food supply, generate income, and address unemployment, especially among the youth. Ms. Kwakwa underscored that the WBG stands ready to support Malawi's developmental efforts by advocating for increased resources and strengthening the partnership between Malawi and the World Bank Group to achieve Malawi's long-term vision – Vision 2063.

Addressing the WBG delegation, His Excellency, Dr. Lazarus Chakwera, President of the Republic of Malawi, expressed gratitude to the team, noting that the mission is timely as Malawi was facing multiple challenges, including the recent and unprecedented devastation wrought by Tropical Cyclone Freddy. He welcomed the Bank's support and emphasized that strengthening the partnership between Malawi and the WBG aligns with the Malawi Country Partnership Framework 2021-2025. He further stressed that with the WBG's support, Malawi will be able to achieve its long-term vision (Malawi Vision 2063). The President acknowledged the myriad challenges facing the country, including commodity prices, COVID-19, Cyclone Ana and Freddy, an outbreak of cholera and unsustainable levels of debt, among others. Concurring with the WBG, he assured that, moving forward, Malawi is committed to addressing climate change, prioritizing job creation, building resilience against climate shocks, enhancing energy investment to augment power supply and supporting productivity and economic transformation.

The Alternate Executive Director, Dr. Zarau Wendeline Kibwe (fourth from the second row's right), picture with H.E. Dr. Lazarus Chakwera (center, President of the Republic of Malawi at the State House. On the front row is World Bank Group Managing Director for Operations, Ms. Anna Bjerde alongside the World Bank Group Vice President for Eastern and Southern Africa, Ms. Victoria Kwakwa.

During this time, the AED, Dr. Kibwe took the opportunity to observe the consequences of the rainfall and landslide impacts of Tropical Cyclone Freddy's rainfall and landslides in Blantyre and to talk to the city authorities. He also surveyed the mudslide's effect on Soche Hill settlements and witnessed the damage to the infrastructure caused by cyclone-induced flooding.

4.2.3.17. OED representation in major summits and forums held in Africa

Human Capital Summit

The Office of the Executive Director was represented in the Heads of States' Human Capital Summit held during July 25-26, 2023, in Dar Es Salaam, United Republic of Tanzania, where African leaders from 43 countries agreed to step up efforts to strengthen the quantity, efficiency, and impact of investments in their people. Organized under the theme "Accelerating Africa's Growth: Boosting Youth Productivity by improving Learning, Skills and Productivity of Youth", the Summit was an opportunity to discuss ways the synergic collaboration between the World Bank Group -as one of the key multilateral development institutions- and governments would lead to significant development records on human capital.

At the conclusion of the summit, a Dar Es Salaam declaration was issued expressing the commitment of participant nations to Prioritize Education and Skills Development, Enhance Health and Well-being, Empower Women and Girls, Promote Job Creation and Economic Opportunities, Ensure Social Protection and Inclusion, Strengthen Research and Innovation, and Mobilize Resources and Partnerships. Participants also reiterated their call for an increased support to the continent to better rebuild after the crisis ensuing from the COVID-19 pandemic and other multiple crises, and acknowledged the role that bilateral and multilateral development partners, as well as the private sector, civil society organizations, think tanks and academia play in investing in the continent's people and urged them to endeavor to align all support with the respective national development plans and strategies on human capital.

Africa Climate Summit

The first Africa Climate Summit took place in Nairobi, Kenya, from 4th to 6th September 2023 with the participation of African Heads of States and Governments, global leaders, representatives of international, regional and local institutions, where the OED was also represented. During the Summit, President Ruto urged African leaders to view climate challenges as opportunities to attract substantial monetary investment and revolutionize food systems. He noted that "green growth should be viewed not only as a climate necessity but also as a source of multibillion-dollar economic opportunities".

At the end of the Summit the leaders issued the Nairobi declaration on climate change and call to action which recognized the need for collective actions to act with urgency in reducing emissions, honoring past climate related promises and supporting the African continent in addressing climate change. Participants also expressed their commitment on several fronts, including to develop and implement policies, regulations and incentives aimed at attracting local, regional and global investment in green growth and inclusive economies, strengthen actions to halt and reverse biodiversity loss, deforestation, and desertification, as well as restore degraded lands to achieve land degradation neutrality, and enhance drought resilience systems to shift from crisis management to proactive drought preparedness and adaptation, to significantly reduce drought vulnerability of people, economic activities, and ecosystems.

Africa Food Systems 2023 Summit

The Africa Food Systems 2023 Summit was hosted by the United Republic of Tanzania from September 5-8, 2023, in Dar Es Salaam, in which the OED was represented. Convened on the theme "Recover, Regenerate, Act: Africa's Solutions to

Food Systems Transformation," discussions during the Summit focused on building back better food systems and food sovereignty with youth and women at the center. The theme identifies three steps needed to achieve this transformation: Recovery, Regenerate, and Act. Recovery calls for decisive strategies and actions to rebuild food systems after multiple crises and shocks. Regenerate emphasizes the need to regenerate natural capital resources with adaptation practices, innovation, and technology for sustainable food production in a changing climate context. Act urges urgent action to accelerate food systems transformation.

At the opening of the Summit, H.E. Suluhu Hassan, President of the United Republic of Tanzania delivered a speech in which the President reminded world leaders to highlight the role of women and youth through a re-energized commitment in food systems discussions. Speaking on the theme Recover, Regenerate, Act: Africa's solutions to food systems transformation, the Chair of the Africa Food System, former Prime Minister of Ethiopia, H.E. Hailermariam Dessalegn called on the continent to move from planning to executing and actualizing commitments to curb food insecurity, by using home-grown solutions to respond to emergent agricultural and food systems challenges.

Dialogue on African Agricultural Leadership

A Dialogue on Africa Agricultural Leadership was hosted by the Republic of Zambia, on June 1-2, in Lusaka, Zambia, in collaboration with the World Bank Group Office Vice President for East and Southern Africa. The dialogue, where the OED was represented, discussed African agri-food policy actions amid the growing global economic integration of its agri-food systems. Numerous speakers highlighted Africa's vast potential for increasing food production, while pointing out the numerous challenges the agri-food sector of the continent faces including low sectoral growth rates in some countries; low productivity growth in almost all countries; and increasing food insecurity which started before the COVID pandemic.

While acknowledging the scarcity of budget resources, participants agreed that countries should prioritize development of irrigation infrastructure and management for productivity growth and climate resilience as well as developing and sustaining Africa's food system anchored in agricultural research and innovation and sustainable management of natural resources and adaptation to climate change. Participants were also unequivocal about the role of trade as a fundamental driver of economic growth and improved performance of Africa's agri-food systems, which will have a bearing on the ability of the sector to deliver economic benefits and create quality jobs depends on the commercialization of the value chains. Another major takeaway from the forum was strengthening collaboration and partnerships among African countries to address common challenges and achieve shared goals to unlock the full potential of African agri-food systems. The forum affirmed the critical role of long-term and stable policies and strong institutions for the accelerated transformation of agri-food systems.

4.2.4 ADVOCATING DIVERSITY AND INCLUSION

The Office of the Executive Director (OED) continued to give priority to advocating for a more broad-based inclusion of staff of African origin in more senior and mid-management levels in the WBG structure. The objective of the advocacy is to ensure that Constituency countries, and more broadly Sub-Saharan Africa, benefit from equal opportunities at all strata. To achieve this goal, the OED has adopted a consistent engagement with Board Members including Executive Directors from various constituencies.

Table 4.2. WBG International and Local Staff from AfG1 Countries as of end-FY2022

No.	Countries	Internationally Recruited Staff	Locally Recruited Staff
1	Botswana	1	1
2	Burundi	7	7
3	Eritrea	0	3
4	Eswatini	0	0
5	Ethiopia	44	38
6	Gambia	3	4
7	Kenya	85	50
8	Lesotho	2	0
9	Liberia	1	4
10	Malawi	18	8
11	Mozambique	7	6
12	Namibia	3	0
13	Rwanda	11	5
14	Seychelles	1	0
15	Sierra Leone	3	4
16	Somalia	2	0
17	South Sudan	0	0
18	Sudan	7	3
19	Tanzania	9	14
20	Uganda	48	25
21	Zambia	14	16
22	Zimbabwe	40	14
Total		306	202

Source: World Bank

In terms of global recruitment, in FY22, the WBG's internationally recruited staff from Africa was 786, with 88.5 percent coming from SSA. The recruitment represented a 0.9 percent increase from the level in FY21. Of the internationally recruited staff, IBRD accounted for 88 percent. The WBG also recruited 417 staff at all grade levels at the local level in SSA with IBRD accounting for 80.5 percent.

For the AfG1 countries, a total of 306 staff were recruited internationally as of end FY2022 representing 39 percent of the SSA recruitment (Table 4.2). Within Constituency countries, Kenyan nationals accounted for 23.6 percent, followed by Uganda (15.6 percent), Ethiopia (14.3 percent), and Zimbabwe (13 percent). In addition, except for Eritrea, Eswatini and South Sudan, all Constituency countries had at least one national employed by the WB as an international staff in FY22.
Regarding diversity and inclusion in OED, female Advisors represent one-third of Board level staff in the OED. When combined to include all staff (17 in total), female staff represents 47 percent. The recent inclusion includes Ms. Aieshwarya Davis, a Research Analyst and the newly recruited, Mrs. Doreen Priscilla Kagarama, an Advisor from Rwanda.

Capacity Development

In the pre-COVID period, Sub-Saharan Africa (SSA) witnessed significant and consistent economic development averaging 5 percent real GDP growth per annum. However, the pandemic distorted progress and weakened existing institutions and their capacities, thereby pushing several countries in the region toward vulnerability and macroeconomic instability.

Capacity building has the merit to be one of the three main building blocks to economic growth and social development along with sound governance and economic reform[29] . Weak capacity in the private and/or public sector is a significant impediment in economic recovery and has also led to limited results in development programs despite consistent copious efforts. Much has been deliberated on the role of capacity building in the region's progress, with a consistent conclusion that to achieve SDGs and break the cycle of poverty, countries must build their human and institutional capacities.

In support of the economic transformation ambition of constituency countries and as part of the Office's Medium-Term Strategy, the OED has prioritized advocacy for increased WBG support to capacity building in the region and will continue consultations at different strategic levels. The following are some of the initiatives the OED proposes to advance in support of this agenda:

- First, the OED approached the Committee for Development Effectiveness (CODE) to facilitate a systematic review of the Bank's efforts to support capacity building in SSA.
- Second, the Office proposes that such a review be accompanied by a parallel needs assessment. The assessment of SSA's capacity-building needs will include input from specialists in capacity building – focusing on the SSA context. The process will also include reaching out to Constituency countries, relevant African institutions and other relevant institutions outside the WBG, with a focus on the subject.

[29] Nsouli, S. M. (2000, December). Capacity Building in Africa: The Role of International Financial Institutions. Finance and Development | F&D. https://www.imf.org/external/pubs/ft/fandd/2000/12/nsouli.htm

- Third, the OED will spearhead an engagement with the WB Management to crystallize options for capacity-building support to SSA. The OED identified the World Bank's Jobs and Economic Transformation (JET) agenda as one framework to scope SSA's capacity-building needs. At the center of the JET framework are policies that promote longer-term job creation opportunities as drivers of economic transformation. In addition, the IDA20 JET framework provides some concrete themes that can serve to explore selected areas for capacity-building support, including (i) Sector diversification and competitiveness, (ii) Connectivity and integration, (iii) Skills and Technology, and (iv) Enabling foundations to expand the private sector.

4.3. UPDATE ON THE 60TH EDITION OF THE AFRICAN CAUCUS MEETING

The 2023 African Caucus Meeting for African Governors was held from July 6 - 8, in the Island of Sal, Cabo Verde. The Deputy Prime Minister, Minister of Finance, Business Development, and Governor of the International Monetary Fund (IMF) and the World Bank Group (WBG) for the Republic of Cabo Verde, Hon. Olavo Correia, chaired the 2023 African Caucus events under the theme "New Modalities and Mechanism to Finance Economic Development in Africa". African Caucus was preceded by the 2023 African Consultative Group (ACG) Meeting held during the 2023 IMF/WBG Spring Meetings to review the WBG Management's response to the 2022 African Caucus Memorandum.

During the meeting, African Governors underlined key pathways to help the continent ensure "public debt sustainability", unlock "climate and energy financing", and boost "private sector development" in a memorandum that would be considered by the Bretton Woods Institutions heads. The Memorandum also included Governors' views and asked for consideration in the ongoing WBG Evolution process.

On Public debt sustainability, Governors called on the BWIs to ensure a fair, inclusive, and just global financial architecture by facilitating debt relief that is equitable, rapid, comprehensive, and sizable. They asked for assistance to improve multilateral debt restructuring frameworks, enhance the transparency of loan terms and contracts, accelerate reforms that support the extension of eligibility to highly indebted middle-income countries (MICs) in Africa, and ease aggressive limits on non-concessional borrowing. Governors urged the BWIs to ensure that measures are explored to optimize the balance sheet and that the implementation of the G20 Capital Adequacy Framework, does not result in the significant hardening of lending terms that could have unintended consequences on the debt sustainability of African countries. They also called for reforms of the debt resolution and regulatory framework by overhauling the Common Framework to make it more effective, time-bound, and transparent; and embedding climate contingency clauses and collective action clauses in debt issuances. They further encouraged bolstered support against Illicit Financial Flows (IFFs), tax evasion and avoidance, trade mis-invoicing and transfer pricing while facilitating stolen assets recovery and strengthening the capacity of public revenue-earning entities to boost domestic resource mobilization.

On unlocking climate financing, Governors yearned to see faster and larger mobilization of the US$2.8 trillion climate financing needed from international public and private sector sources, including the developed countries' unmet commitment of US$100 billion per year, retroactive to 2020 to close the funding gap which represented only about a third of Africa's climate financing needs. They called for a high-level ambition in the ongoing discussions on the development of a New Common Quantified Goal for climate finance that is informed by the climate finance needs of developing countries. Governors urged the BWIs to facilitate access to green climate financing; streamline the IMF's Resilience and Sustainability Trust (RST) requirements to enable increased uptake by African countries that need them most; encourage additional member countries to finalize their pledges and meet the RST's fundraising targets; and establish a Trust Fund for debt swaps for climate and SDGs. Going forward, they emphasized the need for intensified fundraising efforts to replenish the concessional resources in the Poverty Reduction and Growth Trust (PRGT) account, and the timely fulfillment of RST pledges to ensure adequate climate financing. Governors also asked for a scaling up of the pipeline of adaptation projects such that Africa does not end up disproportionately paying for climate change.

On energy financing, African Governors asked the WBG to meet or exceed the US$200 billion required between 2021 and 2030, based on data from the Summit on the Financing of African Economies held in Paris, France, on May 18, 2021 - to ensure access to electricity for more than 600 million people and clean energy for 900 million persons across the continent. They also asked for support during the implementation of energy programs and projects that are aligned to the Integrated Resource Plans of countries as well as the achievement of the Nationally Determined Commitments, to ensure that the priorities of energy access and security are adequately met. Governors urged the BWIs to deploy innovative financing instruments, de-risk products, and risk-sharing mechanisms to finance energy projects, including midstream and downstream hydro and gas-to-power projects, with the related resilience of transport, transmission, and distribution networks, for increased energy baseload, uptake, and trade across the Continent in the context of the African Continental Free Trade Agreement (AfCFTA), via the Northern, Southern, Western, Eastern, and Central Africa's power pools. They also emphasized to need to set up, contribute to, leverage private funding for, and manage a Multi-Donor Energy Trust Fund (MDE TF) that will finance a bankable upstream pipeline of transformative energy projects in Africa and provide financing for innovative technologies that enhance the capacity and performance of national utility companies.

On private sector development, Governors exhorted the BWIs to scale up the use of the IDA Private Sector Window (PSW); mobilize substantial private savings from global institutional investors, like pension funds and insurance companies; re-engineer financial markets and create investable assets; and embed de-risking as a key avenue for private investment, using various financing instruments that are most commercially attractive to private investors, including blended finance and Public Private Partnerships (PPPs). They lobbied for support of the development of African private equity and venture capital funds, as well as African private equity associations and microfinance institutions, to incubate a pipeline of readily investable private companies and accelerate the growth of African Micro, Small, and Medium-sized Enterprises (MSMEs) for the emergence and prosperity of a truly indigenous private sector. Governors urged the BWIs to develop, finance and deploy throughout the continent digital platforms that allow young

African entrepreneurs to incubate and commercialize their ideas and products while enhancing their skill sets to be deployed. They further asked for support through the newly launched B-Ready Project to facilitate African economies' business readiness and industrialization to mobilize needed investments for sustainable, inclusive development and economic growth.

Additionally, Governors appealed to the BWIs to support a new Global Financial Architecture that yields a higher ambition and a stronger resolve to deliver additional and incremental concessional resources to insulate the poor and vulnerable and support improved progress in Africa's development agenda. They echoed the Africa High-Level Working Group on the Global Financial Architecture and the Paris Summit on the New Global Financing Pact (June 22-23, 2023), and the UN SDGs Plan to: Lower the cost of financing and increase its availability by ensuring the financial sustainability of the Poverty Reduction and Growth Facility (PRGT); scaling up available resources for the International Development Association (IDA); and operationalizing the re-channeling of Special Drawing Rights (SDRs) through Multilateral Development Banks (MDBs) in addition to replenishing PRGT and RST while increasing the availability of blended finance.

On the WBG Evolution, Governors encouraged the WBG to bolster and scale up the response to eradicate extreme poverty, address global challenges, and achieve the SDGs, serving all client countries, by ensuring that the global commitment to address climate change is underpinned by the development agenda and demonstrates clear interlinkages between addressing global challenges and delivering on the SDGs. They want recognition that increasing Sub-Saharan Africa's on-grid and off-grid baseload capacity for energy security is an essential growth enabler and prioritization of investments in various energy sources, including hydro and gas, would facilitate Africa's transition to cleaner sources. Reinvigorating concessional resources for compounded crises affecting Africa; providing additional funds to the Crisis Response Window Plus (CRW+); maintaining that any additional resources going to IBRD should not be at the expense of IDA; convening donors to contribute to IDA21 replenishment; and mobilizing considerable private financing. Governors also urged the WBG to provide additional resources and adopt operating and financial models that consider the specificities of and serve all member countries. The WBG Management committed to continue undertaking the needed reforms in partnership with the IMF, other MDBs and development partners, taking into consideration country-specific circumstances and providing the necessary policy environment to achieve maximum impact.

The next meeting of the African Caucus will be held in October 2023, where African Governors will hand over the 2023 African Caucus Memorandum to the WBG President and the Managing Director of IMF.

ANNEXES

SCHEDULE I
ROTATION SCHEDULE FOR CONSTITUENCY CHAIRMANSHIP
FIRST ROUND 2010 - 2052

YEAR	CHAIRPERSON	VICE CHAIRPERSON
2010	BOTSWANA	BURUNDI
2012	BURUNDI	ERITREA
2014*	ERITREA	ETHIOPIA
2016	ETHIOPIA	GAMBIA, THE
2018	GAMBIA, THE	KENYA
2020	KENYA	LESOTHO
2022	LESOTHO	LIBERIA
2024	LIBERIA	MALAWI
2026	MALAWI	MOZAMBIQUE
2028	MOZAMBIQUE	NAMIBIA
2030	NAMIBIA	RWANDA
2032	RWANDA	SEYCHELLES
2034	SEYCHELLES	SIERRA LEONE
2036	SIERRA LEONE	SOMALIA
2038	SOMALIA	SOUTH SUDAN
2040	SOUTH SUDAN	SUDAN
2042	SUDAN	ESWATINI
2044	ESWATINI	TANZANIA
2046	TANZANIA	UGANDA
2048	UGANDA	ZAMBIA
2050	ZAMBIA	ZIMBABWE
2052	ZIMBABWE	BOTSWANA

* Eritrea declined to serve as Chair in 2014

NOTES/ IMPLEMENTATION GUIDE/POLICY FOR ROTATION SCHEDULE I:

1. Every country is given turn for Chairmanship in alphabetical order from A to Z
2. Avoids duplication with IMF Rotation - Governors not serving on the IMF Constituency Panel are given preference
3. A country could decide to pass its turn, for any reason
4. A country could decide to switch turn with another country closely in line on the Rotation Schedule I
5. Except where a country agrees to switch its turn with another country next in line on the rotation table, any country that declines to serve in the allotted year shall be deemed to forego its turn in the first round of implementation of Rotation Schedule I

SCHEDULE II
ROTATION SCHEDULE FOR CONSTITUENCY PANEL MEMBERSHIP
FIRST ROUND 2010 – 2052

YEAR	CHAIRPERSON	VICE CHAIRPERSON	OTHER PANEL MEM		
2010	BOTSWANA	BURUNDI	SEYCHELLES	KENYA	SIERRA LEONE
2012	BURUNDI	ERITREA	RWANDA	ESWATINI	LIBERIA
2014*	ERITREA	ETHIOPIA	LESOTHO	ZAMBIA	SOUTH SUDAN
2016	ETHIOPIA	GAMBIA, THE	NAMIBIA	ZIMBABWE	SUDAN
2018	GAMBIA, THE	KENYA	MOZAMBIQUE	MALAWI	TANZANIA
2020	KENYA	LESOTHO	ESWATINI	BOTSWANA	ETHIOPIA
2022	LESOTHO	LIBERIA	RWANDA	BURUNDI	SOUTH SUDAN
2024	LIBERIA	MALAWI	MOZAMBIQUE	ETHIOPIA	ZAMBIA
2026	MALAWI	MOZAMBIQUE	GAMBIA, THE	UGANDA	KENYA
2028	MOZAMBIQUE	NAMIBIA	ETHIOPIA	SOMALIA	ERITREA
2030	NAMIBIA	RWANDA	BOTSWANA	SOUTH SUDAN	LIBERIA
2032	RWANDA	SEYCHELLES	LESOTHO	UGANDA	TANZANIA
2034	SEYCHELLES	SIERRA LEONE	SUDAN	ZIMBABWE	LIBERIA
2036	SIERRA LEONE	SOMALIA	KENYA	BOTSWANA	MALAWI
2038	SOMALIA	SOUTH SUDAN	ESWATINI	ZAMBIA	BOTSWANA
2040	SOUTH SUDAN	SUDAN	LIBERIA	MALAWI	BURUNDI
2042	SUDAN	ESWATINI	SOMALIA	SIERRA LEONE	LESOTHO
2044	ESWATINI	TANZANIA	UGANDA	ERITREA	NAMIBIA
2046	TANZANIA	UGANDA	ZAMBIA	SEYCHELLES	BOTSWANA
2048	UGANDA	ZAMBIA	ZIMBABWE	KENYA	GAMBIA,THE
2050	ZAMBIA	ZIMBABWE	UGANDA	BURUNDI	LIBERIA
2052	ZIMBABWE	BOTSWANA	LIBERIA	SUDAN	RWANDA

• Eritrea declined to serve as Chair in 2014

NOTES/ IMPLEMENTATION GUIDE/POLICY FOR ROTATION SCHEDULE II:
1. Every country is given a turn for chairmanship in alphabetical order from A to Z
2. Avoids duplication with IMF Rotation - Governors not serving on the IMF constituency Panel are given preference
3. Generally, panel members reflect regional balance (East, South and West)

SCHEDULE III
ROTATION SCHEDULE FOR CONSTITUENCY REPRESENTATION ON THE DEVELOPMENT COMMITTEE
FIRST ROUND 2010 -2052

YEAR	DC MEMBER	ALTERNATE	ASSOCIATES			
2010	ZIMBABWE	ZAMBIA	TANZANIA	ERITREA	RWANDA	GAMBIA, THE
2012	ZAMBIA	UGANDA	GAMBIA, THE	MALAWI	LESOTHO	KENYA
2014	UGANDA	TANZANIA	NAMIBIA	MOZAMBIQUE	ZIMBABWE	SIERRA LEONE
2016	TANZANIA	ESWATINI	LESOTHO	RWANDA	BURUNDI	LIBERIA
2018	ESWATINI	SOUTH SUDAN	SIERRA LEONE	SOMALIA	LESOTHO	UGANDA
2020	SOUTH SUDAN	SUDAN	NAMIBIA	ZIMBABWE	GAMBIA, THE	BURUNDI
2022	SUDAN	SOMALIA	KENYA	ZAMBIA	ESWATINI	SIERRA LEONE
2024	SOMALIA	SIERRA LEONE	ZIMBABWE	LESOTHO	NAMIBIA	GAMBIA, THE
2026	SIERRA LEONE	SEYCHELLES	ESWATINI	ETHIOPIA	BOTSWANA	TANZANIA
2028	SEYCHELLES	RWANDA	SUDAN	TANZANIA	ZIMBABWE	ESWATINI
2030	RWANDA	NAMIBIA	KENYA	SUDAN	ZAMBIA	SIERRA LEONE
2032	NAMIBIA	MALAWI	BURUNDI	KENYA	SIERRA LEONE	SOUTH SUDAN
2034	MALAWI	MOZAMBIQUE	TANZANIA	GAMBIA, THE	ETHIOPIA	BURUNDI
2036	MOZAMBIQUE	LIBERIA	LESOTHO	ZAMBIA	ERITREA	SEYCHELLES
2038	LIBERIA	LESOTHO	GAMBIA, THE	MALAWI	NAMIBIA	RWANDA
2040	LESOTHO	KENYA	MOZAMBIQUE	ZAMBIA	ZIMBABWE	UGANDA
2042	KENYA	GAMBIA, THE	BOTSWANA	NAMIBIA	ETHIOPIA	RWANDA
2044	GAMBIA, THE	ETHIOPIA	ZAMBIA	ZIMBABWE	LIBERIA	MALAWI
2046	ETHIOPIA	BURUNDI	SIERRA LEONE	LIBERIA	LESOTHO	SOUTH SUDAN
2048	BURUNDI	ERITREA	LIBERIA	SOMALIA	ESWATINI	NAMIBIA
2050	ERITREA	BOTSWANA	KENYA	SIERRA LEONE	SEYCHELLES	RWANDA
2052	BOTSWANA	GAMBIA, THE	SIERRA LEONE	KENYA	ETHIOPIA	MOZAMBIQUE

NOTES:

1. Avoids duplication with the other Panel membership
2. DC Member and Alternate Member accord opportunity in descending alphabetical order (Z to A)
3. Associate members are elected to provide regional balance
4. Schedule revised/updated in October 2012 to include South Sudan
5. Size of DC representation reduced from 8 to 6, dropping the Chair and Vice-Chair to avoid duplication with the Panel

SCHEDULE IV
ROTATION SCHEDULE FOR EXECUTIVE DIRECTOR AND ALTERNATE EXECUTIVE DIRECTOR
FIRST ROUND 2010 - 2052

YEAR	EXECUTIVE DIRECTOR	ALTERNATE ED
2010	SUDAN	ZAMBIA
2012	ZAMBIA	SEYCHELLES
2014	SEYCHELLES	ZIMBABWE
2016	ZIMBABWE	BOTSWANA*
2018	BOTSWANA	UGANDA*
2020	UGANDA	BURUNDI
2022	BURUNDI	TANZANIA
2024	TANZANIA	ERITREA
2026	ERITREA	ESWATINI
2028	ESWATINI	ETHIOPIA
2030	ETHIOPIA	SOUTH SUDAN
2032	SOUTH SUDAN	SOMALIA
2034	SOMALIA	GAMBIA, THE
2036	GAMBIA, THE	SIERRA LEONE
2038	SIERRA LEONE	KENYA
2040	KENYA	RWANDA
2042	RWANDA	NAMIBIA
2044	NAMIBIA	LESOTHO
2046	LESOTHO	MOZAMBIQUE
2048	MOZAMBIQUE	LIBERIA
2050	LIBERIA	MALAWI
2052	MALAWI	

*Botswana and Uganda switched turns in 2016-2018

NOTES/IMPLEMENTATION GUIDE/POLICY:

1. Sudan and Zambia given special dispensation to serve their turn under rotation system of the erstwhile Africa Groupl consistency
2. Seychelles which had never served the Constituency as Executive Director was accorded special dispensation on the rotation system
3. The rest of the countries follow an Alphabetical rotation alternating between Z and A until the firstround is completed
4. This schedule avoids duplication with IMF Rotation for EDs and AEDs
5. A country could decide to pass its turn, for any reason
6. A country could decide to switch turn with another country closely in line on the rotation table
7. Except where a country agrees to switch its turn with another country next in line on the rotation table, any country that declines to serve in the allotted year shall be deemed to forego its turn in the first round of implementation of Rotation Schedule IV

SCHEDULE V
ROTATION SCHEDULE FOR IDA BORROWERS' REPRESENTATIVES
FIRST ROUND 2015-2019 TO 2037-2039

REPRESENTATIVE COUNTRY	IDA CYCLE	SERVICE YEARS (3 YEAR TERMS)
ZAMBIA	IDA 17,18	2015-2019
TANZANIA	IDA 18, 19	2018-2020
SIERRA LEONE	IDA 19	2019-2021
BURUNDI	IDA 20	2022-2024
ERITREA	IDA 20	2022-2024
ETHIOPIA	IDA 20	2022-2024
GAMBIA, THE	IDA 21	2025-2027
LESOTHO	IDA 21	2025-2027
LIBERIA	IDA 22	2028-2030
MOZAMBIQUE	IDA 22	2028-2030
RWANDA	IDA 22	2028-2030
SOMALIA	IDA 23	2031-2033
SOUTH SUDAN	IDA 23	2031-2033
SUDAN	IDA 24	2034-2036
ZIMBABWE	IDA 24	2034-2036
UGANDA	IDA 24	2034-2036
KENYA	IDA 25	2037-2039
MALAWI	IDA 25	2037-2039
ZAMBIA	IDA 26	2040-2042

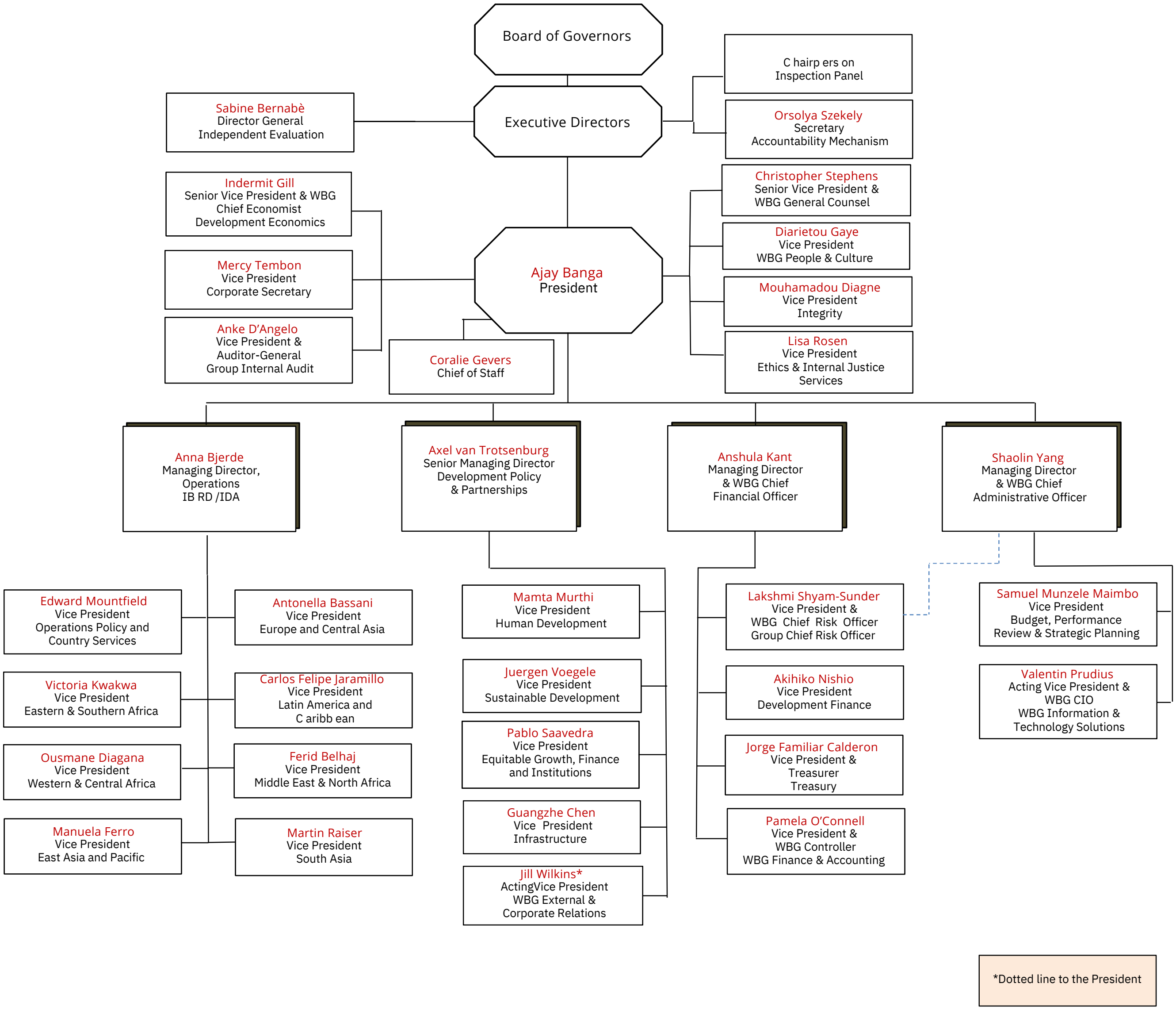
NOTES/IMPLEMENTATION GUIDE/POLICY:

1. Each country is given an opportunity to serve as Borrowers' Representative in alphabetical order, starting with the ones that have never served in this position as of 2019-2021
2. The Constituency shall have either 2 or 3 Borrowers' Representatives for each replenishment negotiation as per agreement with the Africa Group II Constituency on the World Bank Board
3. The countries that have provided Representatives until the IDA 18 cycle will come again starting with the one that served earliest, to complete the first round of implementing the Rotation Schedule
4. A country could decide to pass its turn for any reason
5. A country could switch turns with another country closely in line on the Rotation Schedule V
6. Except where a country agrees to switch turn with another country next in line on the Rotation Schedule V, any country that declines to serve in the allotted year shall be deemed to forego its turn in the first round of implementation of the Rotation Schedule V
7. A country that graduates out of IDA will not be eligible to represent the Constituency

SCHEDULE VI
ROTATION SCHEDULE FOR PROFESSIONAL STAFF IN THE OED

1	ERITREA
2	SEYCHELLES
3	BURUNDI
4	LIBERIA
5	NAMIBIA
6	SIERRA LEONE
7	RWANDA
8	MALAWI
9	ZAMBIA
10	UGANDA
11	MOZAMBIQUE
12	ZIMBABWE
13	SOMALIA
14	GAMBIA, THE
15	LESOTHO
16	TANZANIA
17	KENYA
18	ESWATINI
19	SOUTH SUDAN
20	ETHIOPIA
21	SUDAN
22	BOTSWANA

World Bank Organizational Chart Effective September 1, 2023



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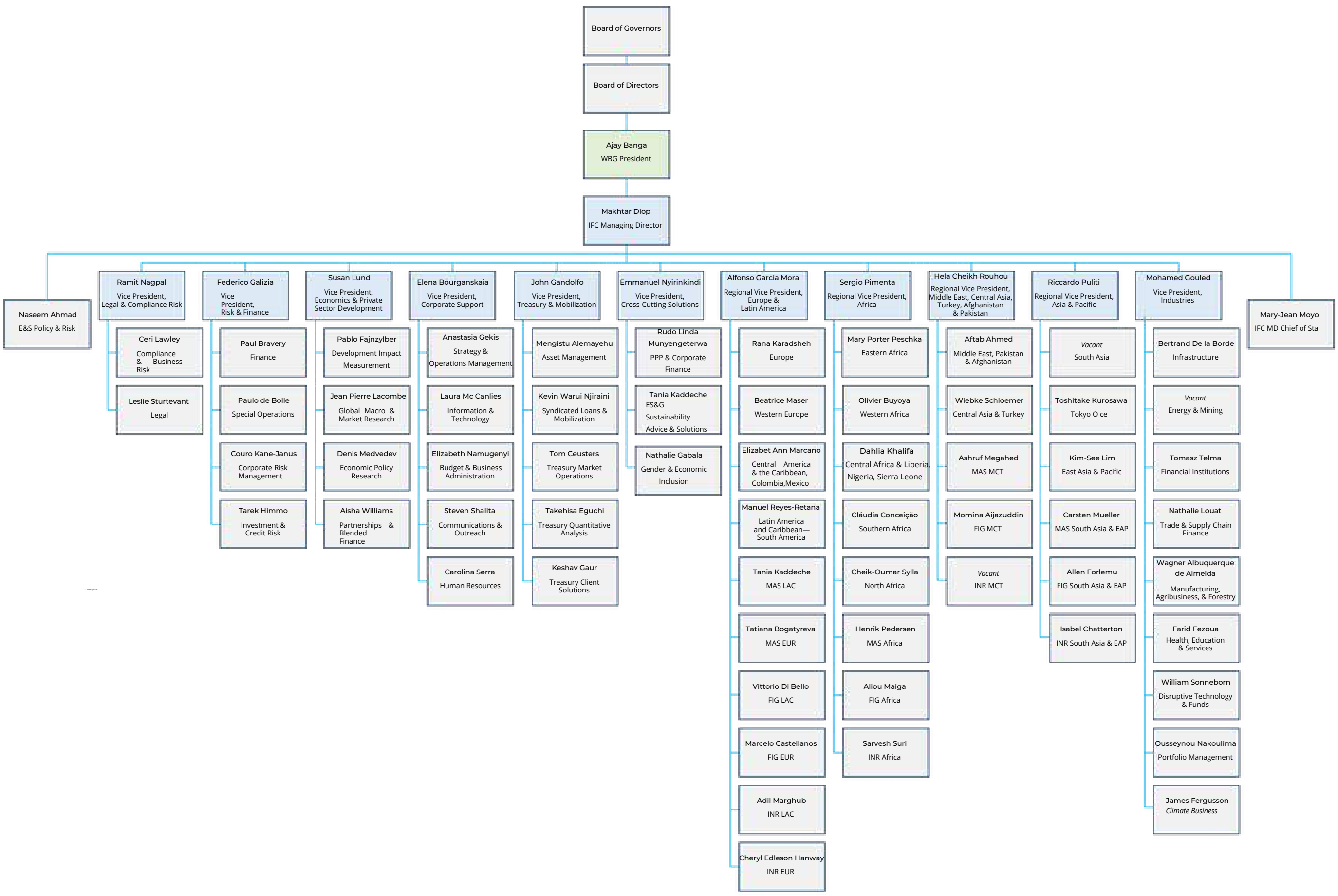
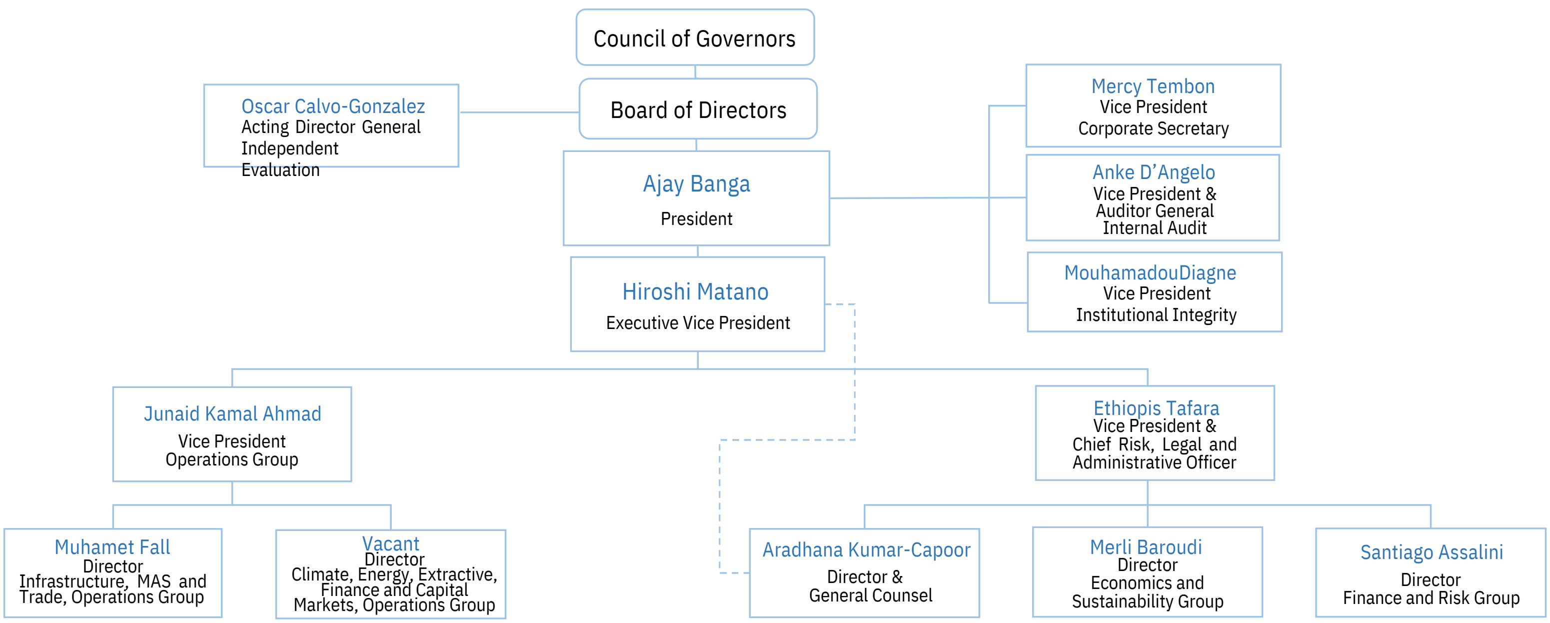
International Finance Corporation Organizational Structure, Effective September 7, 2023



MIGA Organizational Structure, Effective June 2, 2023



AFRICA GROUP 1 CONSTITUENCY STAFF

Meet the Team

Dr. Floribert Ngaruko

Executive Director

Dr. Zarau Wendeline Kibwe

Alternate Executive Director

Fisseha Aberra Kidane

Senior Advisor

Naomi Chelang'at Rono

Senior Advisor

Lonkhululeko Phumelele Magagula

Senior Advisor

Azhari Elamin

Advisor

Ndapiwa Segole

Advisor

Abdirahman Bashir Shariff

Advisor

Venuste Ndikumwenayo

Advisor

Emmanuel Plingloh Munyeneh

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