WORLD BANK GROUP

Africa Group I Constituency
FY16 Interim Report
April 2016

Louis Rene Peter Larose
Executive Director

Botswana – Burundi – Eritrea – Ethiopia - Gambia, The – Kenya – Lesotho – Liberia – Malawi – Mozambique – Namibia
Rwanda - Seychelles - Sierra Leone – Somalia - South Sudan – Sudan - Swaziland – Tanzania – Uganda – Zambia - Zimbabwe

Table of Contents

Acronyms

AFG1	Africa Group 1 Constituency
AfDB	African Development Bank
AUC	African Union Commission
COP21	21st Session of the Conference of the Parties
CPF	Country Partnership Framework
CRW	Crisis Response Window
CSOs	Civil Society Organizations
D&I	Diversity and Inclusion
DC	Development Committee
DRM	Domestic Resource Mobilization
EAP	East Asia Pacific
ECA	Europe and Central Asia
ECB	European Central Bank
ESSF	Environmental and Social Safeguards Framework
FCV	Fragility, Conflict and Violence
FDI	Foreign Direct Investment
FY	Fiscal Year
GAFSP	Global Agriculture and Food Security Program
GDP	Gross Domestic Product
GIF	Global Infrastructure Facility
GMR	Global Monitoring Report
HIPC	Heavily Indebted Poor Countries
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IFF	Illicit Financial Flows
IFIs	International Financial Institutions
IMF	International Monetary Fund
LAC	Latin American and Caribbean
LICs	Low-Income Countries
MDBs	Multilateral Development Banks
MDGs	Millennium Development Goals
MENA	Middle East and North Africa
MER	Market Exchange Rates
MICs	Middle Income Countries
MIGA	Multilateral Investment Guarantee Agency
ODA	Official Development Assistance
PEF	Pandemic Emergency Facility
PPP	Purchasing Power Parity
PPPs	Public-Private Partnerships
SA	South Asia
SCD	Systematic Country Diagnostic
SCI	Selective Capital Increase
SDGs	Sustainable Development Goals
SDR	Special Drawing Rights
SIDS	Small Island Developing States
SSA	Sub-Saharan Africa
SUF	Scale Up Facility
TAR	Turn-Around Regime
UNECA	United Nations Economic Commission for Africa
UNFCCC	United Nations Framework Convention on Climate Change
USA	United States of America
WBG	World Bank Group

Foreword by the Executive Director

This Interim Report is being issued at a time when global growth fell short of expectations and much uncertainty continues to clout the outlook. Sub-Saharan Africa (SSA) has been one of the fastest growing regions in the last decade, but recent global economic developments reflected in the decline of commodity prices and volatile exchange rates pose a real challenge for policy makers. The World Bank forecast of global economic performance shows that growth in SSA slowed to an estimated 3.4 percent in 2015, the lowest rate since 2009.

A rebound is expected in 2016-18, but is subject to downside risks, including a slowdown in China and widespread weakness across the major emerging economies that could have spillover effects in SSA and other developing countries. The lack of diversified production and exports exposes SSA economies to severe shocks in the global markets highlight the need for an economic transformation of the region. Therefore, policy obstacles within the region that constrain regional integration need to be removed or minimized and efforts towards reforms in governance and building stronger institutions as well as human capacities should be strengthened.

The uncertain outlook also calls for continued action on the financial and macroeconomic policies front to create the necessary conditions for sustainable inclusive growth and job creation in SSA. Greater international cooperation is needed to augment national policies to ensure an appropriate scale of financing. In this regard, our Office has been vigorously advocating for additional resource transfer to SSA. On its part, the WBG is undertaking a 'forward look' exercise to examine how it can best respond to the changing development landscape and demands among its clients.

We have also pursued our commitment to get the WBG reengaged and normalize its relationship with four countries in our Constituency. In this regard, I am pleased to report that we are beginning to see some positive results. Our Office facilitated a Roundtable Conference between the Government of the Republic of Zimbabwe and development partners and creditors that was held during the 2015 Annual Meetings of the International Monetary Fund (IMF) and the WBG in Lima, Peru. The Conference adopted an arrears clearance strategy known as the *Lima Strategy,* which lays the roadmap for Zimbabwe to clear its arrears with the World Bank, IMF and the African Development Bank (AfDB). The implementation of the Strategy has proceeded smoothly and to date, Zimbabwe continues to meet all its obligations as agreed under the Lima Strategy.

While Zimbabwe has made the most progress in reengaging with the International Financial Institutions (IFIs), discussions are still continuing to find the best options that could allow the State of Eritrea, the Federal Republic of Somalia and the Republic of The Sudan to reengage with the IFIs. In this regard, three Roundtable Conferences between the Governments of the Federal Republic of Somalia, the State of Eritrea and the Republic of The Sudan and development partners are scheduled to be held during the 2016 Spring Meetings of the WBG and IMF. The re-engagement of these countries with the international community is a top priority for our Office and we will continue to explore all possible means to secure arrears clearance strategies for them.

On diversity and inclusion, our Office has been at the forefront of the fight to increase the representation of African nationals at all levels of the WBG workforce. As a result, the WBG undertook a recruitment mission to SSA in August 2015. From the mission, 40 candidates have been offered positions. The WBG has also committed to continue with its efforts to recruit more SSA nationals to fill positions in Units with significant under representation of SSA staff.

This Interim Report provides further highlights of these and other issues pertinent to our development agenda. It is my hope that the Honorable Governors find the Report informative.

Louis, Rene, Peter LAROSE
Executive Director

Executive Summary

The world economy continued to face serious headwinds in 2015, with global growth falling short of expectations. A modest recovery in high income countries was overshadowed by a deceleration of economic activities in key emerging and developing economies, mainly due to the decline in commodity prices, subdued global trade, financial markets volatility and weakening capital flows. The global economy grew by 2.4 percent in 2015, down from 2.6 percent in 2014, as developing economies shed 0.6 percentage points to grow at 4.3 percent. Growth slowed down in most developing regions with only the *South Asia* (SA) region being a bright spot, due to a strong performance of the Indian economy.

A continuation of excess supply across commodity markets extended the downward trend in commodity prices, especially in the crude oil market where the average price fell by nearly 50 percent. These developments severely cut export and fiscal revenues for commodity-exporting countries, forcing revisions in spending plans and a tightening in monetary policy. Growth in the *Sub-Saharan Africa* (SSA) region dropped to 3.4 percent in 2015 from 4.3 percent in 2014, due to this factor, an intensifying energy deficit and a severe drought in some parts of the region.

Over the medium term, a rebound in global economic growth is expected as demand in high income countries strengthens and commodities prices firm up. Major risks remain, however, particularly those relating to a further slowdown in the Chinese economy, tightening of financing costs in international markets, additional gains in the US dollar, and a continuation in the outflow of portfolio investment from developing regions. Against this background, global economic growth is projected to improve to 2.9 percent in 2016, and then stabilize at a higher rate of 3.1 percent in 2017 and 2018. For the SSA region, growth is expected to pick up to 4.2 percent in 2016 and 4.7 percent in 2017 and 2018.

By 2015, the target year for the Millennium Development Goals (MDGs), significant progress had been made in the quest to reduce poverty, as the global poverty rate was estimated to have fallen from the 1990 position of 37.1 percent to 9.6 percent. The goal to cut poverty in half was reached five years ahead of time, mainly due to significant progress in the rapidly growing regions of East Asia and Pacific and South Asia. However, progress in the SSA region was slow, with the poverty rate falling only marginally from 58.0 percent in 1999 to an estimated rate of 35.2 percent in 2015. As such, the ease in the growth momentum of the SSA region poses a major challenge in the pursuit of the WBG twin goals and the Sustainable Development Goals (SDGs). Protecting job growth and social sector spending in this region will therefore be important under these circumstances.

Performance of the World Bank Group (WBG) strengthened in the first half of financial year 2016 (FY16), with improvements in overall commitments and disbursements by the International Bank of Reconstruction and Development (IBRD) and the International Development Agency (IDA). Commitments for IBRD rose from US$14.4 billion in the first half of FY15, to US$17.1 billion in the first half of FY16. IBRD commitments to SSA region continued to be relatively small at only US$0.4 billion, as most countries of the region are IDA-only countries. IBRD disbursements were higher at US$13.9 billion during the first half of FY16, up from US$11.7 billion in the corresponding period of FY15. Disbursements to the SSA region remained unchanged at US$0.6 billion. Total IDA commitments increased slightly from US$5.8 billion in the first half of FY15, to US$5.9 billion, with the SSA accounting for US$2.9 billion (49.2 percent), compared to US$3.1 billion (53.4

percent) previously. Similarly, IDA gross disbursements increased marginally from US$5.8 billion in the first half of FY15, to US$5.9 billion in the corresponding period of FY16, with the SSA receiving US$3.3 billion.

The activities of the International Finance Corporation (IFC) in support of private sector development had a mixed trend in the first half of FY16 with increases in commitments and approvals, but a decline in disbursements. Total commitments increased by 36.5 percent to US$7.0 billion, though commitments to the SSA regions declined to US$668 million from US$809 million in the first half of FY15. Total IFC approvals increased to US$7.6 billion from US$6.2 billion, while total disbursements decreased to US$2.1 billion from US$5.3 billion. For the SSA region, both approvals and disbursements declined, from US$858 million and US$756 million to US$618 million and US$156 million, respectively.

Issuance of new political risk guarantees by the Multilateral Investment Guarantee Agency (MIGA) increased to US$2.0 billion in the first half of FY16 from US$1.1 billion in the corresponding period in FY15. MIGA supported eight projects with a gross issuance value of US$2.0 billion, six of which were in Africa Group 1 Constituency (AFG1). MIGA's net exposure to the SSA region grew by 10.5 percent to US$2.0 billion. New guarantees to SSA amounted to US$907.4 million, which supported four projects.

As regards selected policy and strategic issues in the WBG, significant progress has been registered on several fronts since October 2015. The review of the environmental and social safeguards framework has progressed with conclusion of the third round of consultations in March 2016, making way for Board approval of the new policy by end of FY16. Regarding the 2015 Voice Reform, an interim report on the dynamic formula will be presented to Governors for their consideration during the 2016 Spring Meetings of the WBG and International Monetary Fund (IMF). With respect to IDA, the IDA17 Mid-Term Review and first IDA18 Replenishment meetings were held in November 2015 and March 2016, respectively, where discussions were held on the strategic outlook including scaling up of financing and IDA special themes.

As regards the WBG reengagement with Constituency countries where active collaboration had been suspended, the State of Eritrea, the Federal Republic of Somalia and the Republic of The Sudan were grandfathered to follow the Heavily Indebted Poor Country (HIPC) path to reengagement, while the Republic of Zimbabwe adopted a non-HIPC path. Further, Roundtable meetings are scheduled for the State of Eritrea, Federal Republic of Somalia and the Republic of The Sudan during the 2016 Spring Meetings of the WBG and IMF.

Crops - Kenya

Kitabi Tea Processing Facility - Rwanda

Chapter 1

Economic Developments and Prospects

- Global Economic Performance
- Economic Performance in High Income Countries
- Economic Performance in Developing Countries
- Economic Performance in Africa Group 1 Constituency Countries
- Medium Term Outlook
- Progress on Global Development Goals

Chapter 1

Economic Developments and Prospects

1.1 Overview

This Chapter highlights the economic developments during 2015 and outlines the medium term economic outlook in the various regions of the world. It also provides a profile of global trends in poverty and income inequality.

The world economy continued to face serious headwinds in 2015, with global growth falling short of expectations. The modest recovery in high income countries in 2015 was overshadowed by deceleration of economic activities in key emerging and developing economies, mainly due to the declines in commodity prices, subdued global trade, financial markets volatility, and weakening capital flows. The global economy is expected to strengthen to over the medium term on account of steady growth in both high-income and developing economies.

1.2 Global Economic Performance

Global economic growth eased in 2015 mainly due to a slowdown in the pace of activity in the developing economies. The global economy grew by 2.4 percent in 2015, down from 2.6 percent in 2014, with developing economies shedding 0.6 percentage points from the previous year at 4.3 percent (Table 1.1). Though recovery in most high income economies[1] firmed up in 2015, their output growth was slightly lower at 1.6 percent, compared to 1.7 percent in 2014, owing to a deep contraction in the economy of the Russian Federation.

The Russian economy contracted by 3.8 percent in 2015, after registering tepid growth of 0.6 percent in the previous year. The continued slide of crude oil prices on international markets and economic sanctions weighed heavily on economic activity, especially investment. With oil and gas export receipts accounting for about 40 percent of fiscal revenues, the fiscal position deteriorated, prompting cuts in public expenditures.

In contrast, the USA, Euro Area and Japan all registered stronger growth performance in 2015 than in 2014, with the former two economies supported by rising domestic demand. The USA economy grew by 2.4 percent for the second consecutive year, on the back of robust personal consumption and investment, countering the effects that weakening external demand and a strong US dollar had on exports. Growth in the Euro Area picked up to 1.5 percent in 2015 from 0.9 percent in the previous year. This was mainly due to credit growth and a depreciation of the euro, which boosted domestic demand and exports. However, government finances came under strain as the region experienced a significant surge in the inflow of asylum seekers. In Japan, accommodative monetary policy and weakening of the yen propped up exports, resulting in growth of 0.8 percent in 2015, after contracting by 0.1 percent in the previous year. Unlike in other high income countries, personal consumption

[1] In July 2015, the class of high income countries was broadened to include Argentina, Hungary, Seychelles and Venezuela.

contracted in Japan despite the loose monetary policy.

Economic growth in developing countries continued to ease in 2015, under an environment of weaker private investment, a strong dollar and more importantly, the sustained declined in a wide range of commodity prices. Four out of the six developing regions recorded lower growth rates in 2015 than in 2014, which placed the overall growth rate at 4.3 percent, down from 4.9 percent. The *South Asia* (SA) region was the only bright spot, with growth accelerating to 7.0 percent from 6.8 percent, due to a strong performance of the Indian economy at 7.3 percent. India was also the only country that broke ranks with other BRICS (Brazil, Russia, India, China, South Africa), by registering a stronger performance in 2015 than the year before. Output expansion in the *East Asia and Pacific* (EAP) region remained strong at 6.4 percent, but a rebalancing of the Chinese economy and slower investment across the region saw the regional economy lose 0.4 percentage points in growth. Significant growth momentum was lost in the *Latin America and the Caribbean* (LAC) region as the economies of Brazil and Venezuela contracted severely by 3.7 percent and 8.2 percent, respectively, under the strain of depressed oil prices. As a result, output in the LAC region contracted by 0.7 percent, compared to growth of 1.5 percent in 2014.

Growth in the *Sub-Saharan Africa* (SSA) region and the *Europe and Central Asia* (ECA) region declined to 3.4 percent and 2.1 percent from 2015, respectively, from 4.6 percent and 2.3 percent in 2014, respectively, mainly due to low commodity prices. The ECA region was however partly cushioned by strengthening growth in the Euro Area. Economic output in the *Middle East and North Africa* (MENA) region remained unchanged at 2.5 percent, as the slowdown in oil exporting economies was counterbalanced by strong performance in non-oil producing countries, especially Egypt.

Developments in the commodities markets continued to dominate the events in 2015. The sustained softening in commodity prices across all markets, weighed down the performance in several developing countries, especially commodity-dependent oil exporters. Ample supplies and weak demand for crude oil placed downward pressure on crude oil prices, causing the price to extend a decline that began in mid-2014 to close 47 percent lower at an average of 50.8 percent in 2015 (Figure 1.1). This development severely cut export and fiscal revenues for these countries, forcing them to cut spending plans and tighten monetary policy. Brazil, Russia and Venezuela registered deep recessions under the combined scenario of these headwinds and binding domestic constraints. In the *Sub-Saharan Africa* (SSA) region, Nigeria and Angola, two of the region's three largest economies, both significantly cut their capital expenditures in response to the fiscal strain.

The price of base metals continued to slide as China, the world's largest consumer in the metals market, began its transition away from an investment-driven economic model to a slower paced service-led economic model. Base metal-exporting countries registered significant currency pressures as exports declined and investment projects were put on hold. Similar to their oil-exporting counterparts, these countries cut spending plans and tightened monetary policy to starve off further depreciation and pass-through effects to inflation. The decline in agricultural commodities prices was more modest when compared to the drop in other commodity prices. The agricultural commodities price index fell by 11.1 percent in 2015, compared with declines of 23.4 percent and 22.4 percent in the respective indices for energy and base metals (see Figure 1.1).

As expected, exporters of agricultural products generally performed better than oil and metal producers, including some of the East African economies that continue to grow robustly.

Global inflation remained low, largely reflecting the price effect of lower energy costs across most regions. Annual inflation in high-income countries declined to an average of 1.0 percent from 1.6 percent in 2014, despite the accommodative stance of most central banks and the strengthening domestic demand. For developing countries, inflation declined marginally to 4.3 percent in 2015 from 4.5 percent in 2014. However, an uptick late in 2015 presented indications of slightly higher inflation for 2016, partly driven by the carryover effects of weakening currencies.

Taking into consideration the prospects of both high income and developing countries, the medium outlook points to a rebound in global economic growth. This projection is anchored on stronger demand from high income countries, and a firming up of commodities prices as a rebalancing of supply and demand dynamics in commodity markets allows for a narrowing in excess supplies and reductions in stockpiles. This notwithstanding, major risks remain, particularly those relating to a further slowdown in the Chinese economy, tightening of financing costs in international markets, additional gains by the US dollar and a continuation in the outflow of portfolio investment from developing regions. Against this background, global economic growth is projected to improve to 2.9 percent in 2016, and then stabilize at a higher rate of 3.1 percent in 2017 and 2018.

Table 1.1: The Global Economic Performance and Outlook

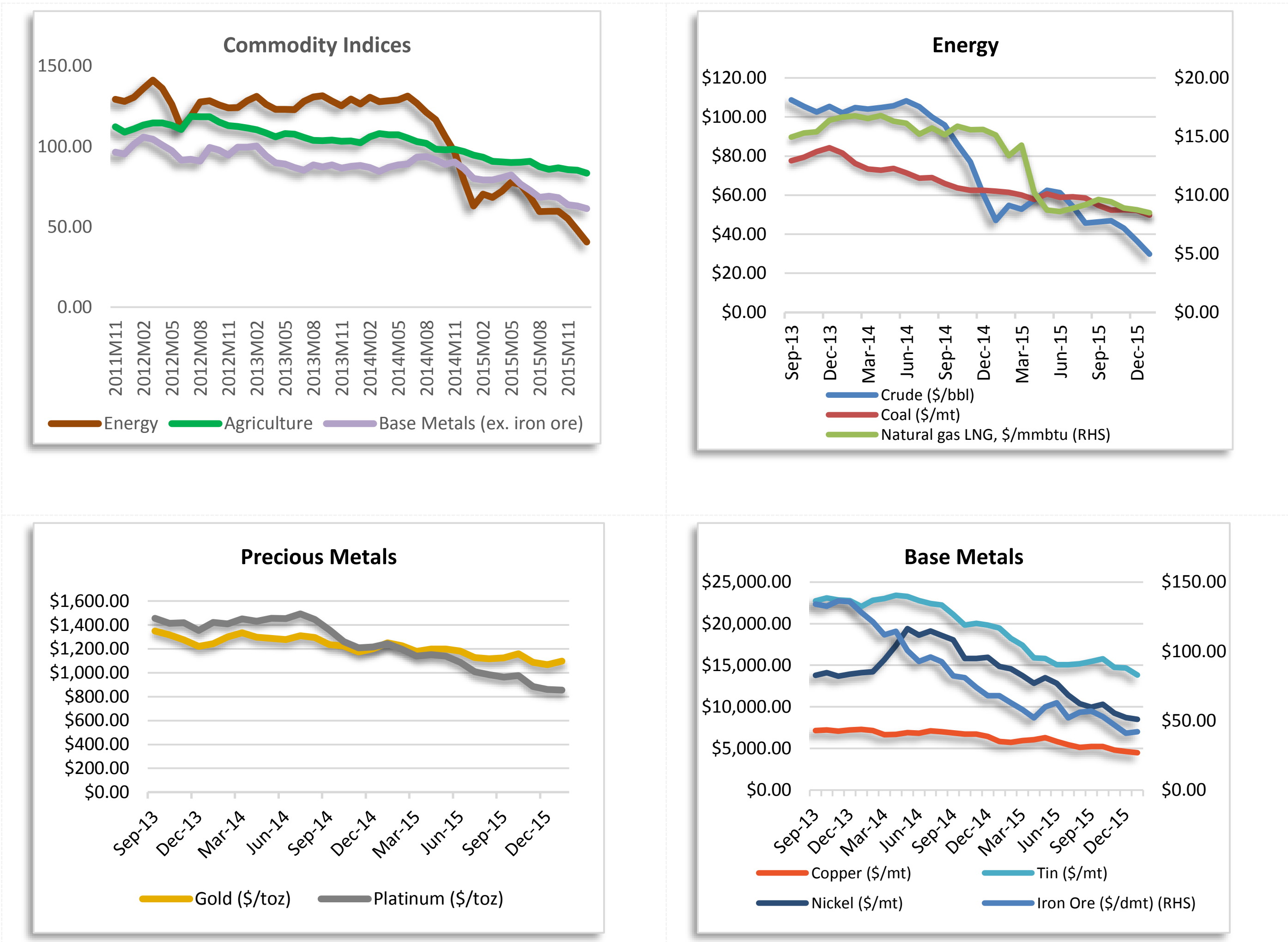
	2014	2015e	2016f	2017f	2018f
Real GDP Growth (%) [1]					
World	2.6	2.4	2.9	3.1	3.1
High income countries	1.7	1.6	2.1	2.1	2.1
Developing countries	4.9	4.3	4.8	5.3	5.3
BRICS [2]	5.1	3.9	4.6	5.3	5.4
Commodity-exporting Frontier & Emerging Markets	1.9	-0.4	0.9	2.6	2.9
Inflation (%)					
High Income	1.6	1.0	-	-	-
Developing Countries	4.5	4.3	-	-	-
Commodity prices					
Non-Energy Commodity Price Growth (Percentage change)	-4.6	-14.8	-1.8	1.9	1.9
Oil Price (US$ Per Barrel) [3]	96.2	50.8	46.4	49.8	53.4
Oil Price changes (Percentage change)	-7.5	-47.3	-8.5	7.2	7.2
Interest Rates (Percent)					
US dollar, 3-Months	0.23	0.32	-	-	-
Euro, 3-Months	0.00	0.00	-	-	-

Source: World Bank

Notes

1. Real Aggregate GDP growth rates calculated using constant 2010 dollars GDP weights.
2. BRICS = Brazil, Russia, India, China and South Africa.
3. Twelve-month simple average of spot price for Dubai, Brent and West Texas Intermediate.
   e = estimate; f = forecast.

Figure 1.1: Commodity prices



Source: World Bank

1.3 Economic Performance in High Income Countries

Growth in high-income countries moderated slightly but was on stronger ground than in previous years, with all the major economies registering expansion. The sharp recession in the Russian Federation, however, outweighed the recovery that took place elsewhere, placing the group's performance at 1.6 percent in 2015, 0.1 percentage points lower than in 2014 (Table 1.2).

Improvements in domestic demand supported the economic recovery in the USA and Euro Area. In the USA, the labor and housing markets extended their recovery, while monetary policy remained accommodative, despite a moderate tightening in the latter part of the year. Low energy prices and rising wages gave a boost to personal disposable income, which in turn drove personal consumption. However, the appreciation of the US dollar, weakening external demand from major developing countries and a consumption-driven rise in imports resulted in weak performance in net exports. This notwithstanding, growth in the USA is poised to remain firm over the medium term on the basis of sustained domestic demand, with GDP growth expected to rise to 2.7 percent in 2016, then eased gradually to 2.4 percent and 2.2 percent in 2017 and 2018, respectively.

Activity in the Euro Area gained further momentum in 2015 with the support of credit growth and depreciation of the euro, which uplifted domestic demand and exports. The Euro Area recorded its strongest annual performance since the global financial crisis, with output growth of 1.5 percent in 2015 from 0.9 in the previous year. Credit growth resumed following an ease of monetary policy by the European Central Bank (ECB) and improvements in confidence and the health of the banking sector. Government finances, however, came under strain in the wake of member countries' efforts to respond to unanticipated surges in the inflow of asylum seekers. Though the weak external demand and a rebound of the euro are likely to dampen growth prospects, consumer and investor confidence are expected to maintain the growth momentum. Output growth in the Euro Area is therefore expected to accelerate to 1.7 percent in 2017, before easing slightly to 1.6 percent in and 2018.

The Japanese economy grew by 0.8 percent in 2015, after contracting by 0.1 percent in the previous year. Accommodative monetary policy and the deprecation of the yen propped up exports, albeit modestly. Growth was held back by personal consumption, which contracted despite the loose monetary policy stance of the Bank of Japan. However, growth is expected to pick up in 2016, given the high corporate earnings and near full employment rates. Though growth is expected to exhibit some volatility on a quarterly basis, output expansion in Japan is projected at 1.3 percent in 2016. Growth is then projected to dip to 0.9 percent in 2017 before reverting to 1.3 percent in 2018.

Table 1.2: Real GDP Growth in High Income Countries
(Percentage change from previous year)

	2014	2015^{e}	2016^{f}	2017^{f}	2018^{f}
All High income countries	1.7	1.6	2.1	2.1	2.1
Euro Area	0.9	1.5	1.7	1.7	1.6
Japan	-0.1	0.8	1.3	0.9	1.3
Russia	0.6	-3.8	-0.7	1.3	1.5
United States	2.4	2.4	2.7	2.4	2.2

Source: World Bank
Notes: e = estimate; f = forecast

1.4 Economic Performance in Developing Countries

Economic activity in developing countries eased in 2015, with growth decelerating to 4.3 percent from 4.9 percent in 2015 (Table 1.3 and Figure 1.2). The continued decline in commodity prices and the strengthening of the US dollar reinforced a slowdown that was already in motion, resulting in a drop in trade volumes across most regions. With the exception of the SA region, all regions registered lower growth in 2015. Firmer commodity prices are, however, expected to support a rebound over the medium term, though this is contingent on growth in China. In 2016, output in developing regions is expected to grow by 4.8 percent in 2016, and accelerating to 5.3 percent in 2017 and 2018.

In the EAP region, growth continued to ease, falling to 6.4 percent in 2015, from 6.8 percent and 7.1 percent in 2014 and 2013, respectively. This was largely due to the slowdown of the Chinese economy, where a rebalancing of the economic model from investment-led to consumption-led gained pace. The Chinese economy slowed down from 7.3 percent in 2014 to 6.9 percent in 2015, against a backdrop of slower investment in industry and the real estate sector. Further, efforts by the Chinese authorities to curb unconventional lending in the banking sector led to a decline in nontraditional credit growth and a consequent decline in activities by entities that relied on that kind of financing, including local governments' investment in infrastructure.

Concerns among investors about the fundamentals of the worlds' second largest economy, an increase in the flexibility of the foreign exchange framework (accompanied by an unexpected devaluation of the yuan) and capital controls, induced volatility in the stock market and an increase in capital outflows. The Peoples' Bank of China injected liquidity in the banking sector to promote domestic credit and undertook heavy currency interventions to ease pressure on the yuan. Notwithstanding the adverse sentiments of external sovereign investors, wage and income growth prompted private domestic consumption to firm, thereby assisting the rebalancing effort by the authorities. Output growth in China is projected to ease further to 6.7 percent in 2016 and then stabilize at a rate of 6.5 percent in 2016 and 2017.

Excluding China, growth in the EAP region was marginally lower at 4.6 percent in 2015, only 0.1 percentage points lower than the year before. Though growth remained robust in most of the region's economies, the majority recorded slower growth, especially commodity-dependent Mongolia where growth slowed to 2.3 percent from 7.8 percent in 2014. The ease in growth was a result of slowing trade, lower investment and fiscal consolidation – a continuing trend from the previous year. The slowdown was partly offset by strong consumption spending supported by accommodative monetary policy, lower oil prices and robust remittances. Indonesia and Malaysia experienced downward pressure on their currencies as capital outflows accelerated in the year, prompting a reduction in central banks reserves. However, foreign direct investment (FDI) remained steady despite the waning confidence of portfolio investors.

Economic growth in the ECA region continued to slide due to a combination of strong headwinds, including weak commodity prices, spillovers from the recession in Russia and unresolved distortions in domestic financial markets. Performance was stronger among western ECA economies, which have close ties to the recovering Euro Area and are net importers of oil.

The economy of Ukraine contracted by 12.0 percent due to geopolitical tensions, with industrial production and exports falling, following a disruption of trade with Russia. Depreciation of the exchange rate attenuated inflationary pressures from the contraction in aggregated supply and pushed inflation to over 50 percent. Similarly, the economies of other countries with close ties with the Russian economy came under strain due to a slowdown in trade, FDI and remittances. In Kazakhstan, where crude oil accounts for approximately 70 percent of export revenue, growth slowed to 0.9 percent in 2015 from 4.4 percent in 2014. The Kazakh authorities tightened monetary policy and drew down reserves to defend the local currency, constraining domestic demand in the process.

In contrast, western ECA economies' performance was stronger, led by Turkey, the region's largest economy. The Turkish economy grew robustly at 4.6 percent in 2015, up from 2.9 percent in 2014.

Economic growth in the LAC region declined for the third consecutive year in 2015 to -0.7

percent, from 1.5 percent in 2014. This was mainly due to low commodity prices and weak domestic demand, especially fixed investments. Brazil, the region's largest economy, contracted by 3.7 percent, after growing at a tepid rate of 0.1 percent in 2014, on account of a combination of external and domestic factors. Low commodity prices and waning economic confidence weighed down economic performance, as investors rushed to pull capital out of the economy on concerns about the medium term prospects of the economy and political uncertainty. As a result, the Brazilian real depreciated, raising inflationary pressures, while inducing improved competitiveness and a strong showing of exports.

Venezuela, which is highly dependent on oil exports for government revenue and foreign exchange, faced a decline in export receipts, placing significant pressure on the supply of foreign exchange. Restrictions on imports of both intermediate and final goods, led to cutbacks in production and elevated the rate of inflation. Against this backdrop, the economy contracted by 8.7 percent in 2015, a second consecutive year of negative growth. Similarly, Ecuador, which is also an oil exporter, registered a contraction in its economy, with growth falling to -0.6 percent in 2015 from 3.7 percent in the previous year.

With lower prices in almost all commodity markets, the majority of other countries in the region recorded slower, but positive, growth in 2015 than in the previous year. Fiscal deficits widened across the region as low commodity prices squeezed tax revenues and export receipts, prompting budget cuts in several countries. Several central banks also responded to currency depreciation by tightening monetary conditions, which in turn hurt domestic demand. Growth was stronger among Central American and Caribbean countries than those in South America. The Mexican economy grew by 2.5 percent on account of strengthening demand from the US, countering the impact of losses in the oil sector. The Dominican Republic recorded slower growth as mining prospects declined in tandem with softening gold prices.

In the MENA region, growth was unchanged at 2.5 percent in 2015, against a background of falling oil production and disruptions in oil production caused by insecurity. This that was counterbalanced by growth in tourism and personal consumption in oil importing countries. Low oil prices cut export and fiscal revenues in the region. For instance, Algeria and Iraq both saw deterioration in their fiscal deficits to over 10 percent of GDP in 2015. Governments drew down on sovereign wealth funds and cut spending to narrow gaping budget deficits. An escalation in conflicts in the region and the disruption of production compounded the economic strain imposed by low oil prices. Oil production levels in Syria collapsed, while in Libya output declined due to armed insurgencies. Production in Iraq picked up despite the security situation, as production sites were insulated from disruption by distance. Instability in the region triggered an unprecedented surge in the number of asylums seekers and internally displaced persons, particularly from and in Syria and Iraq. This strained public services and infrastructure in some host and transit countries, especially Lebanon and Jordan.

Oil importing countries fared better in 2015 by benefiting from lower import bills, moderating inflation and stronger personal consumption. Egypt benefited from an improvement in investor confidence, while Morocco and Lebanon recorded an improvement in performance on account of growing consumption. With a stabilization in oil prices, most oil exporting economies are projected to have a stronger showing over the medium term, especially Iran as it re-enters the global economy.

The SA region became the world's the fastest growing region in 2015 as output expansion strengthened to 7.0 percent from 6.8 percent in 2014, on the back of robust growth in domestic consumption and domestic investment. Most countries in the region improved performance over their 2014 outcomes, with positive spillovers from India, which led the region's growth of 7.3 percent. In India, momentum picked up as fiscal and monetary policy began to bear fruits. The fiscal deficit fell to 4.0 percent of GDP, down from 7.6 percent in 2009, while inflation slowed down with the aid of lower oil prices. The external position also improved with a narrowing of the current account to 1.0 percent of GDP, from around 5.0 percent in 2013, while net FDI stabilized. Similarly, economic performance in neighboring Pakistan improved within the context of an IMF program. Fiscal consolidation reduced the fiscal deficit and helped curtail inflationary pressures by reducing domestic demand. Against this background, growth in Pakistan picked up to 5.5 percent in 2015, from 5.1 percent in 2014.

In the rest of the SA region, economic activity remained robust, despite unstable security conditions (Afghanistan), political instability (Maldives) and a drop in tourism (Bhutan). Strong inflows of remittances, low oil prices and infrastructure spending drove domestic demand in most countries. Nepal, which was negatively impacted by a major earthquake in early 2015, registered lower but positive growth of 2.6 percent, compared to 4.4 percent in 2014.

Table 1.3: Real GDP Growth in Developing Countries

(Percent change from previous year)

	2013	2014	2015e	2016f	2017f	2018f
Developing Countries	5.3	4.9	4.3	4.8	5.3	5.3
East Asia and Pacific	7.1	6.8	6.4	6.3	6.2	6.2
China	7.7	7.3	6.9	6.7	6.5	6.5
Europe and Central Asia	3.9	2.3	2.1	3.0	3.5	3.5
Turkey	4.2	2.9	4.1	3.5	3.5	3.4
Latin America and Caribbean	3.0	1.5	-0.7	0.1	2.3	2.5
Brazil	3.0	0.1	-3.7	-2.5	1.4	1.5
Middle East and North Africa	0.6	2.5	2.5	5.1	5.8	5.1
Egypt	2.1	2.2	4.2	3.8	4.4	4.8
South Asia	6.2	6.8	7.0	7.3	7.5	7.5
India	6.9	7.3	7.3	7.8	7.9	7.9
Sub-Saharan Africa	4.9	4.6	3.4	4.2	4.7	4.7
Nigeria	5.4	6.3	3.3	4.6	5.3	5.3
Memo:						
Low Income Countries	4.3	3.9	4.3	4.6	4.6	4.6

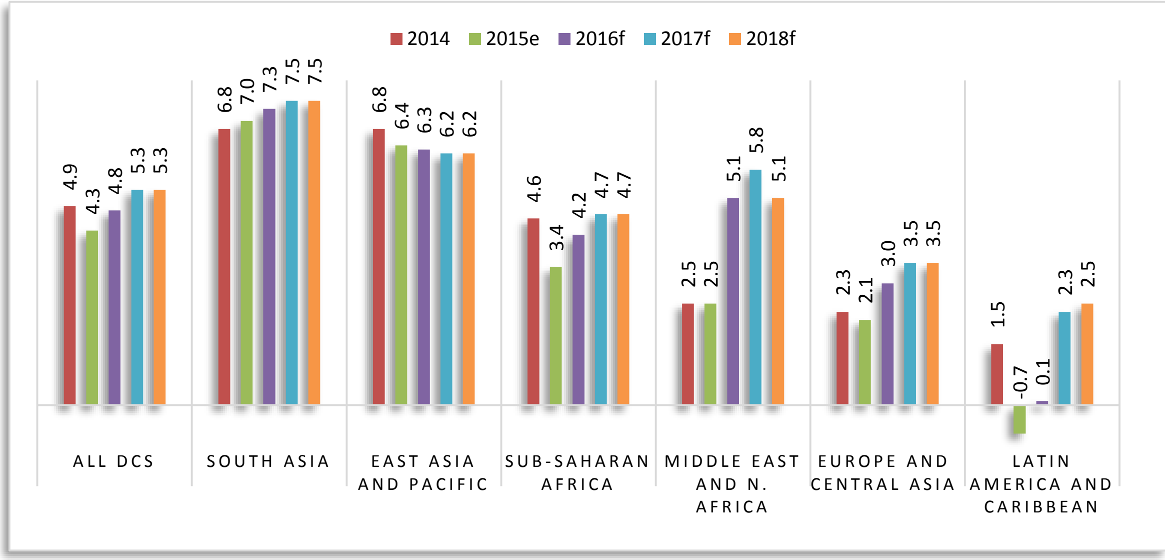
Source: World Bank

Notes: e = estimate; f = forecast

1. BRICS include Brazil, Russia, India, China and South Africa

Figure 1.2: Real GDP Growth in Developing Countries

(Percentage change from previous year)



Source: World Bank

Economic growth in the SSA region weakened in 2015 to 3.4 percent, from 4.6 percent recorded in the previous year (Table 1.4 and Figure 1.3), as the majority of the economies grew at a slower pace than in the previous year. This included the region's three largest economies – Nigeria, South Africa and Angola. This performance was largely reflective of the adverse external environment faced by the region, with low commodity prices, weak demand, a strong US dollar and higher financing cost. The slowdown of the Chinese economy had a direct impact on the demand for the region's supply of raw materials, which had spillover effects on other sectors, especially through the depreciation of exchange rates.

Oil and metal exporting countries, which were already strained by a sharp price decline in 2014, were most affected by changes in the external environment. Nigeria and Angola, which are heavily dependent of the performance of the oil sector for foreign exchange supplies and fiscal revenues, both saw their exchange rates and fiscal balances come under intensified pressure. This prompted significant drawdowns on their foreign reserves to prevent excessive currency depreciation, particularly in Angola. To address their fiscal imbalances, both governments revised their budgets downwards by cutting infrastructure spending. Angola also looked to the international capital markets for financing and issued a maiden sovereign bond during 2015.

Growth in the South African economy remained weak, despite the recovery in Euro Area, the primary destination of its exports. Growth was constrained by intensification of the energy supply deficit, El Niño-induced drought conditions, and labor disputes, while capital market volatility and the decline in the price of precious metals weighed down on the rand. Even though exports volumes increased on account of the weaker rand and the diversified economic base, growth slowed to 1.3 percent from 1.5 percent in 2014. Growth in the mineral and metal-exporting economies of Mauritania, Zambia and Sierra Leone slowed on account of cut backs in investments and production, as low prices reduced the expected yields in the mining sector. Suspension of iron ore mining operations in Sierra Leone, exacerbated the impact of the Ebola outbreak on the economy resulting in a 20 percent contraction in output. The combined effect of falling export revenues and the appreciation of the US dollar had knock on effects on inflation in most commodity exporting countries. Monetary authorities tightened monetary conditions to ease currency and inflationary pressures. However, this also curtailed credit growth and private investment.

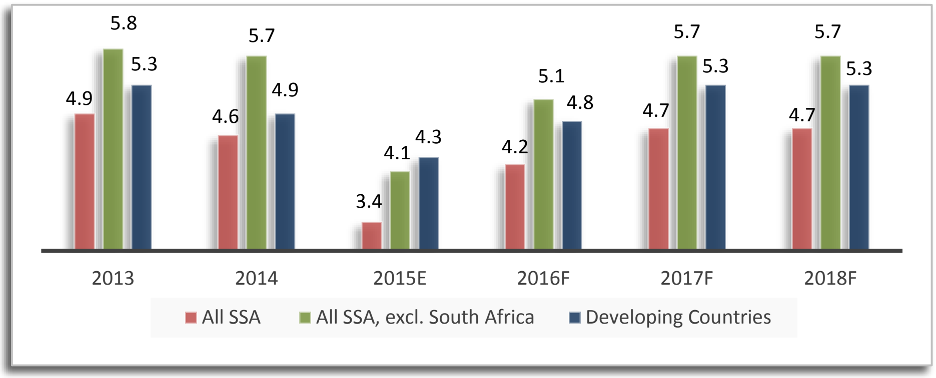
Other non-oil exporting countries were, however, less impacted by the weakening external demand. With prices for agriculture products taking a relatively modest fall, economic growth in these countries remained robust with the help of strong domestic demand. Growth in Ethiopia, Rwanda and Kenya, remained strong as aggressive public expenditures on infrastructure continued generally unabated by external dynamics. In contrast to oil and metal exporting countries, inflation in non-oil exporting countries remained low under the scenario of low fuel prices.

Several sub-regions of the SSA region continued to face supply side constraints dominated by an energy deficit. For southern African countries dependent on hydropower, the situation was compounded by record drought conditions. These drought conditions also severely disrupted agricultural activities, especially for small scale and subsistence farmers that depend on rainfall. Political instability also held back progress in other parts of the region. For instance, political conflict in Burundi lead to a contraction in GDP by 2.3 percent, while the GDP for South Sudan fell by 5.3 percent.

Based on the projection of firming commodity prices, the economic outlook for SSA points to a gradual rebound in growth, though downside risks remain strong. The continued slowdown of growth in the region’s single largest trading partner, China, erratic power supply, extreme climatic conditions and conflict are also expected to weigh down on the region’s economic performance. These factors are expected to be countered by ongoing public infrastructure investments, new discoveries of natural resources and consumer demand. Output is projected to pick up in 2016 to 4.2 percent and strengthen to 4.7 percent in 2017 and 2018.

Figure 1.3: Real GDP Growth for Sub-Saharan Africa

(Percentage change from previous year)



Source: World Bank

Notes: e = estimate; f = forecast.

Table 1.4: Selected Indicators for Sub-Saharan Africa

(Annual percentage changes unless otherwise indicated)

Indicator	2014	2015e	2016f	2017f	2018f
Developing Countries	**5.3**	**4.9**	**4.3**	**4.8**	**5.3**
All SSA GDP growth	4.9	4.6	3.4	4.2	4.7
All SSA GDP growth, excl. South Africa	5.8	5.7	4.1	5.1	5.7
GDP per capita (constant 2010 US$)	2.0	1.9	0.8	1.5	2.0
Private consumption	9.9	3.2	3.1	3.7	4.0
Public consumption	1.9	3.9	3.2	3.5	3.7
Fixed investment	9.6	8.7	6.2	6.6	7.1
Exports, GNFS	-2.2	5.0	3.1	2.6	2.9
Imports, GNFS	6.8	3.0	3.0	3.1	3.2
Net exports, contribution to growth	-2.8	0.5	-0.3	-0.2	-0.2
Fiscal Balance (% of GDP)	-1.7	-2.9	-2.5	-2.2	-2.2

Source: World Bank

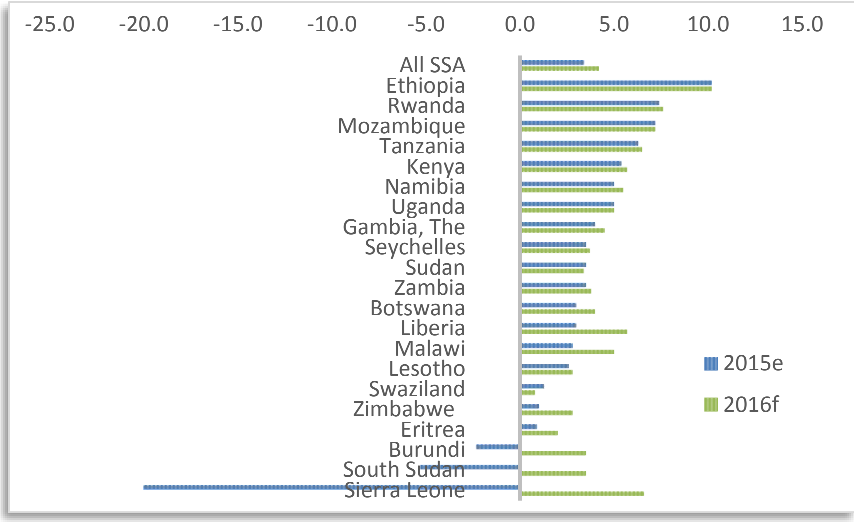
Notes: e = estimate, f = forecast

1.5 Economic Performance in Africa Group 1 Constituency Countries

Output growth in 2015 eased in most of the 22 countries in the Africa Group 1 Constituency (AFG1). Eleven countries outperformed the SSA region's average growth rate of 3.4 percent, down from thirteen countries in 2014. Growth rates ranged from -20.0 percent to 10.2 percent in 2015, compared to the previous range of -0.2 percent to 9.9 percent in the previous year (Table 1.5 and Figure 1.4).

The fastest growing economies in 2015 were Ethiopia (10.2 percent), Rwanda (7.4 percent), Mozambique (7.2 percent) and Tanzania (7.2 percent). The Ethiopian economy grew rapidly on account of robust investment in public infrastructure, while in Rwanda growth was driven by consumption demand and infrastructure spending. Growth in Tanzania and Mozambique were supported by investments in the gas industry.

Figure 1.4: Africa Group 1 Constituency GDP Growth Rates 2015 and 2016 (%)



Source: World Bank

Notes: e = estimates; f = forecast

Table 1.5: Real GDP Growth Rates in Africa Group 1 Constituency+

(Percentage change from previous year)

	2014	2015e	2016f	2017f	2018f
ALL SSA	4.6	3.4	4.2	4.7	4.7
Botswana	4.4	3.0	4.0	4.2	4.2
Burundi	4.7	-2.3	3.5	4.8	4.8
Eritrea	1.7	0.9	2.0	2.2	2.2
Ethiopia	9.9	10.2	10.2	9.0	9.0
Gambia, The	-0.2	4.0	4.5	5.3	5.3
Kenya	5.3	5.4	5.7	6.1	6.1
Lesotho	2.0	2.6	2.8	4.5	4.5
Liberia	1.0	3.0	5.7	6.8	6.8
Malawi	5.7	2.8	5.0	5.8	5.8
Mozambique	7.0	7.2	7.2	7.1	7.1
Namibia	6.4	5.0	5.5	5.9	5.9
Rwanda	7.0	7.4	7.6	7.6	7.6
Seychelles	2.8	3.5	3.7	3.6	3.6
Sierra Leone	7.0	-20.0	6.6	5.3	5.3
South Sudan	3.4	-5.3	3.5	7.0	7.0
Sudan	3.1	3.5	3.4	3.9	3.9
Swaziland	2.5	1.3	0.8	0.8	0.8
Tanzania	7.4	6.3	6.5	7.2	7.2
Uganda	4.0	5.0	5.0	5.8	5.8
Zambia	5.6	3.5	3.8	5.4	6.0
Zimbabwe	3.2	1.0	2.8	3.0	3.0

Source: World Bank and IMF

Notes:

+ No data were available for the Federal Republic of Somalia.

1.6 The Medium Term Outlook

The global economy is expected to strengthen to 2.9 percent in 2016, to 3.1 percent in 2017 and 2018, up from 2.4 percent in 2015. This will be on account of steady growth in both high-income and developing economies.

Growth is expected to firm up in high-income economies to 2.1 percent in 2016, but remain flat at this level till 2018. The economies of the USA and Euro Area are expected to maintain their recovery, while Japanese growth will fluctuate. In the USA, domestic demand is expected to sustain economic growth at 2.9 percent in 2016 and an average 3.1 percent in 2017 and 2018. Growth in the Euro Area is expected to accelerate to 1.7 percent in 2016, before easing to an average of 1.6 percent in 2017 and 2018. Japan is expected register annual growth rates of 1.3 percent in 2016, 0.9 percent in 2017 and 1.3 percent in 2018.

For Russia, high inflation, lower fiscal buffers, low oil prices and prolonged disagreements over Ukraine, are expected to weigh heavily on its economic prospects. Reforms aimed at diversifying the economy are, however, expected to counter these factors and assist the emergence the Russian economy from a recession, to record a modest recovery of -0.7 percent in 2016 and 1.3 percent and 1.5 percent in 2017 and 2018, respectively.

Growth in developing countries is projected to pick up as the slowdown in China flattens out, commodity prices firm up and India extends its economic rally. Prospects will, however, to a large extent be contingent on the materialization of the pickup in commodity prices. Growth in developing countries as a whole is expected to strengthen to 4.8 percent in 2016 and 3.1 percent in 2017 and 2018.

In the EAP region, the rebalancing of the Chinese economy is expected to see regional growth stabilize at 6.2 percent in 2017 and 2018, from 6.3 percent in 2016. To a large extent the economic outlook for the region's performance is contingent upon activities in the Chinese economy. Further reductions of economic activities in China will have spillover effects in other countries in the region and may counter the expansion in the other major economies of the region. Though the number of countries projected to record stronger growth is higher in 2016 at six out of the 14 major economies, compared to only four in 2015, regional growth is expected slow down to 6.3 percent in 2016. Growth, however, will stabilize in 2017 and 2018 at 6.2 percent, as demand from high income countries firms. Further, the region is expected to remain susceptible to capital market volatility and outflows of capital.

Growth is expected to strengthen moderately in Indonesia and Malaysia as reforms take hold and political uncertainty diminishes. The EAP region will grow by 6.3 percent in 2016 and then stabilize at 6.2 percent in 2017 and 2018.

The SA region is likely to remain a bright spot, as growth in India provides positive spillovers for neighboring countries. The Indian economy is expected to grow by nearly 8.0 percent over the forecast period as fiscal and monetary reforms continue to bear fruit and personal consumption surges in a low oil price environment. Nonetheless, some countries will continue to be held back by political instability and insecurity. The SA region will therefore maintain its position as the fastest growing region with a growth rate of 7.3 percent in 2016 and 7.5 percent in 2017 and 2018. The SA region as a whole is expected to extend the rally in economic activity with growth rates of 7.3 percent in 2016 and 7.5 percent in 2017 and 2018. Domestic demand is projected to remain strong, even though the inflows of remittances will moderate in the wake of declining activity in non-regional oil exporting countries.

The performance of the ECA region will continue to be influenced by economic developments in Russia and the recovery in the Euro Area. As such, a rebound in Russia and a bottoming out of commodity prices would provide support to the economies in the east of the ECA region. Economies in the western side of the region, stand to benefit from growth in the Euro Area but will have to contend with increased uncertainty in the policy environment in Turkey and the inflow of asylum seekers from the Middle East. Based on these factors, growth in the ECA region is projected to pick up to 3.0 percent in 2016, then stabilize at 3.5 percent in 2017 and 2018.

Economic growth in the ECA region is expected to strengthen with a recovery in the Russian economy, firmer commodity prices, and stronger private consumption. Performance is expected to be stronger amongst western ECA region countries that have close economic ties with the Euro Area. The migrant situation will, however, constrain several countries hosting unprecedented large numbers of asylum seekers and transitioning visitors, before any positive labor effects are realized in these economies. Economic growth in the ECA region will gradually pick up from 3.0 percent in 2016 to 3.5 percent in 2017 and 2018. Similarly, growth in the LAC region will reflect geographical differences associated with trade links. Output growth in the LAC region is projected to recover, picking up in 2016 and 2017 to 2.0 percent and 2.8 percent, respectively, from an anemic rate of 0.1 percent in 2016. This outlook is based on stronger performance by Central American economies that will benefit from the strengthening USA economy and the stabilization of commodity prices. Brazil's recession is, however, expected to extend into 2016 and end in 2017.

Growth in the LAC region is expected to slow further in 2016 to 0.4 percent, as Brazil contracts by 1.3 percent in the year. Growth is projected to return to positive in 2016, but only at a feeble 0.1 percent, then strengthen to 2.3 percent and 2.5 percent in 2017 and 2018, respectively, as external headwinds ease.

Growth in the MENA region will pick up to 5.1 percent by 2018 on account the projected stabilization of oil prices. The easing of economic and financial sanctions on the Islamic Republic of Iran in the latter half of 2015 should lead to a surge in the region's economic activity, though political uncertainty and security concerns will remain major downside risks. Growth in the MENA region is expected to strengthen to 5.1 percent in 2016 and 5.8 percent in 2017, then ease to 5.1 percent in 2018.

The SSA region is expected to rebound over the medium term, rising to nearly 5.0 percent by 2018, as commodity prices are forecast to gradually rise and investments in energy begin to narrow the region's gaping power deficit in some areas of the region. Growth in domestic investment and consumption is expected to pick up as the external environment improves. Infrastructure investment is expected to remain strong, especially among countries less dependent on extractives. A further slowdown in China may, however, keep commodity prices low. A continuation of low commodity prices could cast a shadow on the viability of planned investments, particularly in the extractives sector, and could further erode the region's low policy buffers. Nevertheless, almost all the region's economies are projected to register higher growth in 2016, including the three largest economies. Growth in SSA region is projected at

4.2 percent in 2016 and 4.7 percent in 2017 and 2018, up from 3.4 percent in 2015.

1.7 Progress on Global Development Goals

In 2013, the WBG adopted the twin goals to reduce extreme poverty to three percent by 2030 and to promote shared prosperity of the bottom 40 percent (B40) of the population in each country in a sustainable manner. The first goal is in effect a continuation of the first Millennium Development Goal (MDG1), which aimed to reduce extreme poverty and hunger by half by 2015. In its second goal, the WBG seeks to shift focus from average income growth towards growing inequality in basic living standards.

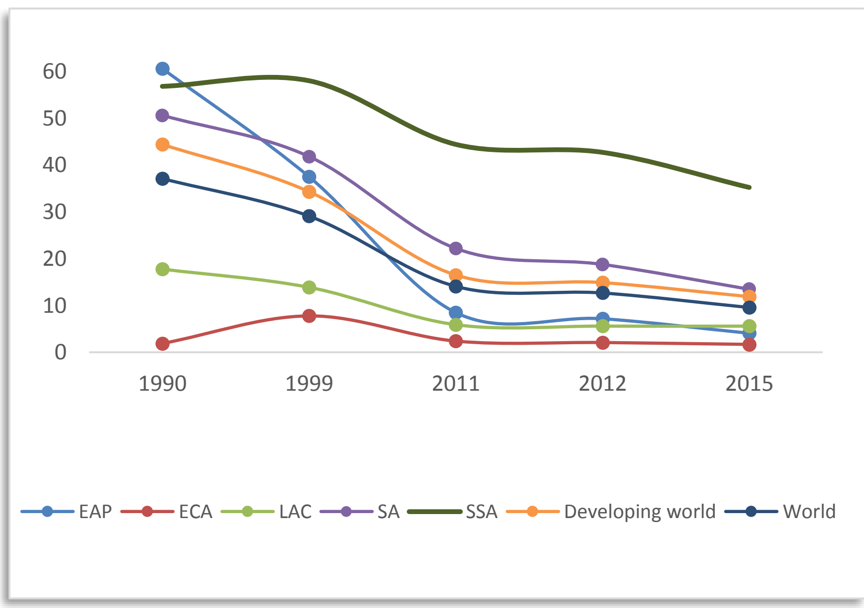
Countries made substantial progress over the MDGs era, with rapid economic growth supported by strong commodity prices and improved macroeconomic policies. By 2010, the world had achieved the MDG1 target, mainly due to rapid growth in China and India, leading to poverty rates of 4.1 percent and 13.5 percent in the EAP and SA regions, respectively, in 2015 (See Figure 1.5). In contrast, less progress was registered in the SSA region, with poverty rates falling only to 35.2 percent in 2015, from 58.0 percent in 1999. The SSA region is the only region that was not on target to halve extreme poverty by 2015, with only 16 countries on track to meet this target and 21 countries not expected to meet it even by 2030. It is also the only region that saw a steady increase in the number of underweight children below the age five, from 27.5 million in 1990 to 31.4 million in 2014, representing one third of the underweight children under-five in the developing world.

The EAP, ECA and LAC regions reached the target on primary school completion rate. The completion rate in SSA rose from 54 percent in 1994 to 69 percent in 2013, but it remained the lowest among all regions. The SSA region, like the MENA region, continues to have large gender disparities in primary and secondary enrolment rates and both regions were unlikely to meet these targets by 2015. In contrast, the SA, EAP and ECA regions reached gender parity in 2013. While the SA and MENA regions achieved parity in tertiary enrolment, the rate in SSA remained low at 73 percent.

Although the global average rate of child mortality declined from 91 to 43 deaths per 1,000 live births between 1990 and 2015, it fell short of target to cut child mortality by two thirds of the 1990 rate. The SSA and SA regions bear the highest rates, while the EAP and LAC regions achieved the target. In the SSA region, the rate declined by more than a half between 1990 and 2015, but remained high at 83 deaths per 1,000 live births. Similarly, the maternal mortality rate remains high in the SSA region, accounting for 62 percent of the global maternal caused deaths of 289,000 women occurring in developing countries in 2013. The target on maternal mortality rates will not be achieved globally despite the remarkable reductions across countries. This is due to the increase in the number of reproductive age women and the fertility rate. Achievements on HIV/AIDS, malaria and TB are also mixed. The spread of HIV/AIDS in SSA led to reversals in the improvement in life expectancy rates and increased the number of orphaned children. The SSA region remains the center of the epidemic with about 70 percent of the world's adults living with HIV/AIDS, with a high prevalent rate of 4.5 percent in 2014, compared to less than 1.0 percent in other regions. Though TB and malaria continued to claim millions of lives, the world achieved the targets of halting and reversing both diseases by 2015 as incidence and death rates declined.

This unfinished agenda on the MDGs forms the basis for the post-2015 development agenda, as espoused in Sustainable Development Goals (SDGs) framework. The WBG forecasts that the global economy will rebound in the medium term, albeit with several risks. Should these risks materialize, developing countries spending on social services and infrastructure for example, may be constrained, while low growth will slow down job creation. These are key for achievement of the SDGs.

Figure 1.5: Share of Population below $1.90 a day (%)



Source: World Bank

Note:

1. Global poverty assessed with the re-estimated poverty line of $1.90 a day, based on the 2011 PPP.
2. Regional aggregates for MENA are omitted due to lack of sufficient observations.
3. Numbers up to 2012 are based on national household surveys. Numbers for 2015 are WBG calculations based on growth scenarios and distributional assumptions.

Juba, South Sudan

The road north out of Swakopmund up towards the Skeleton Coast National Park _ Namibia

Chapter 2

World Bank Group Operations

- IBRD Lending Operations
- IDA Lending Operations
- IFC Operations
- MIGA Operations

Chapter 2

World Bank Group Operations

2.1 Overview

This chapter gives an account of the performance of the World Bank Group (WBG) operations during the first half of financial year 2016 (FY16) (July 1st 2015 –December 31st 2015).

2.2 IBRD and IDA Operations

The combined commitments[2] for the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) was 13.9 percent higher in the first half of FY16 at US$23.0 billion, compared to US$20.2 billion in the first half of FY15 (Table 2.1). The Middle East and North Africa (MENA) and South Asia (SA) regions, accounted for the largest increases during this period, with commitments of US$4.9 billion and US$3.2 billion, respectively, up from US$2.0 billion and US$1.8 billion in the corresponding period in FY15.

In contrast, commitments to the Sub-Saharan Africa (SSA) and East Asia and Pacific (EAP) regions recorded decreases in the first half of FY16. Commitments to SSA region declined from US$3.7 billion to US$3.3 billion, while the decline in the EAP region was significant at 40 percent, from US$4.1 billion to US$2.4 billion.

The combined disbursements for IBRD and IDA rose from US$17.5 billion in the first half of FY15, to US$19.9 billion in the first half of FY16 (Table 2.2). Disbursements to the EAP and MENA regions mainly accounted for this increase, with additions of US$1.2 billion and US$0.9 billion, respectively. In contrast, disbursements to the ECA and LAC regions declined by US$0.8 billion and US$0.6 billion, respectively.

Table 2.1: IBRD and IDA Commitments by Region (US$ billion)

Region	First Half FY15	First Half FY16
Sub-Saharan Africa	3.7	3.3
East Asia and Pacific	4.1	2.4
Europe and Central Asia	5.1	5.3
Latin America and Caribbean	3.5	3.9
Middle East and North Africa	2.0	4.9
South Asia	1.8	3.2
Total	**20.2**	**23.0**

Source: World Bank

Table 2.2: IBRD and IDA Disbursements by Region (US$ billion)

Region	First Half FY15	First Half FY16
Sub-Saharan Africa	3.8	3.9
East Asia and Pacific	2.7	3.9
Europe and Central Asia	4.3	3.5
Latin America and Caribbean	4.0	3.4
Middle East and North Africa	1.2	3.1
South Asia	1.5	2.1
Total	**17.5**	**19.9**

Source: World Bank

[2] Legal obligation to provide financial products to clients for Board approved projects.

2.3 IBRD Lending Operations

Both IBRD commitments and disbursements[3] were significantly higher in the first half of FY16 than in the first half of FY15. Commitments rose from US$14.4 billion in the first half of FY15, to US$17.1 billion in the first half of FY16 (Table 2.3). The largest share of IBRD commitments (30.4 percent of the total) went to the ECA region, followed by the MENA region (28.7 percent) and the LAC region (21.6 percent). IBRD commitments to SSA region continued to be relatively small (US$0.4 billion) as most countries in the region are only eligible for IDA funding.

IBRD disbursements amounted to US$13.9 billion during the first half of FY16, up from US$11.7 billion in the corresponding period of FY15 (Table 2.4), mainly due to improved disbursements to EAP and the MENA regions. Disbursements to the SSA region were US$0.6 billion in the first half of FY16 – the same as in the corresponding period of FY15.

2.4 IDA Lending Operations

Total IDA commitments increased slightly from US$5.8 billion in the first half of FY15, to US$5.9 billion in the corresponding period of FY16 (Table 2.5). IDA commitments to all regions declined, except for the EAP region where they doubled to US$1.0 billion from US$0.5 billion. The SSA region continued to be the largest beneficiary of IDA resources, accounting for 49.2 percent of total commitments in the first half of FY16, down from 53.4 percent in the first half of FY15. At about 29 percent of IDA commitments, the SA region remained the second largest recipient of IDA resources.

IDA gross disbursements also increased marginally from US$5.8 billion in the first half of FY15, to US$5.9 billion in the corresponding period of FY16 (Table 2.6). This mostly reflects increases in disbursements to the SSA and SA regions.

Table 2.3: IBRD Commitments by Region

Region	(US$ billion)		Share (%)	
	First-Half FY15	First-Half FY16	First-Half FY15	First-Half FY16
Sub-Saharan Africa	0.6	0.4	4.2	2.3
East Asia and Pacific	3.6	1.4	25.0	8.2
Europe and Central Asia	5.0	5.2	34.7	30.4
Latin America and Caribbean	3.4	3.7	23.6	21.6
Middle East and North Africa	1.8	4.9	12.5	28.7
South Asia	0.0	1.5	0.0	8.8
Total	**14.4**	**17.1**	**100**	**100**

Source: World Bank

[3] Principal outflows to clients for approved projects.

Table 2.4: IBRD Gross Disbursements by Region

Region	(US$ billion)		Share (%)	
	First-Half FY15	First-Half FY16	First-Half FY15	First-Half FY16
Sub-Saharan Africa	0.6	0.6	5.1	4.3
East Asia and Pacific	1.8	3.3	15.4	23.6
Europe and Central Asia	4.1	3.3	35.0	23.6
Latin America and Caribbean	3.8	3.2	32.2	22.9
Middle East and North Africa	1.1	3.1	9.4	22.0
South Asia	0.3	0.4	2.6	3.6
Total	**11.7**	**13.9**	**100**	**100**

Source: World Bank

Table 2.5: IDA Commitments by Region

Region	(US$ billion)		Share (%)	
	First-Half FY15	First-Half FY16	First-Half FY15	First-Half FY16
Sub-Saharan Africa	3.1	2.9	53.4	49.2
East Asia and Pacific	0.5	1.0	8.6	16.9
Europe and Central Asia	0.1	0.1	1.7	1.7
Latin America and Caribbean	0.1	0.2	1.7	3.4
Middle East and North Africa	0.2	0.0	3.4	0.0
South Asia	1.8	1.7	31.0	28.8
Total	**5.8**	**5.9**	**100**	**100**

Source: World Bank

Table 2.6: IDA Gross Disbursements by Region

Region	(US$ billion)		Share (%)	
	First-Half FY15	First-Half FY16	First-Half FY15	First-Half FY16
Sub-Saharan Africa	3.2	3.3	55.2	55.9
East Asia and Pacific	0.9	0.6	15.5	10.2
Europe and Central Asia	0.2	0.2	3.4	3.4
Latin America and Caribbean	0.2	0.2	3.4	3.4
Middle East and North Africa	0.1	0.0	1.7	0.0
South Asia	1.2	1.6	20.7	27.1
Total	**5.8**	**5.9**	**100**	**100**

Source: World Bank

2.5 IFC Operations

The activities of the International Finance Corporation (IFC) in support of private sector development had a mixed performance in the first half of FY16. While commitments and approvals[4] increased during the first half of FY16, disbursements decreased substantially.

Total commitments increased by 36.5 percent from US$5.1 billion in the first half of FY15 to US$7.0 billion in the corresponding period of FY16 (Table 2.7). Improvements in commitments were recorded in the EAP, ECA and the LAC regions, with increases of US$2.2 billion (up from US$0.7 billion), US$1.2 billion (up from US$0.6 billion) and US$2.4 billion (up from US$1.2 billion), respectively.

IFC commitments to the SSA and SA regions, however, continued the downward trend observed since FY14. Commitments to the SSA region decreased from US$809 million in the first half of FY15 to US$668 million in the first half of FY16[5]. For the SA region, commitments decreased from US$476 million in the first half of FY15 to US$202 million in the first half of FY16.

Approvals during the first half of FY16 increased to US$7.6 billion from US$6.2 billion in the corresponding period of FY15 (Table 2.8). All the regions recorded increases, except the SSA and EAP regions where approvals decreased from US$858 million to US$618 million and from US$1.5 billion to US$988 million, respectively.

Total disbursements decreased to US$2.1 billion in the first half of FY16 from US$5.3 billion during the first half of FY15. Disbursements to the SSA region decreased substantially from US$756 million in the first half of FY15 to US$156 million in the first half of FY16 (Table 2.9).

Table 2.7: IFC Commitments by Region

Region	(US$ million)		Share (%)	
	First-Half FY15	First-Half FY16	First-Half FY15	First-Half FY16
Sub-Saharan Africa	809	668	16	10
East Asia and Pacific	734	2,183	14	31
Europe and Central Asia	585	1,184	11	17
Latin America and Caribbean	1,466	2,424	29	35
Middle East and North Africa	430	248	8	3
South Asia	476	202	9	3
World Region+	619	80	12	1
Total	**5,119**	**6,989**	**100**	**100**

Source: IFC

Notes:

+World Region refers to IFC operations undertaken in more than one region.

[4] Authorization by Board/Management to proceed to Commitment in accordance with Official Procedures.

[5] See Annex 1 for the breakdown of IFC operations in the Africa Group 1 Constituency.

Table 2.8: IFC Approvals by Region

Region	(US$ million)		Share (%)	
	First-Half FY15	First-Half FY16	First-Half FY15	First-Half FY16
Sub-Saharan Africa	858	618	14	8
East Asia and Pacific	1524	988	25	13
Europe and Central Asia	1,033	1,445	17	19
Latin America and Caribbean	1,223	2,090	20	28
Middle East and North Africa	316	1,282	5	17
South Asia	491	533	8	7
World Region	745	638	12	8
Total	**6,189**	**7,594**	**100**	**100**

Source: IFC

Table 2.9: IFC Disbursements by Region

Region	(US$ million)		Share (%)	
	First-Half FY14	First-Half FY15	First-Half FY14	First-Half FY15
Sub-Saharan Africa	756	156	14	7
East Asia and Pacific	1,048	438	20	21
Europe and Central Asia	1,301	301	24	14
Latin America and Caribbean	391	1,058	7	50
Middle East and North Africa	565	76	11	4
South Asia	710	13	13	1
World Region	577	60	11	3
Total	**5,346**	**2,102**	**100**	**100**

Source: IFC

2.6 MIGA Operations

The Multilateral Investment Guarantee Agency (MIGA), has the mandate of promoting foreign direct investments (FDI) into developing countries and, of its own accord, provides political risk insurance and credit enhancement products to investors and lenders. The products include guarantees to cover non-honoring of sovereign financial obligations and financial obligations of state-owned enterprises.

During the first half of FY16, MIGA supported an additional eight projects with a gross issuance value of US$2.0 billion. This represents close to a twofold increase in the volume of MIGA's business, but covering less than half the number of projects in the corresponding period of FY15 (Table 2.10). Worth noting in this regard is that 97 percent of MIGA guarantees supported six projects in IDA countries.

MIGA's, total net exposure declined by 2.5 percent to US$7.1 billion at the end of the first half of FY16 from the corresponding period in FY15 (Table 2.11). The portfolio in the ECA region declined by 16.1 percent, while that of the EAP region declined by 6.1 percent. In contrast, MIGA's net exposure to the SSA region grew by 10.5 percent to US$2.0 billion. The new guarantees to the SSA region amounted to US$907.4 million, in support of four projects. Within the Africa Group 1 Constituency (AFG1), MIGA supported a power sector project in Mozambique, with a gross value of US$115.4 million, representing 12.7 percent of the total (Table 2.12).

A sectoral analysis of MIGA's portfolio shows that the infrastructure sector continues to hold the largest share in total net exposure at 49.4 percent, followed by the financial sector at 28.0 percent. The agribusiness and mining sectors held the least shares at 2.3 percent and 2.2 percent, respectively (Tables 2.13).

Table 2.10: MIGA Operations

	First Half FY15	First Half FY16
Number of Guarantees Issued	18	14
Number of Projects Supported*	18	8
New Projects	9	7
Previously Supported	9	1
Amount of New Issuance, Gross (US$' billion)	1.1	2.0

Source: MIGA
Notes:
*For FY16, includes one addition made to an existing guarantee (FY15 – five additions)

Table 2.11: MIGA Net Exposure by Region+

Region	(US$ million)		Share (%)	
	First-Half FY15	First-Half FY16	First-Half FY15	First-Half FY16
Sub-Saharan Africa	1,819.8	2,010.5	25.0	28.4
East Asia and Pacific	509.4	478.4	7.0	6.8
Europe and Central Asia	2,795.7	2,345.1	38.5	33.1
Latin America and Caribbean	1,209.2	1,256.8	16.7	17.7
Middle East and North Africa	533.2	503.3	7.3	7.1
South Asia	398.6	489.9	5.5	6.9
Total	**7,265.9**	**7,084.0**	**100**	**100**

Source: MIGA
Notes:
+ Numbers represent stock end of the first half in each year.

Table 2.12: MIGA Guarantees in Sub-Saharan Africa, 1st Half FY16

Constituency/Country	No. of Projects	Sector	Guarantee Amount (US$M)	In % of SSA
Africa Group 1 (AFG1)	1	Power	115.4	12.7
Mozambique	*1*	*Power*	*115.4*	*12.7*
Other SSA (Non-AFG1)	3	Financial/Oil & Gas/ Power	792.0	87.3
Total SSA	4		907.4	100.0

Source: MIGA.

Table 2.13: MIGA Portfolio by Sector, 1st Half FY16+

Sector	Gross Exposure (US$ million)	Net Exposure (US$ million)	Total Net Exposure (%)
Agribusiness	164.3	164.0	2.3
Financial	3,285.4	1,986.8	28.0
Infrastructure	6,511.8	3,496.6	49.4
Power	*3,188.9*	*1,762.4*	*24.9*
Telecom	*334.5*	*210.5*	*3.0*
Manufacturing	561.5	468.5	6.6
Mining	1,000.0	152.5	2.2
Oil and Gas	1,101.6	487.6	6.9
Tourism/Retail/Services	361.3	328.0	4.6
Total	**12,985.9**	**7,084.0**	**100.0**

Source: MIGA

+ Numbers represent stock end of the first half in each year.

A primary school in Kampala, Uganda

This school in Manan Telkouk, Kasala is now powered by Solar cells one of CDF’s projects in education- Sudan

Catching Hope- Saftey Nets Change Lives in Brazil and Ethiopia – Ethiopia

Nurse at Redemption Hospital _ Liberia

Chapter 3

Selected Policy and Strategic Issues

- Environmental and Social Safeguards Framework
- The 2015 Voice Reform
- IDA Reforms
- The World Bank Group’s Role in the Data Revolution
- Climate Change: COP21 and the Africa Climate Business Plan
- Global Agriculture and Food Security Program (GAFSP)
- Diversity and Inclusion

Chapter 3

Selected Policy and Strategic Issues

3.1 Overview

This Chapter provides updates on selected policy and strategic issues in the World Bank Group (WBG) since October 2015. Overall, significant progress has been registered on several fronts. As regards the review of the Environmental and Social Safeguards Framework (ESSF), the third round of consultations was concluded in March 2016, paving the way for Board approval of the new policy by end of FY16. Regarding the 2015 Voice Reform, an interim report on the Dynamic Formula will be presented to Governors for their consideration during the 2016 Spring Meetings of the WBG and International Monetary Fund (IMF). With respect to IDA, the IDA17 Mid-Term Review and first IDA18 Replenishment meetings were held in November 2015 and March 2016, respectively, where discussions were held on the strategic outlook including scaling up of financing and IDA special themes.

Progress was also made on the WBG's response to closing data gaps in measuring development, with a rollout of a Strategic Action Plan on data. Similarly, the WBG responded to calls for greater action on Climate Change by reaffirming its commitment in this area and launching the Africa Climate Business Plan at the 21st session of the Conference of the Parties (COP21) in December 2015. On Diversity and Inclusion within the WBG, progress has been made toward meeting the Institution's targets, with the recruitment of 40 nationals from SSA at professional and management levels.

3.2 Review of the World Bank Environmental and Social Safeguards Framework

As reported in the FY15 Annual Report, the third phase of consultations on the second draft of the ESSF concluded in March 2016 (Box 3.1). The World Bank held discussions with a wide range of stakeholders from Governments and implementing agencies, Civil Society Organizations (CSOs) involved in advocacy and service delivery, the private sector, as well as academia and applied research institutions. These discussions focused on an indicative list (Box 3.2) of the outstanding issues as indicated by Executive Directors, including the feasibility of implementing the proposed Framework and the impact on borrowing countries especially on costs.

Consultations in the Africa Group 1 Constituency (AfG1) took place in the Republic of Rwanda (January 13-15, 2016), the Republic of Kenya (February 2-4, 2016), the Federal Democratic Republic of Ethiopia (February 8-12, 2016), and United Republic of Tanzania (February 13-17, 2016). All the other countries in the Constituency were invited to participate in the consultation process in one of these countries. In this respect, government officials from the Republic of Mozambique and the Kingdom of Lesotho were present at the consultations in the Republic of Kenya, while representatives from the Republic of The Sudan and the Republic of South Sudan participated in the consultations held in the

Federal Democratic Republic of Ethiopia. Representatives from the Republic of Burundi attended the consultations in the United Republic of Tanzania.

Box 3.1: The Proposed ESSF Standards

ESS1: Assessment and Management of Environmental and Social Risks and Impacts
ESS2: Labor and Working Conditions
ESS3: Resource Efficiency and Pollution Prevention and Management
ESS4: Community Health and Safety
ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
ESS7: Indigenous Peoples
ESS8: Cultural Heritage
ESS9: Financial Intermediaries
ESS10: Information Disclosure and Stakeholder Engagement

During the consultations, stakeholders reiterated the view that the ESSF should primarily focus on helping countries eradicate poverty and promote shared prosperity in a sustainable manner. They observed that flexibility and cost neutrality should be at the center of the ESSF's implementation process. They further emphasized that the ESSF should not impose policies that are in conflict with Borrowers' national values. Rather, the ESSF should fully respect national Constitutions and laws. In essence, the Framework should be an instrument that helps build and strengthen their institutional capacity, systems and frameworks.

Box 3.2 Indicative List for the ESSF Consultations

Standard	Issue
Vision	• Approach to human rights in the ESSF
ESS1	• Non-discrimination and vulnerable groups • Use of Borrower's Environmental and Social Framework • Co-financing/ common approach • Adaptive risk management • Risk classification • Environmental and Social Commitment Plan (ESCP)
ESS2	• Operationalization of the Occupational Health and Safety (OHS) provisions/standards • Application and implementation impacts of certain labor requirements, • Referencing national law in the objective of supporting freedom of association and collective bargaining
ESS3	• Climate change and GHG emissions • The relation between provisions on climate change in the ESF and broader climate change commitments, specifically the United Nations Framework Convention on Climate Change (UNFCCC)
ESS5	• Land acquisition and involuntary resettlement
ESS6	• Role of national law with regard to protecting and conserving natural and critical habitats • Criteria for biodiversity offsets, including consideration of project benefits • Definition and application of net gains for biodiversity
ESS7	• Implementation of the Indigenous Peoples standard in complex political and cultural contexts as well as the national constitutions • Criteria for establishing and implementation of Free, Prior and Informed Consent (FPIC)
ESS8	• Application of intangible cultural heritage when the project intends to commercialize such heritage, and when it has not been legally protected or previously identified or disturbed
ESS9	• Application of standard to FI subprojects and resource implications depending on risk • Harmonization of approach with IFC and Equator Banks
ESS10	• Definition and identification of project stakeholders and nature of engagement
General	• Application of the Environmental, Health and Safety Guidelines (EHSGs) and Good International Industry Practice (GIIP), especially when different from national laws • Implementation and resource implications for Borrowers • Client capacity building and implementation support • Timing of the preparation and disclosure of specific environmental and social impact assessment documents • Bank internal capacity building, resourcing, and behavioral change in order to successfully implement the ESF • Ways of reaching mutual understanding between Borrower and Bank on issues of difficult interpretation

To facilitate the completion of the review and update of the ESSF, Executive Directors formed Working Groups to discuss various aspects of the Framework. This process is envisaged to bring consensus in a faster and smooth manner. Following the closure of the consultations, Executive Directors received feedback on the consultations and the proposed next steps. The comments and recommendations received during this consultation phase would inform the final draft framework for discussion and approval by the World Bank's Executive Board before the end of FY16.

3.3 Update on the 2015 Voice Reform

In their 2015 Shareholding Review Report to Governors, presented during the 2015 Annual Meetings of the WBG and IMF in Lima, Peru, Executive Directors made a commitment to develop a dynamic formula based on the guidance given by Governors. They aimed to conclude and present their work to Governors by the 2016 Annual Meetings, with an Interim Report on progress presented at the 2016 Spring Meetings of the WBG and IMF.

The dynamic formula was to be developed based on guiding principles of the Voice Reform agreed at the 2009 Annual Meetings held in Istanbul, Turkey. The Shareholding Review Principles are:

(i) Regular shareholding reviews will take place every five (5) years based on agreed principles and a dynamic formula;
(ii) The guiding principle for shareholding realignment is to achieve an equitable balance of voting power, taking into consideration country groups, and/or country under-representation;
(iii) As a global cooperative, all voices are important. Members have basic votes, protected in the constituent documents of respective WBG entities. Therefore, where possible decision making is by consensus.
(iv) The smallest shareholders shall be protected from dilution of their voting power.
(v) Shareholding brings both rights and responsibilities, and all shareholders have an interest in the long-term financial sustainability of the WBG, including IBRD and IFC's AAA credit rating and contributing capital in line with members' capacity to do so.

Since discussions that were held in Lima, Peru in October 2015, Executive Directors have agreed on the two core variables of the dynamic formula, (i.e. GDP as a measure of economic weight and IDA Contributions). Further work however, remains to be undertaken to determine the relative weights of these variables. As regards the measure of economic weight, Executive Directors support the use of a GDP variable that blends Market Exchange Rates (MER) and Purchasing Power Parity (PPP). They will determine an appropriate weight to attach to MER and PPP, and whether the GDP variable should be averaged over 3 or 5 years, in order to smooth out any fluctuations that may be caused by economic cycles.

On IDA contributions, there is acknowledgement of the need to both recognize historical contributions to IDA and incentivize new donors and future contributors to IDA replenishments. Similarly, further work to refine the approach, including determining the relative weights to be given to historical and recent IDA contributions remains to be done.

In order to protect the smallest shareholders, the voting power of these countries will be ring-fenced and kept out of the dynamic formula. Going forward, significant compromise will be required to reach consensus on the dynamic formula, as different combinations in the formula will have a bearing on shareholding outcomes.

3.4 Update on IDA Reforms

The WBG Executive Board, Senior Management, IDA Deputies and IDA Borrower Representatives continued to engage in discussions on the reforms required to strengthen IDA. So far in FY16, reforms have been undertaken under IDA17, while discussions on future reforms began at the first IDA18 Replenishment Meetings held in Paris, France in March 2016.

3.4.1 Reforms under IDA17

On March 8, 2016, the Board of Executive Directors approved the policy on "Enhancing IDA's Financial Support in IDA17". The policy which aims to boost IDA17 resources in response to the immediate financing pressures from IDA's client countries, specifically establishes an increase to the commitment authority in IDA17 by US$5.0 billion. This additional commitment authority emerged from an adjustment to IDA's liquidity management framework and will be used to: (i) establish a Scale Up Facility (SUF); (ii) replenish the Crisis Response Window (CRW); and (iii) expand the minimum base yearly allocation in the Turn-Around Regime (TAR) for small population countries.

Establishment of the Scale Up Facility

The SUF amounting to US$4.1 billion was established on a one-off basis for the remainder of the IDA17 period[6]. This will provide additional financing on non-concessional terms that are similar to IBRD (Box 3.3) for projects with high development impact and strong alignment with IDA17 priorities. The rationale for deploying this additional commitment authority on non-concessional terms is to preserve the net reflows to IDA.

The Facility is designed to support IDA countries with low and moderate risk of debt distress, as determined by a country's most recent joint IMF/WB Debt Sustainability Analysis (DSA). Based on the indicative regional allocations, SSA is expected to access US$2.3 billion (about 56.0 percent) of the US$4.1 billion. The other regions have the following notional allocations: East Asia and Pacific (US$0.6 billion), Europe and Central Asia (US$0.14 billion), Latin America and Caribbean (US$0.08 billion) Middle East and North Africa (US$0.05 billion) and South Asia Region (US$0.93 billion).

Box 3.3: Summary of Scale Up Facility Lending Terms

Loans will be provided in Special Drawing Rights (SDR) and single currencies that constitute the SDR (US Dollar, Euro, Pound Sterling and Japanese Yen), and will be offered to all countries at fixed rates. However, Blend countries will have a choice to borrow at variable rates. The all-in interest rates will include a floor of 0.75 percent so that non-concessional rates do not fall below IDA's concessional rates. Pricing for SUF financing will include a 0.25 percent front end fee and a 0.25 percent commitment fee on undisbursed balances. IDA's administrative fee of 0.75 percent will not be applicable.

[6] Executive Directors also approved the use of US$200 million from this incremental commitment authority for exceptional financing to Jordan and Lebanon to help address urgent needs relating to the refugee situation in the Middle East. To this effect, US$3.9 billion of the Scale Up Facility will initially be made available for commitment. It is expected that IDA would be compensated for forgone resources in the context of the World Bank forward look and IDA18 Replenishment.

Replenishment of the Crisis Response Window

The CRW was replenished by an allocation of concessional funds amounting to US$900 million, to equip IDA to respond to further crises over the remainder of the IDA17 period. The eligibility criteria for accessing the CRW was expanded to include health emergencies and pandemics that have significant negative global spillovers. To access the CRW, the new criterion requires countries to declare a national public health emergency and the World Health Organization to declare that the outbreak was potentially of international importance, under its Global Alert and Response system and in accordance with the 2005 International Health Regulations. The unused balances of the CRW would be carried over for utilization in IDA18.

Increase in the Minimum Base Yearly Allocation under the Turn-Around Regime for Small Population Countries

Under IDA17, exceptional financing is provided to IDA eligible countries facing a turn-around situation in addition to their regular allocation. For the purpose of the exceptional regime, a "turn-around' situation is a critical juncture in a country's development trajectory providing a significant opportunity for building stability and resilience. It is marked by: (i) the cessation of an ongoing conflict which significantly disrupts a country's development process; and (ii) the commitment to major change in the policy environment following a prolonged period of disengagement from Bank lending; or a major shift in a country's policy priorities addressing critical elements of fragility.

At the IDA17 Mid Term Review, it was determined that the TAR as originally designed did not sufficiently provide for countries with small populations, particularly those with low Performance Based Allocation (PBA) ratings, due to the allocation of funds on a per capita basis. To ensure higher financing to countries with small populations, the Executive Board, therefore approved the introduction of a minimum base yearly allocation in the TAR of SDR4.0 million.

3.4.2 Highlights of the First IDA 18 Replenishment Meeting

The IDA18 Replenishment discussions commenced with the first Meeting in Paris, France during March 14-15, 2016. The co-chairing arrangement of the replenishment process and increased participation of borrowing countries from six to eight, which resulted from the governance reforms agreed to in the course of the IDA17 Working Group's exercise, were put into effect. Ms. Sri Mulyani Indrawati, Managing Director and Chief Operations Officer, WBG, and Ms. Dede Ekoue, Development Expert and Former Minister of Planning and Development, Republic of Togo, co-chaired the meeting. There were fourteen Borrowers' Representatives, of which five were from SSA countries, namely, Burkina Faso, Guinea Bissau, Democratic Republic of Congo, Malawi, Nigeria, and Zambia. Donor countries were represented by their IDA Deputies.

The main objective of the Meeting was to set the agenda and strategic directions for the IDA18 Replenishment. Three main issues were discussed: (i) the overarching theme and special themes; (ii) the IDA graduation policy; and (iii) IDA leveraging. Borrowers' Representatives shared their views in a joint statement on these issues (see Annex 4).

Strategic Direction for IDA18

Drawing from the changing global landscape for development, which presents both opportunities and challenges for developing countries, the Meeting called upon the WBG to adapt and to remain fit-for-purpose. The IDA18

Replenishment was deemed as the first opportunity for the international development community to make concrete their commitments to scale up financing in order to deliver on global development goals. With IDA acknowledged as a powerful platform to tackle complex, global challenges through country solutions, it was considered that a thematically focused IDA18 would be crucial for attracting interest and attention of partners to support a robust replenishment in 2016.

The Meeting agreed on the following overarching theme for IDA18: "*Towards 2030 - Investing in Growth, Resilience and Opportunity*". Also, given the unfinished agenda in IDA17, the Meeting agreed to continue with its special themes and added two new ones (Box 3.4). Concrete policy commitments on each of these themes would be discussed and agreed in June 2016.

Review of IDA's Graduation Policy

The Meeting considered: (i) the current graduation policy and reviewed possible adjustments to the graduation criteria; (ii) the recommendations for three countries, namely, Bolivia, Sri Lanka and Vietnam to graduate at the end of the IDA17 period subject to a transition support mechanism; and (iii) the proposed modalities for improving coordination within the WBG and with external development partners for smoothing the transition from IDA.

As regards the review of the graduation criteria, namely raising the GNI cut-off and supplementing it with additional development indicators, no change was made. The Meeting however, underscored the importance of transparency and equity in the application of the graduation criteria. The WBG was also encouraged to play a broader leadership role in coordinating with external development partners in the graduation process.

Box 3.4: Special Themes for IDA18

Climate Resilient Development – to acknowledge the growing impact of climate change on development, especially in small island states, and the importance of building country resilience;

Gender Equality – to recognize the significant progress that has been made in closing gender gaps, especially in education, while acknowledging the unfinished agenda, especially in economic empowerment;

Fragility, Conflict and Violence (FCV) – to recognize that this is among the most pressing global policy issues, and that fragility, including refugee crises and internally displaced people, presents major obstacles to development with impacts at the country, regional and global levels;

Economic Transformation and Jobs – this calls for an economy-wide framework that supports the transition to higher value production and improved productivity. This should capture opportunities for jobs, private sector development, and economic diversification;

Governance and Institution Building – this recognizes the crosscutting importance of good governance and strong institutions in sustainably attaining the development goals. This will foster strong domestic resource mobilization and capacity building.

The Meeting acknowledged that the three graduating countries faced external vulnerabilities that would impact their progress in the absence of transitional support. Concerns were also raised about the fiscal impact of a drop in IDA concessional resources and accelerated repayment of outstanding IDA credits upon graduation. It was, therefore, agreed that their graduation would be kept under review, while consensus was being sought on a transition support mechanism in upcoming IDA18 discussions.

IDA 18 Financing Issues and Leveraging Options
The Meeting considered management's review of IDA's concessional financial model, instruments and capacity. It also discussed the update on the progress made in exploring options for leveraging IDA's equity (IDA+), the operational modalities for non-concessional terms and the proposals for the development of the IDA18 financing framework.

In view of the significant financial resources required for the 2030 Agenda, innovative measures to boost IDA resources were welcomed and supported for inclusion in the IDA18 financing framework. The Meeting recognized the principle of additionality, but stressed the need to protect IDA's core financing mechanism and avoid incentives that may result in lower grant contributions from partners. Given the successful implementation experience with the Concessional Partner Loans in IDA17, broad support was expressed for their inclusion in the IDA18 financing framework.

Regarding leveraging of IDA's equity, the options were considered as feasible sources for additional funding for IDA. Some of the guiding principles advanced by the Meeting include the following:

- (i) Adopting a gradual approach to leveraging that focuses initially on delivering a strong IDA18 Replenishment, which responds to IDA's capacity and clients' financial needs;
- (ii) Focusing on clients' debt sustainability; and
- (iii) Ensuring that new terms for the leveraged resources remain attractive and sustainable when interest rates rise.

The leveraging options (Box 3.5) were considered but consensus was not reached. However, several participants supported the adoption of IDA+1 or a combination of IDA+1 and a guarantee approach in IDA18. Management was urged to prepare detailed aspects of the options, as well as the allocation framework, to facilitate a decision on the financing modalities in June 2016.

The Second IDA18 Replenishment Meeting will take place in Myanmar during June 20-22, 2016.

Box 3.5: Leveraging Options Under IDA18

- IDA+1 - *IDA issuing debt directly in the capital market;*
- IDA +2 - *IDA transfers assets to IBRD for leveraging and lending to IDA countries; and*
- IDA guarantees - *IBRD lending to IDA countries based on underlying IDA guarantees.*

3.5 World Bank Group's Role in the Data Revolution

In FY15, the WBG followed through on its commitment to support the call for a 'Data Revolution' in order to effectively monitor progress within the context of the 2030 Agenda. In formulating the Sustainable Development Goals (SDGs), the international community highlighted the importance of addressing data gaps that constrained the tracking of progress under the Millennium Development Goals (MDGs), especially that the new goals were of greater ambition with 17 goals, 169 targets, and 230 indicators. In view of this, the Global Partnership for Sustainable Development Data was launched alongside the adoption of the SDGs. This Global Partnership is a global network of Governments, Non-Governmental Organizations (NGOs), and businesses that have pledged to work together to address gaps in development data.

As one of the Multilateral Development Banks (MDBs) that form part of this Global Partnership, the WBG has developed the Strategic Actions Program to operationalize a long-term development data strategy (2016-2030). The objective of this Program is to reduce gaps in both the quantity and quality of development data and encourage clients to adopt innovative methods of data collection that are scalable and reduce time and cost of production. This Program is anchored on the Institution's comparative advantage in data collection and statistics and builds on its leadership in a number of data areas.

The Strategic Action Program has been structured to first lend support in three action areas, namely Civil Registration and Vital Statistics (CRVS); price statistics; and household statistics. This will be followed by action programs on other areas including population census, national accounts, and labor and jobs data. CRVS will involve capturing information on the population's vital statistics such as birth, death, marriage, divorce and adoption, while support for price statistics will enhance the record of prices across various markets and consumer prices to capture the cost of living accurately. Household surveys qualify in this first round of action due to their significance in tracking the dynamics of poverty and income inequality, which are the core components of the WBG's twin goals. A key target that has been set is to support each of the WBG's client countries to have at least one survey conducted every three years.

Primary innovations under the Strategic Action Program involve the following: (i) mainstreaming data requirements into the Systematic Country Diagnostic (SCD) and the Country Partnership Framework (CPF); and (ii) scaling up financing. By mainstreaming data in the country engagement process, the WBG seeks to elevate the policy discussion with country authorities around support to their statistical frameworks and capacities. This will involve an assessment of a country's statistical needs and capacity and how the WBG could assist within the context of other competing country needs. The WBG recognizes that the financial requirements for this Program are substantial and has therefore committed to scale up funding in this area. It is estimated that the three action areas will involve US$1.7 billion in IBRD/IDA lending during the 15-year period to 2030, with additional administrative costs of approximately US$150 million. Besides the use of regular country envelopes, other financing instruments will be utilized including Reimbursable Advisory Services (RAS) and Trust Funds resources. Already, the WBG has committed to raise US$100 million through a Trust Fund in support of data innovations.

The WBG seeks to place more effort in countries, where data gaps are most severe, particularly in lower income countries. Action plans in other areas on population census, and labor and jobs data are expected to be rolled out in FY2017. Progress in the implementation of the Strategic Action Program will be monitored through annual reports by the WBG.

3.6 Climate Change: COP21 and the Africa Climate Business Plan

The international community, including the WBG and other multilateral development institutions, acknowledge that addressing climate change is one of the leading issues relevant to poverty reduction and development. The international community agreed to take concerted actions to address the inherent development challenges that evolve from climate change. This is captured in the Agreement of the COP21 to the United Nations Framework Convention on Climate Change (UNFCCC) that was held in Paris, from

November 30 to December 11, 2015. The Agreement, signed by the 195 participating countries, aims to reduce their respective levels of carbon emissions with the intent to keep global warming to well below two degrees Celsius (2°C).

Prior to COP21, the WBG already had a Climate Change Strategy for Africa that was adopted in November 2010. This Strategy was based on four pillars covering adaptation, mitigation, capacity building and additional financing. It also had a particular focus on sustainable water resources, land and forest management, integrated coastal development, increased agricultural productivity, better health systems, and conflict and migration issues.

During the COP21 Conference, a number of side events were held, including group and bilateral meetings. In many of these meetings, the WBGs' on-going and planned work on climate change was highlighted, including efforts to increase it by a third to 28 percent of its overall work program by 2020. Combined with other mobilized resources, annual climate change funding could potentially reach US$29.0 billion by 2020. This support would constitute a robust response requested by clients to implement their national plans. Such support would be critical to ensuring that the WBG's mission of reducing extreme poverty and boosting shared prosperity can be achieved. In its programs, the WBG pledged to consider mainstreaming climate change across its strategies and operations in order to deliver more sustainable results, with a particular focus on the poor and most vulnerable segments of the population.

Another highlight was the WBG President's presentation of the Bank's Africa Climate Business Plan, to African Leaders. The Plan, titled, "*Accelerating Climate-Resilient and Low-Carbon Development*", calls for the mobilization of about US$16.0 billion by 2020 and is expected to be supported by US$5.7 billion from IDA and other resources dedicated to climate finance, including private financing. The Plan comprises measures to boost the resilience of the Continent's assets (particularly people, land and water), as well as the most vulnerable cities and rural communities. It also includes programs to accelerate the use of renewable energy, enhance early warning systems and establish a new Africa Facility for Climate-Resilient Investment. This Facility primarily aims to facilitate the integration of climate change in the planning and design of infrastructure in Africa. It is expected to be supported by the African Union Commission (AUC) and the UN Economic Commission for Africa (UNECA).

3.7 Brief on the Global Agriculture and Food Security Program (GAFSP)

The Global Agriculture and Food Security Program (GAFSP) is a multilateral financing mechanism that was set up in 2009 by the G20, with the World Bank as Trustee, to help Low-Income Countries (LICs) reduce poverty and improve rural livelihoods and food security. In this regard, the objective of the Program is to address the underfunding of country and regional strategic investment plans in agriculture and food security.

The focus of the Program is on the following activities:

(i) Raising agricultural activity and production;
(ii) Linking farmers to markets;
(iii) Reducing risk and vulnerability;
(iv) Improving non-farm rural livelihoods; and
(v) Providing technical assistance for human and institutional capacity building.

Eligibility for GAFSP financing is limited to IDA-only countries in non-accrual status. Selection of countries for GAFSP financing is based on the following criteria:

a) *Country Need*: In addition to the IDA-only status, other indicators such as prevalence of undernourishment and relative levels of current ODA for agriculture are considered.
b) *Country* Policy *Environment*: Countries with policy environments more conducive to generating higher investment returns are given priority.
c) *Country Readiness:* For African countries, completion of a Comprehensive Africa Agriculture Development Programme (CAADP) post-compact investment plan and a subsequent CAADP technical review report, are used to assess the readiness of the country. For non-African countries the completion of a comprehensive agricultural development strategy and investment plan that has undergone a technical review covering similar technical aspects as the CAADP reviews are used to assess readiness.

Since 2011, GAFSP has successfully pooled donor funds to support these activities through two windows, the Public Sector Window and the Private Sector Window.

The Public Sector Window supports technically sound, country-led plans. Since inception, GAFSP has executed grants totaling US$1.0 billion through this Window. Of this amount, US$0.6 billion or 60.0 percent was allocated to Africa, including to Burundi, Ethiopia, The Gambia, Kenya, Liberia, Malawi, Rwanda, Sierra Leone, Tanzania, Uganda and Zambia.

The Private Sector Window, managed by the International Finance Corporation (IFC), uses blended finance solutions to support agricultural projects in developing countries that may not attract commercial funding due to perceived high risks in this sector. This window invests largely in projects that show potential for high development impact and financial viability. Specific activities supported through the Private Sector Window include the strengthening of smallholder supply chains, storage, agribusiness, and food and beverages production and processing. Since inception, the GAFSP Private Sector Window has executed grants amounting to US$221.4 million in various countries including Ethiopia, Tanzania, Malawi, Uganda, Rwanda, Liberia, and Mozambique.

To qualify for funding under the Private Sector Window, investment proposals must meet the following criteria:

1. Be sponsored by private entities in the agribusiness sector;
2. Be located in eligible countries;
3. Have a minimum project size of US$5 million;
4. Have demonstrated profitability over the last three years of the project or evidence of long-term financial sustainability, with financial capacity to service existing and new debt;
5. Have high quality management; and
6. Comply with IFC's Environmental & Social Performance Standards.

The ultimate decision making body of the GAFSP is its Steering Committee, established in April 2010. The GAFSP Steering Committee ensures coordination between the two windows. During the 2015 Joint GAFSP Steering Committee/Private Sector Window Donor Committee Meeting (SC/DC), members approved the proposal to hold the 2016 Meeting in a beneficiary country to give them an opportunity to appreciate GAFSP achievements and impacts. It is in this context that the 2016 Joint GAFSP Steering Committee and the Private Sector Window Donor Committee Meeting was held in

Kigali-Rwanda during January 25-28, 2016. While in Kigali, SC/DC members visited the GAFSP funded projects and engaged directly with project stakeholders. Furthermore, their deliberations included the alignment of the GAFSP monitoring and evaluation system and performance indicators with the global agriculture and food security agenda in the SDGs.

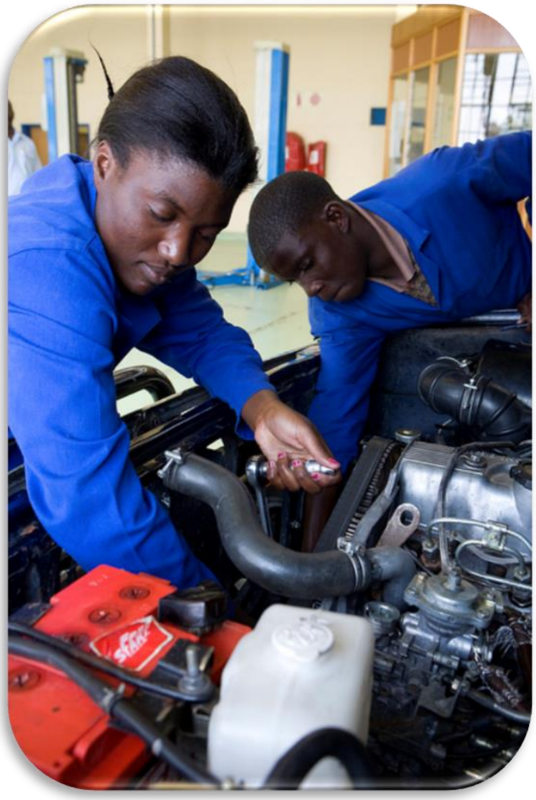
3.8 Update on Diversity and Inclusion

As a global organization with staff from more than 170 countries, the WBG has committed to foster and strengthen Diversity and Inclusion (D&I) in its workforce. In August 2015, the World Bank undertook a recruitment mission to Africa aimed at increasing the number of SSA staff in its workforce at level GF+ (professional level and above) and at building a talent pipeline of SSA mid to senior level career professionals. From the mission, 40 candidates have been offered positions. The World Bank has also committed to continue with this effort to recruit more Africans to fill positions in departments with significant underrepresentation of SSA nationals.

While these efforts are commendable, African Executive Directors will continue to call upon the WBG Senior Management to ensure there is always an adequate pool of Africans both at the technical and managerial levels across all entities of the WBG.

Woman cultivating crops. Tanzania

Maseru Mazenod Reservoir Pipelines&Villages- Lesotho



The Windhoek Vocational Training Centre in Khomasdal is a training center for artisans

Women watering mukau sapplings in Kenya's arid Eastern Province

Chapter 4

Constituency Issues

- Highlights of Statutory Constituency Meeting
- Update on Review of the Constituency Rules, Guidelines and Procedures
- Update on WBG Reengagement with Republic of Zimbabwe, State of Eritrea, Republic of The Sudan and Federal Republic of Somalia
- African Caucus

Chapter 4

Constituency Issues

4.1 Overview

This Chapter provides highlights of the Eleventh Statutory Meeting of the Africa Group 1 Constituency (AFG1) and the African Caucus Meeting, which were held on the margins of the 2015 Annual Meetings of the World Bank Group (WBG) and the International Monetary Fund (IMF).

The Chapter also highlights progress in the reengagement of the WBG with Constituency countries where active collaboration had been suspended. As regards the reengagement of the State of Eritrea, the Federal Republic of Somalia and the Republic of The Sudan, these countries have been grandfathered to follow the Heavily Indebted Poor Country (HIPC) path. On the other hand, the Republic of Zimbabwe has adopted a non-HIPC path to reengagement. Further, Roundtable conferences are scheduled for the State of Eritrea, the Federal Republic of Somalia, and the Republic of The Sudan during the 2016 Spring Meetings of the WBG and IMF.

4.2 Highlights of Eleventh Statutory Meeting of the Africa Group 1 Constituency

The *Africa Group 1 Constituency Rules, Guidelines and Procedures* as approved in 2010, stipulate that the Constituency shall meet biannually to deliberate on issues of common interest and map out modalities for ensuring that these issues are factored in the broad policy and operational agenda of the WBG. Accordingly, the Constituency held its Eleventh Statutory Meeting on October 8, 2015 in Lima, Peru on the margins of the 2015 Annual Meetings of the WBG and the IMF. The following are highlights of the reports considered, issues discussed and decisions taken.

4.2.1 The FY15 Annual Report of the Executive Director

The Annual Report of the Executive Director for Fiscal Year 2015 (FY15) highlighted the global economic developments and prospects, as well as the related development challenges in Sub-Saharan Africa (SSA). It reported on the WBG's operational delivery and resource flow to SSA and updated Governors on selected WBG policies and programs that were under review in the course of FY15. The Report also highlighted the Executive Director's Constituency outreach activities.

Governors welcomed the Executive Director's Report and appreciated its comprehensiveness. They noted the bleak global economic outlook and acknowledged the adverse impact of declining commodity prices on the fiscal and external accounts of the commodity exporting countries. They noted the uncertainty in the flows of Official Development Assistance (ODA) and urged the International Financial Institutions (IFIs) to accelerate implementation of the 'Billions to Trillions' initiative, and to increase support for enhanced Domestic Resource Mobilization (DRM) and stemming Illicit Financial Flows (IFFs).

Governors further welcomed the increased flow of resources from the WBG to SSA in FY15. While noting the increase in IFC commitments and MIGA guarantees to the SSA region, Governors called for a scale up of their operations, especially in the Low-Income Countries (LICs).

Governors welcomed the roundtable meeting for the reengagement of the Republic of Zimbabwe that was held on October 8, 2015 in Lima, Peru. While urging the Office of the Executive Director to continue to advocate for arrears clearance for the State of Eritrea, Federal Republic of Somalia and the Republic of The Sudan, they specifically requested for a time bound approach to the processes for these three countries.

Governors appreciated the continued advocacy by the Office of the Executive Director for support to countries facing natural disasters arising from climate change. They noted and welcomed that the Office remained engaged with Management on the need for a Strategy for Middle Income Countries (MICs) and Small Island Developing States (SIDS).

Regarding an update on the second draft of the *Environmental and Social Safeguards Framework (ESSF)*, Governors noted the remaining contentious issues and welcomed the opportunity to discuss them during the third phase of global consultations in 2016, including in our Constituency countries. They encouraged member countries to strongly advocate against the inclusion of policies that are inconsistent with African values and culture in the framework and urged for the right balance in capturing the terminology on *Indigenous Peoples*.

Governors welcomed the Executive Board's approval of the *World Bank Procurement Framework* in July 2015 and appreciated the greater focus on the use of country systems. They also noted that the *Global Infrastructure Facility (GIF)*, which was set up to facilitate the preparation and structuring of complex infrastructure projects was operational.

Governors welcomed the update on the *World Bank Group Shareholding Review* that includes the design of the guiding principles and the dynamic formula that would guide future reviews. They noted the upcoming deadlines of 2016 and 2017 to meet obligations on the IBRD Selective Capital Increase (SCI) subscription based on the 2010 agreement. Governors welcomed the progress on the promotion of diversity in the WBG, in particular the ongoing staff recruitment drive in Africa. However, they stressed the need to continue advocating for increased representation of Africans in the management ranks of the Institution.

Governors appreciated the update on preparations for the IDA17 Mid-Term Review and the upcoming IDA18 Replenishment. They noted the proposed actions aimed at increasing resources under IDA17 and IDA18.

Governors also welcomed the proposed WBG's support for the 2030 Agenda for the Sustainable Development Goals (SDGs) and the new operating model, which will entail stronger partnerships with other development institutions, leveraging concessional and non-concessional finance, support for strengthening DRM and assistance in crowding-in private sector resources. They also welcomed the focus on regional opportunities and challenges, combating the effects of climate change and catalyzing the development data revolution.

Governors welcomed the highlights of the findings of the *Global Monitoring Report (GMR) 2015/16: Development Goals in an Era of Demographic Changes*. They noted the uneven progress on the MDGs and acknowledged the three key challenges, namely: (i) deep level of poverty, especially in SSA and South Asia (SA) regions; (ii) uneven shared prosperity; and (iii) the persistent disparities in non-income dimension of development. They also welcomed the recommendation that responses to demographic change would require sound policies to sustain broad based growth, invest in people, and insure the poor and vulnerable against sudden and emerging risk.

4.2.2 Consideration of the Constituency Statement to the Development Committee

Governors appreciated the work of the Development Committee (DC) Member Committee and endorsed the proposed DC Member's Statement for the Constituency (see Annex 2). The Statement articulated the position of the Constituency on the Role of the WBG and IMF in the implementation of the 2030 Agenda for Sustainable Development; the GMR 2015/2016; WBG Support for Crisis Prevention, Preparedness and Response; and the 2015 Shareholding Review. The Statement also covered recurring development issues on Diversity and Inclusion, support to Africa's MICs and SIDS, debt relief, and the WBG's Environmental and Social Safeguards Policies.

4.3 Update on Review of the Constituency Rules, Guidelines and Procedures

The Constituency Panel has held two meetings following a mandate given to it at the Constituency Meeting in April 2015 in Washington DC, USA to undertake the First Statutory Review of the Constituency Rules, Guidelines and Procedures. The Panel held its inception meeting in Addis Ababa, Federal Democratic Republic of Ethiopia, in July, 2015. At that meeting, the Panel considered the Executive Director's "*Report on the 2010 – 2015 Assessment of the Rules, Issues and Proposals for the 2015 Review*". The Panel held a follow up meeting in Lima, Peru, in October, 2015 to deliberate and finalize the "*Panel's Report on the Review of the Constituency Rules, Guidelines and Procedures.*

The Panel's Report provides a detailed assessment of the implementation of the Rules in the last five years, highlights the issues that the Panel has considered for review, and provides details on the assessment and reasoning underpinning the proposed recommendations. Overall, the Panel finds that the Rules have served the Constituency well over the five years of implementation. The provisions and rotation system have been applied fairly and have accorded countries an equal opportunity to serve the Constituency in all the governing bodies. The Panel further observed that there was still room for improvement to foster effectiveness in the representation of the Constituency. The Panel therefore proposed to maintain the areas where there was consensus that no change was needed and recommended changes to improve the areas where it felt there was need for improvement.

Following the discussion of the Report at the Constituency Meeting in Lima in October 2015, it, was circulated to all Constituency Members for consultations in December 2015. Governors were invited to provide inputs and comments or no objections to the Panel's recommendations through the Office of the Executive Director for consolidation by end-March 2016.

In view of the consultation process, which was extended to end-March 2016 from end-January 2016, the Panel revised the timeline for completing the Review. The Panel will reconvene during the 2016 Spring Meetings of the WBG and

IMF to consolidate the submissions, deliberate and prepare the final Report and Revised Rules.

4.4 Update on WBG Reengagement with the State of Eritrea, Federal Republic of Somalia, Republic of The Sudan and Republic of Zimbabwe

The Office of the Executive Director, in FY16, continued to advocate for the reengagement of the WBG in Constituency countries where active collaboration had been suspended. This section provides an update on the process in each of these countries.

Eritrea, Somalia and Sudan have been grandfathered to follow the HIPC path to reengagement, while Zimbabwe has adopted a non-HIPC path. Progress among these countries remains uneven, with significant progress registered in the case of Zimbabwe. Reengagement of these countries is contingent upon arrears clearance. At that point countries would have access to regular IDA allocations. Based on meeting additional eligibility requirements, they could be granted exceptional support under the Turn-Around Regime[7] (TAR).

State of Eritrea

Through a joint initiative, the WBG, IMF, African Development Bank (AfDB), United Nations Development Programme (UNDP) and the Government of Eritrea, produced an updated country brief in December 2015. Further, the IMF undertook a fact-finding mission to Eritrea in February 2016, which laid the ground for further engagement. In this same month, the Executive Director undertook an official mission to Eritrea, during which he exchanged views with the authorities on how relations with the WBG could be enhanced. A Roundtable conference is scheduled to be held on the margins of the 2016 Spring Meetings of the WBG and IMF.

Eritrea has retained its notional regular IDA allocation under IDA17 due to recent arrears accumulation. The country has been grandfathered under the HIPC Initiative and currently at pre-decision point status. Following its track record in the HIPC process, the notional allocation could be deployed to resolve the non-accrual status of Eritrea. Eritrea is however not eligible to access arrears clearance under the IDA 17 framework.

Federal Republic of Somalia

Progress on Somalia's reengagement has been very slow mainly because of the challenges of the security situation. While the WBG welcomed back Somalia as an active member, it remains ineligible for financial assistance pending the clearance of its longstanding arrears. A Roundtable Conference for Somalia will be held during the 2016 Spring Meetings of the WBG and IMF, which will among other issues, discuss the arrears clearance strategy for the country and a roadmap to kick start the process of full reengagement with the WBG. This conference comes at the instance of the WBG, IMF, and other development partners including DFID.

Republic of The Sudan

Some progress has been registered in the re-engagement with the Republic of the Sudan. Specifically, progress has been achieved in getting IFC to support the private sector in Sudan. Since the 2015 Annual Meetings, there have been exchange visits between the IFC and a consortium of private sector representatives of Sudan. Going forward, the Office of the Executive

[7] The Turnaround Regime provides additional financing for IDA countries that are emerging from fragility and have committed to a strong program of reforms.

Director will continue to work on improving WBG relations with Sudan beyond the Bank managed Multi-Donor Trust Funds and interventions they support. It will also leverage on the positive indications from some major bilateral donors for possible support of the initiatives to reengage with the Republic of Sudan. It is in this vein that a roundtable meeting has been organized for the Republic of Sudan during the 2016 Spring Meetings of the WBG and IMF.

Republic of Zimbabwe

Strong strides have been made in Zimbabwe's reengagement with the WBG. As reported during the Eleventh Statutory Constituency Meeting, the Quadripartite Committee on Zimbabwe comprising representatives from the Zimbabwean Government, WBG, IMF and AfDB held a Roundtable Conference in October 2015 with other development partners during which the *Lima Strategy*, was tabled and agreed. This Strategy lays down the roadmap for clearance of arrears with the three IFIs and for undertaking comprehensive economic reforms that would grow the economy. This Roadmap does not involve a typical HIPC initiative path for arrears clearance, and as such will not use IDA resources under the set-aside window. Zimbabwe will become eligible for regular IDA Performance Based Allocation (PBA) upon clearance of arrears.

According to the IMF Staff Monitored Program (SMP) review and the Article IV consultations held in March 2016, Zimbabwe successfully met all the quantitative targets and structural benchmarks. It is envisaged that an IMF-funded program will follow the discussion of the Staff Mission Report by the IMF Board of Executive Directors in May, 2016. Accordingly, this would signal the formal start of the process of clearing arrears, which will eventually lead to debt negotiations at the Paris Club. Meanwhile the IFC will reengage with the private sector in Zimbabwe to support the reform process. It is expected that the first projects for funding will come to the WBG Board around the time the IMF Board discusses the two Staff Reports.

4.5 African Caucus Update

On the margins of the 2015 Annual Meetings of the WBG and the IMF, African Governors endorsed His Excellency Mr. Lionel Zinsou, Prime Minister of Benin, as Chairman of the African Caucus and Honorable Kenneth Matambo, Minister of Finance, Botswana, as Deputy Chairman. His Excellency Zinsou took over from Honorable Armando Manuel, Minister of Finance for Angola.

Governors also used the occasion to present their 2015 Memorandum to the Managing Director of the IMF, Ms. Christine Lagarde, and the President of the WBG, Dr. Jim Yong Kim. Specific to the WBG, the issues raised in the Memorandum were: (i) Financing For Sustainable Development (ii) Stemming Illicit Financial Flows (IFF); (iii) Investing in Economic Transformation and Diversification; (iv) Financing Regional Transformative Infrastructure Projects; and (v) Enhancing African Voice and Representation.

The WBG President's response to the Governors' Memorandum is contained in Annex 6. Among other responses, the WBG committed to explore innovative modalities to enhance its capacity meet the demand for greater volumes of all types of financing to support the SDGs. As regards the stemming of IFF, the WBG President noted that the WBG was pooling the different strands of its multidisciplinary work into a cohesive IFF program to cover administration, money laundering, asset recovery, good governance and accountability, procurement, and management of extractives. As regards economic transformation and diversification, the WBG committed to step up investments in infrastructure, especially energy, providing support along value chains and focusing on education, including science, technology, engineering and mathematics.

The next planned engagement will be the African Consultative Group (ACG) Meeting, which shall be held in Washington DC on the margins of the 2016 Spring Meetings of the WBG and IMF.

Handcraft – Botswana

Zambeef - Zambia

Annexes

- IFC Operations in Africa Group 1 Constituency
- Joint Statement by IDA Borrowers' Representatives
- Development Committee Member Statement
- Development Committee Communiqué
- African Governors' Caucus 2015 – Luanda Declaration
- WBG President's Response to African Governors
- Rotation Schedule for Constituency Chairperson
- Rotation Schedule for the Constituency Panel
- Rotation Schedule for Constituency Representation on the Development Committee
- Rotation Schedule for Executive Director and Alternate Executive Director

Annexes

Annex 1: IFC Operations in AFG1 - First Half FY16

Country	Approvals* US$ Million	Commitments** US$ Million	Disbursements** US$ Million
Botswana	0	0	0
Burundi	0	2.0	0
Eritrea	0	0	0
Ethiopia	0	100	89.3
Gambia	0	3.5	0
Kenya	163.2	230.6	98.9
Lesotho	0	0	0
Liberia	0	9.6	0.5
Malawi	0	7.8	0
Mozambique	86.3	0	2.3
Namibia	69.0	69.0	65.8
Rwanda	18.4	69.3	16
Seychelles	0	0	0
Sierra Leone	0	4.4	0
Somalia	0	0	0
South Sudan	0	0	0
Sudan	0	0	0
Swaziland	0	0	0
Tanzania	0	62.0	28.9
Uganda	0	3.5	34.0
Zambia	25.3	0.3	20.2
Zimbabwe	0	0	0
Total	362.2	562	355.9

Source: IFC

Notes

* Does not include regional projects

**Includes Short-Term Trade, and excludes regional projects

Annex 2: Joint Statement by IDA Borrowers' Representatives at the First IDA18 Replenishment Meeting

IDA 18 Replenishment – First Meeting
Joint Statement by IDA Borrowers' Representatives for
Sub-Saharan Africa, East Asia Pacific, Europe and Central Asia, Latin America and Caribbean,
Middle East and North Africa and South Asia
March 14-15, 2016 Paris, France

Preamble

1. We welcome the IDA reforms in the areas of governance, financial sustainability, and results. The resultant co-chairing arrangement, enhanced borrower representation, concrete proposals on IDA leveraging options and a reinforced result management system for IDA, are very much appreciated. We commend the IDA Deputies – in particular, the co-chairs of the IDA17 Working Groups on Governance; Long-Term Vision and Financial Sustainability; and Results for these outcomes. We also commend the World Bank senior management and staff for the preparatory work and quality of the background materials for this first IDA 18 Replenishment Meeting. We are grateful to the Government of France for the excellent facilities and for hosting this Meeting.

IDA 18 Replenishment and the New Development Landscape

2. Following the paradigm shifts occasioned by the recently agreed upon global goals – Sustainable Development Goals, COP21 Climate Agreement, Sendai Framework, Addis Ababa Action Agenda, and the World Bank Group twin goals – this IDA 18 Replenishment presents development partners the first opportunity to make concrete their commitments for intensified, synergistic financing solutions to unlock, multiply and catalyze flows across all sources of finance to achieve these goals. As representatives of borrowing countries, we reaffirm our trust in IDA, as a uniquely suited aid delivery channel. IDA is and should therefore continue to be the primary concessional development finance instrumentality for assisting poor and vulnerable developing countries to achieve these global goals.

3. This early on the path to 2030, client countries are already experiencing severe development challenges leading to rising demand for additional resources primarily on concessional, but also on non-concessional terms. While our countries are committed to ramp up policy and institutional reforms and make investments to pursue the global goals, they simultaneously face the task of dealing with prevailing huge economic headwinds, including declining commodity prices, weaker capital flows, in certain cases severe currency devaluation and subdued global trade. Demand is also particularly elevated for support for the now more frequent, severe adverse events, and rising unemployment, especially of youths associated with climate related disasters, pandemics, forced displacement, terrorism, conflict and violence, which all undermine hard-won gains in poverty reduction and development. Development partners cannot, therefore, afford to miss this opportunity of providing clients timely access to direly needed resources at this crucial juncture. The highlighted current developments also make this an urgent imperative. We do recognize that many donor countries are facing fiscal challenges, which exert pressure on their development assistance budget. We sincerely hope that despite these difficulties, the commitment to shared responsibility and the support for multilateralism will spur partners to sustain their engagement with and bolster funding of IDA with grant resources to address the development needs of the poor and most vulnerable.

IDA18 Strategic Directions

4. We welcome that IDA is repositioning to remain fit–for-purpose while maintaining its competitive edge as the premier conduit for delivering development finance and expertise. The overarching theme of "Investing in growth, resilience and opportunity" for IDA18 is apt. With the important unfinished agenda in IDA17, we welcome the focus of the special themes on climate resilient development; fragility, conflict, violence and forced displacement; gender equality; and economic transformation and jobs. We urge for selective, bold and concrete interventions and policy commitments by IDA across these themes to deepen work in these areas and to enable countries move steadily on the path to attaining the global goals. To this effect, we expect that strong attention is accorded to economic transformation, prioritizing infrastructure, especially energy and transport and agricultural value chains, including those investments that maximize climate resilience and promote leap frog technologies with job creation and food security potentials. A cross-cutting focus on development of human capital across these themes is needed to leverage on the demographic dividend in the client countries. In this context it is crucial for IDA to scale up support to higher education and vocational training, in particular, to ensure that adequate relevant skills are available to meet the demand for skilled labor. The global public good agenda, including in the areas of health and environment, remain important in the effort to tackle global poverty and IDA must be in a position to take on a strategic role in this area. We therefore support a results measurement system that aims to clearly track delivery in these respective areas, through collaborative assistance with client countries.

IDA 18 Financing Framework

5. Delivering on these ambitious agenda in the face of rising demands from an evolving client structure would require a strong IDA 18 replenishment. The innovations being advanced for the IDA 18 replenishment are, therefore, steps in the right direction. As we innovate, however, we stress the importance of preserving IDA's brand, as a premier provider of concessional finance, and its mandate to deliver development assistance to poorest and most vulnerable. While building the base for non-concessional finance, IDA should be ensuring adequate targeted concessionality, managing substitution risk, while seeking additionality and financial viability.

6. The update on the options for *leveraging IDA's equity* through either (i) the interim IDA guarantee for IBRD lending to IDA countries, (ii) IDA+1, or (iii) IDA+2 are most welcomed. We welcome the feasibility of deploying an appropriate combination of these options beginning in IDA18 as supported by the assessment of the Bank's Chief Risk Officer and the Rating Agencies. We urge that deliberations of these options be guided by the principles of guarding against substitution risks and avoid politically complex approaches that may delay the adoption of the leveraging instruments. We expect that all outstanding information to support full assessment of the respective combination of approaches would be available by the second IDA 18 Replenishment Meeting.

7. Beyond the traditional partner contributions and leveraging options, IDA could continue modalities of collaborating with wealthy, non-profit foundations and other social impact investors, including social hedge funds. Efforts must be made to advance the private donations and encourage IDA participation and continue the concessional partner loans mechanism. These efforts will assist in transforming IDA into a genuine global partnership.

IDA's Graduation Policy

8. We welcome the update on IDA's graduation policy. Graduation from IDA is an achievement by countries on their path towards economic and social development. Graduation however is a continuum with risk of reversal. To ensure a successful and lasting exit from IDA, structured transition support mechanism is needed. This is imperative in the prevailing circumstances when potential graduates are faced with the fiscal responsibility of not only meeting accelerated prepayments to IDA, but have to also contend with deteriorating external environment combined with the continuing significant pockets of extreme poverty. It is deeply discouraging that at present, the availability of IBRD resources does not meet the financing needs of all potential IDA graduates. IDA, together with IBRD, therefore need to address the financing gap that countries transitioning out of IDA face in order to guard against reverse-graduation, close the substantial dip in access to development finance in the immediate years after graduation ("graduation cliff") and sustain the development achievements. In this context, we support to maintain a flexible graduation policy. We also support no change to the GNI per capita cut-off, and the establishment of a transition support mechanism for the potential graduates in IDA18.

Optimizing one WBG synergy

9. Beyond the leveraging of IDA's own equity, we reiterate our call for the World Bank Group to optimize the synergy potentials within the IBRD, IDA, IFC and MIGA so as to deliver fully on the resources available in both the non-concessional and concessional windows for its clients. Complementary support, through WBG transfers to IDA, must be sustained to show our collective commitment to the mission of IDA in the poorest countries. We trust that genuine pursuit of the one World Bank Group value proposition will be catalytic in leveraging public and private investments to create jobs, promote gender equality, build much needed infrastructure, build resilience to natural and climate change disasters and diversify the economies of our countries.

10. In closing, IDA's clients face an unforeseen deterioration in the development land scape that put at risk the gains registered thus far. It is therefore imperative that IDA is fit-for-purpose and of a commensurate size to urgently respond to increasing and pressing clients' needs. Given the urgency, and the call for additionality and not substitution, we look forward to a constructive exchange with the IDA Deputies at this first meeting as we set the stage for a robust IDA 18 Replenishment in 2016.

Annex 3: Development Committee Member Statement – October 2015

92nd Meeting of the Development Committee
World Bank Group/IMF Annual Meetings
October 10, 2015
Lima Peru

Honorable Patrick A. Chinamasa, M.P.
Minister of Finance and Economic Development,
Republic of Zimbabwe

1. Introduction

The year 2015 stands as historical landmark in the timeline of development, as we transition from the *Millennium Development Goals (MDGs)* to the *Sustainable Development Goals (SDGs)*. Despite an outlook of robust growth in *Sub-Saharan Africa (SSA)*, several dynamics will either aid or disrupt our ability to attain the SDGs and complete the unfinished business of the MDGs. Factors considered helpful include effective macroeconomic management, discoveries of natural resources and their prudent management, enhanced governance, increased participation and innovation of the private sector and a vision and commitment of African leaders to transform the Continent and reduce poverty. Further, enhanced trade and regional integration and South-South cooperation are expected to also contribute in the pursuit of our development aspirations. However, the region may have to contend with various disruptive factors including lack of fair trade opportunities, increased leakages of resources through illicit financial flows (IFFs), energy shortages, infrastructure inadequacies and intensified climate change and related vulnerabilities, high unemployment and a youthful demographic profile amidst limited educational and training opportunities, amongst other factors.

Currently, the region faces serious external head winds that risk reversing recent gains. Slower growth in emerging market economies, and the concomitant fall in commodity prices, ranging from oil, metal to agro-related products, and the strengthening of the U.S. dollar have put our revenues and currencies under severe strain, compromising critical fiscal expenditures. Collectively, these contemporary and medium term challenges constrain our ability to improve and sustain economic performance, raise the living standards of our people, attain the SDGs and complete the unfinished agenda of the MDGs. Hence, close collaboration with our development partners will remain essential to secure the financial and technical support necessary to attain these goals.

2. The Role of the World Bank Group (WBG) and International Monetary Fund (IMF) in Supporting the Implementation of the 2030 Agenda for Sustainable Development (The 2030 SDGs Agenda)

The 2030 SDGs Agenda remains ambitious; however, we believe that success can be realized by capitalizing on the lessons learnt from the experience of the MDGs and adopting the right approach with sustained commitment from all stakeholders. We note the endeavor to fine-tune the core operations of the WBG and the IMF to suit the changing environment that will define the post-2015 era, as articulated in the documents on the role these institutions can play in the pursuit of the SDGs.

We welcome the leading role that the two institutions have taken to elevate the dialogue on international tax issues and introduce new analytical tools to assess the fiscal trade-offs associated with robust infrastructure spending. We, however, call on both institutions to strengthen collaboration in areas where their mandates are complimentary. These include translating the “billions to trillions” agenda into actions, establishing specialized products to assist countries diversify their economies, and enhancing the tax effort in developing countries. In addition, we call on the two institutions to embrace the recommendations of the *African Union (AU)/United Nations Economic Commission for Africa (UNECA)* report on IFFs and to work with the UN and other development partners towards curbing these outflows with urgency. Relatedly, we note that uplifting the poor will, among other things, require SSA to increase its share in global trade and mitigate the effects of global warming. As such, we call on the WBG and IMF to assist countries improve their competitiveness to gain access to larger markets and to build and strengthen their *Global Warning Systems* to Africa on global and regional dynamics. Finally, we call for greater assistance in building the statistical capacities of our countries to ensure the generation of accurate, good quality data to measure progress.

3. Global Monitoring Report 2015/2016 - Development Goals in an Era of Demographic Change

We welcome the *2015 Global Monitoring Report (GMR)* and take note of the alignment of the WBG's twin goals with the SDGs and the need for multi-dimensional approaches to complete the MDGs' unfinished agenda. Significant progress has been made in meeting the MDGs globally, though this masks lags in different regions, including SSA where income and non-income poverty remain prevalent. Additionally, projections indicate that by 2030 the world poorest will be concentrated in the region's natural resource-based countries and fragile and conflict-affected states (FCS). We, therefore, urge the WBG to ensure that analyses of the unfinished agenda and the demographic structure for each country are captured in the *Systemic Country Diagnostics (SCD)* to inform policy advice and the *Country Partnership Framework (CPF)*.

4. World Bank Support for Crisis Prevention, Preparedness and Response

With its multiple challenges, including frequent humanitarian and other poverty-inducing crisis, which constitute a threat to sustainable development, SSA as a region is faced with compelling and competing priorities. The Ebola crisis that affected Guinea, Liberia and Sierra Leone is still fresh in our minds, as the challenge of dealing with it largely remains an unfinished business. We, therefore, cannot overemphasize the need for well-integrated multi-sectoral approaches and innovative financing modalities to mitigate the threat from crises and emergencies.

In this regard, we urge the WBG to fast-track the establishment of the *Pandemic Emergency Facility (PEF),* which was proposed as an instrument to provide rapid support to countries and other entities during the outbreak of pandemics in the future. Similarly, we reiterate our call for the WBG to deliver on its promises related to the actualization of the *Marshall Plan,* which the Ebola-affected countries need to complete the post-Ebola recovery as well as for their economic development. More generally, the WBG needs to allocate more resources, enhance and fast-track support to help our countries manage natural risks, including droughts and floods, as well as to ensure food security – here, we would like to draw the WBG's urgent attention to the recent flood that has devastated Sierra Leone and impaired the country's efforts to get out of crises. In the same vein, we call on the WBG to strengthen its partnership with the relevant UN agencies to help overcome security challenges that some of our countries are confronted with at the moment.

5. The 2015 Shareholding Review

It has been 13 years since the *Monterrey Consensus (MC)* was put out, calling for enhanced participation of *Developing and Transition Countries (DTCs)* in the decision-making structures of the WBG and the IMF. In this context, while we welcome the progress thus far and agree with the importance of regular shareholding reviews for the legitimacy of the WBG, we need not lose focus on the original objective of the MC. Therefore, we reiterate that the 2015 shareholding review needs to aim to achieve the original objective of the MC and ensure that no developing country faces dilution of their shareholding in voice and representation.

6. Other Recurring Development Issues

Diversity and Inclusion: We take note of the on-going efforts by the WBG to improve and meet the diversity targets set for SSA nationals. In particular, we welcome the D&I Compact, the diversity talent desk, modifications to the *Young Professionals Program* and the recruitment drive in SSA. While applauding these efforts, we urge Management to ensure that gains are sustained and improved in terms of the SSA staff strength both at the technical and managerial levels across all the WBG entities.

Support to Africa's Middle Income Countries (MICs) and Small Island Developing States (SIDS): We regret the delay by the WBG to articulate an appropriate strategy tailored to the needs of the *Middle Income Countries (MICs)* of SSA, despite our repeated calls. We ask the WBG to consider this as an urgent matter and deliver the required instruments, through a constructive engagement process with the concerned countries. Likewise, while we appreciate the WBG's role in promoting the *Small States Forum* and the establishment of the *Small Islands States Resilience Initiative*, we urge Management to ensure the roll out of this Initiative and use WBG's convening power to mobilize adequate funding to help these states tackle threats borne out of climate change.

Debt Relief: We welcome the efforts by the WBG to reengage with the Republic of Zimbabwe and to resolve its debt burden. We urge the WBG to expedite this process. At the same time, we are frustrated with the continued delays by the WBG and other development partners to complete the debt resolution of other heavily indebted countries namely, the State of Eritrea, Federal Republic of Somalia, Republic of The Sudan and Republic of South Sudan. The debt burden and other challenges seriously undermined these countries' efforts to meet the MDGs and will limit their chances to achieve the SDGs. We, therefore, reiterate our call for the WBG to champion the debt relief effort for these countries using the set aside provisions in the IDA17.

WBG's Environmental and Social Safeguards Policies: We recognize and remain supportive of the ultimate objectives of the *WBG's Environmental and Social Safeguards Policies,* which aim to protect the people and the environment. However, we are deeply concerned that the proposed second draft that is out for consultation, as part of the ongoing review exercise, did not take into account the views and suggestions provided earlier by our countries at various occasions including during the African Caucus Meeting held in September 2014 in Khartoum, Sudan. Our concern in this regard mainly relates to the use of the terminology *'Indigenous Peoples,'* which remains unacceptable to us. This terminology contradicts with the provisions of our countries' national constitutions and undermines the strenuous efforts and progress made in promoting social cohesion and unity among our peoples. It also has the potential to create strife among our citizens. We, therefore, urge the WBG to consider our views and come up with universally acceptable terminology.

7. Conclusion

African countries have made appreciable efforts to attain the MDGs with mixed results. However, much remains to be done to achieve inclusive, equitable and sustainable development. We remain committed to tackling poverty and inequality, providing productive employment and empowering our women as well as addressing challenges associated with the fast growing population of the youth in Africa. We also reaffirm our commitment to continuing our efforts on domestic resource mobilization. In the same vein, we reiterate our call for innovative (long-term, non-traditional) financing mechanisms and quality and predictability of external financing, which are necessary for economic transformation and achieving the 2030 SDGs Agenda.

Annex 4: Development Committee Communiqué – October 2015

DEVELOPMENT COMMITTEE

JOINT MINISTERIAL COMMITTEE
OF THE
BOARDS OF GOVERNORS OF THE BANK AND THE FUND
ON THE
TRANSFER OF REAL RESOURCES TO DEVELOPING COUNTRIES

Lima, Peru, October 10, 2015

1. The Development Committee met today, October 10, 2015, in Lima.

2. Global growth remains weak, and the downside risks for the second half of 2015 and 2016 have risen. A moderate recovery in high-income countries is still continuing, but prospects of tighter financing conditions, slowing trade, and renewed weakness in commodity prices are weighing on confidence in many developing countries. We call on the World Bank Group (WBG) and the International Monetary Fund (IMF) to monitor risks and vulnerabilities closely, to enhance their assistance to countries to support growth and build resilience, and to play their countercyclical role when needed.

3. Given the scale of the current refugee and migrant crisis, we call for targeted support, in collaboration with the UN and other partners, in addressing the challenges for countries and regions in turmoil, especially in the Middle East and North Africa, but also in other fragile and conflict states.

4. The Sustainable Development Goals (SDGs) chart a new course for development for the next 15 years. The SDGs are universal, integrated, and align with the WBG's corporate goals. Building on the Billions to Trillions discussion at the last Spring Meetings we endorse the WBG's role and support for the 2030 Agenda for Sustainable Development. This will involve convening, connecting and coordinating with governments, UN, IMF, MDBs, and the WTO, private sector and civil society to mobilize the financing needed; deliver development solutions at country, regional, and global levels, including through South-South cooperation. We stress the need to focus on inclusive growth, jobs, infrastructure, human development and health systems, and to deepen the WBG's engagement in fragile and conflict states. Private sector development is crucial to achieving the SDGs. We call on the IFC and MIGA to play a more catalytic role to mobilize private sector investment and finance for development. We welcome the steps the WBG has taken to enhance its effectiveness and delivery to respond to strong demand, through operational reforms and optimizing the use of its balance sheets and external resources. We recognize that the WBG must remain adequately resourced to meet its goals and to contribute to the SDGs and climate agendas.

5. IDA remains a critical tool to achieve the WBG's goals and the SDGs and we look forward to continued strong IDA replenishments and further consideration of options to generate additional IDA financial capacity while ensuring continued focus on the poorest countries.

6. We welcome the IMF's support for the 2030 Agenda, including its decision to increase access to concessional lending facilities, and its work to boost economic resilience and sustain global economic and financial stability.

7. We urge the WBG and the IMF to scale up their support to developing countries to improve domestic resource mobilization, public financial management and to curb illicit finance. Illicit finance and the underlying activities, including tax evasion, corruption, criminal activities, collusion, represent a major drain on the resources of developing countries. We welcome their plans to work jointly to build capacity for developing countries, including on international tax issues.

8. Climate change and natural disasters put hard-earned development gains at risk, particularly for the poor and vulnerable. Smart policy and investment choices can help transition to economic growth paths that reduce poverty while preserving the environment. We urge the WBG to scale up its technical and financial support and mobilize resources to assist countries in assessing climate risks and opportunities, to address the drivers of climate change, and to build resilience. We look forward to an updated report on Disaster Risk Management in Spring 2016. We

call on the WBG to enhance its support for small states in building resilience against and mitigating the impact of natural disasters and climate change, which are among the greatest challenges faced by these countries. We look forward to a successful COP21 meeting in Paris.

9. We reaffirm our commitment to gender equality, critical to ending poverty, boosting shared prosperity, and building more inclusive societies. We look forward to the implementation of a new WBG gender strategy aimed at closing persistent gender gaps.

10. The Global Monitoring Report has proven its value in tracking progress in achieving the MDGs and we are confident it will play a similar role for the SDGs. The latest GMR shows that changes in global demography will profoundly affect the trajectory of global development during the 2030 Agenda period. With the right policies, demographic change can help growth both in developing and developed economies. We urge the WBG to take demographic challenges into account in its work to support development policies.

11. We stress the importance of strengthening data quality and coverage, and its availability for policy making and for monitoring and implementing the SDGs. We call on the WBG and the IMF to increase their support to developing countries in building national data capacity and investing in evidence.

12. We welcome the Report of the 2015 Shareholding Review and agree to the shareholding review principles and the Roadmap for its implementation, including further consideration of the WBG’s long term role. We commit to implementing the Roadmap, including agreement on a dynamic formula by the 2016 Annual Meetings, based on the guidance set out in the report. We stress the critical importance of wider reforms to strengthen WBG responsiveness to its members and their voice and representation in its governance. We will continue to promote diversity and inclusion to reflect better the global nature of the WBG.

13. Delivering transformative development solutions requires a focus on results, support for implementation, and fiduciary and safeguards policies to manage risks. This will ensure responsiveness to client needs and deliver sustainable development outcomes. We welcome the new procurement framework approved in July 2015 and look forward to successful completion of the review and update of the World Bank's environmental and social framework.

14. The Committee expressed its appreciation to the Government of the Republic of Peru for hosting the Annual Meetings. We thanked Mr. Marek Belka, President of the National Bank of Poland, for his valuable and outstanding leadership and guidance as Chairman of the Committee during the past four years, and welcomed his successor, Mr. Bambang Brodjonegoro, Minister of Finance of Indonesia.

15. The next meeting of the Development Committee is scheduled for April 16, 2016, in Washington, D.C.

AFRICAN GOVERNORS’ CAUCUS
LUANDA DECLARATION

Having met in Luanda, the Republic of Angola, at our 2015 Caucus, hosted and chaired by Honorable Armando Manuel, Minister of Finance of the Republic of Angola and Chairman of the African Caucus of the International Monetary Fund (IMF) and the World Bank Group (WBG):

- We, the African Governors of the IMF and the WBG discussed ways and means the Bretton Woods Institutions (BWIs) can support our efforts to: (i) address the challenge of financing for sustainable development; (ii) combat tax evasion and eliminate illicit financial flows; (iii) invest in economic transformation and diversification; (iv) finance regional transformative infrastructure projects; and (v) enhance African voice and representation in the BWIs.

IN THIS CONTEXT

Mindful *that the world’s increasingly volatile financial outlook means that finding the money to pay for the Sustainable Development Goals (SDGs) will be difficult, and conscious that without the right financing and policies, we cannot achieve the set ambitions:*

- We submitted for support by the BWIs transformative solutions and actions - including strengthening public policies, harmonizing regulatory frameworks, developing public/private partnerships (PPPs), improving business climate, and restructuring sovereign debt - to unlock the potential of people and the private sector and incentivize changes in financing, consumption and production patterns in support of sustainable development.

Acknowledging *that illicit financial flows coupled with aggressive tax avoidance, repatriation of profits and debt repayments are tragically depriving our countries of hundreds of billions of dollars every year; and convinced that domestic resources that our countries can raise themselves will be our largest single resource for funding our countries’ development:*

- We proposed some focus areas where BWIs' assistance could help our countries to raise new development finance through domestic resource mobilization by increasing, inter alia, tax collection, private finance, international public finance; and, in particular, reducing illicit financial flows by 2030, with a view to eventually eliminate them, including through trade, monetary and financial systems, strengthened global economic governance, and improved international tax cooperation.

Underscoring *that natural resource wealth presents vast opportunities for development; conscious that our countries that depend on it for export earnings and fiscal revenues face peculiar challenges and remain highly vulnerable to various external shocks; and concerned that more than two decades since the start of diversification programs, the lack of well-designed diversification strategies and inadequate monitoring mechanisms have not helped facilitate economic and export diversifications for Africa’s transformation:*

- We suggested few actions that the BWIs could undertake in support of our countries to achieve economic and export diversification by spurring innovation and technologies in higher-value sectors - including agriculture, infrastructure, energy, manufacturing, data improvement, and capacity building - to unleash the spirit of entrepreneurship and drive Africa’s transformation.

Reaffirming *that infrastructure development remains a key driver and a critical enabler for sustainable growth in Africa; expressing concern on the inadequacy of current international funding and delivery architecture in responding to Africa's infrastructure needs; noting that the current favorable economic landscape in the continent provides us with a unique opportunity to collectively address regional transformative infrastructure financing with a sense of urgency:*

- We proposed for Bank's support six regional transformative projects in energy and agriculture sectors; as well as a few innovative solutions to reduce Africa's growing infrastructure financing gap. We also called for BWIs' financial contributions into the African Development Bank's (AfDB) Africa50 initiative to unblock the challenges associated with infrastructure project preparation, bankability, and financial structuring as key prerequisites for attracting private capital investments.

Reemphasizing *the critical importance and urgency of increasing Africa's voice and representation within the BWIs:*

- We reiterated our position that the size of the IMF Executive Board be aligned with the institution's growing mandate and renewed our longstanding commitment to a third chair for Sub-Saharan Africa. We recalled the commitment of the Fund membership to complete the comprehensive review of the quota formula by January 2013, and our position for enhanced Africa's representation through quota shares that reflect our economic dynamism and underlying vulnerabilities. We agreed to maintain a concerted dialogue with the leadership at the IMF and the Bank to enhance the representation of African nationals and effectively promote their career development within the agreed institutional goals of diversity and mobility at all levels of staff.

FINALLY

Cognizant *that IDA is and should continue to be the most important source of funding in achieving ambitious SDGs targets*:

- We renewed our support to the WBG's new financing initiatives to facilitate the transition from concessional to non-concessional funding, as well as the ongoing discussion of options to increase the resources available for development finance through IDA. We stand ready to be consulted on options that would be identified.

ACKNOWLEDGEMENT

We, African Governors, thank His Excellency President José Eduardo dos Santos, the Government and the People of the Republic of Angola, for the hospitality and support they accorded us throughout our stay in the country.

Luanda, August 28, 2015
African Caucus

Annex 6: WBG President's Response to 2015 Memorandum of African Governors

Reply to the
2015 Memorandum of African Governors
to the Heads of the Bretton Woods Institutions

December 10, 2015

Thank you for the 2015 Memorandum of African Governors to the Heads of the Bretton Woods Institutions. This response addresses issues raised in the Memorandum concerning World Bank Group (WBG) support to Africa's development and how this could be made more effective.

I. World Bank Group Support to Africa

I am pleased to indicate that in FY15 WBG lending levels continued the upward trend of assistance to the continent. FY15 IDA delivery to Sub-Saharan Africa was $10.4 billion, and IBRD lending was $1.2 billion. This is the highest IDA delivery by any Region, and the IDA and IBRD delivery of $11.6 billion is the highest volume of resources provided to Sub-Saharan Africa in the history of the Bank. We also provided $2.4 billion of IBRD for North Africa. IFC committed $3.6 billion in new long-term financing and mobilizations in Sub Saharan Africa, provided advice to governments and private investors in projects worth $47 million in 30 countries, and committed $142 million to North African countries. MIGA provided guarantees of $201 million to SSA countries, and $34 million to North Africa.

II. Enhancing Financing for Sustainable Development

I share the Governors' concern to expand options for financing development and inclusive growth. The WBG's capacity to deliver is anchored in our unique model of long-term country-based engagement, providing regional and global solutions across the development spectrum, and offering a full range of services to public and private sectors. We are actively exploring innovations to enhance our capacity to meet the demand for greater volumes of all types of finance. The provision of additional non-concessional resources through leveraged IDA financing could potentially complement IDA's core concessional model and help meet the expanding demand for long-term financing for critical infrastructure. In addition, access to additional leveraged funds from IDA could free up concessional resources for the poorest IDA clients, including fragile states.

I very much appreciate your support for our efforts to innovate and find ways to increase the resources available for development finance through IDA. I trust we can count on the strong engagement of African Governors during the IDA 18 replenishment negotiations that begin in March, 2016. This replenishment round will address a number of the points you have raised in your memorandum, and a successful outcome will require sustained dialogue with borrower governments, including through the participation of senior representatives in IDA 18 meetings.

The global financial crisis underlined the importance of debt sustainability to the ability of countries to cope with external shocks, maintain growth, and reduce poverty. The joint IMF – World Bank Debt Sustainability Framework is designed to provide governments with an appropriate warning system, neither too conservative nor too lax, based both on the historical volatility of economies and on the observed relationship between debt ratios and actual payment difficulties (debt distress). The most recent review in 2012 introduced adjustments that made the risk-rating methodology more forgiving, incorporating remittances and a tailored approach to carefully evaluate marginal cases. The WBG and the IMF will present a further review of the Framework's implementation to their respective Boards in 2016. I note the Governors' concern regarding debt settlement for remaining African countries. The HIPC and arrears clearance processes are governed by specific requirements. The WBG can provide assistance to countries to meet these requirements but cannot waive them. Technical teams are therefore working to support the efforts of eligible countries, including discussions of arrears clearance with other development partners.

I welcome the emphasis on mobilizing domestic resources to finance development, and we are stepping up our efforts to provide support in collaboration with the IMF. A major component of the IMF-WBG tax policy partnership is development of an innovative tax policy assessment framework to diagnose, benchmark, and set a reform path for tax policy issues facing developing countries. In addition, we will focus on deepening the policy dialogue on cross-country experiences and emerging tax policy issues in developing countries. We will also help to increase their voice in the global debate on international tax rules and transfer pricing and harmful tax competition, among others.

III. Stemming Illicit Financial Flows

Thank you for raising the issue of illicit financial flows (IFFs). The WBG is building on its expertise and comparative advantage to step up its contributions at the global level and to provide more integrated assistance to client countries to address IFFs. We are pooling the different strands of our multidisciplinary work into a cohesive integrated IFF program to cover administration, money laundering, asset recovery, good governance and accountability, procurement, and management of extractives, This approach covers both analytical work and assistance to ensure greater accountability and transparency, as well as adherence to international standards in tax transparency, automatic exchange of information, transfer pricing and audit procedures.

A number of specific initiatives are in place. The Stolen Asset Recovery (StAR) Initiative helps build capacity in countries to trace assets through the financial system. The Anti-Money Laundering (AML) program provides tools for countries to enable them to "follow the money" and evaluates AML regimes against international standards, while work to promote financial integrity monitors compliance with standards concerning tax evasion and reporting. We are also implementing several programs to support transparent management of extractive resources and use of revenues, as well as procurement and contract award.

IV. Economic Transformation and Diversification

Economic transformation and diversification lies at the heart of WBG support to the continent. It is why we are stepping up investments in infrastructure, especially energy, providing support along the agriculture value chain, and focusing on education, including science, technology, engineering and mathematics. We welcome the Memorandum's suggestions on how we can further promote economic diversification and integration, including through increased assistance to manufacturing, trade, and entrepreneurship. We note the request for policy advice and technical assistance to meet specific challenges that African countries are facing. In this regard, I am pleased that we have developed a comprehensive Africa Climate Business Plan to be rolled out at COP21 that will help address the impacts of climate change on the continent.

V. Financing Regional Transformative Infrastructure Projects

Our lending for infrastructure is dependent on the overall financial resources available to us and the priorities of client countries. However, we have put a number of mechanisms in place to increase the resources available for infrastructure and are actively leveraging private sector investment, including through expansion of guarantees. We are also exploring innovative financing mechanisms, and in this regard, I appreciate the suggestions made in the Memorandum. The Global Financing Facility (GIF), launched at the 2014 Annual Meetings, became operational in July 2015. It will support PPPs and other complex infrastructure investments, and aims to mobilize long-term private capital to finance infrastructure. The first phase of GIF activities provides funding for the design, preparation, transaction and financial structuring of a limited number of projects, leveraging its $100 million in seed funds. I am pleased to note that the GIF Governing Council envisions about 3 to 4 complex infrastructure projects from Africa to be supported during this pilot phase. Technical teams are working to accelerate implementation of the priority projects identified by the Energy and Agriculture Task Forces. Going forward, the additional projects proposed in your Memorandum will be included in the Task Force priority lists.

VI. Quota, Voice, and Diversity

In FY15, we strengthened our efforts to increase Sub-Saharan African representation at senior and mid-management levels and develop a pipeline of talent. All of the members of our Senior Management Team have signed a Commitment to Diversity and Inclusion Compact, and Vice Presidents have signed similar Compacts with their management teams. The Diversity Talent Desk is dedicated to the attraction and recruitment of mid to senior level Sub-Saharan African professionals to the institution, and we have launched a direct sourcing campaign. Through these efforts, 20 percent of recently appointed Practice Managers are from Sub-Saharan Africa and the Caribbean, bringing the total of Sub-Saharan African and Caribbean Practice Managers to 14.3 percent. We have also increased the number of Sub-Saharan nationals serving at the Vice President level. The Africa Recruitment Mission is part of our global campaign to recruit Sub-Saharan African candidates for mid and senior level position, with a focus on women, and over 60 positions will be filled as a result of this process. We are also developing a pipeline of young Africans through increased focus on attracting Sub-Saharan African staff through the Young Professional and Analyst Programs.

Once again, I thank you for your 2015 Memorandum, and I look forward to our continued partnership in support of Africa's development.

Annex 7: Rotation Schedules for the 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	SWAZILAND
2044	SWAZILAND	TANZANIA
2046	TANZANIA	UGANDA
2048	UGANDA	ZAMBIA
2050	ZAMBIA	ZIMBABWE
2052	ZIMBABWE	BOTSWANA

NOTES:

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

**Since Eritrea elected to pass their turn as Vice Chair of the Constituency in 2012-2014, Ethiopia was advanced in its place.*

Annex 8: Rotation Schedule for the Constituency Panel

FIRST ROUND 2010 – 2052					
YEAR	CHAIRPERSON	VICE CHAIRPERSON	OTHER PANEL MEMBERS		
2010	BOTSWANA	BURUNDI	SEYCHELLES	KENYA	SIERRA LEONE
2012	BURUNDI	ERITREA	RWANDA	SWAZILAND	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	SWAZILAND	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	SWAZILAND	ZAMBIA	BOTSWANA
2040	SOUTH SUDAN	SUDAN	LIBERIA	MALAWI	BURUNDI
2042	SUDAN	SWAZILAND	SOMALIA	SIERRA LEONE	LESOTHO
2044	SWAZILAND	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

NOTES:

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. Other panel members reflects regional balance (East, South and West)

4. Schedule revised to include South Sudan following the country's membership to the Constituency in October 2012

**Since Eritrea elected to pass their turn as Vice Chair of the Constituency in 2012-2014, Ethiopia was advanced in its place.*

.

Annex 9: Rotation Schedule for Constituency Representation on the Development Committee

FIRST ROUND 2010 -2052						
YEAR	DC REPRESENTATIVE	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	SWAZILAND	LESOTHO	RWANDA	BURUNDI	LIBERIA
2018	SWAZILAND	SOUTH SUDAN	SIERRA LEONE	SOMALIA	LESOTHO	UGANDA
2020	SOUTH SUDAN	SUDAN	NAMIBIA	ZIMBABWE	GAMBIA,THE	BURUNDI
2022	SUDAN	SOMALIA	KENYA	ZAMBIA	SWAZILAND	SIERRA LEONE
2024	SOMALIA	SIERRA LEONE	ZIMBABWE	LESOTHO	NAMIBIA	GAMBIA,THE
2026	SIERRA LEONE	SEYCHELLES	SWAZILAND	ETHIOPIA	BOTSWANA	TANZANIA
2028	SEYCHELLES	RWANDA	SUDAN	TANZANIA	ZIMBABWE	SWAZILAND
2030	RWANDA	NAMIBIA	KENYA	SUDAN	ZAMBIA	SIERRA LEONE
2032	NAMIBIA	MALAWI	BURUNDI	KENYA	SIERRALEONE	SOUTH SUDAN
2034	MALAWI	MOZAMBIQUE	TANZANIA	GAMBIA	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	SWAZILAND	NAMIBIA
2050	ERITREA	BOTSWANA	KENYA	SIERRALEONE	SEYCHELLES	RWANDA
2052	BOTSWANA	GAMBIA, THE	SIERRA LEONE	KENYA	ETHIOPIA	MOZAMBIQUE

NOTES:

1. *Avoids duplication with the other Panel membership*
2. *DC Representative and Alternate Members accorded opportunity in descending alphabetical order (Z to A)*
3. *Associate Members are selected on basis of providing regional balance*
4. *Schedule revised to include South Sudan following the Country's membership to the Constituency in October 2012*

Annex 10: 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	SWAZILAND
2028	SWAZILAND	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	

NOTES:

1. *Sudan and Zambia accorded special dispensation to serve their turn under rotation system of the erstwhile Africa Group I Constituency*
2. *Seychelles which has never served the Constituency as Executive Director is accorded special dispensation on the rotation system*
3. *The rest of the countries follow an Alphabetical rotation alternating between Z and A until the first round is completed, taking into account South Sudan's membership of the Constituency in October 2012*
4. *This schedule proposed with a view to avoid duplication with IMF Rotation for EDs and AEDs*

Executive Director and Alternate Executive Director

Mr. Louis Rene Peter Larose
Executive Director
SEYCHELLES

Mr. Andrew Ndaamunhu Bvumbe
Alternate Executive Director
ZIMBABWE

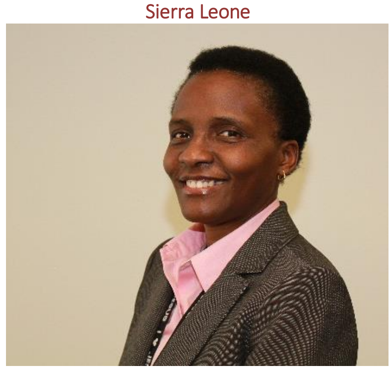
Senior Advisors and Advisors and to Executive Director


Wilson T. Banda
Senior Advisor
Malawi

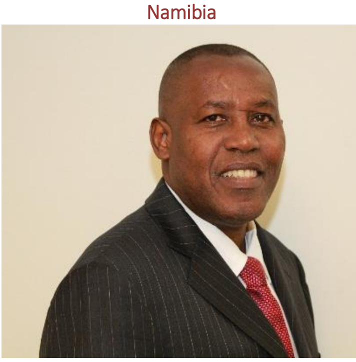

Sheku Bangura
Senior Advisor
Sierra Leone

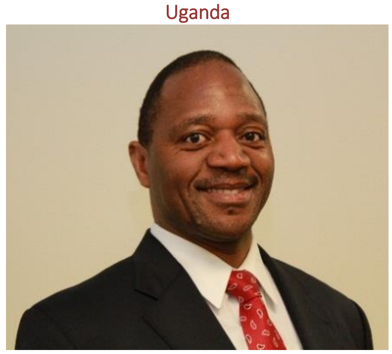

Anthony Barclay
Senior Advisor
Liberia

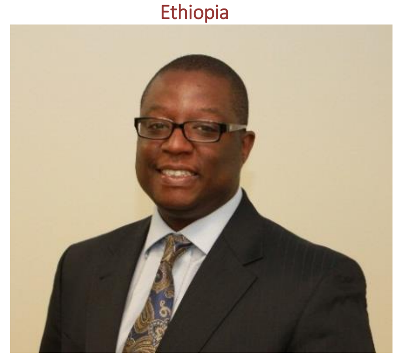

Chris Hoveka
Senior Advisor
Namibia

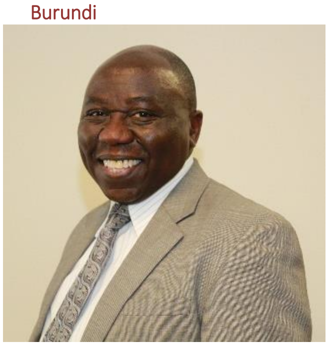

Solome Lumala
Senior Advisor
Uganda


Felleke Mammo
Senior Advisor
Ethiopia


Dismas Baransaka
Advisor
Burundi


Antonio Fernando
Advisor
Mozambique


Chola Milambo
Advisor
Zambia


Allan Ncube
Advisor
Zimbabwe

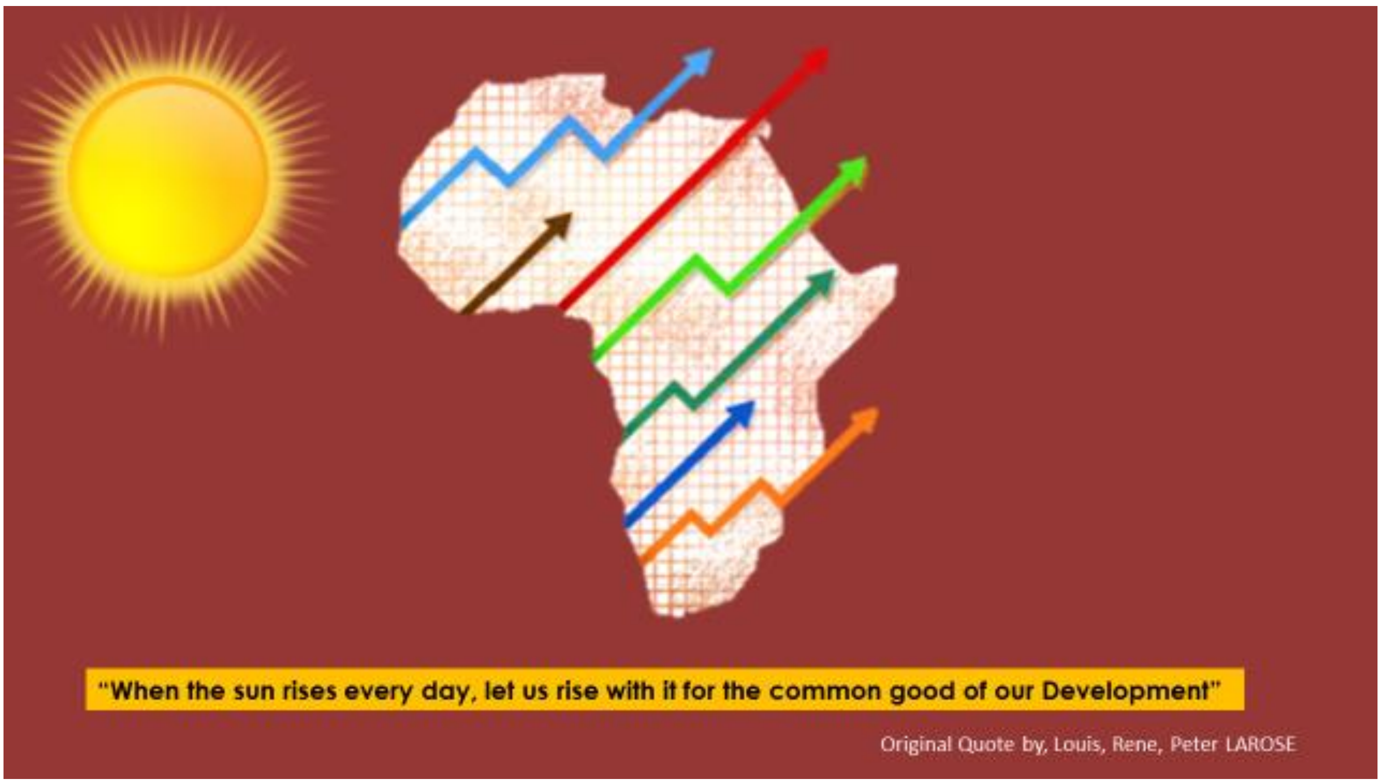

Edouard Ngirente
Advisor
Rwanda

Administrative Staff

Mohammed Ahmed
Program Assistant
Sudan

Lozi Sapele
Program Assistant
Zambia

Wubalech Mekonnen
Senior Executive Assistant
Ethiopia


"When the sun rises every day, let us rise with it for the common good of our Development"
Original Quote by, Louis, Rene, Peter LAROSE

AFRICA GROUP I CONSTITUENCY

FY16 Interim Report - April 2016

Office of the Executive Director, EDS14

WORLD BANK GROUP
THE WORLD BANK IFC MIGA

For electronic or hard copies:
Facsimile: (202) 522–1549
Email: mahmed8@worldbank.org
Website: http://www.worldbank.org/eds14