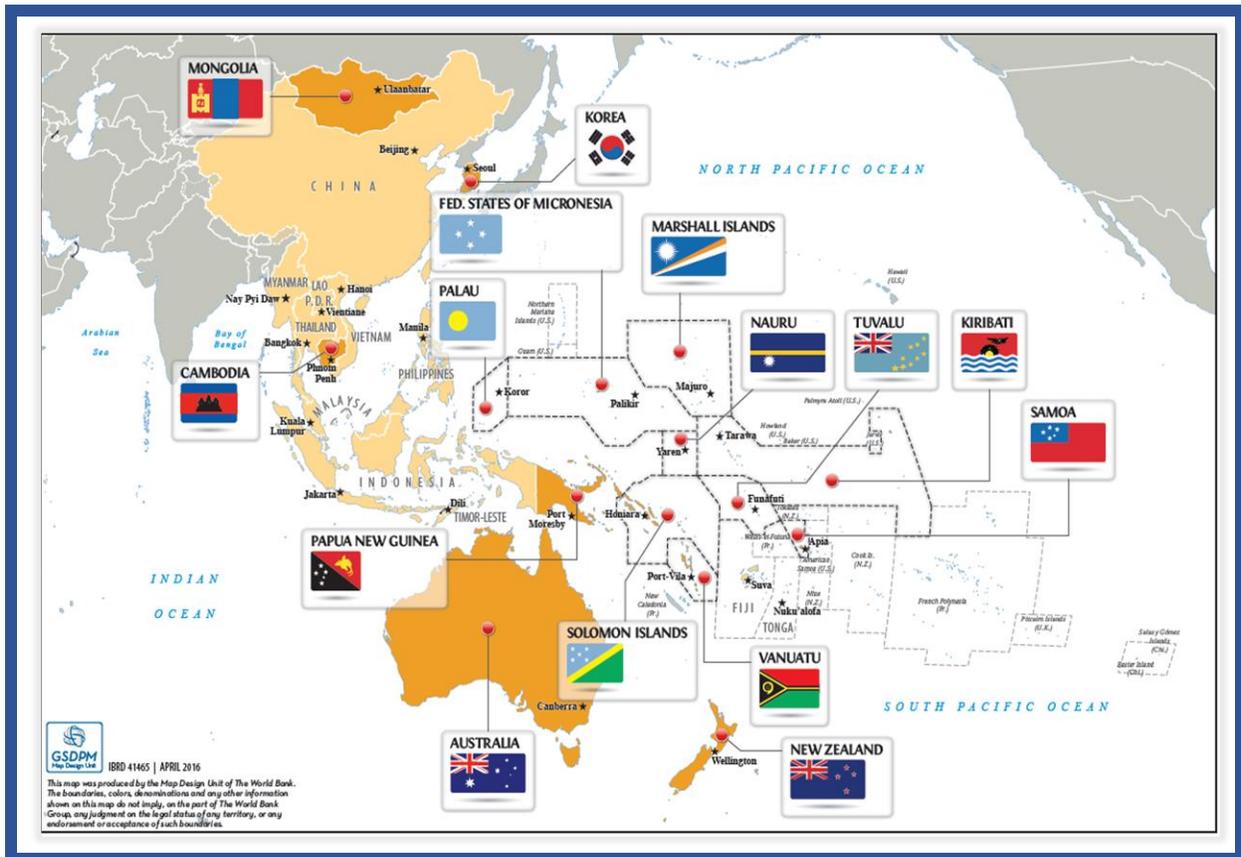


EDS09 CONSTITUENCY NEWSLETTER

#45, October 2018–March 2019



**EDS09
CONSTITUENCY NEWSLETTER**

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2019 SPRING MEETINGS HIGHLIGHTS

Following the 2018 Annual Meeting’s theme of “Harnessing disruption to shape inclusive economies of the future”, the 2019 Spring Meeting will underscore the need to move urgently – and collectively – to advance support for the climate adaptation agenda; to strengthen the case for more and better investment in human capital; and to tackle issues critical to growth and poverty reduction, including debt sustainability, governance, and trade with an overarching theme of “Building Resilience and Creating Opportunity in a Complex World”. Cutting across these issues is the Bank Group’s continued support for helping clients leverage disruptive technology, manage increased fragility, and enhance the growing role of the private sector in development.

The Spring Meetings is expected to be attended by approximately 2,800 delegates from all our member countries, 350 observer organization representatives and close to 800 members of the press. Approximately 550 accredited civil society members also participate in the Meetings. The Meetings and all related seminars and other events will be held from April 9 - 14, 2019 in Washington, D.C. The meetings are comprised of events open to all attendees, ministerial-level invitation-only sessions, closed bilateral meetings, and events open only to the Press. The full schedule can be viewed on both the Bank and the Fund’s external websites.

The 99th meeting of the Development Committee will be held on April 13th, 2019, at 2.15pm in the Preston Auditorium, Main Complex of the World Bank. The Development Committee meeting focus will be on the Update of the Bank’s Strategy “Forward Look” and the \$13 billion Capital Increase Package for IBRD and IFC; and the Mainstreaming of Disruptive Technologies at the World Bank Group.

The WBG have identified 5 corporate priorities - (1) Support country diagnostic to chart new drivers of growth (2) Support the formulation and implementation of agile regulations for the new economy (3) Scale up universal, affordable digital connectivity (4) Support the provision of transparent, efficient and accountable digital government services and (5) Support the development of skills and capabilities for the new economy - which directly aligned with the Mainstreaming of Disruptive Technologies. In relation to our constituency, disruptive technology offers a great opportunity to mitigate the challenges of the large physical distance between countries through improved and strengthening connectivity and access, as well as its strong connection in building human capital capability through the Human Capital Project.

For the duration of the Spring meetings, the Constituency Office and all staff will be present to work with all the visiting authorities and delegates, and refreshments will be available.

SELECTION OF WBG PRESIDENT

On April 5, 2019, the Executive Directors of the World Bank unanimously selected David R. Malpass as President of the World Bank Group. Commencing April 9, 2019, Mr. Malpass will assume his five-year term as President of the WBG.

Selection process agreed in 2011 which includes an open and transparent nomination was carefully exercised by the Executive Directors. It was then followed by through due diligence and a comprehensive interview of Mr. Malpass by the Executive Directors.

After he was selected, Mr. Malpass himself expressed his gratitude to the Board for given him the mandate to lead the organization. He also reassured the Board of his commitment to the Bank and its mission.

The Board looks forward to working with the newly elected President on the implementation of the Forward Look and the Capital Package Agreement.

POLICY UPDATES

Capital Increase Update

The US\$13 billion capital increase package endorsed by the Development Committee last year comprised a US\$7.5 billion capital increase for IBRD and a US\$5.5 billion capital increase for IFC.

Governors adopted the US\$7.5 billion capital increase for IBRD in October last year. Each member country is now being asked to subscribe to the additional shares it is entitled to under the capital increase. Information on the subscription and payment process has been sent to our constituency members, including an information booklet (please let us know if you have not received this information or need it to be resent).

Voting for IFC's US\$5.5 billion capital increase is still ongoing, as the threshold for adopting the resolution has yet to be reached. Most of our constituency members have submitted their votes. Votes from the United States, which holds nearly 21% of the voting power, are also needed to reach the threshold but have yet to be received. Accordingly, the voting period has been extended to September 2019 and may be extended further if necessary. Once the IFC resolutions are adopted, member countries will then be asked to subscribe to the shares they are entitled to under the capital increase.

As part of the capital increase negotiations, the Bank signed up to a package of financial and policy commitments to give effect to the Bank's strategy as set out in its "*Forward Look*".

These commitments include issues of importance to our constituency; notably support on global issues (climate, gender, regional integration), support to small states (price discount for IBRD loans, doubling access to IBRD resources), and greater IBRD support for IDA graduates (Mongolia is currently under consideration for IDA graduation, price discount for blends and recent graduates).

The upcoming Spring Meetings include an update to the Development Committee on the *Forward Look* and capital package. The focus of this update is on implementation; on delivering against the themes and commitments in the strategy and capital package. For example, the Bank has already adopted the pricing changes (with exemptions for small states and blend countries), it will

be applying a new financial sustainability framework to FY2020, and has started scaling up its support to tackle climate change.

Delivering on these commitments requires sustained effort over time, as the time horizon for many extend out to 2030. Accordingly, the Development Committee will be regularly updated on their implementation so that progress can be monitored.

IDA Updates

The International Development Association (IDA) is the World Bank's fund for the poorest and most vulnerable countries. Despite a growing focus on poverty in Africa, IDA invests around 2.5 percent of its funding (USD75 billion) in East Asia and the Pacific. The IDA18 Mid-Term Review was held in Livingstone, Zambia on 12-15 November, 2018. Along with donors to IDA, East Asia and the Pacific is being represented by Samoa and Lao, PDR, through the IDA18 Mid-Term Review and IDA19 replenishment.

The Mid-Term Review confirmed impressive progress against the Bank's ambitious targets in terms of funding commitments, disbursements and the achievement of its 46 policy commitments. Participants agreed that the objective of IDA19 is to consolidate the agenda set out in IDA18. To this end, the five special policy themes will continue: fragility and conflict; gender; climate change; jobs and economic transformation; and governance and institutions. Issues around debt, human capital and disability will also be incorporated into IDA19. Participants also agreed to the objective of maintaining IDA's ability to provide stable and predictable IDA financing to clients through the Sustainable Development Goal horizon.

A key theme for our constituency in both IDA18 and IDA19 is support for small island development states. The Small Island Economies Exception, which provides access to IDA funding for many Pacific island countries, has been revised and approved by both IDA Deputies and the World Bank Board. These revisions provide certainty to countries about the conditions under which they can access IDA funding through the exception and graduation from the exception. To graduate from the Exception, countries must have a GNI/capita income about USD12,055 in FY19, as well as meet other criteria. More information on the Small Island Economies Exception is available from the constituency office.

The Mid-Term Review agreed the IDA19 negotiations would include a strong focus on debt transparency and sustainability. This builds on the discussions on debt at the Annual Meetings in October 2018. The Bank and IMF are implementing the multi-pronged approach to help countries address debt vulnerabilities, including by strengthening debt analytics and early warning systems, strengthening debt transparency, strengthening capacity on debt/fiscal risk management and reviewing the IDA Non-Concessional Borrowing Policy.

IFC Supreme Court - Immunity from Law Suits

In 2008, the World Bank via its private sector arm the International Finance Corporation (IFC) provided funding for the construction of the Tata Mundra Power Plant in India. During construction it was alleged that agreed safeguards were not observed, resulting in the cooling system of the plant to discharge thermal pollutions into the sea, killing off marine life on which

the fishermen relied on for income. A law suit was filed against IFC after a report from the Compliance Advisor Ombudsman (CAO) alleging IFC as lender, failed to exercise its supervisory authority and halt funding when agreed safeguards were not met. The law suit against IFC was filed by Jam and his fellow petitioners alleging injury by the Tata Mundra Plant Project.

In 2016, the District of Columbia court dismissed the complaint in the Jam Case on grounds that IFC is immune from such suits. The petitioners appeal the decision in the US Court of Appeals of the District of Columbia in 2017, and again the case was dismissed. The case was then appealed to the United States Supreme Court and in late February 2019 the Supreme Court, reversed the dismissal and has remanded the case back to lower courts for further proceedings.

In its decision the Court did not decide if IFC lacks immunity from suit, either under the U.S. statutory law or under its Articles. However, the Court decided that the International Organizations Immunities Act (IOIA) no longer confers virtually absolute immunity on international organizations. It concluded that the IOIA: (i) only provides designated organizations with the same limited immunity that foreign sovereigns enjoy under the Foreign Sovereign Immunities Act of 1976 (FSIA), meaning some organizations can now be sued based on commercial activity connected to the United States; and (ii) that international organization immunity evolved with U.S. law on foreign-sovereign immunity.

Furthermore, the Court stated that: (i) international organizations may still be immune under FSIA for alleged tortious activity outside the United States; and (ii) international organizations are entitled to immunity under the terms of their charters, separate and apart from the immunity provided under the IOIA and FSIA. Basically, the court is saying that the primary source of jurisdictional immunity for international organizations lies in their charters and such charters may grant a different level of immunity than that provided for under the IOIA and FSIA.

While this ruling will not affect the banks' ability to deliver for clients and partner countries, the immediate repercussions of the decision include: (i) the possibility of an increased number of lawsuits against WBG institutions in the U.S. Courts for financing activities in countries of operation; (ii) the possibility of an increased number of lawsuits against WBG institutions in other jurisdictions; (iii) the need to address the cost and resource implications of responding to such suits; and (iv) the need to consider the banks' policy frameworks and how it addresses risk management going forward in light of the fact that, at least for now, it may be subject to further suits being brought against the bank in the U.S. courts.

In light of the Court's decision, there is a need for clarification on existing immunity provisions in the respective charters of the WBG institutions. These will include; reviews of the banks establishment agreements; review of the banks accountability mechanism processes; enhancing litigation preparedness; and organizing a task force for a thorough review of the banks policies and practices to take into account potential risks and any unnecessary exposure. While there are many things to contemplate as a result of the Supreme Court decision, the fact remains that the primary source of immunities is in the banks Articles of Agreement, and as such this decision will not fundamentally affect the banks' ability to deliver its development mandate. In due course management will be consulting with each constituency and capitals before drafting new language for consideration. This process will take some time. Even if the process is completed before the District Court delivers its decision, the changes will not influence the outcome of the Jam Case.

The Bank in East Asia and the Pacific

The World Bank Group's (WBG) sustained approach within the East Asia and Pacific (EAP) region towards achieving its twin goals of ending poverty and promoting shared prosperity remains strong and focus through:

- (i) Supporting Private Sector & Productivity-Led Growth: Macro Financial Stability/Resilience, Enabling Environment for Business and Innovation, Infrastructure, Job Oriented, Real Sector Investments;
- (ii) Strengthening Human Capital and Inclusion: Childhood Stunting, Education Quality, Skills, Health Security, Social Protection;
- (iii) Building Resilience & Sustainability: Climate, Natural Resources Management, Fragility and Conflict, Disaster Risk Management and Green Financing; and
- (iv) Transparent & Strong Institutions.

These main areas also are very much aligned with the Small States Roadmap and the Sustainable Development Goals.

Despite EAP being one of the most expensive regions for the WBG to work in, - due to the large number of small, isolated islands, limited air and ocean connectivity, - the continuous implementation of Country Partnership Frameworks, the Regional Country Partnership Framework (PIC-9) and IDA18 permits the WBG to engage more fundamentally within the EAP region. These important efforts are being implemented through close consultations with the national authorities, the private sector, civil society and other stakeholders to identify the most critical constraints and opportunities facing by each country within the region for advancing towards the WBG's twin goals.

The WBG management's regional update for the East Asia and Pacific Region provided on February 26th, 2019 clearly portrays the significant contribution the region has contributed to driving global growth and declining poverty, as well as highlighting the challenges ahead, particularly with increasing risks to trade, inequality, human development, and fragility and conflict issues within this diverse and dynamic region. These aspects were generally identified through the context of:

- Growth remains resilient, but risks are increasing;
- Strong progress on twin goals, but multidimensional poverty and inequality remains a concern;
- Education quality and stunting are holding back progress on human capital;
- Vulnerable to Climate Change but stepping up action;
- Rapid advance in use of technology but more digital access and skills needed;
- Persistent subnational conflict;
- Multidimensional Fragility.

The World Bank Group will continue to focus on:

- Sustaining EAP's stellar contribution to global poverty reduction and increase shared prosperity;
- Expanding footprint and strong focus on building implementation capacity particularly in the Pacific in relations to the delivery of IDA scale up;
- Reorienting its IBRD lending towards lower middle-income countries in the region, while strengthening selectivity with special emphasis on institutions, global public goods, and knowledge across all our countries;
- Working as one WBG, implementing MFD through the Cascade to "create market" and design private solutions that deliver on our priorities of growth with jobs, human capital and inclusion, gender equality, and resilience and sustainability;
- Bringing new approaches and resources to address rising risk in operations due to expanded work on more complex agendas and in fragile and conflict environments;
- Implementing the Small States Roadmap 2017.

Marine plastic issue is a new priority for Bank in the EAP as five of the EAP countries are accounted for 50 percent of global problem as stated in the EAP regional update. The World Bank plays a critical convening role in multi-sectoral efforts to beat plastic pollution through the PROBLUE — a new Multi-Donor Trust Fund (MDTF), housed at the World Bank that supports healthy and productive oceans. PROBLUE aims to catalyze the implementation of the WBG's Blue Economy Action Plan in alignment with client priorities and programs.

Efforts to beat the marine plastic issue in EAP:

- Action Plan including advocacy for behavior change and multisectoral solutions;
- Supporting operational interventions integrated with solid waste management engagement;
- Knowledge sharing amongst countries and deliver solutions;
- Coordination with regional organization;
- IFC to collaborate with private sector on advocacy and solutions.

Small Islands issues is one of our office's top priorities. The office has worked with development partners and management to develop a framework for Small Island States to consistently access IDA funding. IDA Deputies and the Board considered the issue at the IDA Mid-Term Review in November 2018 and the Board approved a framework in March 2019.

Key features for entry to the small islands economies exception (SIEE) are:

- a country must have a per capita income at or below US\$6,795
- a country must be vulnerable to natural disasters or long-term climate change
- a country's sovereign credit rating(s) must be below investment grade
- a country will be assessed for the adequacy of its access to IBRD resources and affordability of borrowing terms.

In addition, our office has strongly advocated for the two Small States in our constituency to be able to access IBRD support. Consequently, the Management will prepare an options paper in relation to Small States that are not considered creditworthy for IBRD purposes. The paper is expected to be discussed in the upcoming WBG Annual Meeting in October 2019.

Our office also has been actively and will continue engaging at the Six Group meetings in the Bank. The Six Group is the combination of all six offices (including our office) representing all Small States in the Bank. This group periodically meet on issues that are relevant to the Small

States issues. In addition, the office is also actively engaging with other Executive Directors to release joint statements on relevant small island states issues that come to the board as well as making interventions during board discussions.

Constituency Projects

The following tabulates our member countries project that have approved since October 2018 to date and the ones in the pipelines.

Approved projects

Country	Project/Program	Description	Approval Date	IDA Commitments (US \$M)
Cambodia	Agriculture Sector Diversification Project	To facilitate the development of diversified agriculture value chains in selected geographical areas in Cambodia, and to provide immediate and effective response in case of an eligible crisis or emergency.	1/31/2019	91.67
Cambodia	Additional Financing for Health Equity and Quality Improvement Project (H-EQIP) *	To improve access to quality health services for the targeted population groups with protection against impoverish due the cost of health services in the Kingdom of Cambodia.	12/18/2018	
Tuvalu	TV: Telecommunication and ICT Development Project	To facilitate improved access to, and reduced cost of, internet services in Tuvalu.	1/15/2019	29.00
Tuvalu	Maritime Investment in Climate Resilient Operations	To improve the climate resilience of Nanumaga harbor and Funafuti port, and in the event of an eligible crisis or emergency, to provide an immediate response to the eligible crisis or emergency.	12/18/2018	20.00
RMI	Multisectoral Early Childhood Development Project	The objective of the Multisectoral Early Childhood Development Project for Marshall Islands is to improve coverage of multisectoral early childhood development services.	2/28/19	13.00
Mongolia	Social Accountability Subprojects *	The objective of the Project is to empower citizens and civil society organizations (CSOs) to improve the access and quality of education and health services through social accountability initiatives in targeted ten aimags and three districts of Ulaanbaatar city.	2/18/2019	

Country	Project/Program	Description	Approval Date	IDA Commitments (US \$M)
FSM	Sustainable Energy Development and Access Project	To improve reliability of electricity supply, expand access to electricity, and scale up renewable energy generation.	12/06/2018	30.00
Samoa	Second Resilience Development Policy Operation with a Cat-DDO	To strengthening Samoa's macroeconomic and financial resilience, increasing Samoa's resilience to the effects of climate change and natural hazards, and reducing the vulnerability of Samoans to non-communicable diseases.	11/29/2018	13.70
Kiribati	Fifth Economic Reform Development Policy Operation	To: (i) improve public financial management with respect to financial and physical assets; and (ii) support the prospects for inclusive growth by strengthening fisheries sector management and improving access to basic services.	11/29/2018	5.00
PNG	First Economic and Fiscal Resilience Development Policy Operation Project	To: (i) strengthen fiscal management and revenue performance; and (ii) strengthen key building blocks for public financial management and financial inclusion.	10/25/2018	150.00
Solomon Islands	Roads and Aviation Project un the Pacific Aviation Investment Program	The project objectives are to improve operational safety and oversight of air transport and associated infrastructure, strengthen the sustainability and climate resilience of the Project Roads, and in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency.	3/28/2019	51.0

*Grants

Projects in the Pipeline

Country	Lead Global Practice	Project	Expected Approval Date	IDA Commitment (US\$m)
Cambodia	Health, Nutrition and Population	P162675 - Cambodia Nutrition Project	04/04/2019	15.0
Cambodia	Water	P-163876 – Water Supply and Sanitation Improvement	03/28/2019	55.0
Papua New Guinea	Social, Urban, Rural and Resilience Global Practice	P116420 – UYEP II	05/16/2019	35.0

Country	Lead Global Practice	Project	Expected Approval Date	IDA Commitment (US\$m)
Samoa	Transport	P169279 – Samoa Aviation Investment Project AF 2	05/16/2019	2.0
Samoa	Agriculture	P165873 – WS Agriculture Productivity and Marketing	04/22/2019	20.0
Solomon Islands	Transport	P166622 - SIRAP	03/28/2019	51.0

VOICE SECONDMENT PROGRAM (VSP)

The World Bank (Bank) Voice Secondment Program (VSP) provides capacity building and training to officials from developing and transition countries (DTC). This program was initiated by the Executive Directors in 2005 with the following objectives:

- To help EDs and Bank’s operational teams in their relations with their constituencies from DTCs;
- To strengthen the ability of the capitals to provide timely and adequate feedback to the EDS and Bank’s operational teams; and
- To increase the knowledge of officials from DTCs on Bank procedures, products and operations.

Officials from relevant government agencies that work closely with the Bank or other international financial institution may partake in this six-month program.

Invitations for Nominations from the Capitals usually take place toward the end of March. By June, Capitals are then furnished with information pertaining to the successful candidates along with other relevant materials.

Selected participants will start their six-month program the following year in January where they will be tasked with relevant duties as the Bank staff in various Bank units. A mentor will be provided for them throughout their tenure. Participants are also given a week attachment with respective ED’s office that represent their countries to learn the operation of the office and the Executive Board.

This year’s 15th cohort participant – Ms. Bunnary Chhun from Cambodia is our constituent’s successful nominee and is assigned to the Global Practice on Result-Based Approaches (GPRBA) unit.

Ms. Bunnary Chhun's reflection of the program



VSP, A Lifetime Opportunity!

My dream came true with my selection for this program. This practical VSP experience is invaluable to me not only for self-development but also to effectively manage WB funded projects as a government officer in Cambodia, a small but beautiful country.

It's very interesting that GPRBA (Global Practice on Result-Based Approaches) is my host unit. GPRBA focuses mainly on innovative development financing solutions that link payments to achievement of pre-agreed results, for example, Disbursement Linked Indicator (DLI). Since DLI is new to Cambodia, it's a great opportunity to be part of a team and understand core concepts and its deployment in different countries. I am also impressed by teamwork in a multi-ethnic and multi-cultural environment based on shared goals.

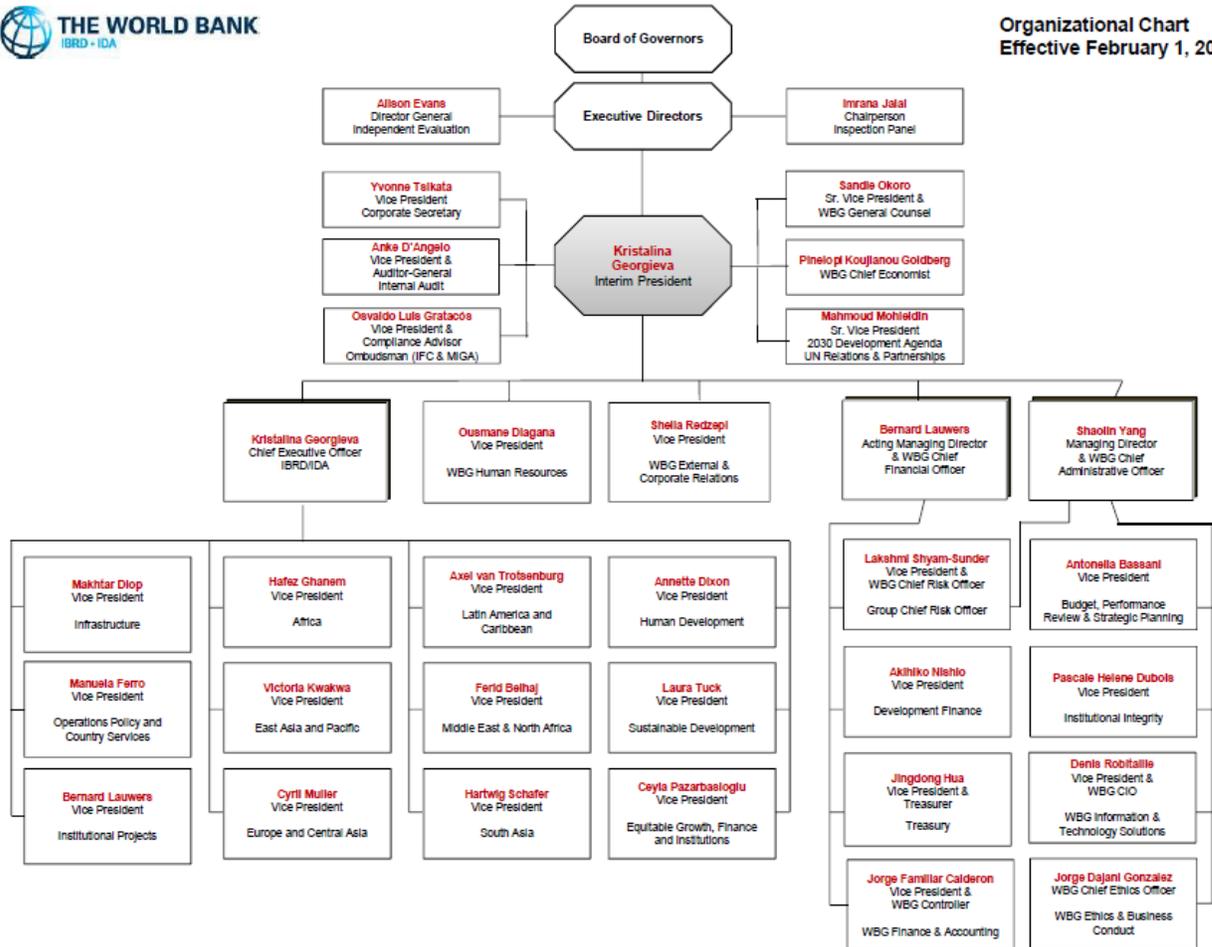
Living life alone on the other side of the world is worth to experience. Despite VSP commencing in early January when the weather was pretty cold, and snow covered almost all parts of Washington, DC., life has not only become enjoyable but the human warmth continues even as winter has already passed. My heartfelt thanks go to the excellent administrative arrangements made by Corporate Secretariat Voice Secondment Program, the Executive Director's office, and the host unit.

I am grateful for the opportunity given and would like to express my sincere thanks to the WB as well as my Ministry's senior management for giving me this once in a life-time opportunity.

WBG Organization Chart



Organizational Chart Effective February 1, 2019



EDS09 Staff



Kunil Hwang

A Korean national, is the **Executive Director** of the World Bank Group representing Australia, Cambodia, Kiribati, Republic of Korea, Republic of the Marshall Islands, Federated States of Micronesia, Mongolia, Nauru, New Zealand, Palau, Papa New Guinea, Samoa, Solomon Islands, Tuvalu, and Vanuatu since November 1, 2018.



Gerard Antioch

An Australian national, is the World Bank Group **Alternate Executive Director** representing Australia, Cambodia, Kiribati, Republic of Korea, Republic of the Marshall Islands, Federated States of Micronesia, Mongolia, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, Solomon Islands, Tuvalu, and Vanuatu since November 2018.



Warwick White, Senior Advisor to the Executive Director

Responsibilities: Audit and Budget Committees, Financial Sustainability Agenda, Finance and Markets, Trade and Competitiveness, Transport and ICT
Home country: New Zealand
Constituency representation: New Zealand, Cambodia



Jerry Nathan, Senior Advisor to the Executive Director

Responsibilities: Governance, Macroeconomics & Fiscal Management, IFC, Poverty, Voice Reform, Voice Secondment Program, Small States and Pacific Seminars, Oceans, Office Annual Report, Newsletter, Website
Regional responsibility: Africa
Home country: Marshall Islands
Constituency representation: Marshall Islands, Kiribati



Bokwon Lee, Advisor to the Executive Director

Responsibilities: HR Committee, Jobs, Urban, Rural & Social Development, Social Protection & Labor
Regional responsibility: LAC
Home country: Korea
Constituency representation: Korea, Tuvalu



Kirsty McNichol, Advisor to the Executive Director

Responsibilities: CODE and COGAM Committees, IEG, IDA, IFC, Gender; PPPs, Fragility, Conflict & Violence; Safeguards & Procurement, Trust Funds
Regional responsibility: EAP
Home Country: Australia
Constituency representation: Australia, Papua New Guinea



Henry Ah Ching, Advisor to the Executive Director

Responsibilities: ICSID, Climate Change; Agriculture; Environment & Natural Resources

Regional responsibility: Pacific & EAP (Philippines, Singapore, Thailand, Timor Leste, Vietnam)

Home country: Samoa

Constituency representation: Samoa, Federated States of Micronesia (FSM), Nauru



Tony Sewen, Advisor to the Executive Director

Responsibilities: Health, Nutrition & Population, Education; Small States

Regional responsibility: MENA, SAR & EAP (China, Indonesia, Lao PDR, Malaysia, Myanmar)

Home country: Vanuatu

Constituency representation: Vanuatu, Palau



Ulziisaikhan Dash, Advisor to the Executive Director

Responsibilities: MIGA, Water, Energy & Extractives

Regional responsibility: ECA, EAP.

Home country: Mongolia.

Constituency representation: Mongolia, Solomon Islands



Eun Jong Chang, Program Assistant

Home country: Korea



Beatrice Nguerekata, Program Assistant

Home country: France



Elsa Warouw, Program Assistant

Home country: Indonesia