2017 Annual Report

Highlights from Financial Year 2017

July 1, 2016- June 30, 2017

Foreword

Responsiveness and implementation are the two words that characterize FY17.

The WBG again proved its capacity to respond to new demands when called upon by development partners and clients. The work already underway in the Middle East and Africa to respond to the protracted refugee crises, was given an additional dimension with the evolving famine in parts of Africa and Yemen. Through the WBG engagement, work to bridge the gap between the humanitarian and development efforts took a big step forward.

The WBG also showed responsiveness as well as renewed leadership in the mobilization of private capital for development. The Maximizing Finance for Development approach, while not new, holds good prospects for a systematic Multilateral Development Bank system-wide approach to mobilization. This should incentivize governments to carry out the necessary reforms to de-risk their countries and provide a recognizable model to the private and institutional investors, for them to act on a larger scale.

Implementation of the Forward Look was at the center of Board work during Fiscal Year 2017. There was good progress across many commitments, not least in areas of importance to the Nordic-Baltic Constituency, including scaling up in fragile states, moving towards the 28 percent target on climate commitment, addressing inequalities including gender, and governance. These are also areas where we continue to want the World Bank Group to do even more and advance faster.

This fiscal year also produced a record replenishment of IDA that will help the Bank play a substantial role in implementing the SDGs and the Forward Look in low-income countries. Technical discussions on capital increases of IBRD and IFC are underway. Without such increases the role of the IBRD and IFC will gradually be of less significance as their contribution to development in the middle-income countries will be smaller. Over time, this could erode the very foundation of the World Bank Group as a leader in development.

To give a flavor of some of the new topics that the WBG is now grappling with which concerns us all, I just want to mention two: First, the pressing issue of jobs – what does the future look like for a world with still more people looking for jobs and still fewer jobs on offer due to technological advances. Second, and interlinked to the first, is the importance of investing in people - in a still more technologically advanced world, it is not the number of hands that will determine growth, but the brain power of the population.

After one year as the Nordic-Baltic ED, I continue to be struck by how well aligned WGB priorities are to those of the Nordic-Baltic Constituency. This is a result of many years' strong and solid cooperation between the WBG entities and our countries. There is still important work to be done to ensure that policies and strategies are put well into practice at the country level, and that they work for the poor. Here, continued feedback from Embassies remains valuable for our work. Finally, let me use this opportunity to thank all colleagues in Capitals, on whom we in the Nordic-Baltic Office depend so much in carrying out our work. Lastly, a great thank you to colleagues in the Office for all your contributions during the year.

Susan Ulbæk
Executive Director
Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden

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Abbreviations

B2T	Billions to Trillions
CCAP	Climate Change Action Plan
CPF	Country Partnership Framework
DRM	Domestic Resource Mobilization
EDGE	Economic Dividends for Gender Equality
FCS	Fragile and conflict-affected situations
FCV	Fragility, conflict and violence
FIF	Financial Intermediary Fund
GBV	Gender Based Violence
GCRP	Global Crisis Response Platform
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IFFs	Illicit financial flows
MDBs	Multilateral development banks
MIGA	Multilateral Investment Guarantee Agency
MTRS	Medium Term Revenue Strategy
NB	Nordic-Baltic
NBC	Nordic-Baltic Constituency
NBO	Nordic-Baltic Office
OFCs	Offshore Financial Centers
SCD	Systematic Country Diagnostic
SDGs	Sustainable Development Goals
StAr	Stolen Asset Recovery Initiative
UN	United Nations
We-Fi	Women Entrepreneurs Finance Initiative
WB	World Bank (IBRD/IDA)
WBG	World Bank Group (IBRD/IDA, IFC, MIGA, ICSID)
WDR	World Development Report

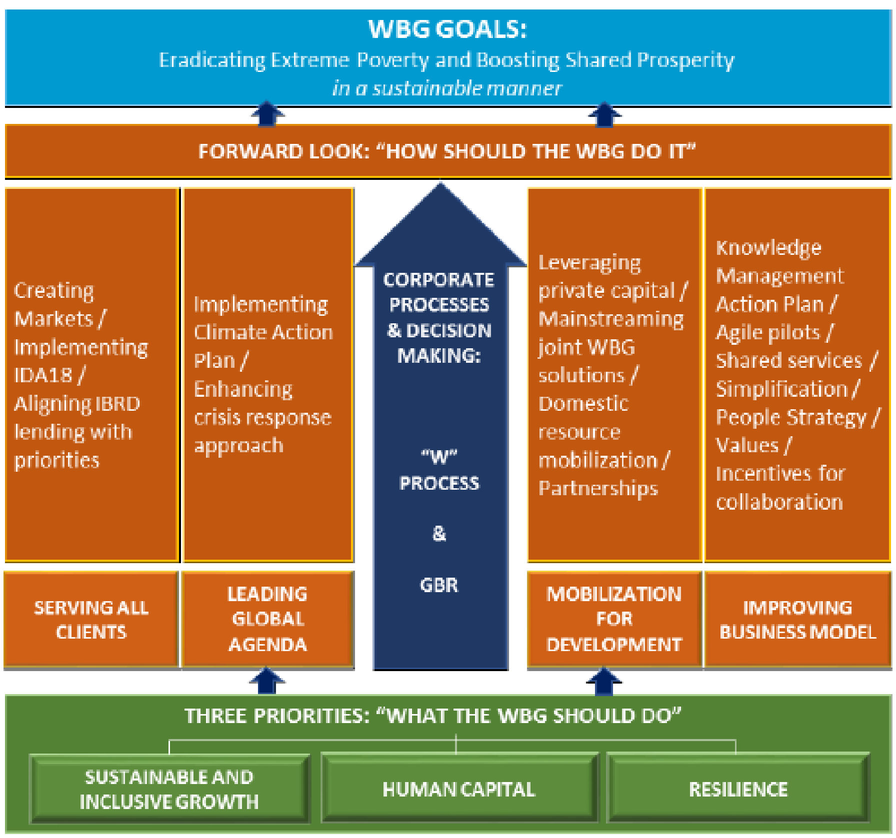
Highlights of FY17

Implementation of the Forward Look

Agreement to and implementation of the *Forward Look: A Vision for the World Bank Group in 2030* has been at the center of World Bank Group (WBG) efforts, during FY2017. The Forward Look was endorsed at the 2016 Annual Meeting. It sets out four strategic directions for the WBG to deliver on the Twin Goals of ending extreme poverty and boosting shared prosperity through sustainable inclusive growth, human development, and building resilience:

1) Serving all Clients
2) Leading on the Global Agenda
3) Mobilize Capital for Development
4) Improving the Business Model

Box 1: One WBG, Two Goals, Three Priorities: How Forward Look Themes Will Get Us There



The NBC played an active role in the formulation of the Forward Look and made sure that all our priority areas are well reflected in the document and the ensuing follow-up. The goals, priorities, and directions are all very well aligned with Nordic-Baltic priorities and what we find important to further the implementation of the Sustainable Development Goals (SDGs) towards 2030. With the Forward Look in place to guide the WBG, it is our expectation that the WBG will be able to play a significant role in delivering the SDGs, the Paris Climate Agenda and the Financing for Development Agenda.

The global community has made great progress in reducing poverty over the past decades. From 2010 to 2016, this trend has continued with extreme poverty falling from 20 percent of the world's population to about 9 percent in 2016, as discussed in the first report on achieving the Twin Goals. This report confirmed that global extreme poverty continues to decline, but slow global growth risks the achievement of the poverty reduction goal. The report argues that to increase the rate of poverty reduction, the international community must focus on income equality and it shows how reduction of income inequality in large populous countries would provide a critical momentum for achieving the SDGs. More than 500mn people of the world's 750mn poor live in middle-income countries with the largest population in lower middle income countries, and hence the motivation for the IBRD to continue to engage with this group of countries and shift resources in their direction.

One of the key aspects of the Forward Look agreement is "serving all clients" - albeit with different value propositions for countries at different levels of development. An ongoing discussion in the Bank concerns the appropriate role of the WBG in upper middle-income countries. This discussion is exacerbated with the postponement of the capital increases, as demands for loans are much higher than the supply. The Nordic-Baltic position is that as countries grow and get better access to capital markets, the Bank's value proposition for these countries should increasingly focus on advice and sharing knowledge and learning. IBRD assistance should be focused on the remaining gaps in development, delivery of global public good, and getting ready for the eventual graduation. Such discussions are now part of all Board debates on strategies for relatively higher income client countries.

In FY17, the WBG also continued to prove that it is responsive to shareholder needs and demands and is willing to take a leading role on global issues. In parts of Africa and Yemen, the 2016 famine required the Bank to play a much more active role in bridging the gap between humanitarian and development efforts. By using its financial resources, analytical capacity, and convening power, the Bank helped move along the international famine response in a collaborative effort with the UN. Another area is climate change, where the uncertainties surrounding the implementation of the Paris Accord created by the new American administration were quickly dismissed with WBG statements to stand by previous commitments.

On mobilization of more capital for development, the most prominent initiative was the development of the Cascade approach to financing (also titled Maximizing Finance for Development) which will be rolled out more systematically, in FY18. The basic concept is to prioritize commercial solutions where at all possible and strengthen support for ensuring the necessary policy frameworks for private investments to take place. The WBG also set forth new initiatives to develop and finance insurance schemes in the wake of pandemics and is working to further refine and roll out insurance schemes as part of the crisis response platform. The ambition level on Domestic Resource Mobilization (DRM) and tackling Illicit Financial Flows (IFFs) also increased, both as part of the IDA18 commitments and as follow up to the Forward Look.

The fourth and final strategic direction of the Forward Look implementation is the New Business Model for the Bank to become more agile and responsive to clients and development partners and to ensure deliverance on the ground for the poor. Many initiatives have been set in motion to enhance the development impact of interventions, including through the implementation of the Environmental and Social Framework and by moving the attention of staff from project preparation to project implementation. Some of the major discussions have centered around a risk based approach and what this entails. Nordic-Baltic countries have argued that we are willing to take larger risks, and find it necessary when wanting to move resources to fragile and poorer countries, but that these risks should be clarified and where possible, mitigated. The Nordic-Baltic Office (NBO) has also worked to ensure better knowledge sharing. Significant steps to enhance knowledge management are now underway, which can also play a role in mitigating risks in difficult circumstances.

Implementation of the Forward Look is moving ahead in all areas. Budgets and staffing are increasingly aligned to strategic priorities. Despite this, the NBC continues to push for greater staffing for operations in country offices, particularly in fragile states. The NBC finds this essential if the Bank is going to deliver in these very difficult and risky environments. The chapters to follow will look in greater detail at some key Nordic-Baltic priorities.

Financial Highlights

FY17 saw a record commitment of US$ 19.5bn in IDA countries. This meant that IDA17 was fully committed by the end of FY17. The record commitment to IDA was offset by a sharp decline in IBRD lending of 24 percent compared to last year, which resulted from the need for the IBRD to manage its lending due to increasing capital constraints. Commitments from the IBRD fell to US$ 22.6 bn, despite strong demand in a continued volatile and uncertain global economic environment. Similarly, due to increasing capital constraints, IFC had to hold back and only increased its business volume by 2 percent, in FY17. Meanwhile, in FY17, MIGA reached a record high guarantee portfolio of US$17.8 bn, attributable to the record new business volume of US$ 4.8bn.

Overall, WBG commitments decreased by 4 percent to US$ 61.6 bn in FY17. While the share of development policy financing declined, there was an increase in Investment Project Financing disbursements and disbursement ratio for both IDA and IBRD (Annex iv).

The financial results of FY17 were positive. IBRD added to the general reserves US$ 672mn and IFC US$ 1.213mn. The good result for IBRD came due to the gradual kick-in of the higher lending costs, agreed upon in 2014. For IFC, the good result is mainly based on high treasury income. The outlook for FY18 points to more uncertainty and volatility, in particular for IFC. For IBRD, net income is projected to continue to increase due to high previous lending and higher loan pricing measures, as well as continued budget discipline.

Negotiations of the IDA18 replenishment resulted in a record IDA18. If all pledges are honored, IDA should over the coming three years be able to deliver US$ 75bn to low-income countries. The negotiations of IDA18 also produced several innovative instruments that will play a large role in delivering on the Forward Look; not least, the commitment to double financing for fragile states, a large Crisis Response Window, a Refugee Window and a new Private Sector Window which should help IFC to mobilize private sector investments, in IDA countries.

The large replenishment of IDA allows the WBG to enhance its role in low-income countries. In accordance with the Lima Road Map, technical work continued during FY17 with a view to providing a basis for negotiation of capital increases for IBRD and IFC, based on packages consisting of internal measures and paid-in capital. As part of this technical work, an external review of the IBRD and IFC capital adequacy has been commissioned; the outcome of which will be ready after the 2017 Annual Meetings.

Shareholding

At the 2016 Annual Meetings, Governors endorsed a dynamic formula as the basis for future shareholding reviews. The formula combines the weight in the global economy (80 percent) and generosity measured by contributions to IDA (20 percent). During FY17, discussions of the outcome of a Shareholding Review continued with reviews of different scenarios. The NBC stands to keep its overall share of IBRD shares of a little more than 3 percent, in all scenarios. The process in IFC is just getting underway. Negotiations on new Shareholding, based on the Dynamic Formula agreed in autumn 2016, will continue in FY18.

Nordic-Baltic Priority Areas

Climate: Delivering On The Promises

Following the landmark deal in Paris in 2015 and the new World Bank (WB) climate strategy from 2016, climate has been on top of the WB agenda over the past year. The climate agenda came into the limelight following the uncertainties created by the new U.S. administration, but the WB strategy has not changed and ambitious climate targets remain valid and are strongly supported by the Board of Executive Directors. The Nordic-Baltic Office (NBO) finds that the World Bank Group (WBG) is making good progress on the Climate Agenda and is doubling down on efforts to be able to deliver on promises.

The WBG has an ambitious agenda when it comes to climate change, as outlined in the Climate Change Action Plan (CCAP). During the year, the WBG has recommitted to ensuring that by 2020, 28 percent of its operations will generate climate change co-benefits. The strategy is strongly backed by Senior Management and permeates most operations. The CCAP outlines four priorities and associated objectives for 2020: (i) support transformational policies and institutions, (ii) leverage resources, (iii) scale up climate action and (iv) align internal process and work with others. The action plan also identifies six high impact focus areas: (i) renewable energy and energy efficiency, (ii) sustainable mobility, (iii) sustainable and resilient cities, (iv) climate-smart land use, water and food security, (v) green competitiveness, and (vi) ensuring that no one is left behind. However, the single most well-known piece of strategy is the 28 percent target. This means an annual financing of US$ 16bn by 2020, if maintaining current financing levels. The WBG has also committed to mobilize an additional US$ 13bn in external financing, by the same year. However, reaching the target will depend on client demand and sustained aggregate WBG lending volumes as well as access to concessional finance. For FY17, the IBRD/IDA reached 22 percent of commitments, up from 19 percent in FY16. Similar figure for IFC is 25 percent up from 18 percent (Annex v).

The Board of Executive Directors broadly and strongly supported the CCAP in an informal meeting on the progress on implementation of the action plan, in April. The Board re-emphasized the 28 percent target with some, but not all chairs, pointing that it should remain valid under all future capital scenarios. Management confirmed it remains fully committed to the 28 percent target, but also emphasized the original caveats related to the 28 percent and stressed that a capital increase would support more financing for climate action. Broad agreement existed on the need to find an appropriate balance between adaption and mitigation efforts, even though financing and methodology may make it difficult to strike such a balance. The Board also encouraged Management to strengthen efforts to address climate change strategically in Systematic Country

Diagnostics as well as Country Partnership Frameworks, as well as relate to the Nationally Determined Contributions as this was essential to generate demand for climate action.

The Nordic-Baltic overall assessment is that climate-related work is making good progress and that the WB team has an ambitious and credible action plan to deliver on the promises. While the WBG is one of the most important players in the global climate space, there is great need to target project financing for maximum impact and additionality and to also use funds available to mobilize and leverage other sources of funding, including funds from the private sector. This means different things for various parts of the WBG. Concessional finance in IDA18 will seek to raise the share of adaptation and mitigation co-benefits and mainstream climate in country programs. For IBRD, targeting the policy and institutional environment, coupled with investments where private sources are not available, will be key. For IFC, creating markets in tandem with IBRD and mobilizing private capital will be crucial. In addition, the WBG will continue to have a large role to play as a knowledge bank in continuing to support the broader climate change and green growth agenda, including new financial instruments geared to mobilize private capital and carbon pricing, in collaborating with MDBs and bilaterally with member governments. The NBC has a great role to play across this space in which the WBG has repeatedly requested us to continue to take a leadership role.

Gender: The Mounting Evidence Into Practice

The World Bank Gender Strategy was adopted in 2016. The focus over the past year has been on implementation and operationalization of the strategy. Analytical work to underpin policy dialogue and interventions is being supported. Over time, this should lead to a more even implementation across regions and sectors. There has been a lot of focus on two sub-segments of the strategy over the past year; gender-based violence and women entrepreneurship. The NBO is fully supportive of the work, but would like to see a more even implementation and a broader focus. WBG Management made new commitments to promote gender equality within the WBG.

World Bank Management provided an update on the gender strategy in March, arguing that the WB is now moving to the next level in terms of gender. The ambition is to go beyond mainstreaming, by identifying in each SCD, measures that can genuinely transform the situation for women, which will then be followed up in the CPF. To do so, gender labs have been established in the regions to support analytical work and policy dialogue as well as the design of interventions. The old system of "gender informed" projects is being phased out for the more analytical "gender tag" process, which in the short-term would lead to a lower gender headcount ratio, as the latter system is more ambitious.

The main challenges for implementation are related to uneven capacity among staff and lacking demand among clients, as well as sticky norms. This leads to very uneven implementation for the gender Strategy. As a remedy, training programs have been rolled-out that are available to all and mandatory for some. Financing to ensure more strong implementation remains dependent on external sources from donors, including from Nordic countries. With a new round of financing requests, the NBCs stress that going forward, some of this funding must come from the Bank's internal resources, at the same time realizing that new donor funding will be necessary to reach the goals.

The work against gender based violence has been prominent during the past year, especially in the FCV context. The Gender Based Violence Task Force, which was established by the Bank in 2016, presented a paper on the topic to the Board, in July 2017. The recommendations put forth are ambitious and comprehensive, considering all stakeholders to a project, including local communities, government, contractors, consultants and WB staff. Capacity building on gender based violence prevention will be included as part of the roll-out of the Environmental and Social Framework, as well as that of the Procurement Framework.

The Board approved the World Bank Group's engagement in support of the Women Entrepreneurs Financing Initiative (We-Fi), in June 2017. The engagement implies the establishment of a Financial Intermediary Fund , acting as a Trustee and secretariat for that Fund as well as the role of the World Bank as an implementing agency of the Financial Intermediary Fund. The We-Fi will leverage more than US$ 300mn in donor funding to provide financial, managerial and technical support for women entrepreneurs to the tune of more than US$ 1bn. Nordic-Baltic countries are also amongst the contributors to this Fund.

The NBO welcomes the strong support from Bank Management for the importance of gender and will work with the Gender responsible teams to turn strategy into action. The NBO welcomes the gender analysis becoming more ambitious with the gender tag and encourages even more implementation of gender tags across sectors and regions. The initiatives on gender based violence and entrepreneurship make a lot of sense, but should not be the only focus in the work on FCVs and women's economic empowerment, respectively. It is important to keep a broad gender focus.

WBG Management has also made commitments to promote gender equality in the World Bank Group. The WBG is already EDGE certified and as part of the He for She Initiative, promoted inter alia by Iceland, President Kim made new gender targets, including reaching parity amongst gender at senior staff level in 2020.

Stepping Up In Fragile States Including Hum-Dev, Peace-Nexus, And Famine Response

Preventing and addressing Fragility, Conflict and Violence and Forced Displacement remains a key priority for the WBG, as 50 percent of the world's poor are expected to live in countries affected by fragility and conflict, by 2030. The WBG is increasingly taking a more holistic approach to FCVs, addressing the full spectrum of situations, from prevention and crisis response to transition and recovery. This also implies sustained engagement even in active conflict situations. The WBG also played a key role in pressing forward the New Ways of Working to bridge the gap between humanitarian relief and development efforts, in particular in the context of long-term protracted crises and famine in parts of Africa and Yemen.

The significant increase in funding to FCV in IDA18 (US$ 14bn a doubling compared to IDA17), the Crisis response window and the refugee window, which were all strongly supported by the Nordic-Baltic countries, are a clear signal of the development partner's and the WBG's strong commitment to implement the FCV strategy and strengthen the engagement in fragile situations.

In September 2016, the WBG put forward the Global Crisis Response Platform (GCRP), which outlined how the WBG would act in situations of crisis and what instruments were available in the Bank. This platform was used to coordinate the Bank efforts internally and with other players to the famine in parts of Africa and Yemen. It stresses the use of already existing programs and projects to prevent crisis and if that is insufficient, ways to enhance the effort.

During the famine crisis in North-East Nigeria, The Horn of Africa and Yemen, the initial view of the WBG was that the traditional humanitarian actors were best placed to respond to this humanitarian crisis. As the crisis developed, however, it became clear that WBG intervention was essential to provide data and analysis, funding (more than US$ 1.6 bn) of which a large part was reallocation/redesigning already existing programs and convening power. Following the crisis, there is increasing awareness and acceptance in the WBG that intervention by the WBG is necessary and warranted, also in humanitarian situations. And once the crises were recognized, the GCRP proved to be a useful tool for rallying Bank-wide support for the effort.

While the WBG is not, and should not be a humanitarian actor, its strong development background, convening power, and considerable analytical and innovative capacity as well as financing capacity, including flexible crisis financing instruments, make the WBG an essential player in any crisis. The NBC would like to see the WB play a role in crisis situations, while at the same time pointing to the importance of complementing the UN Humanitarian organizations and being a bigger player on prevention, including building insurance schemes to reduce the impact on people and development from crises. The NBC has long emphasized the need to strengthen the partnership with the United Nations (UN) in general, but in particular, in FCV. The UN-WB Partnership Framework and the Humanitarian-Development-Peace Initiative ensure closer collaboration and new ways of working together between the UN and the WBG in FCV, to build resilience and tackle fragility and forced displacement.

The NBO will continue to support and closely monitor the FCV agenda and the WBG's delivery on its FCV commitments. An important part of this is to ensure that the WBG has the right instruments and procedures for acting rapidly and flexibly, as is required to be successful in changing environments. Furthermore, ensuring there are enough staff with the right competences on the ground in fragile situations, is crucial.

Governance, Domestic Resource Mobilization And Illicit Financial Flows: Moving The Tide

The importance of Governance for delivering the Twin Goals gained even more traction with the launch of the World Development Report 17 on Governance and the Law. Follow-up is apparent in many SCDs and CPFs. There is also good and strong progress on a more active role for the WBG on the agendas of Domestic Resource Mobilization (DRM) and combatting Illicit Financial Flows (IFFs), as part of the delivering on the Forward Look. Beyond these areas, the NBC is striving to increase the WBG's bar in complying with existing international standards, when using offshore financial centers in WBG operations.

The *World Development Report 2017: Governance and the Law*[1] firmly identified governance as a determining factor for development progress. The report created some discussion in the Board as few countries viewed it as being overly political. However, there was broad recognition that governance plays a big role in producing development outcomes, and as long as the report focused on the functionality of institutions and their capacity to deliver outcomes rather than on specific types of government, it was welcomed. The NBC was supportive of the report and its conclusions. The NBC is pleased to see that political economy analysis and governance issues and risks to countries development efforts are increasingly addressed in SCDs and CPFs.

DRM and combatting IFFs remain at the forefront of the Development Agenda. Activities are identified under three headings: 1) International cooperation: during FY17, the Platform for Collaboration on Tax[2] (jointly with the IMF, OECD, and UN, the WB hosts the Secretariat of the Platform) issued a paper to the G20 on Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries, which introduced the medium-term revenue strategy (MTRS) and further developed coordination among the different

[1] http://www.worldbank.org/en/publication/wdr2017
[2] www.worldbank.org/en/programs/platform-for-tax-collaboration

organizations; 2) Global Public Goods providing tools and data to help countries design tax reforms; and 3) Country level activities, where the WBG is designing comprehensive packages (86 lending operations of US$1.3 bn) of support that broaden and deepen the tax base of client governments. On IFFs, the WB launched a diagnostic tool targeting such flow and IFC continued its policy of screening projects to protect against misconduct and IFFs.

The NBC finds that enhancing DRM and combatting IFFs are an essential parts of the Financing for Development Agenda; therefore, we commend that the WB has moved DRM and IFFs to the forefront of the Development Agenda. There is pressing need for developing countries to expand fiscal space as part of the "billions to trillions" effort to mobilize resources to meet the SDGs. These two topics have been positioned as policy commitments in the Governance and Institutions Special Theme of the IDA18 Replenishment, by also introducing a target to achieve a share of domestic revenue of at least 15 percent of GDP, what is considered a minimum threshold for a state to function effectively.[3]

The WB has continued to establish analytical and operational approaches to strategically address IFFs as a core developmental issue for country clients. In FY17, there were 30 National Risk Assessments in process and 17 of them were completed.[4] The WB has continued to develop methodologies for estimating different dimensions of IFFs (Rapid Assessment Tool, Methodology for Core Principles of Measuring IFFs). The WB Financial Market Integrity team has supported the IFFs agenda through eight ongoing and recent lending

[3] http://documents.worldbank.org/curated/en/368341467989536274/pdf/106107-BR-IDA-SecM2016-0111-PUBLIC.pdf
[4] Ethiopia, Tanzania, Zambia, Andorra, Cyprus, Hong Kong, Moldova, Brunei, Uganda, Cambodia, Sierra Leone, Botswana, Vatican, Latvia, Pakistan, Turks and Caicos, Antigua and Barbuda;

operations (mainly DPOs), covering AFR, ECA, LAC and SA.[5] The prior actions or triggers focus on anti-money laundering, asset declarations and asset recovery. In FY17, continued Stolen Asset Recovery Initiative (StAR) support led to the freezing of over 11 bn TZ shillings in Tanzania in 2016 with an additional 1.6 bn TZ shillings in May 2017, the recovery of US $250,000 in Tunisia, the recovery and return of US$ 1.3 bn in Ukraine, and a compensation/confiscation order for 50 bn UG shillings in Uganda. In Somalia, StAR efforts helped recover US$22 mn in displaced government funds. Similarly, through StAR's collaboration with the Financial Market Integrity team at the WB, Namibia was able to uncover a US$6 bn trade-based money laundering and customs fraud scheme.

The NBO has also initiated work to promote a revision of the WBG OFC Policy by suggesting to raise the compliance bar on the OFC operations, specifically screening jurisdictions through the OECD Base Erosion and Profit Shifting(BEPS) prism. The goal is to bring WBG (IFC/MIGA) on par with ongoing work in other international development banks (EIB) and ensure that jurisdictions listed on the non-compliant list of the Global Forum or BEPS would not be used as an intermediary in WBG operations.

Creating Markets And Crowding In The Private Sector

The WBG in general and the IFC, in particular, have been very active over the past year in not only explaining the need of creating markets and crowding in the private sector to deliver on the 2030 agenda, but also in developing a strategy that lays out how this may occur. The Cascade is at the center of this work and so is the IFC 3.0 strategy, including the IDA private sector window, the private sector diagnostics, advisory strategy, creating markets window and the ex-ante development impact framework.

Creating markets and mobilizing private capital is at the heart of the WBG efforts to mobilize private sector capital for development. The Cascade, formally launched this winter, is a central concept in this context. It is not a new approach to development finance, but used more systematically it could potentially play a large role in creating the conditions for private sector financing of investments that countries would previously have borrowed for from the MDBs. The basic principle is to minimize the use of public resources and only use them if the market is unwilling or unable to provide financing. It is an attempt to shift the default from public to private and it incorporates earlier thinking on blended finance and public-private partnerships. And it stresses the primary role of MDBs in supporting an environment which will make private sector investments possible. The reasoning behind the Cascade is not ideological; it is emphasized that private financing is not necessarily better than public, but rather a practical one as the idea is to maximize the capital available to fill the large financing gap.

There is a broad consensus on the need to mobilize private capital to close the financing gap, as MDBs provide roughly US$ 127bn per year in developing financing, while the funding needs for the SDG is estimated at US$ 3.9tr per year. This challenge is elaborated in the Financing for Development or Billions to Trillions (B2T) agenda, as set out in the Addis Ababa Action Agenda. The World Bank is a champion and thought leader in this process. The Nordic-Baltic Constituency supports this agenda, stressing the following issues: First, it is crucial to think broadly about financing, as the international community is only likely to achieve the B2T

[5] Guatemala, Kyrgyz Republic, Liberia, Moldova, Pakistan, Panama, Sierra Leone and Ukraine.

agenda by tapping, leveraging and mobilizing a wide range of financial sources. More can be done across the board but it is imperative to do so in sustainable ways. Second, de-risking is an absolute key to incentivize the vast pools of private capital to invest in developing countries. Third, financial innovation is perhaps the most promising venue, but also one of the riskier.

An important feature of the Cascade is the idea that MDBs have an important role to play in creating markets where they do not exist or work poorly. Public resources can and should be used to create markets from scratch or to address market failures. It can be concrete issues like access to electricity, sanitation and banking or structural things like lack of competition or regulatory issues. The idea is that by using public resources to create markets, private sector actors and financing will follow suit and generate jobs and sustainable economic growth.

The NBC has been supportive of the analytical work and the conceptualization of the Cascade and related strategies. The World Bank is a thought leader on the Financing For Development agenda, in general, and particularly on B2T efforts. There are also several concrete projects, such as the MCPP Infrastructure, Scaling Solar, and Cornerstone projects, that are closely aligned with these ideas. But they remain relatively small in terms of volume – hence emphasis must be put on scaling up and simplifying. The private sector windows created in IDA18 for FCVs are other welcome initiatives that should help further this agenda. Explaining the merits of this approach to other MDBs and clients, thereby creating a larger supply and demand, is another crucial challenge moving forward. Finally, there are still many projects within the World Bank that remain too unambitious in this regard. We would like to see the Bank maximizing private sector mobilization and market creation in all projects – not only minimizing the use of public resources

Annex A: The World Bank and the Nordic-Baltic Office at a Glance

The World Bank was established in 1944 primarily to help rebuild Europe after the Second World War. Today, the WBG's mission has shifted to help reduce poverty in the developing world through economic and social development and reconstruction. The World Bank is formally one of the UN specialized agencies, entirely with its own autonomous financing and decision-making, with 189 member countries as shareholders. The World Bank Group consists of five separate organizations: IBRD and IDA provide low-interest loans, interest-free credit, and grants to developing country governments; IFC promotes private sector investment by co-investing with equity and loans to companies in developing countries as well as providing advisory services, both to companies and the public sector; MIGA provides guarantees against political risk to investors in and lenders to developing countries; and ICSID settles investment disputes between foreign investors and their host countries. [1]

The World Bank's highest decision making body is its Board of Governors, representing member countries as government shareholders. The Governors, generally finance and development ministers from all member countries, meet once a year for an annual meeting, jointly with the IMF and twice a year at a 25 member Development Committee meeting providing political guidance for the World Bank. The daily decision making is delegated from Governors/Ministers to 25 Executive Directors, representing one or several of the 189 shareholders in the Executive Board. The Nordic and Baltic countries are represented at the Board by one Executive Director (ED).

The ED is assisted by the Nordic-Baltic Office (NBO), where the following people worked during the time covered by the report:

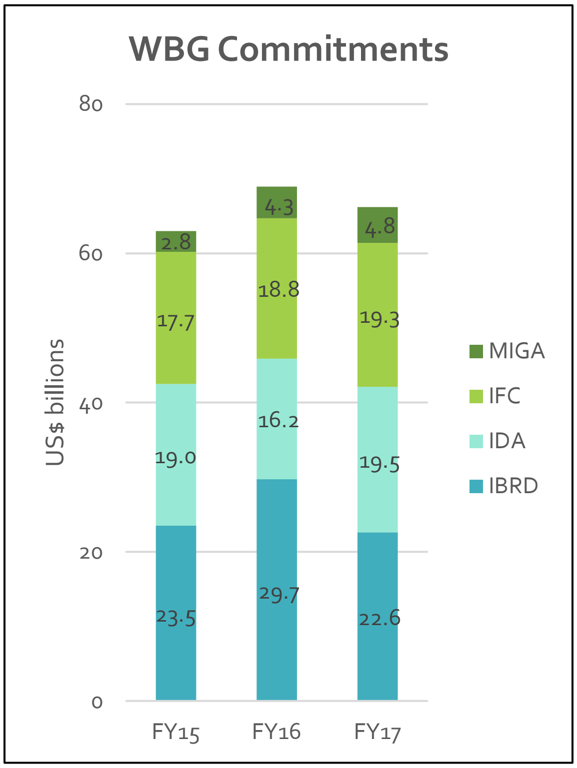
Executive Director	Susan Ulbæk (Denmark)
Alternate Executive Director	Martin Põder (Estonia)
Senior Advisor	Peter Ellehoj (Denmark)
Senior Advisor	Arto Eno (Finland)
Senior Advisor	Emil Hreggvidsson (Iceland)
Advisor	Anna Dravniece (Latvia)
Advisor	Eivile Cipkute (Lithuania)
Advisor	Marianne Krey-Jacobsen (Norway)
Advisor	Marcus Svedberg (Sweden)
Sr. Executive Assistant	Betsy Barrientos
Program Assistant	Veronica Marchant

The Nordic-Baltic Executive Director is the Vice Chair of the Human Resources Committee (HR) and is a member of the Committee on Development Effectiveness (CODE).

[1] The International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID).

Annex B: IBRD, IDA, IFC, MIGA FY17 Facts and Figures

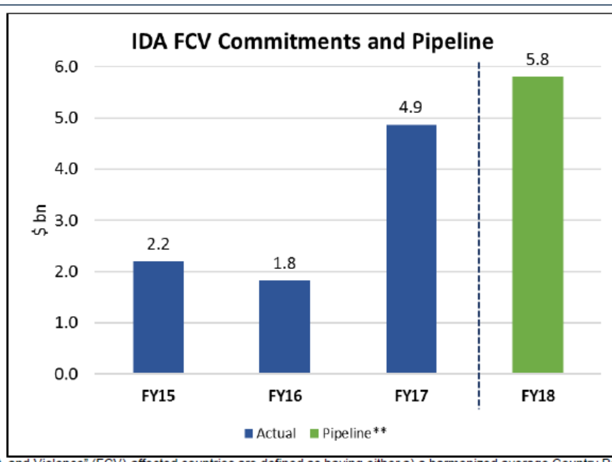
Annex i : The World Bank Group Commitments FY15-FY17



WBG Commitments			
US$ millions			
	FY15	FY16	FY17
IBRD	23.5	29.7	22.6
IDA	19.0	16.2	19.5
IFC	17.7	18.8	19.3
MIGA	2.8	4.3	4.8
Total	63.0	68.96	66.20
Note: IFC commitments includes core mobilization. MIGA values report the institution's fiscal year gross issuance.			

IDA FCV* Commitments and Pipeline

- $8.9bn committed to FCV countries under IDA17, $4.9bn in FY17 alone
- As of July 31, 2017, strong FY18 pipeline of $5.8bn



* "Fragility, Conflict, and Violence" (FCV)-affected countries are defined as having either a) a harmonized average Country Policy and Institutional Assessment country rating of 3.2 or less, or b) the presence of a United Nations and/or regional peace-keeping or peace-building mission during the past three years. FCV financing based on corresponding fiscal year's FCV list. The FY18 harmonized list includes three new countries, Mozambique, Republic of Congo, and Tuvalu, as well as four Risk Mitigation pilot countries (Guinea, Nepal, Niger, Tajikistan).

Annex ii : The World Bank Group Regional Breakdown of Commitments

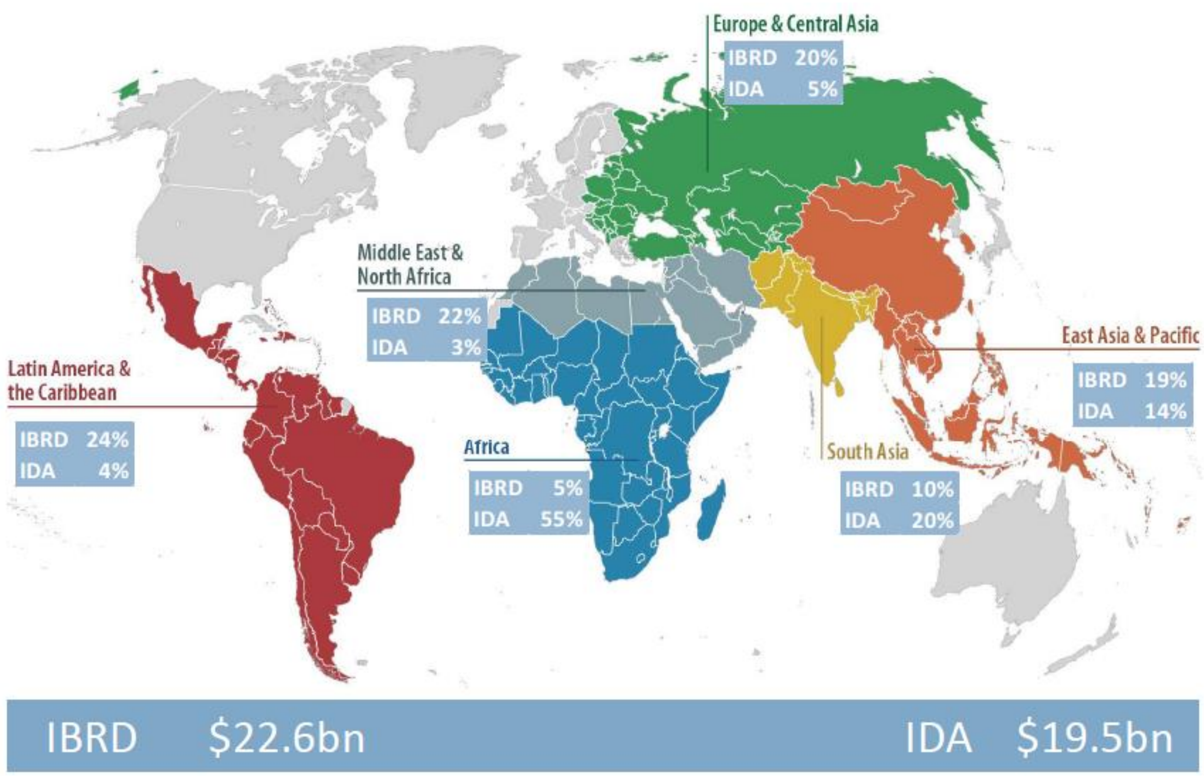
FY15-17 IBRD IDA Commitments by Region

IBRD Lending Commitments by Fiscal Year ($m)			
Region	**2015**	**2016**	**2017**
AFR	1,209	669	1,163
EAP	4,539	5,176	4,403
ECA	6,679	7,039	4,569
LCR	5,709	8,035	5,373
MNA	3,294	5,170	4,869
SAR	2,098	3,640	2,233
Total	**23,528**	**29,729**	**22,611**

IDA Lending Commitments by Fiscal Year ($m)			
Region	**2015**	**2016**	**2017**
AFR	10,360	8,677	10,679
EAP	1,803	2,324	2,703
ECA	527	233	739
LCR	315	183	504
MNA	198	31	1,011
SAR	5,762	4,723	3,827
Total	**18,966**	**16,171**	**19,463**

* Note: IDA lending commitments does not include $50m Pandemic Emergency Fund IDA allocation as this is not allocated by region. However, it is included under Global/Other in tab 'FY17 Global Commitments'

FY17 IBRD IDA Commitments by Region



FY15-17 IFC Commitments by Region

IFC FY15-17 Long-Term Commitments By Region							
Dollar Amounts in Millions, for IFC's Own Account As of June 30, 2015							
	FY15		FY16		FY17		
Region	**$ millions[1]**	**Percent**	**$ millions[1]**	**Percent**	**$ millions[1]**	**$ billions[1]**	**Percent**
Latin America	$ 2,379	22.57%	$ 2,688	24.18%	$ 2,693	$ 2.7	22.72%
East Asia and t	$ 2,288	21.71%	$ 2,307	20.75%	$ 2,323	$ 2.3	19.59%
Sub-Saharan A	$ 1,831	17.38%	$ 1,398	12.58%	$ 2,084	$ 2.1	17.58%
Europe and Ce	$ 1,534	14.55%	$ 2,131	19.17%	$ 1,738	$ 1.7	14.66%
South Asia	$ 1,402	13.30%	$ 1,428	12.85%	$ 586	$ 0.6	4.94%
Middle East ar	$ 893	8.47%	$ 955	8.59%	$ 2,348	$ 2.3	19.81%
Global	$ 212	2.01%	$ 210	1.89%	$ 84	$ 0.1	0.71%
Total	**$ 10,539**	**100.0%**	**$ 11,117**	**100.0%**	**$ 11,854**	**$ 11.9**	100.00%

[1] Some amounts include regional shares of investments that are officially classified as global

Note: Pakistan is mapped to Middle East & North Africa region in IFC.

FY15-17 MIGA Commitments by Region

Gross Issuances ($M)

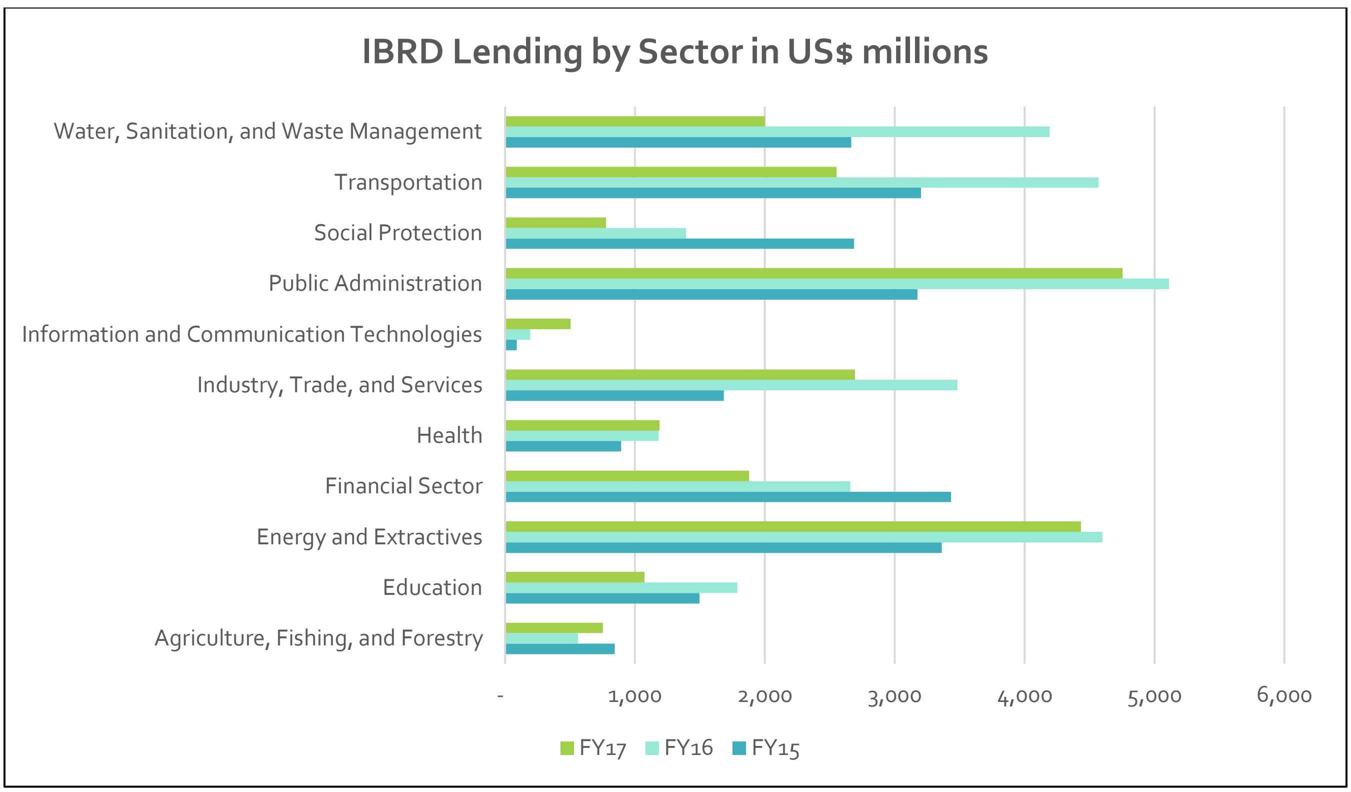
Region	FY15	FY16	FY17
East Asia And Pacific	200	1,250	512
Europe and Central Asia	1,462	727	1,869
Latin America and the Caribbea	832	439	963
Middle East and North Africa	49	15	216
South Asia	83	69	239
Sub-Saharan Africa	201	1,758	1,044
Total	**2,828**	**4,258**	**4,842**

Annex iii : The World Bank Group Sectoral Breakdown of Commitments

IBRD Lending by Sector

IBRD Lending by Sector US$ millions			
	FY15	**FY16**	**FY17**
Agriculture, Fishing, and Forestry	843	561	754
Education	1,496	1,788	1,074
Energy and Extractives	3,361	4,599	4,434
Financial Sector	3,433	2,657	1,879
Health	893	1,181	1,189
Industry, Trade, and Services	1,684	3,483	2,694
Information and Communication Technologies	90	194	503
Public Administration	3,175	5,111	4,754
Social Protection	2,687	1,393	778
Transportation	3,202	4,569	2,551
Water, Sanitation, and Waste Management	2,664	4,192	2,000
Total	**23,528**	**29,729**	**22,611**

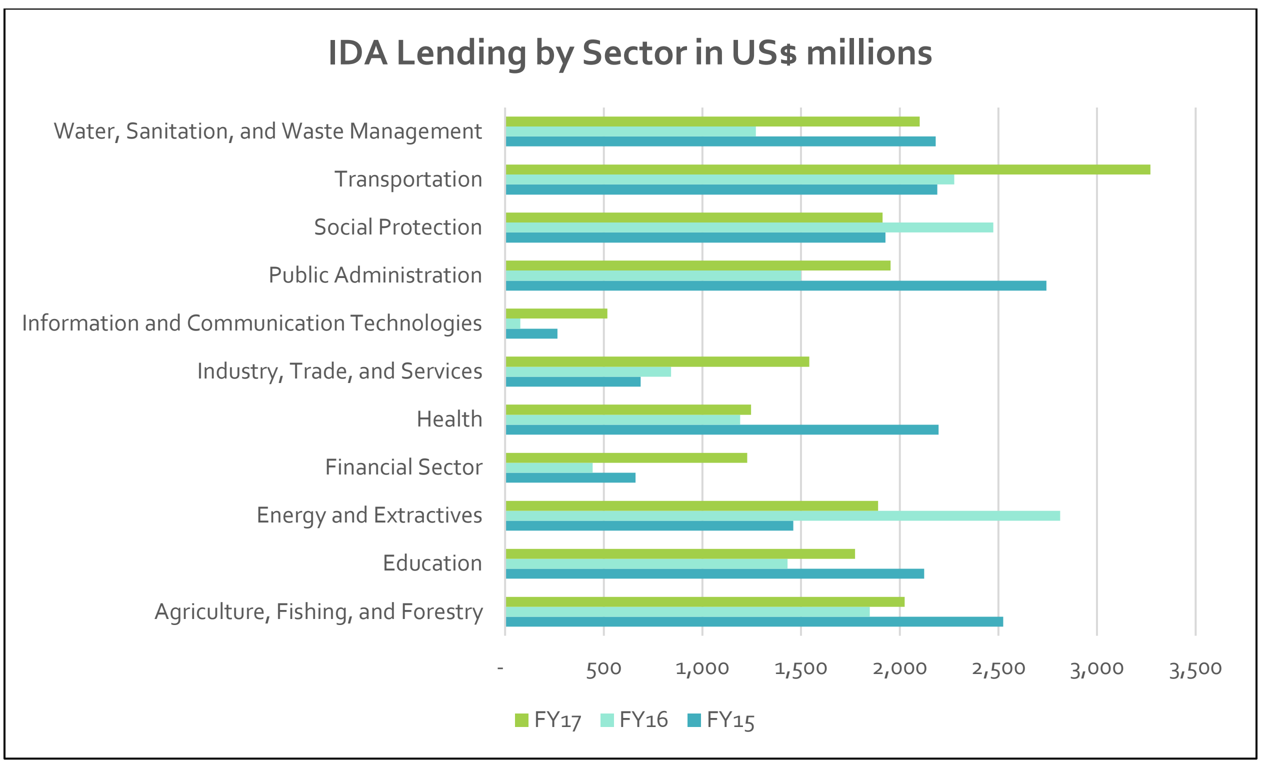
Note: Numbers may not add to totals because of rounding. As of fiscal 2017, new sector categories have replaced the previous taxonomy as part of an internal data modernization effort. Past fiscal year data have been revised to reflect the new categories and therefore may not match figures published in previous fiscal years.



IDA Lending by Sector

IDA Lending by Sector US$ millions			
	FY15	FY16	FY17
Agriculture, Fishing, and Forestry	2,525	1,849	2,025
Education	2,124	1,431	1,773
Energy and Extractives	1,461	2,814	1,891
Financial Sector	661	443	1,227
Health	2,197	1,191	1,246
Industry, Trade, and Services	687	841	1,541
Information and Communication Technologies	265	78	519
Public Administration	2,744	1,500	1,954
Social Protection	1,928	2,475	1,913
Transportation	2,191	2,277	3,271
Water, Sanitation, and Waste Management	2,183	1,271	2,102
Total	**18,966**	**16,171**	**19,463**

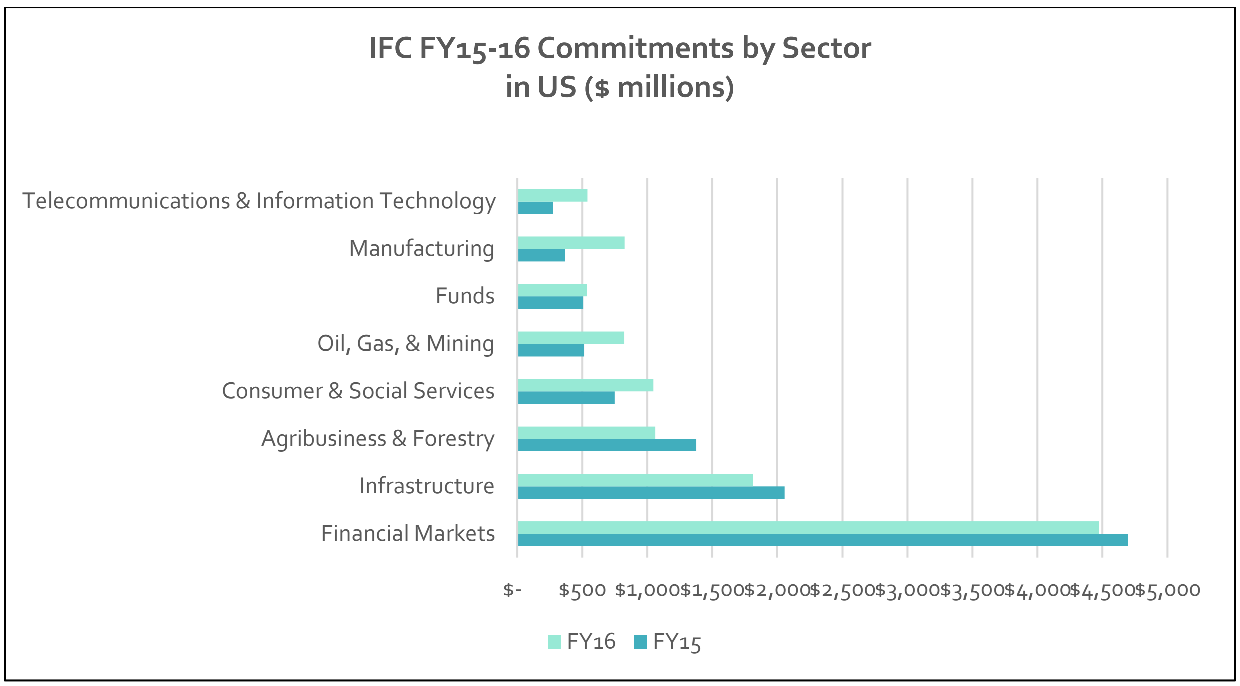
Note: Numbers may not add to totals because of rounding. IDA lending total for FY17 does not include a $50 million grant for the Pandemic Emergency Financing Facility. As of fiscal 2017, new sector categories have replaced the previous taxonomy as part of an internal data modernization effort. Past fiscal year data have been revised to reflect the new categories and therefore may not match figures published in previous fiscal years.



IFC Lending by Sector

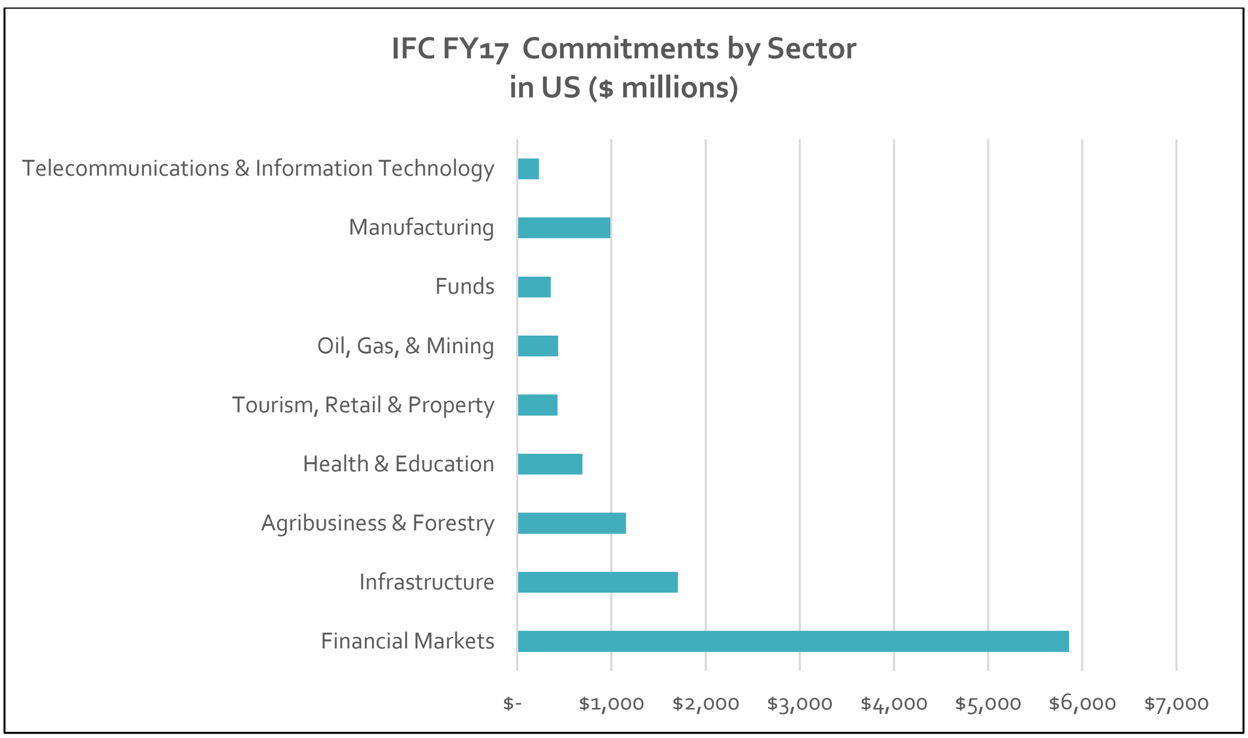
IFC FY15-16 Commitments by Sector

IFC FY15-16 Commitments by Sector		
	FY15	**FY16**
Industry		
Financial Markets	$ 4,697	$ 4,474
Infrastructure	$ 2,056	$ 1,813
Agribusiness & Forestry	$ 1,375	$ 1,062
Consumer & Social Services	$ 748	$ 1,046
Oil, Gas, & Mining	$ 515	$ 824
Funds	$ 507	$ 534
Manufacturing	$ 365	$ 824
Telecommunications & Information Technology	$ 275	$ 541
Total	**$ 10,539**	**$ 11,117**
FY15 Dollar amounts in millions, for IFC's own account as of June 30, 2015		
FY16 Dollar amounts in millions, for IFC's own account as of June 30, 2016		



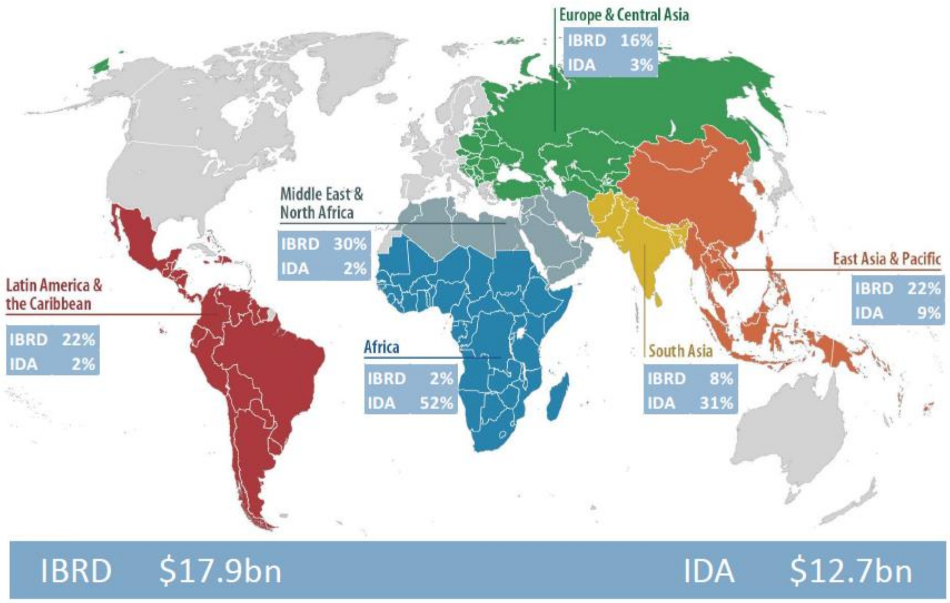
IFC FY17 Commitments by Sector

IFC FY17 Commitments by Sector		
Industry	**Commitments ($ millions)**	**Percent**
Financial Markets	$ 5,862	49.45%
Infrastructure	$ 1,705	14.38%
Agribusiness & Forestry	$ 1,155	9.75%
Health & Education	$ 692	5.84%
Tourism, Retail & Property	$ 429	3.62%
Oil, Gas, & Mining	$ 435	*3.67%*
Funds	$ 356	3.00%
Manufacturing	$ 989	*8.34%*
Telecommunications & Information Technology	$ 232	*1.96%*
Total	**$ 11,854**	**100%**
FY17 Dollar amounts in millions, for IFC's own account as of June 30, 2017		

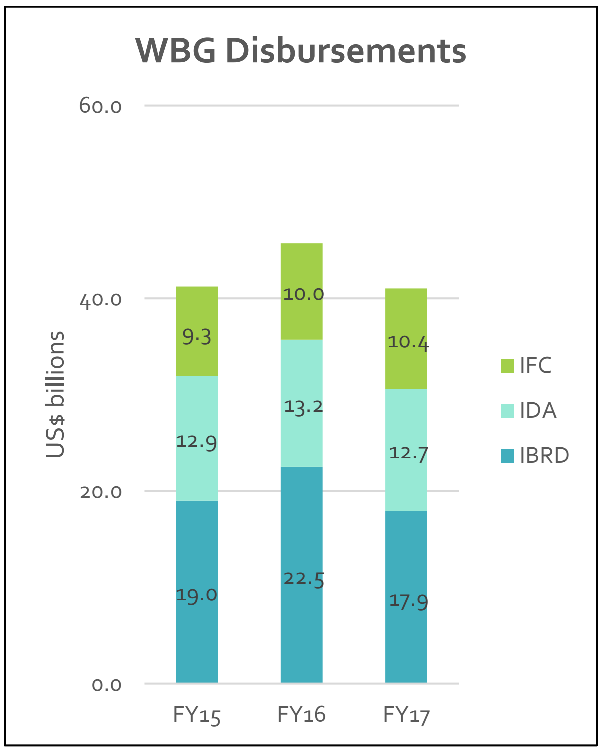


Annex iv : The World Bank Group Disbursement FY15-FY17

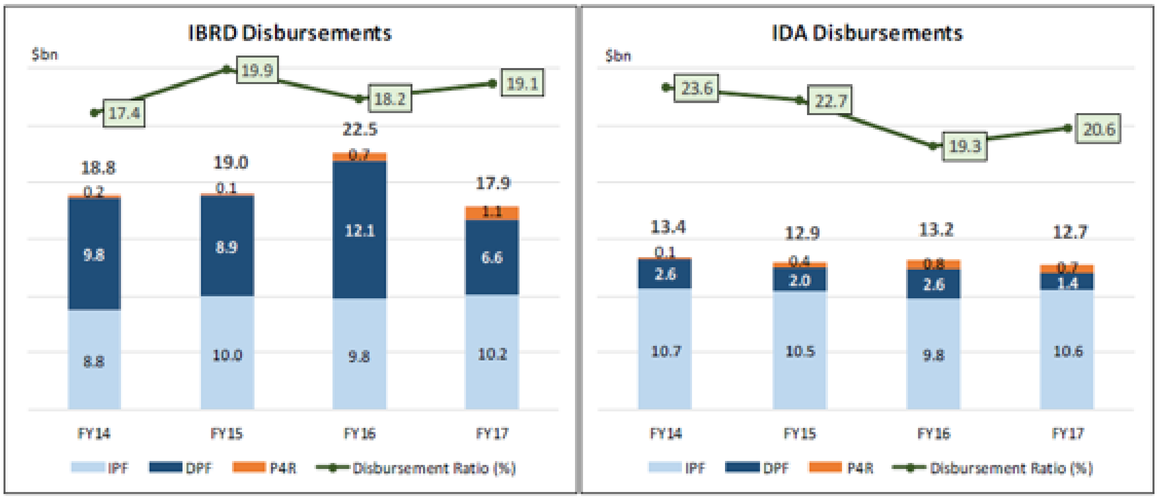
FY17 IBRD IDA Gross Disbursements by Region



WBG Disbursements			
US$ millions			
	FY15	FY16	FY17
IBRD	19.0	22.5	17.9
IDA	12.9	13.2	12.7
IFC	9.3	10.0	10.4
Total	41.2	45.70	41.0



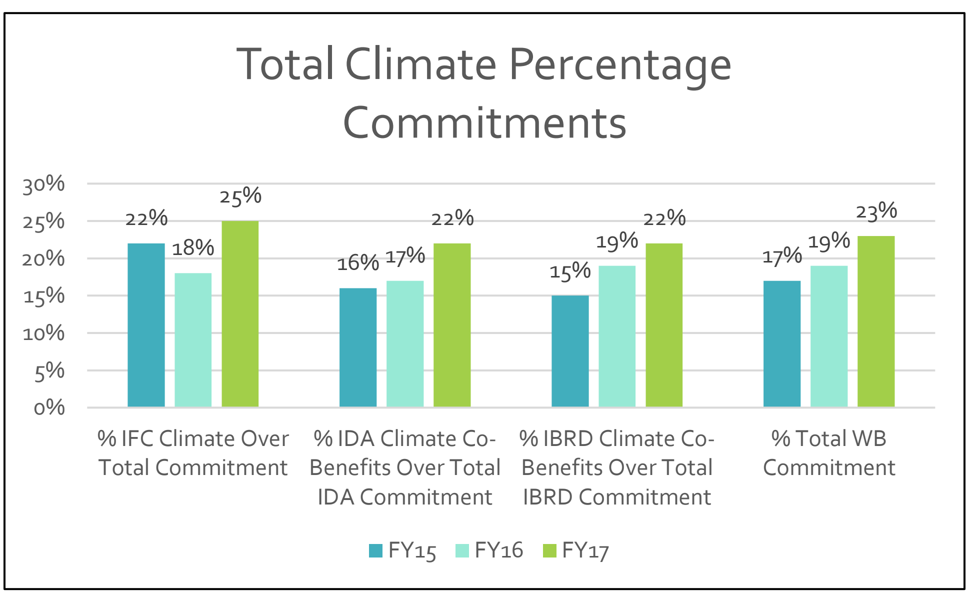
IBRD / IDA Disbursements on Instruments



* Data as of June 30, 2017.
** Disbursement Ratio refers to the ratio of disbursements to the undisbursed balance at the beginning of the period (for IPF only).

*IPF – Investment Project
* PforR – Program for Results
* DPF - Development Policy Forum

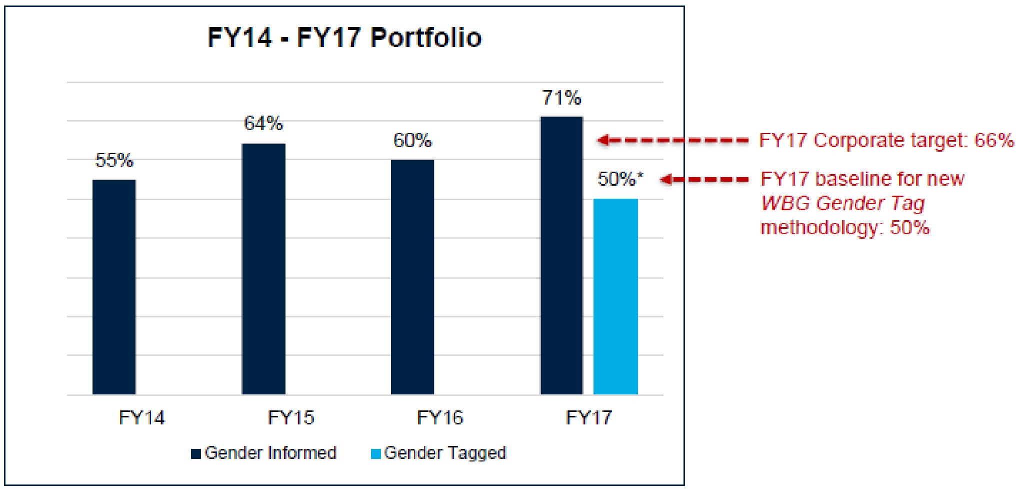
Annex v : Climate – Getting to 28%



Annex vi : Gender Indicators

Gender monitoring of IBRD and IDA Financing

- Corporate target of 66% *Gender-Informed* operations by FY17 was exceeded
- New *WBG Gender Tag (gender gaps and gender actions)* introduced in FY17 with a baseline of 50% and IDA18 target of 55%



* Baseline for new Gender Tag methodology.

Gender Informed projects (IDA17): Operations that integrate gender into analysis, design and monitoring.
Gender Tagged projects (IDA18): Operations that demonstrate a results chain by linking gender gaps identified in analysis to specific actions that are tracked in the results framework.

Annex C: The World Bank Group Selected Finance Data FY15-17

IBRD Selected Finance Data

Table 1: Condensed Statement of Income
In millions of U.S. dollars

For the fiscal year ended June 30,	2017	2016	2015	FY17 vs FY16	FY16 vs FY15
Interest margin	$ 1,022	$ 921	$ 838	$ 101	$ 83
Equity contribution,(including EMF) [a]	719	831	1,049	(112)	(218)
Investments, net	170	110	40	60	70
Net Interest Revenue	**$ 1,911**	**$ 1,862**	**$ 1,927**	**$ 49**	**$ (65)**
Provision for losses on loans and other exposures, net - (charge)/release [b]	(14)	(15)	10	1	(25)
Net non-interest expenses (Table 4)	(1,347)	(1,319)	(1,336)	(28)	17
Net other revenue [b] (Table 3)	129	41	30	88	11
Board of Governors-approved and other transfers	(497)	(705)	(715)	208	10
Unrealized mark-to-market (losses)/gains on non-trading portfolios, net [a]	(419)	631	(702)	(1,050)	1,333
Net (Loss) Income	**$ (237)**	**$ 495**	**$ (786)**	**$ (732)**	**$ 1,281**
Adjustments to reconcile net (loss)/income to allocable income:					
Pension and other adjustments	116	24	55	92	(31)
Board of Governors-approved and other transfers	497	705	715	(208)	(10)
Unrealized mark-to-market (losses)/gains on non-trading portfolios, net [a]	419	(631)	702	1,050	(1,333)
Allocable Income	**$ 795**	**$ 593**	**$ 686**	**$ 202**	**$ (93)**

a. This includes the reclassification of net realized mark to market gains of $39 million for FY16, associated with the termination of certain positions under the EMF, from unrealized mark-to-market losses on non-trading portfolios, net, to equity contribution. There were no realized gains for FY17 for the EMF portfolio (See Table 6).

b. FY17 includes a $3 million reduction (expense) in the recoverable asset; FY16 includes a $42 million increase (income) in the recoverable asset. These amounts relate to the change in the value of the risk coverage received (recoverable assets) associated with the MDB Exposure Exchange Framework Agreement (EEA) transactions and are included in other non-interest revenue on IBRD's Statement of Income.

Table 2: Condensed Balance Sheet
In millions of U.S. dollars

As of June 30,	2017	2016	Variance
Investments and dues from banks	$ 73,656	$ 54,806	$ 18,850
Net loans outstanding	177,422	167,643	9,779
Receivable from derivatives	150,112	144,488	5,624
Other assets	4,708	4,323	385
Total Assets	**$ 405,898**	**$ 371,260**	**$ 34,638**
Borrowings	205,942	181,723	24,219
Payable for derivatives	153,129	141,741	11,388
Other liabilities	7,029	10,733	(3,704)
Equity	39,798	37,063	2,735
Total Liabilities and Equity	**$ 405,898**	**$ 371,260**	**$ 34,638**

IDA Selected Finance Data

Table 3: Condensed Statement of Income

(In millions of U.S.dollars)

For the fiscal year ended June 30,	2017	2016	Variance
Interest Revenue			
Loans	$ 1,232	$ 1,149	$ 83
Investments, net	391	384	7
Borrowings, net	(102)	(80)	(22)
Interest Revenue, net of borrowing expenses	**1,521**	**1,453**	**68**
Provision for losses on loans and other exposures, release (charge)	56	(380)	436
Other non-interest revenue and expenses, net (Table 7)	(2)	19	(21)
Net non-interest expenses (Table 8)	(1,499)	(1,196)	(303)
Transfers from affiliated organizations and others	599	990	(391)
Non-functional currency translation adjustment (losses) gains, net	(49)	208	(257)
Unrealized mark-to-market (losses) gains on Investments-Trading portfolio, net	(367)	509	(876)
Unrealized mark-to-market gains on non-trading portfolios, net	22	-	22
Development Grants	(2,577)	(1,232)	(1,345)
Net (Loss) Income	**$ (2,296)**	**$ 371**	**$ (2,667)**

Table 4: Condensed Balance Sheet

(in millions of U.S.dollars)

As of June 30,	2017	2016	Variance
Assets			
Due from Banks	$ 483	$ 672	$ (189)
Investments	32,033	31,493	540
Net loans outstanding	138,351	132,825	5,526
Receivable from derivatives	23,843	12,838	11,005
Other assets	2,331	2,647	(316)
Total assets	**$ 197,041**	**$ 180,475**	**$ 16,566**
Liabilities			
Borrowings	$ 3,660	$ 2,906	$ 754
Payable for derivatives	24,073	12,737	11,336
Other liabilities	10,832	10,132	700
Equity	158,476	154,700	3,776
Total liabilities and equity	**$ 197,041**	**$ 180,475**	**$ 16,566**

IFC Selected Finance Data

AS OF AND FOR THE YEARS ENDED JUNE 30	2017	2016	2015	2014	2013
Consolidated income highlights:					
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	**$ 1,298**	$ 1,126	$ 1,123	$ 1,065	$ 996
Provision for losses on loans, guarantees and other receivables	**(86)**	(359)	(171)	(88)	(243)
Income from equity investments and associated derivatives	**707**	518	427	1,289	732
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	**282**	129	132	89	69
Income from liquid asset trading activities	**917**	504	467	599	500
Charges on borrowings	**(712)**	(409)	(258)	(196)	(220)
Other income	**528**	501	505	461	441
Other expenses	**(1,617)**	(1,464)	(1,423)	(1,418)	(1,401)
Foreign currency transaction gains and losses on non-trading activities	**(188)**	(46)	53	(19)	35
Income before net unrealized gains and losses on non-trading financial instruments accounted for at fair value and grants to IDA	**1,129**	500	855	1,782	909
Net unrealized gains and losses on non-trading financial instruments accounted for at fair value	**394**	(204)	(106)	(43)	441
Income before grants to IDA	**1,523**	296	749	1,739	1,350
Grants to IDA	**(101)**	(330)	(340)	(251)	(340)
Net income (loss)	**1,422**	(34)	409	1,488	1,010
Less: Net (gains) losses attributable to non-controlling interests	**(4)**	1	36	(5)	8
Net income (loss) attributable to IFC	**$ 1,418**	$ (33)	$ 445	$ 1,483	$ 1,018

AS OF AND FOR THE YEARS ENDED JUNE 30	2017	2016	2015	2014	2013
Consolidated balance sheet highlights:					
Total assets	**$92,254**	$90,434	$87,548	$84,130	$77,525
Liquid assets, net of associated derivatives	**39,192**	41,373	39,475	33,738	31,237
Investments	**40,519**	37,356	37,578	38,176	34,677
Borrowings outstanding, including fair value adjustments	**54,103**	55,142	51,265	49,481	44,869
Total capital	**$25,053**	$22,766	$24,426	$23,990	$22,275
of which					
Undesignated retained earnings	**$21,901**	$20,475	$20,457	$20,002	$18,435
Designated retained earnings	**125**	133	184	194	278
Capital stock	**2,566**	2,566	2,566	2,502	2,403
Accumulated other comprehensive income (loss) (AOCI)	**458**	(431)	1,197	1,239	1,121
Non-controlling interests	**3**	23	22	53	38

MIGA Selected Finance Data

Condensed Balance Sheets

	As of the fiscal years ended June 30,				
	2017	**2016**	**2015**	**2014**	**2013**
Assets					
Cash and Investments (including Derivatives)	1,668	1,688	1,657	1,572	1,550
Demand Notes and Other Assets	439	435	286	309	200
Estimated Reinsurance Recoverables	224	216	125	127	99
Total Assets	**2,331**	**2,339**	**2,068**	**2,008**	**1,849**
Liabilities					
Derivative Liabilities	150	349	271	203	365
Other Liabilities	568	456	360	409	192
Reserve for claims (gross)	400	546	466	422	381
Total Liabilities	**1,118**	**1,351**	**1,097**	**1,034**	**938**
Equity					
Paid-in Capital	366	366	366	366	366
Retained Earnings/AOCL	847	622	605	608	545
Total Equity	**1,213**	**988**	**971**	**974**	**911**
Total Liabilities and Equity	**2,331**	**2,339**	**2,068**	**2,008**	**1,849**

Summary of Income Statements

	For the Year Ended June 30,				
	2017	**2016**	**2015**	**2014**	**2013**
Gross Premium Income	179.7	139.8	128.1	115.6	97.2
Premium Ceded	(105.3)	(64.1)	(56.6)	(50.1)	(37.7)
Ceding Commissions and Fees	25.5	15.6	12.6	10.9	8.5
Brokerage and Other Charges	(6.7)	(4.9)	(5.1)	(4.0)	(1.7)
Net Premium Income	**93.2**	**86.4**	**79.0**	**72.5**	**66.3**
Administrative Expenses	(41.1)	(42.8)	(39.0)	(39.9)	(41.2)
Pension and Post Retirement Benefit Plan Expense	(10.2)	(5.3)	(5.9)	(5.6)	(5.9)
Operating Income	**41.9**	**38.3**	**34.1**	**26.9**	**19.2**
Income from Investments	4.8	22.9	24.1	53.4	33.6
Miscellaneous Income	1.3	-	-	-	-
Translation (Losses) Gains	(2.0)	(0.3)	(18.1)	2.8	(0.3)
Decrease (Increases) in Reserves for Claims and Other Exposures	154.3	(4.1)	(50.9)	(13.1)	(56.7)
Net Income (Loss)	**200.2**	**56.8**	**(10.8)**	**70.0**	**(4.3)**

Annex D : Nordic-Baltic Contributions to WBG Funds

Contributions paid in during FY12-FY17Q2 (*in USD millions*)

- Nordic and Baltic countries view

Development Partner	IDA	IBRD/IDA TFs	FIFs	IFC TFs	Total
Nordic countries					
Denmark	482	412	570	26	1,490
Finland	439	206	242	5	892
Iceland	14	5	1	-	20
Norway	687	1,495	1,516	58	3,756
Sweden	1,865	907	1,840	37	4,649
Total Nordic countries	3,487	3,025	4,169	126	10,807
Baltic countries					
Estonia	7	4	1	-	12
Latvia	5	-	0	-	5
Lithuania	10	-	0	-	10
Total Baltic countries	22	4	2	-	28
Grand Total	**3,509**	**3,029**	**4,171**	**126**	**10,835**

Note:

(i) The above values are rounded off to the nearest dollar.

(ii) Latvia and Lithuania have contributed USD 0.41 million and USD 0.11 million respectively towards FIFs.

Annex E: Nordic and Baltic Staff in WBG FY16-FY17

WBG Active Full-Time Nordic And Baltic Staff As Of June 30, 2017

	GEF		IBRD		IFC		MIGA	Total
	Core	Other*	Core	Other*	Core	Other*	Core	
Denmark	3	0	50	3	14	1	0	71
Estonia	0	0	4	0	0	0	0	4
Finland	4	0	25	0	4	0	0	33
Iceland	0	0	2	0	1	0	0	3
Latvia	0	0	11	0	3	0	1	15
Lithuania	0	0	12	0	2	0	0	14
Norway	0	0	24	3	3	0	0	30
Sweden	2	1	45	4	6	0	2	60
Grand Total	**9**	**1**	**173**	**10**	**33**	**1**	**3**	**230**

***Incl. JPO And SPAS**

WBG Active Full-Time Nordic And Baltic Staff Distribution By Grade Level As Of June 30, 2017
(Incl. JPO And SPAS)

Grade	Denmark	Estonia	Finland	Iceland	Latvia	Lithuania	Norway	Sweden	Total
GC - GD	0	0	0	0	0	4	0	1	5
GE	2	0	1	0	1	1	1	2	8
GF	9	0	10	2	4	4	4	9	42
GG	31	2	14	0	8	4	13	27	99
GH	23	2	6	1	2	1	9	14	58
GI	1	0	2	0	0	0	0	2	5
GJ	1	0	0	0	0	0	0	0	1
UC	4	0	0	0	0	0	3	5	12
Grand Total *	**71** (+2)	**4** (-1)	**33** (-5)	**3** (0)	**15** (-1)	**14** (+2)	**30** (0)	**60** (+3)	**230**

* In Comparison to FY15-FY17 data

Annex F: Nordic and Baltic Countries Procurement Data FY15-16

	Overall Results Fiscal Years 2015 -2017								
	Denmark	Estonia	Finland	Iceland	Latvia	Lithuania	Norway	Sweden	Constituency Total
Country Total	$ 51,789,409	$ 568,748	$ 12,893,624	$ 18,128,645	$ 7,177,615	$36,761,419	$3,018,574	$89,385,702	$219,723,737
Percentage of WB Total	0.14%	0.002%	0.04%	0.05%	0.02%	0.10%	0.01%	0.24%	0.60%

Bankwide Total	$36,783,679,954
Percentage Difference	0.60%

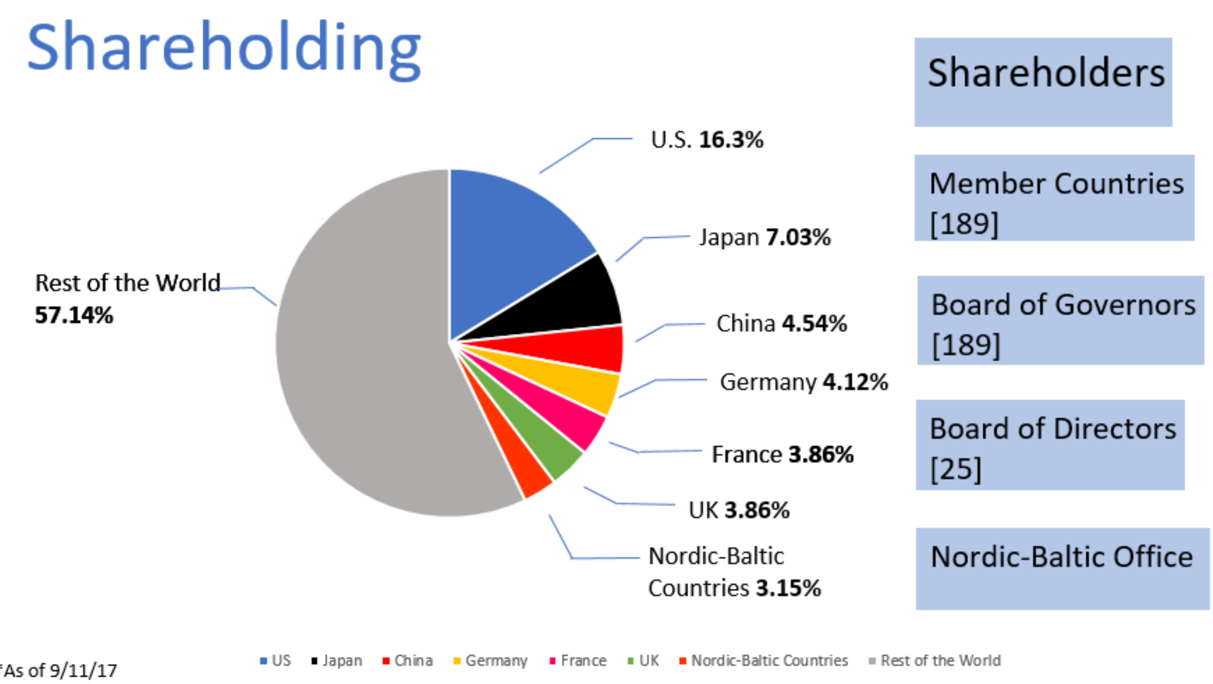
	Fiscal Year 2015					
	Consultant Services	Civil Works	Goods	Non-Consulting Services	FY Total	Percentage of WB Total
Denmark	$7,893,707		$1,490,157		$9,383,864	0.08%
Estonia	$209,700				$209,700	0.002%
Finland	$3,955,737				$3,955,737	0.03%
Latvia	$347,960				$347,960	0.00%
Lithuania	$159,478		$681,208		$840,686	0.007%
Norway	$1,467,423				$1,467,423	0.01%
Sweden	$6,489,907		$1,133,665	$3,972,106	$11,595,679	0.10%
Constituency Totals	$20,523,913		$3,305,030	$3,972,106	$27,801,050	0.23%
Bank-wide Total	$2,267,608,672		$2,556,142,115	$343,904,917	$11,937,625,763	
Constituency % of Total	0.91%	N/A	0.13%	1.16%		

	Fiscal Year 2016					
	Consultant Services	Civil Works	Goods	Non-Consulting Services	FY Total	Percentage of WB Total
Denmark	$2,973,939		$7,914,171		$10,888,110	0.08%
Estonia	$359,048				$359,048	0.00%
Finland	$5,478,590				$5,478,590	0.04%
Latvia	$187,530		$5,147,425		$5,334,955	0.04%
Lithuania	$1,095,653	$18,756,176			$19,851,829	0.14%
Norway	$893,491				$893,491	0.01%
Sweden	$381,750	$38,536,870	$19,167,020		$58,085,640	0.41%
Constituency Totals	$11,370,002	$57,293,045	$32,228,617		$100,891,664	0.72%
Bank-wide Total	$1,562,709,211	$9,221,389,433	$3,153,179,331		$14,081,769,093	
Constituency % of Total	0.73%	0.62%	1.02%	N/A		

	Fiscal Year 2017					
	Consultant Services	Civil Works	Goods	Non-Consulting Services	FY Total	Percentage of WB Total
Denmark	$9,336,965		$10,714,140		$20,051,106	0.19%
Finland	$3,423,296				$3,423,296	0.03%
Iceland	$100,700	$18,027,945			$18,128,645	0.17%
Latvia	$14,500		$1,480,200		$1,494,700	0.01%
Lithuania		$16,068,904			$16,068,904	0.15%
Norway	$633,531				$633,531	0.006%
Sweden	$6,843,724		$2,504,909		$9,348,633	0.09%
Constituency Totals	$20,352,716	$34,096,850	$14,699,250		$69,148,815	0.64%
Bank-wide Total	$912,658,090	$5,053,767,586	$1,572,470,790		$10,764,285,097	
Constituency % of Total	2.23%	0.67%	0.93%	N/A		

* These figures capture only contracts awarded *above* WB's prior review thresholds under IDA-IBRD investment lending operations. Therefore, the data in these reports should be used only as a proxy. Also note that the nationality of the firms considered in this reports indicate place of registration of the firm, which may or may not be the actual nationality of the firm. For instance, if Siemens (DK) wins a contract, then the database show it as a Danish award, although Siemens is of course German. Other refers to

Annex G: Shareholding



*As of 9/11/17

Annex: H: Summary of the Corporate Scorecard

WBG Tier 3 | World Bank Group Performance

* Data in red are as of FY17 Q2 and data in black are for FY16 unless otherwise indicated.

DEVELOPMENT IMPACT

Indicator	Measure	Value	Unit	Rating
Satisfactory completion of country strategies	Baseline (FY13)	55 (FY10-13)	percent, IEG rating	
	Actual (FY17Q2)	65 (FY14-17)	percent, IEG rating	off-track
	Actual in FCS (FY17Q2)	63 (FY14-17)	percent, IEG rating	watch
	Target (FY17)	70	percent, IEG rating	
Satisfactory outcomes of WBG operations - World Bank	Baseline (FY13)	71.2 (FY10-12)	percent, IEG rating	
	Actual (FY17Q2)	72.8 (FY13-15)	percent, IEG rating	watch
	Actual in FCS (FY17Q2)	66.3 (FY13-15)	percent, IEG rating	off-track
	Target (FY17)	75	percent, IEG rating	
Satisfactory outcomes of WBG operations - IFC	Baseline (FY13)	64* (CY10-12)	percent, IEG rating	
	Actual (FY16)	54 (CY13-15)	percent, IEG rating	off-track
	Target (FY17)	65 (CY14-16)	percent, IEG rating	
Satisfactory outcomes of WBG operations - MIGA	Baseline (FY13)	76 (FY09-12)	percent, IEG rating	
	Actual (FY17Q2)	61 (FY10-15)	percent, IEG rating	
Bank Advisory Services and Analytics (ASA) objectives accomplished	Baseline (FY13)	61**	percent, client rating	
	Actual (FY17Q2)	95	percent, client rating	
	Actual in FCS (FY17Q2)	nu		
	Target (FY17)	FY17	percent, client rating	
IFC advisory services successful development effectiveness rating	Baseline (FY13)	76	percent, self-rating	
	Actual (FY17Q2)	68	percent, self-rating	watch
	Actual in FCS (FY17Q2)	60	percent, self-rating	off-track
	Target (FY17)	65	percent, self-rating	
Stakeholder feedback on WBG effectiveness and impact on results	Baseline (FY13)	6.4	scale: 1-10	
	Actual (FY16)	6.6	scale: 1-10	on-track
	Actual in FCS (FY16)	6.3	scale: 1-10	watch
	Target (FY17)	7.0	scale: 1-10	
Stakeholder feedback on on WBG knowledge	Baseline (FY13)	6.8	scale: 1-10	
	Actual (FY16)	7.1	scale: 1-10	on-track
	Actual in FCS (FY16)	6.8	scale: 1-10	watch
	Target (FY17)	7.0	scale: 1-10	
Client feedback/satisfaction on WBG effectiveness and impact on results	Baseline (FY13)	6.9	scale: 1-10	
	Actual (FY16)	7.1	scale: 1-10	on-track
	Actual in FCS (FY16)	6.6	scale: 1-10	on-track
	Target (FY17)	7.0	scale: 1-10	
Client feedback/satisfaction for IFC investment/advisory services	Baseline (FY13)	85/90	percent satisfied	
	Actual (FY17Q2)	94/90	percent satisfied	on-track / on-track
	Actual in FCS (FY16)	80/85	percent satisfied	watch / on-track
	Target (FY17)	85	percent satisfied	

STRATEGIC CONTEXT

Indicator	Measure	Value	Unit	Rating
Stock of Country Strategies underpinned by a Systematic Country Diagnostic (SCD)	Baseline (FY13)	31.3 (FY15)	percent	
	Actual (FY17Q2)	80	percent	watch
	Actual in FCS (FY17Q2)	100	percent	on-track
	Target (FY17)	100	percent	
Climate related WBG commitments	Baseline (FY13)	8.4	US$ billions	
	Actual (FY17Q2)	10.8 (FY16)	US$ billions	
	Actual in FCS (FY17Q2)	0.43	US$ billions	
Gender integrated country strategies	Baseline (FY13)	86	percent	
	Actual (FY17Q2)	100	percent	on-track
	Actual in FCS (FY17Q2)	100	percent	on-track
	Target (FY17)	100	percent	
Share of Country Partnership Frameworks (CPFs) that have at least one joint objective in the results matrix	Baseline (FY13)	83.3	percent	
	Actual (FY17Q2)	100	percent	
	Actual in FCS (FY17Q2)	100	percent	
Staff time spent across GP/CCSAs	Baseline (FY13)	9.1 (FY15)	percent	
	Actual (FY17Q2)	9.9	percent	
Staff perception of WBG collaboration	Baseline (FY13)	23	percent	
	Actual (FY16)	34	percent	watch
	Target (FY17)	66	percent	

FINANCIAL SUSTAINABILITY AND EFFICIENCY

Indicator	Measure	Value	Unit	Rating
Total revenue	Baseline (FY13)	8.5	US$ billions	
	Actual (FY17Q2)	9.8	US$ billions	
Average annual growth of WBG business revenue	Baseline (FY13)	n/a	percent	
	Actual (FY16)	2	percent	off-track
	Target (FY17)	>5% (FY15-24)	percent	
Gross expenditure reduction	Baseline (FY13)	n/a	US$ billions	
	Actual (FY16)	263	US$ billions	on-track
	Target (FY17)	400 (FY18)	US$ billions	

OPERATIONAL DELIVERY FOR CLIENTS

Indicator	Measure	Value	Unit	Rating
Satisfactory WBG performance for country strategies	Baseline (FY13)	72	percent, IEG rating	
	Actual (FY17Q2)	62 (FY14-17)	percent, IEG rating	off-track
	Actual in FCS (FY17Q2)	63 (FY14-17)	percent, IEG rating	off-track
	Target (FY17)	75	percent, IEG rating	
WBG commitments	Baseline (FY13)	52.9	US$ billions	
	Actual (FY17Q2)	21.9	US$ billions	
	Actual in FCS (FY17Q2)	2.1	US$ billions	
Capital mobilized on commercial terms	Baseline (FY13)	11.1	US$ billions	
	Actual (FY16)	12	US$ billions	
	Actual in FCS (FY16)	0.2	US$ billions	
Private capital mobilized (direct)	Baseline (FY13)	n/a	US$ billions	
	Actual (FY16)	9.2	US$ billions	
Time for operational delivery WB: Concept to first disbursement	Baseline (FY13)	28	months	
	Actual (FY17Q2)	27	months	off-track
	Actual in FCS (FY17Q2)	24	months	off-track
	Target (FY17)	Cut by 1/3	months	
Time for operational delivery IFC: Mandate-to-disbursement	Baseline (FY13)	n/a	median # days	
	Actual (FY17Q2)	172	median # days	watch
	Target (FY17)	150	median # days	
Time for operational delivery MIGA: Concept to Guarantee issuance	Baseline (FY13)	5.41	months	
	Actual (FY17Q2)	3	months	
Staff time spent across Regions	Baseline (FY13)	10.7 (FY15)	percent	
	Actual (FY17Q2)	12.3	percent	

MANAGING TALENT

Indicator	Measure	Value	Unit	Rating
Employee engagement	Baseline (FY13)	71	percent	
	Actual (FY16)	73	percent	on-track
	Target (FY17)	76	percent	
Managerial effectiveness	Baseline (FY13)	67	percent	
	Actual (FY16)	71	percent	on-track
	Target (FY17)	71	percent	
Staff diversity	Baseline (FY13)	0.85	index	
	Actual (FY17Q2)	0.89	index	watch
	Target (FY17)	1.0	index	
Inclusion index	Baseline (FY13)	54 (FY15)	percent	
	Actual (FY16)	57	percent	watch
	Target (FY17)	68	percent	

1. IDA projects only | 2. IDA and other projects | * Baseline value updated | ** Different data source used for baseline and FY16 value | n/a: Not applicable | nu: No current update available
Note: Rating and traffic lights assigned to each indicator are based on assessment of trend and progress toward target value for FY17 | on-track | watch | off-track

WB Tier 3 | World Bank Performance

* Data in red are as of FY17 Q2 and data in black are for FY16 unless otherwise indicated.

DEVELOPMENT IMPACT

Indicator	Baseline (FY13)	Actual	Actual in FCS	Target (FY17)
Satisfactory outcomes for IBRD/IDA operations as a share of operations	71.2 (FY10-12) percent, IEG rating	(FY17Q2) 72.8 (FY13-15) percent, IEG rating [watch]	(FY17Q2) 66.3 (FY13-15) percent, IEG rating [off-track]	75 percent, IEG rating
Satisfactory outcomes for IBRD/IDA operations as a share of commitments	81.8 (FY10-12) percent, IEG rating	(FY17Q2) 86.1 (FY13-15) percent, IEG rating [on-track]	(FY17Q2) 79.0 (FY13-15) percent, IEG rating [watch]	80 percent, IEG rating
Advisory Services and Analytics (ASA) objectives accomplished	61** percent, client rating	(FY17Q2) 95 percent, client rating	(FY17Q2) nu	FY17 percent, client rating
Client feedback on WB effectiveness and impact on results	6.9 score 1-10	(FY16) 7.2 score 1-10 [on-track]	(FY16) 6.8 score 1-10 [watch]	7.0 score 1-10
Client feedback on WB responsiveness and staff accessibility	6.6 score 1-10	(FY16) 6.9 score 1-10 [on-track]	(FY16) 6.5 score 1-10 [watch]	7.0 score 1-10

STRATEGIC CONTEXT

Indicator	Baseline (FY13)	Actual	Actual in FCS	Target (FY17)
Stock of Country Strategies underpinned by a Systematic Country Diagnostic (SCD)	31.3 (FY15) percent	(FY17Q2) 80 percent [watch]	(FY17Q2) 100 percent [on-track]	100 percent
Projects with beneficiary feedback indicator at design	26 (FY14) percent	(FY17Q2) 92 percent [watch]	(FY17Q2) 91 percent [watch]	100 percent
Resolved registered grievances	75 percent	(FY16) nu	(FY16) nu	
Projects with gender-informed analysis, action and monitoring	54 percent	(FY17Q2) 62 percent [watch]	(FY17Q2) 52 percent [watch]	66 percent
Projects reporting on gender results during implementation	55 percent	(FY17Q2) 70 percent [off-track]	(FY17Q2) 69 percent [off-track]	75 percent
Commitments with climate co-benefits	5.9 US$ billions	(FY16) 8.6 US$ billions	(FY17Q2) 0.1 US$ billions	

OPERATIONAL DELIVERY FOR CLIENTS

Indicator	Baseline (FY13)	Actual	Actual in FCS	Target (FY17)
IBRD/IDA commitments	31.5 US$ billions	(FY17Q2) 14.3 US$ billions	(FY17Q2) 1.2 US$ billions	
Private capital mobilized	1.1 US$ billions	(FY16) nu	(FY16) nu	
IBRD/IDA disbursements	27.1 US$ billions	(FY17Q2) 14.6 US$ billions	(FY17Q2) 2 US$ billions	
Satisfactory Bank performance at entry (1, IEG rating)	70.9 (FY10-12) percent of commitments	(FY17Q2) 76.4 (FY13-15) percent of commitments [watch]	(FY17Q2) 56.7 (FY13-15) percent of commitments [off-track]	80 percent of commitments
Satisfactory Bank performance during supervision (1, IEG rating)	84.5 (FY10-12) percent of commitments	(FY17Q2) 89.3 (FY13-15) percent of commitments [on-track]	(FY17Q2) 80.6 (FY13-15) percent of commitments [watch]	80 percent of commitments
Time from the concept note to the first disbursement (1, IEG rating)	28 months	(FY17Q2) 27 months [off-track]	(FY17Q2) 24 months [off-track]	Cut by 1/3 months
Disbursement ratio (1, IEG rating)	20.5 (FY11-13) percent	(FY17Q2) 8.3 percent [watch]	(FY17Q2) 7.4 percent [watch]	20 percent
Quality of Advisory Services and Analytics (ASA)	n/a percent	(FY17Q2) 87 percent	(FY17Q2) nu	FY17 percent
Advisory Services and Analytics (ASA) delivered in a timely manner	68** percent	(FY17Q2) 84 percent [on-track]	(FY17Q2) nu	80 percent
External funding attracted for Advisory Services and Analytics (ASA)	156 US$ millions	(FY17Q2) 61.3 US$ millions	(FY17Q2) 2.3 US$ millions	
Staff time spent across Regions	10.7 (FY15) percent	(FY17Q2) 12.3 percent		
Operations design drawing lessons from evaluative approaches	50* percent	(FY17Q2) 74[2] percent [off-track]		100 percent
Projects with baseline data for all PDO indicators in the first ISR	69 percent	(FY17Q2) 86 percent [watch]	(FY17Q2) 90 percent [on-track]	100 percent

FINANCIAL SUSTAINABILITY AND EFFICIENCY

Indicator	Baseline (FY13)	Actual	Actual in FCS	Target
Total revenue	5.4 US$ billions	(FY17Q2) 6.3 US$ billions		
Average annual growth of IBRD business revenue	n/a percent	(FY16) 13 percent [on-track]		(FY17) Contrib. to WBG >5% percent
IBRD maximum loan exposure	173 US$ billions	(FY16) 197 US$ billions [watch]		(FY17) Positive growth US$ billions
IBRD budget anchor	155 percent	(FY16) 135 percent [watch]		(FY18) ≤100 percent
IDA budget anchor	98 percent	(FY16) 94 percent [on-track]		(FY17) ≤100 percent
Support cost ratio	0.5 percent	(FY16) 0.3 percent	(FY16) 0.4 percent	

MANAGING TALENT

Indicator	Baseline (FY13)	Actual	Target (FY17)
Employee engagement	71 percent	(FY16) 73 percent [on-track]	77 percent
Managerial effectiveness	67 percent	(FY16) 71 percent [on-track]	71 percent
Staff diversity	0.86 index	(FY17Q2) 0.90 index [on-track]	1.0 index
Inclusion index	53 (FY15) percent	(FY16) 56 percent [watch]	67 percent

1. IDA projects only | 2. IDA and other projects | *Baseline value updated | **Different data source used for baseline and FY16 value | n/a: Not applicable | nu: No current update available
Note: Rating and traffic lights assigned to each indicator are based on assessment of trend and progress toward target value for FY17 | on-track | watch | off-track

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