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Angola, Nigeria and South Africa

Armando Manuel
Executive Director

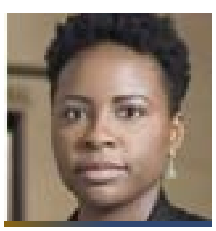
ANNUAL REPORT

2022


Photo: iStock Photo

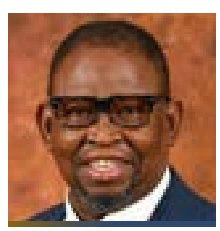
ANNUAL REPORT 2022

Angola, Nigeria and South Africa



Ms Vera Davies
Minister of Finance and WBG Governor Angola

Ms Zainab Ahmed
Minister of Finance and WBG Governor Nigeria



Mr. Enoch Godongwana
Minister of Finance and WBG Governor South Africa

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OFFICE OF THE EXECUTIVE DIRECTOR, ANGOLA, NIGERIA, SOUTH AFRICA CONSTITUENCY

Mr Armando Manuel
Executive Director,
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Senior Advisor
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Mr Gil Matos Henriques
Advisor
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Ms Nkem Okorie
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Nigeria

FOREWARD

It is with great pleasure that I welcome you, my Governors, and delegations to the 2022 Annual General Meetings of the World Bank Group (WBG) and the International Monetary Fund (IMF). I am indeed extremely honored to have served first as an Alternate Executive Director before my elevation to the Office of the Executive Director. As I take my bow from the services of this great Constituency, Excellencies, permit me to express my profound gratitude to the good peoples of Angola, Nigeria and South Africa through you, for the great confidence bestowed in me for these four years. Governors gave me free latitude to run the Constituency within the Rules, mutual respect, strong collaboration, and great guidance in taking the Constituency and indeed Sub-Saharan African agenda forward.

In the course of my duty tour, we ran into an unprecedented storm - the COVID 19 pandemic which tested our collective resolve to survive in the face of global uncertainties. With your tacit support we galvanized the international community, committed unprecedented volume of resources to save lives and livelihood, secure the environment, address climate scourge, and indeed address the issue of elevated poverty exacerbated by the pandemic.

It will interest Governors to note that while we were resolute in addressing the pandemic, we were faced with additional triple shocks related to fertilizers, food and fuels crisis occasioned by the Russian – Ukrainian crisis as well as the tightening global financial markets due to the tapering of unconventional monetary policies in many Advanced Economies.

Excellencies, despite all these challenges, we were able to achieve some modest gains for the benefit of humanity. In the first place, we were able to elevate the resource basket for the most vulnerable population by the successful lunching of the US$93 billion IDA20 Replenishment and brought all our three countries into the Donors Club of IDA. We are all on course with our commitments to the IBRD and IFC 2018 Shareholding Review. With your kind guidance we also concluded the IDA Voting Rights Review and the Review of the WBG Accountability Mechanism of both the External Review of the Inspection Panel as well as considerable progress on the Compliance Ombudsman Advisory (CAO).

We also made great strides around climate change by the approval of the Climate Change Agenda (CCA) for FY21- FY25 and the endorsement of the Country Change Diagnostics as a veritable instrument for dealing with the scourge. I am happy to report that with your strong support and advocacy, we also succeeded in having gas as a fundable transition energy source and strong emphasis on energy access.

Certainly, we are not there yet but, our strong advocacy for more visibility for IFC and MIGA to lead in the private sector participation in our countries is gaining momentum. We believe our ongoing work on pushing the frontiers for the massive deployment of knowledge products and other Global Public

Goods as well as that of Intermediate Jurisdiction/Offshore Policy need to be pursued to their logical conclusion. Finally, allow me to express my profound gratitude to God and my colleagues, Ayanda, Khathu, George, Lindo, Gil, Gladys, Barbara, Nkem and of course Penelopy whose support enabled us the modest successes recorded.

Armando Manuel
Executive Director for Angola, Nigeria, South Africa Constituency
The World Bank Group
Washington, DC
October 2022

Photo: From left to right: Gil Henriques (Angola), Nkem Okorie (Nigeria), Nyeso George (Nigeria) Ayanda Dlodlo (AED, South Africa), Armando Manuel (ED, Angola), Lindokhule Matla (South Africa), Gladys Ekwere (Nigeria) Kathutshelo Todani (South Africa)

ABBREVIATIONS

ANSA	Angola, Nigeria and South Africa
AVATT	Africa Vaccine Acquisition Task Team
CDF	Disruptive Technologies and Funds Group
CPSD	Country Private Sector Diagnostic
DC	Development Committee
DPL	Development Policy Loan
DPO	Development Policy Operation
EAP	East Asia and Pacific Region
ECA	Europe and Central Asia
EAP	East Asia and Pacific
ERRP	Economic Reconstruction and Recovery Plan
FCS	Fragile and Conflict-affected Situations
FIG	Financial Institutions Group
FSP	Fiscal Sustainability Plan
IJS	Internal Justice System
INR	Infrastructure and Natural Resources
INRH	National Water Resource Institute
IPO	Initial Public Offerings
IRSEA	Energy and Water Services Regulatory Agency
LAC	Latin America and Caribbean
LIC	Low Income Country
MAS	Manufacturing, Agriculture and Services
MENA	Middle East and North Africa
NDP	National Development Plan
PDISA	Institutional Development Project for the Water Sector
RHS	Right Hand Scale
SAR	South Asia Region
SCD	Systematic Country Diagnostic
SONA	The State of the Nation Address
SSA	Sub-Saharan Africa
SOE	State Owned Enterprise
TMT	TELECOMS, Media, and Technology
WEO	World Economic Outlook

EXECUTIVE SUMMARY

The outgoing Board began their tenure under a very complex and uncertain environment on November 1, 2020, when the pandemic was still evolving in different phases with the omicron virus ravaging the entire globe. At the time we were battling with the issue of saving lives and livelihood with focus on fairness, equity, and affordability of access to vaccines. This was in addition to the long-standing issues of poverty alleviation and promotion of shared prosperity, climate change, access to energy and prioritization of the role of the private sector in the development of our economies.

We collectively facilitated the availability of resources to IDA client countries by frontloading IDA resources, shortened the life span of IDA19 and accelerated IDA20, all of which resulted in robust US$93 billion IDA20 Replenishment. We also added the focus on transformation of Sub-Sahara Africa using IDA20 resources by sensitizing the political leadership of Africa through various outreach activities. We were able to push the private sector development agenda forward by securing extension of the Private Sector Window which is a major de–risking instrument of IFC and made considerable progress on the issue of intermediate Jurisdiction and Offshore Policy.

During the Board tenure, we challenged ourselves and the system on the need to address many of these challenges and the details of our modest achievements are presented in this report. Chapter one gives a vivid account of the global economic outlook and the ongoing dynamics including the multiple fuels, fertilizer and food shocks occasioned by the Russian – Ukrainian crisis as well as the tightening financial market conditions and their impacts on the global economy with special focus on Sub-Sahara African economies.

Chapter two chronicles a summary of the WBG operations during this period. It gives a summary of the unprecedent delivery of over US$90 billion by the WBG in this financial year alone. This was achieved through the instrumentality of innovative financing and the industry of the staff who worked tirelessly under very challenging conditions. Chapter three provides country-specific economic overview as well as a summary of the different country portfolio performances and the challenges encountered, while Chapter four is an account of activities of various WBG Committees.

Finally, Chapter five gives an account of the country briefs and some special events.

CHAPTER 1 - ECONOMIC DEVELOPMENTS

GLOBAL ECONOMIC DEVELOPMENTS

The remnants of Covid-19 impact together with the war in Ukraine is negatively affecting the global economic developments. The impact is through a variety of transmission channels, including higher commodity prices, supply-chain disruptions and deteriorating global sentiment. These channels are jointly generating, amongst others, significant inflationary pressures and economic growth slowdown globally. The IMF World Economic Outlook, July 2022 Update, paints a rather gloomy outlook for the global economy. The Update shows that global output contracted in the second quarter of 2022, with a 2022 baseline forecast revised downward to 3.2 percent compared to 6.1 percent in 2021. There are various reasons for the downward revision of forecast including: i) negative spillovers from the war in Ukraine; ii) tighter monetary and financial conditions—especially in the United States and major European economies—triggered by higher-than-expected inflation worldwide; and iii) worse-than-expected slowdown in China, owing to continued COVID-19 outbreaks and lockdowns.

The risks to the outlook are decisively tilted to the downside. Geopolitical tensions, including the war in Ukraine are continuing, sporadic COVID-19 outbreaks also continue in some countries, inflation continue to rise and so does the consequent financial condition tightening which risk, amongst others, exacerbating debt distress in emerging market and developing economies. These developments continue to weigh heavily on global growth prospects.

Alongside the Covid-19 negative impact on economic growth, has been unprecedented reversals in poverty reduction and income inequality. The war in Ukraine and its consequent impact on energy, food prices and thus inflation has exacerbated the global poverty and income divergence between the rich and the poor both globally and within countries. According to the Word Bank projections, incomes of the poorest 40 percent of the world's population likely fell by 4 percent in 2020. As a result, the number of people living in extreme poverty likely increased by 11 percent in 2020—from 648 million to 719 million. It is estimated that these combined crises will lead to an additional 75 million to 95 million people living in extreme poverty in 2022[1].

The world's poor paid the highest price for the pandemic: the percentage income losses of the poorest were estimated to be double those of the richest. Given that people living in extreme poverty spend about two-thirds of their resources on food, the rising food inflation should be of concern to policy makers. Furthermore, the pandemic also increased global inequality. The global Gini coefficient increased by a little over 0.5 points during the pandemic, from 62 points in 2019 to an estimated 62.6 points in 2020. This is estimated to have increased in 2022.

1 Mahler, Daniel Gerszon, Nishant Yonzan, and Christoph Lakner. Forthcoming. *"The Impact of COVID-19 on Global Inequality and Poverty."* World Bank, Washington DC.

Policy makers need to view poverty and inequality as an outcome of sluggish economic growth. Therefore, the priority of fiscal policy must be to stimulate economic growth. Without economic growth, poverty rates will continue to increase, and as poverty rates continue to increase the fiscal outlays required for social spending also increase. Not only does this shrink fiscal space further, but also limits the funds available to finance long-term economic growth. Moreover, during periods of high inflation and low economic growth "the rich get richer" and this worsen income inequality. Thus, policy makers need to recalibrate their policies to focus on economic growth, including enhancing efficiency of public spending by getting rid of corruption and improve governance; appropriate coordination between fiscal and monetary policy; structural reforms to reduce the level of industrial concentration and reduce non-competitive behavior; invest in growth enhancing capital projects; and other much needed infrastructure.

Table 1 • Overview of WEO Projections

YEAR OVER YEAR									
					DIFFERENCE FROM APRIL 2022 WEO			Q4 OVER Q4 2/	
			PROJECTIONS		PROJECTIONS			PROJECTIONS	
	2020	2021	2022	2023	2022	2023	2021	2022	2023
World Output	**-3.1**	**6.1**	**3.2**	**2.9**	**-0.4**	**-0.7**	**4.4**	**1.7**	**3.2**
Advanced Economies	**-4.5**	**5.2**	**2.5**	**1.4**	**-0.8**	**-1**	**4.7**	**1.3**	**1.5**
United States	**-3.4**	**5.7**	**2.3**	**1**	**-1.4**	**-1.3**	**5.5**	**1**	**0.6**
Euro Area	**-6.3**	**5.4**	**2.6**	**1.2**	**-0.2**	**-1.1**	**4.7**	**0.7**	**2.1**
Germany	-4.6	2.9	1.2	0.8	-0.9	-1.9	1.8	0.5	1.5
France	-7.9	6.8	2.3	1	-0.6	-0.4	4.9	0.4	1.1
Italy	-0.9	6.6	3	0.7	0.7	-1	6.4	0.6	1.6
Spain	-10.8	5.1	4	2	-0.8	-1.3	5.5	1.3	2.3
Japan	-4.5	1.7	1.7	1.7	-0.7	-0.6	0.4	2.4	0.6
United Kingdom	-9.3	7.4	3.2	0.5	-0.5	-0.7	6.6	0.1	1.3
Canada	-5.2	4.5	3.4	1.8	-0.5	-1	3.2	2.5	1.7
Other Advanced Economies	-1.8	5.1	2.9	2.7	-0.2	-0.3	4.6	2	2.8
Emerging Market and Developing Economies	**-2**	**6.8**	**3.6**	**3.9**	**-0.2**	**-0.5**	**4.2**	**2.1**	**4.7**
Emerging and Developing Asia	-0.8	7.3	4.6	5	-0.8	-0.6	3.8	4	4.7
China	2.2	8.1	3.3	4.6	-1.1	-0.5	3.5	4.1	3.2
India	-6.6	8.7	7.4	6.1	-0.8	-0.8	3.9	4.1	7.2
ASEAN-5	-3.4	3.4	5.3	5.1	0	-0.8	4.7	3.4	6.1
Emerging and Developing Europe	-1.8	6.7	-1.4	0.9	1.5	-0.4	6.1	-7	7.7
Russia	-2.7	4.7	-6	-3.5	2.5	-1.2	4.8		4.8
Latin America and the Caribbean	-6.9	6.9	3	2	0.5	-0.5	3.9	1.8	2.1
Brazil	-3.9	4.6	1.7	1.1	0.9	-0.3	1.6	1.5	1.5
Mexico	-8.1	4.8	2.4	1.2	0.4	-1.3	1.2	2.9	1
Middle East and Central Asia	-2.9	5.8	4.8	3.5	0.2	-0.2	...	...	...
Saudi Arabia	-4.1	3.2	7.6	3.7	0	0.1	6.7	6.9	3.7
Sub-Saharan Africa	-1.6	4.6	3.8	4	0	0	...	...	...

Source: IMF WEO Update, July 2022.

ADVANCED ECONOMIES

The July 2022, WEO Update also show that Advanced Economies face major revisions in their 2022–23 projections. United states baseline projections have been revised downwards by an average of 1.4 percentage points in 2022 and 2023, respectively, reflecting weaker-than-expected growth in the first two quarters of 2022, with significantly less momentum in private consumption, in part reflecting the erosion of household purchasing power and the expected impact of a steeper tightening in monetary policy as the Fed continue to tighten monetary policy. Euro area growth has also been revised down by 0.2 percentage points in 2022, and 1.1 percentage points in 2023. These reflect spillovers from the war in Ukraine as well as the assumption of tighter financial conditions, with the European Central Bank also tightening monetary policy rates beginning July 2022.

EMERGING MARKET AND DEVELOPING ECONOMIES

Downward revisions for emerging market and developing economies (EMDEs) in 2022–23, according to the WEO update, can mainly be attributable to slowdown in China and, to some extent, to moderation in India's economic growth. China's baseline growth for 2022 has been revised downward to 3.3 percent, while growth in India has also been revised downwards to 7.4 percent, mainly reflecting less favorable external conditions and more rapid policy tightening. Real GDP for emerging and developing Europe is expected to shrink by 1.5 percentage points less in 2022 than predicted in the April 2022 World Economic Outlook but grow by 0.4 percentage point less in 2023. Latin America and the Caribbean have seen an upward revision of 0.5 percentage point in 2022 because of a more robust recovery in the large economies of Brazil, Mexico, Colombia, and Chile.

SUB-SAHARAN AFRICA ECONOMIES

The outlook sub-Saharan Africa (SSA) remain on average unchanged or positive since the publication of the IMF's April 2022 Regional Economic Outlook[2] (REO), reflecting the effects of elevated fossil fuel and metal prices for some commodity-exporting countries. After registering a 4.6 percent growth in 2021, this region has somewhat lost the economic growth momentum and growth is expected to moderate to 3.8 percent and 4.0 percent, respectively, in 2022 and 2023. As pointed out in the April 2022 REO, the war in Ukraine, which has triggered a global economic shock, is hitting the region at a time when member countries' policy space is extremely limited, if at all. Most notably, rising oil and food prices are not only negatively impacting the external and fiscal balances of commodity-importing countries, but have also increased food security concerns in the region. This is over and above other existing

2 IMF. Regional economic outlook. Sub-Saharan Africa: A new shock and little room to maneuver. April 2022.

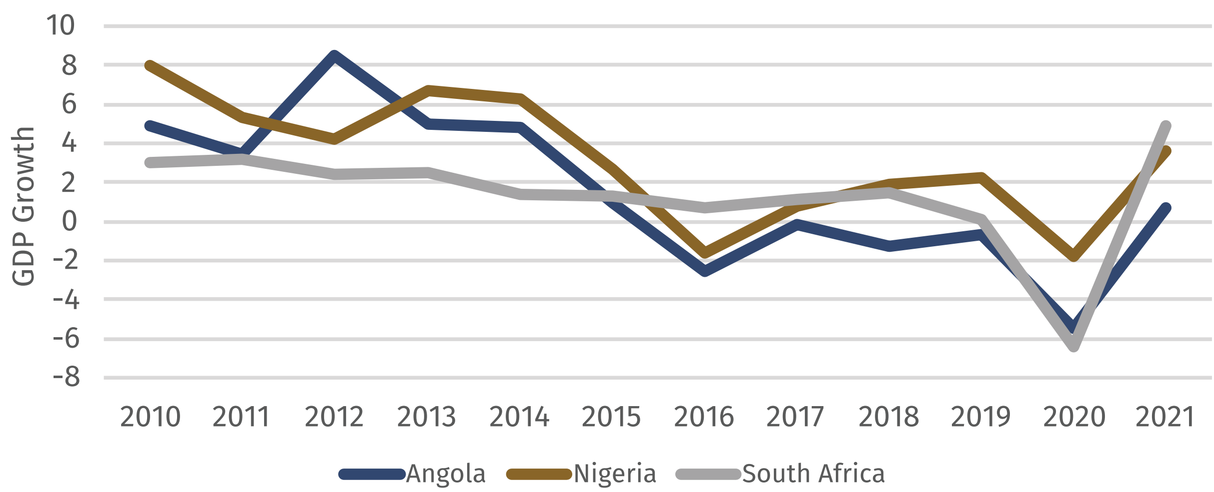
challenges like the Covid-19 pandemic legacy, heightened security risks in the Sahel, and the ongoing tightening of monetary policy in the United States.

Given that this region is still behind regarding Covid-19 vaccination, immediate policy actions are an absolute imperative, including accelerating the COVID-19 vaccination campaign, containing inflation pressures in a growth friendly manner, stimulating private sector investments, and stimulate job creation, amongst other policies. The attainment of Sustainable Development Goals in this region will require strong, inclusive, and sustainable growth, backed by good governance, capacity building and a sense of public service free of corruption, fraud, and nepotism. Corruption, fraud, and nepotism, in particular, rob countries of the available human resources and financial capacity.

HIGHLIGHTS OF MAJOR ECONOMIC DEVELOPMENTS IN EDS25 CONSTITUENCY

Countries in the EDS25 Constituency seem to have rebounded from the covid-19 induced economic slowdown with all countries registering economic growth increase in 2021. In 2022 however, the war in Ukraine together with endemic structural rigidities, weak human and institutional capacities often driven by corruption, is threatening the growth in all EDS25 countries which are just emerging from the Covid-19 shock. In particular, the war in Ukraine is affecting these economies through multiple channels including a) trade disruption leading to supply chain bottlenecks; b) commodity (mainly food, fuel, and fertilizer) prices increase; and c) the resultant tightening of global financial conditions. In this regard, economic growth in 2022 is expected to continue rising moderately only in Angola while Nigeria and South Africa face economic slowdown in the next two years, most notably South Africa.

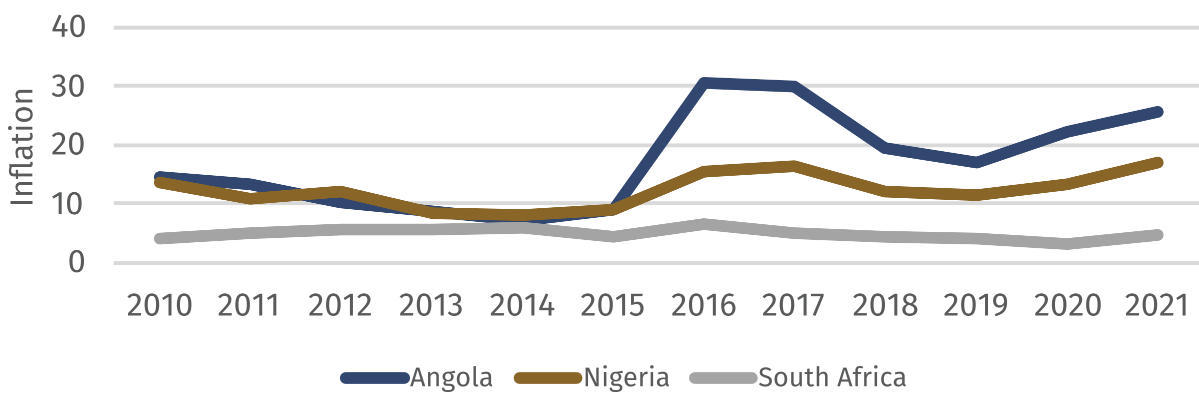
Figure 1 • Economic Growth in EDS25 Countries



Source: IMF. Regional Economic Outlook for Sub-Saharan Africa, April 2022

Inflation has also been slowing down, although recently Nigeria and South Africa face rapid increase. Like their emerging-market peers, both countries monetary authorities are under pressure to stay ahead of the US Federal Reserve which has, in earnest, embarked on an aggressive tightening cycle. It is not surprising, that monetary policy has been tightened in Angola, Nigeria and South Africa recently.

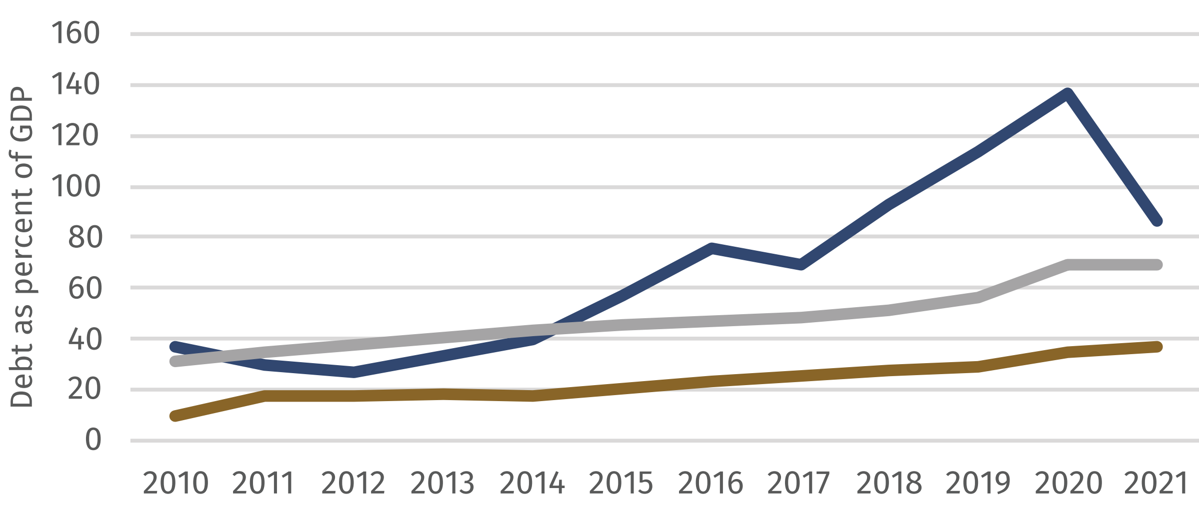
Figures 2 • Inflation Rates in EDS25 Countries



Source: IMF. Regional Economic Outlook for Sub-Saharan Africa, April 2022

Slow economic growth, especially in Nigeria and South Africa, together with increased inflationary pressures and rising interest rates are expected to push more citizens into poverty. With rising poverty levels, which were already on the upside in EDS25 countries, may push the society to a cliff edge thereby increasing the likelihood of social unrest – this must be avoided at all costs. Against the background of heightened inflationary pressures, timely and consistent monetary policy, capable of balancing the need for stabilizing prices with the need for boosting economic growth, is a pressing priority.

Figure 3 • Debt to GDP ratio in EDS25 Countries



Source: IMF. Regional Economic Outlook for Sub-Saharan Africa, April 2022

Fiscal developments in EDS25 countries seem satisfactory with seemingly sustainable debt developments. However, the levels of debt in South Africa followed by Angola are a course for concern. There must be increasing concerted effort to improve efficiency of spending, governance frameworks, and ensuring a reasonable rate of return on public funds. Specific EDS25 countries' analysis is detailed in Chapter Three.

Photo: World Bank Flckr

CHAPTER TWO – WBG OPERATIONS

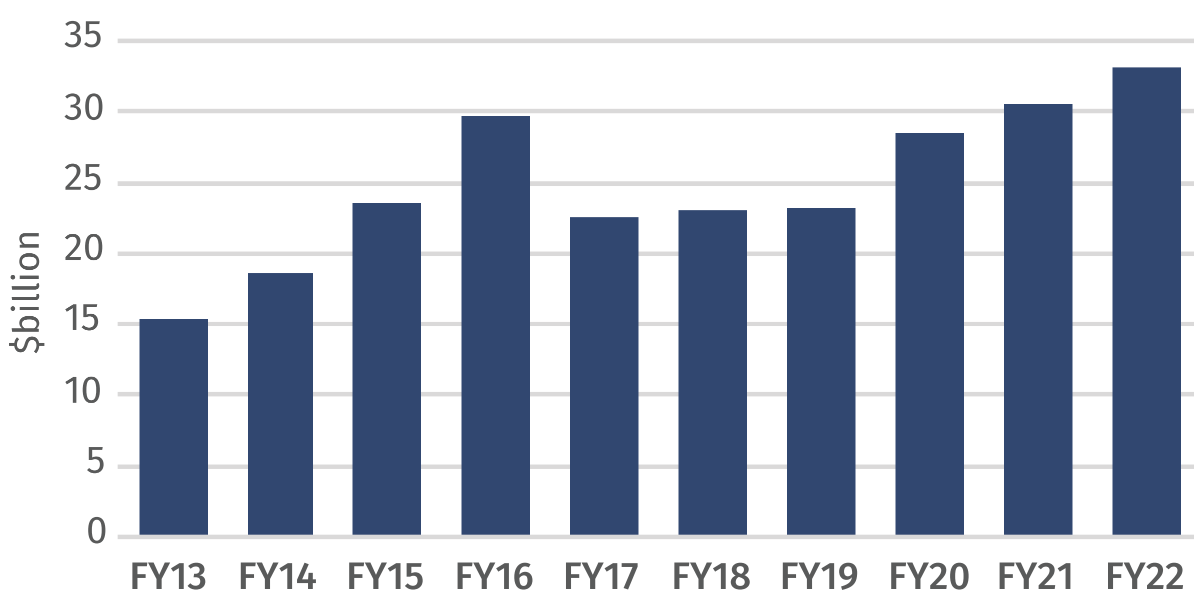
OVERVIEW

The year FY22 has been an eventful one in many respects. Apart from the celebrated delivery of over US$70 billion in support of its mandate. The role the WBG played to stimulate a green and reliant development is summarized in the operations update below.

IBRD OPERATIONS

The WB's focus in FY22 was to provide support following multiple overlapping crises that included the COVID-19 pandemic, war in Ukraine, food insecurity, energy supply disruptions and inflationary pressures. The Bank's strategic response was based on four pillars namely: Savings lives; Protecting the poor and vulnerable; Promoting Sustainable Business Growth & Jobs; and Strengthening Policies, Institutions, and Investment for Rebuilding Better. These pillars are further elaborated in the "WBG COVID-19 Crisis Response Approach Paper – Saving Lives, Scaling- up Impact and Getting Back on Track".

Figure 4 • IBRD Financing



Source: WBG Operations Update

Financing for FY22 reached US$33.1 billion which is 49 percent higher than the pre-COVID average from FY13-19. This was made possible through the crisis buffer, Economics Finance & Industry, followed by Human Development and Sustainable Development which all make up the largest share of the volume.

Figure 5 • Share by Region (percent of Volume)

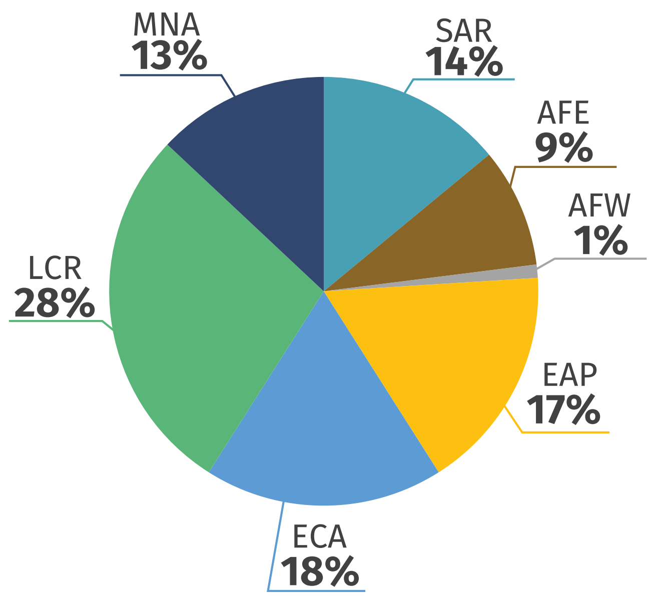
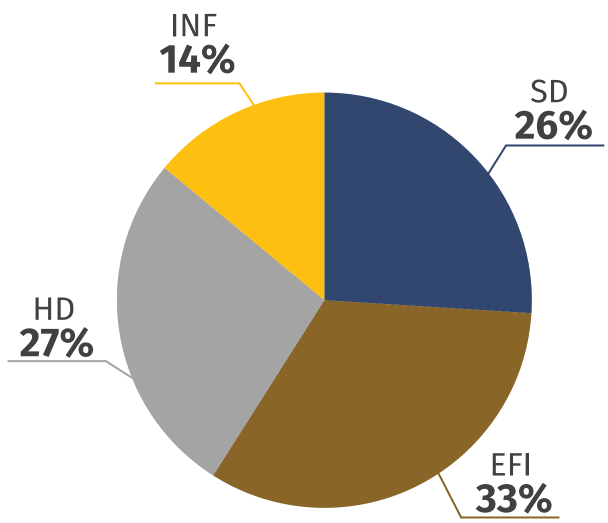


Figure 6 • Share by Practice Group

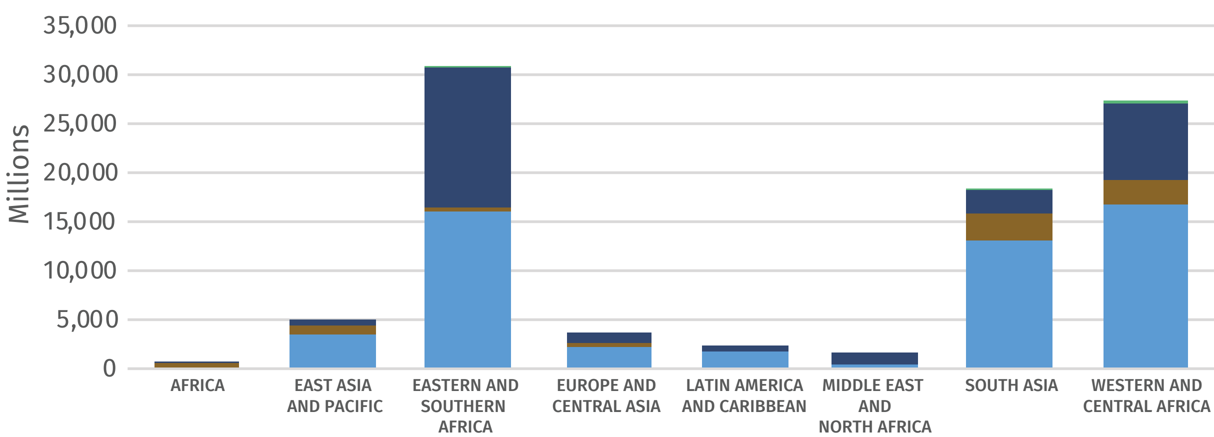


Regionally, the SSA region has received more financing in FY22 than previous years. The US$30.8 billion represents 43 percent of total WB financing compared to 35 percent in FY18 and 26 percent in FY13.

IDA OPERATIONS

The International Development Association (IDA) has delivered a swift, targeted, and agile response of unprecedented scale to the global COVID-19 crisis, while accelerating progress on longer-term commitments and supporting robust development results in IDA countries. The magnitude of the COVID-19 crisis was unprecedented in the history of IDA, but despite the challenges and constraints of working amidst a global pandemic combined with rapidly growing financing needs, IDA has successfully mobilized massive support for its client countries while staying on track to deliver on longer-term development priorities and accelerating progress in meeting a number of policy commitments. The ambitious IDA19 agenda has been critical in guiding support to IDA countries. While IDA19 involved more ambitious goals and in a much more challenging environment, IDA has risen to the occasion and helped save lives while continuing to deliver on longer-term priorities. IDA has in furtherance of its mandate galvanized global support for the historic US$93 billion IDA20 Replenishment which took place in December 2021 and formally lunched in Tokyo in September 2022. Meanwhile, below are the international commitments.

Figure 7 • IDA International Commitments (US$ in billion)



Source: IDA Updates

IFC OPERATIONS

IFC help build foundations for opening private sector and develop domestic economies in member countries. It collaborates with other World Bank Group institutions to support a range of sectors that help drive member countries economic development. Almost US$8 billion in total long-Term Finance (LTF) commitments has been made by IFC during the year. This is the second-highest result in the past five FYs, exceeding FY21-end by 20 percent. In FY22 Q3, IFC mobilized US$2.8 billion, of which US$1.9 billion was for clients in IDA/FCS. Mobilization remained critical to mitigating the impacts of the pandemic and has reached US$3.8 billion for the overall COVID-191 response, including US$1.9 billion under the FTCF.

In EDS25 countries, IFC strategic goals include: i) Fostering economic diversification and inclusion; ii) Structural Reforms for, Diversified Growth and Job Creation; iii) Improved Governance, and Public Sector Management; iv) Greater Social Inclusion, through Improved Social Services; and Macroeconomic Resilience. In this regard, sector focus areas include Inclusive finance, Light manufacturing, Gas-to-industry, Agri Business, Energy, and Digital Economy. Human Capital and Transport, Logistics & Cities continue to be supporting sectors that IFC is also involved in. In South Africa, IFC is also involved in automotive, transport and water sectors.

IFC is also involved in various energy access initiatives in EDS25 countries, in collaboration with the World Bank. In Angola, for example, the WB and IFC are working closely to identify opportunities for private sector participation in power generation to help identify the regulatory, financial management and procurement improvements needed to build investment climate for private sector participation, this includes: 1) Electricity Sector Improvement and Access Project which as part of its objectives supports investments in technical assistance (TA) to improve the performance of the transmission utility and system operator (RNT), as well as TA and equipment supply to strengthen the capacity of the generation utility (PRODEL) to operate large hydropower plants, and 2) Expanding Access to Electricity, where should the government adopt a National Electrification Strategy based on the National Electrification Analysis (NEA) that the WB completed, will allow for substantial private sector participation in expanding access to electricity through renewable energy. See Chapter Three for additional projects in Nigeria and South Africa and see also annex 3 for detailed IFC operations in EDS25 countries.

Figure 8 • IFC's Investment Portfolio in EDS25 Countries

Investment Portfolio in EDS25 Countries as of June 30th, 2022, (US$ M)*			
INVESTMENT PORTFOLIO BY SECTOR		**INVESTMENT PORTFOLIO BY COUNTRY**	
SECTOR	**COMMITTED PORTFOLIO**	**COUNTRY**	**COMMITTED PORTFOLIO**
CDF	96.7	Angola	**77.0**
FIG	2,928.6	Nigeria	**2,088.1**
INR	441.7	South Africa	**2,457.8**
MAS	1,155.9	**Total**	**4,622.8**
Total	**4,622.8**	AFR Committed Portfolio	13,002.3
		%EDS25 of AFR Program	36%

Source: IFC

IFC also has impressive Advisory Portfolio in EDS 25 countries as reflected in Figure 9 below.

Figure 9 • IFC Advisory Portfolio in EDS25 Countries

<table>
<tr><th colspan="4">Advisory Portfolio in EDS25 Countries as of June 30th, 2022, (US$ M)*</th></tr>
<tr><th colspan="2">ADVISORY PORTFOLIO BY BUSINESS ARE</th><th colspan="2">ADVISORY PORTFOLIO BY COUNTRY</th></tr>
<tr><th>BUSINESS AREA</th><th>ADVISORY PORTFOLIO</th><th>COUNTRY</th><th>ADVISORY PORTFOLIO</th></tr>
<tr><td>Blended Finance</td><td>0.01</td><td rowspan="2">Angola</td><td rowspan="2">**5.1**</td></tr>
<tr><td>Climate Business</td><td>4.2</td></tr>
<tr><td>Corporate Finance</td><td>0.6</td><td rowspan="2">Nigeria</td><td rowspan="2">**12.1**</td></tr>
<tr><td>Development Economics</td><td>0.5</td></tr>
<tr><td>Disruptive Technologies & Funds</td><td>2.0</td><td rowspan="2">South Africa</td><td rowspan="2">**29.2**</td></tr>
<tr><td>Economics & Private Sector Development</td><td>0.5</td></tr>
<tr><td>Environment, Social and Governance</td><td>1.9</td><td rowspan="2">**Total**</td><td rowspan="2">**46.5**</td></tr>
<tr><td>Financial Institutions Group</td><td>10.4</td></tr>
<tr><td>Health, Nutrition & Population</td><td>0.2</td><td></td><td></td></tr>
<tr><td>Infrastructure & Natural Resources</td><td>4.2</td><td rowspan="2">AFR Committed Portfolio</td><td rowspan="2">455.9</td></tr>
<tr><td>Manufacturing Agribusiness & Services</td><td>10.7</td></tr>
<tr><td>Public-Private Partnership Transaction Advisory</td><td>1.4</td><td></td><td></td></tr>
<tr><td>Regional Advisory</td><td>9.9</td><td rowspan="2">%EDS25 of AFR Advisory Portfolio</td><td rowspan="2">10%</td></tr>
<tr><td>**Total**</td><td>**46.5**</td></tr>
</table>

Source: IFC

IFC has a critical role to play in EDS25 countries to broaden the size of the private sector in these economies. However, the development impact of IFC projects, the role of IFC projects in promoting competition, and most importantly the impact of IFC minimum Investment requirements on the development of small and medium business that are critical in job creation, need to be reevaluated.

MIGA OPERATIONS

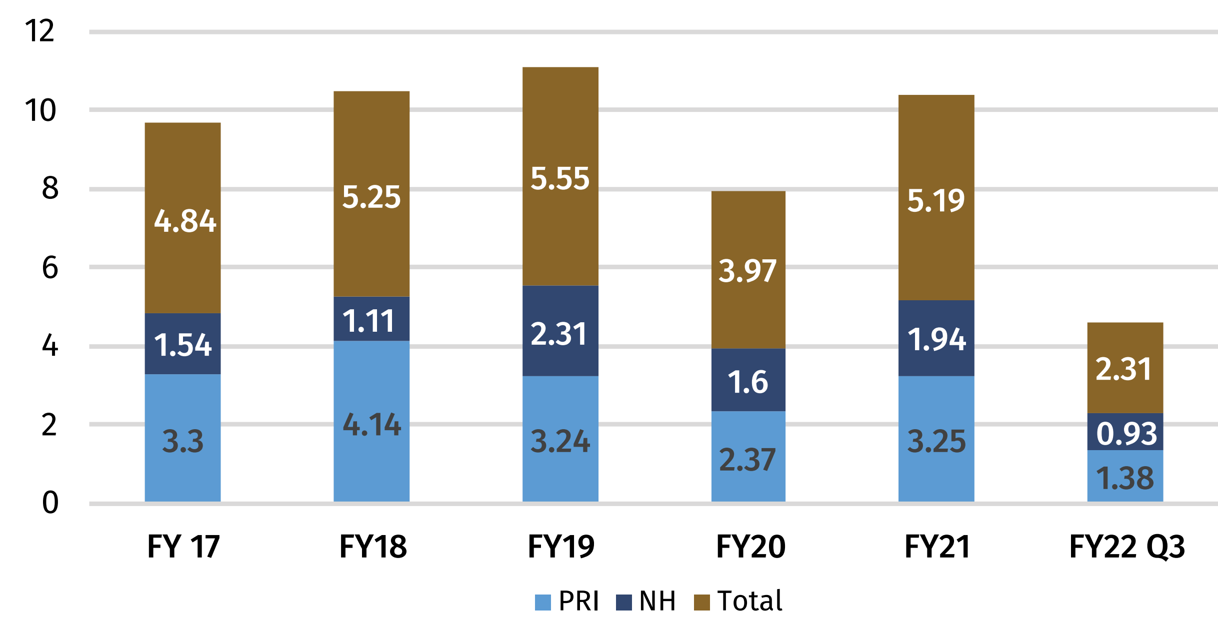
MIGA, whose mandate is to drive impactful foreign direct investment to developing countries, provides political risk insurance (guarantees) for projects in a broad range of sectors in developing member countries. These guarantees, protect investments against non-commercial risks and help reduce risk-capital ratings of project and thus can help investors obtain access to funding sources with improved financial terms and conditions.

The Agency issued US$5.2 billion in new guarantees in support of 40 projects[3] in FY21, and 85 percent of these projects addressed one or more of its priority areas (climate change, low-income countries,

3 *See projects details at:* https://www.miga.org/projects

and fragile and conflict-affected situations) under the FY21-FY23 strategy[4]. The FY21 MIGA guaranteed projects were expected to provide 784,000 people with new or better electricity service, support about 14,600 jobs, generate over US$362 million in taxes for countries, and enable about US$1.3 billion in loans, including to local businesses. Data for full FY22 (July 1, 2021 - June 30, 2022) are not yet final, however in the first three quarters of FY22 (FY22 Q1-Q3), guarantee business amounted to US$2.3 billion in support of 30 projects as reported in MIGA EVP Report for FY22 Q1-Q3. These guarantee issuances, have begun to pivot back from COVID-19 response (primarily in middle-income countries) towards more traditional support for FDI and project finance. The mean average IMPACT score of projects supported in FY22 Q1-Q3 was 52, exceeding the target of >50 set in the FY21-23 SBO Scorecard.

Figure 10 • MIGA Guarantees by Product type



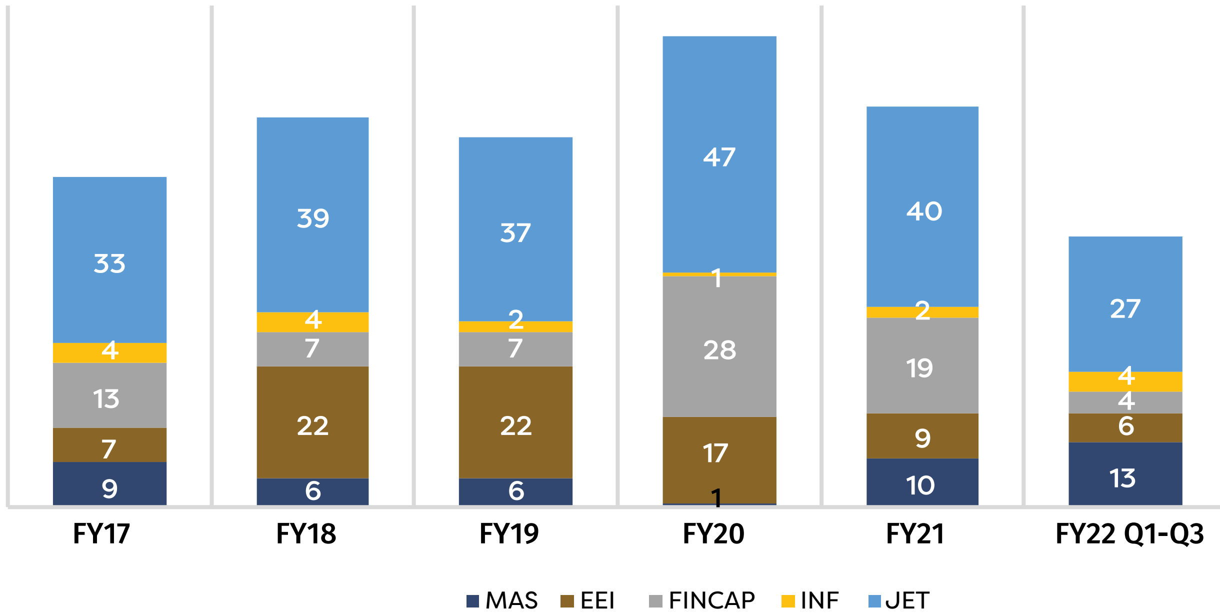
Source: MIGA EVP Report - FY22 Q1-Q3

In terms of product type, MIGA deployed the Political Risk Insurance (PRI) product for remaining 27 projects for US$1.4 billion in FY22 Q1-Q3. MIGA's Non-Honoring (NH) product supported 3 projects for US$931 million. The pipeline for the remainder of FY22 is evenly split between PRI and NH in terms of Gross Guaranteed issuances but with more projects expected to be supported through PRI. The Agency issues NH guarantees in a prudent manner, especially given rising concerns around sovereign debt levels in EMDEs.

Regarding guarantees to management sectors, MIGA issued guarantees to support 8 projects in the Energy and Extractive Industries (EEI) sector, 14 projects in the Manufacturing, Agribusiness, and Services (MAS) sector, 4 projects in the infrastructure (INF) sector, and 4 projects all in the Finance and Capital Markets (FINCAP) sector, in FY22 Q1-Q3. The decline in energy and infrastructure projects reflects the slowdown in FDI. Several of the FINCAP projects were under the COVID-19 Response Program. The expansion in MAS sector remains important for the Jobs and Economic Transformation (JET) agenda.

4 *For details of FY21 Operation see:* Multilateral Investment Guarantee Agency. 2021. MIGA Annual Report 2021. Washington, DC: Multilateral Investment Guarantee Agency. https://openknowledge.worldbank.org/handle/10986/36319 License: CC BY-NC-ND 3.0 IGO.

Figure 11 • MIGA Guarantees by Management Sector



Source: MIGA EVP Report - FY22 Q1-Q3

MIGA ended FY22-Q3 with a gross outstanding exposure of US$23.3 billion, an increase of 1.6 percent from US$23.0 billion at end FY21. New business volume of US$2.3 billion exceeded portfolio run-off (including translation adjustments) of US$1.9 billion. Cancellations accounted for US$0.2 billion.

MIGA continues to support host governments in their efforts to procure medical supplies and services during the COVID-19 pandemic. As of 30 June 2022, the Board has approved US$545 million in guarantees under Pillar 1 of the Covid-19 response program, and the Agency has issued approximately US$515 million in guarantees toward emergency response initiatives in Africa, The Bahamas, and Colombia.

CHAPTER THREE – CONSTITUENCY OPERATIONS UPDATE

ANGOLA

Angola recorded positive GDP growth in 2021, after five consecutive years of economic contraction. Considering that oil prices are expected to remain high, the outlook for 2022 is favorable. However, despite the positive effect of the macroeconomic policies undertaken by the government in recent years, a legacy of underinvestment in physical and human capital poses considerable challenges to poverty reduction and economic diversification, with Angola continuing to be exposed to volatile oil price risks, pandemics, and climate change.

CURRENT PROGRESS

Angola emerged from recession in 2021 with expected growth of 0.2 percent as growth in agriculture and services offsets continued decline in oil production. Oil exports grew by 60 percent in 2021 while imports grew by only 23 percent, expanding the current account. This, along with an SDR allocation of US$1.0 billion, increased Angola's net reserves, keeping import coverage at around eleven months. Non-oil exports (wood, fish, granite, and beverages) remained small and volatile.

Due to higher oil prices, the exchange rate appreciated 13.4 percent in December 2021, recovering almost a third of the previous year depreciation. The stronger currency has not translated into lower inflation, which remains high at 27 percent, driven by high food prices and the lagged effect of monetary measures taken by the government from 2020 onwards. In response, the central bank raised the benchmark rate from 15.5 to 20 percent.

Higher oil revenues combined with non-oil revenues (especially VAT) resulted in tax revenues growing by around 47.5 percent in 2021. Public expenditure growth, estimated at 18.6 percent, was driven by current expenditure, as public investment grew by 0.2 percent. Most of the additional oil revenue was saved, increasing the primary surplus. This, along with currency appreciation and GDP growth, reduced debt levels from 130.5 to 88.1 percent of GDP from 2020 to 2021. As a result, bond yields dropped, and Angola's credit rating was elevated.

Employment fell to 61.2 percent of adults in the fourth quarter of 2021 (from 62.8 percent a year earlier), with the vast majority (81 percent) employed in the informal sector. Food insecurity and poverty were exacerbated by limited employment opportunities and food inflation. After two years of stagnation, the minimum wage rose 50 percent. The Kwenda cash transfer program enrolled about 500,000 of a projected 1.6 million vulnerable households, 300,000 of whom have received at least one transfer.

OUTLOOK

With rising oil prices, GDP growth is expected to be 2.9 percent in 2022. The non-oil sector is expected to grow 2.3 percent, driven by diamond and other minerals mining, beverage and construction industry, agriculture and fishing and trade. With rising oil prices and a small but temporary recovery in oil production, the oil sector is projected to grow at 4.4 percent.

The 2022 budget keeps Angola on the path of fiscal consolidation. The government is expected to increase the primary surplus from 7.3 percent of GDP in 2021 to 8.1 percent of GDP, further lowering public debt levels to 74.2 percent of GDP. This, however, remains subject to oil price risks as non-oil revenues are expected to increase only gradually.

Despite continued monetary tightening and currency appreciation, the government is likely to miss its 18 percent inflation target due to rising global commodity prices that particularly affect staple foods. Projections suggest that the share of the Angolan population living on less than US$1.90 a day will remain at 53.2 percent in 2022, as economic growth fails to keep pace with population growth. This includes more than 1.3 million people in the South facing severe hunger due to drought. Meanwhile, the continued expansion of the Kwenda program and improvements in the non-oil sectors are expected to increase the well-being of the poorest. Risks to the outlook arise from possible future waves or variants of COVID-19 and oil price volatility, amongst others. In addition, rising geopolitical tensions or weather-related natural disasters could further disrupt global supply chains and fuel food price growth with potentially serious consequences for food security and the well-being of vulnerable households.

Table 2 • Angola Poverty Outlook Indicators

ANGOLA / MACRO POVERTY OUTLOOK INDICATORS	(ANNUAL PERCENT CHANGE)					
	2019	2020	2021E	2022F	2023F	2024F
Real GDP growth, at constant market prices	**-0.7**	**-5.5**	**0.2**	**2.9**	**3.1**	**3.3**
Private Consumption	-6.2	-4	6.6	3.1	4.7	4.3
Government Consumption	-1.6	-7.1	6.5	2.8	2.5	4.4
Gross Fixed Capital Investment	-1.9	-1.6	8	3	4.5	5.5
Exports, Goods and Services	-5.9	-6.3	-10.8	4.3	1.3	-0.3
Imports, Goods and Services	-11	-21.7	6	6	8	6.5
Real GDP growth, at constant factor prices	**-1.2**	**-6.7**	**0.2**	**2.9**	**3.1**	**3.3**
Agriculture	-1.3	2.4	12.2	6.5	7	6.8
Industry	-3.6	-10.4	-9.1	0.8	-0.2	0.2
Services	2.2	-3.5	9.6	4.4	5.6	5.4
Inflation (Consumer Price Index)	**17.1**	**22.3**	**25.6**	**20**	**12.3**	**9.5**
Current Account Balance (percent of GDP)	**6.2**	**2.4**	**9.1**	**11**	**9.2**	**6.1**
Net Foreign Direct Investment (percent of GDP)	**-2.1**	**-3.3**	**-3.2**	**-0.2**	**0.5**	**0.8**

ANGOLA / MACRO POVERTY OUTLOOK INDICATORS	(ANNUAL PERCENT CHANGE)					
	2019	2020	2021E	2022F	2023F	2024F
Fiscal Balance (percent of GDP)	0.8	-1.9	2.5	2.9	2	1.5
Debt (percent of GDP)	119.6	130.5	88.1	74.2	68.3	64.6
Primary Balance (percent of GDP)	6.5	4.9	7.3	8.1	7.7	6.5
International poverty rate ($1.9 in 2011 PPP)a,b	52.2	54.1	53.2	53.2	52.8	52.5
Lower middle-income poverty rate ($3.2 in 2011 PPP)a,b	73	74.2	73.6	73.7	73.4	73.2
Upper middle-income poverty rate ($5.5 in 2011 PPP)a,b	90.4	91.8	91.1	91.2	90.9	90.6
GHG emissions growth (mtCO_2e)	-5	-3.6	-1.5	-1.2	-0.4	-0.1
Energy related GHG emissions (percent of total)	14.6	13.3	13	12.3	12.1	12

Source: World Bank, Poverty & Equality and Macroeconomic, Trade and Investment Global Practice.
e: estimated f: forecast a: calculations based on 2018 IDREA b: actual data nowcast 2019-2021

NIGERIA

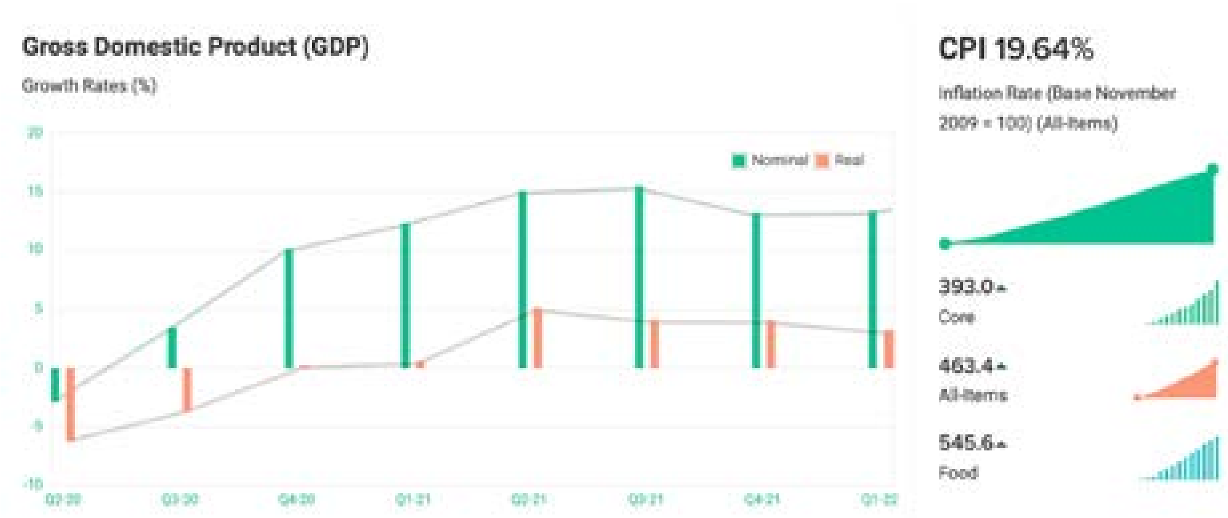
Economic Overview

Nigeria economic performance has shown sustained positive growth over the last consecutive six quarters since its exit from recession in the last quarter of 2020. The observed trend was driven largely by the continued growth in the non-oil sector, specifically, in the services and agricultural subsectors and ongoing post-Covid lockdown Policy Support. It is expected that the economy will remain on the path of sustained positive growth with continued rebound in economic activities. The Manufacturing and Non-Manufacturing Purchasing Managers' Indices (PMIs) increased above the 50-index point benchmark to 51.1 and 50.3 index point in June 2022, against 48.9 and 49.9 index points, respectively, in May 2022.

The fragile growth is adversely threatened by substantial headwind both domestically and externally. These includes elevated inflation weighing in on household spending, widespread insecurity as well as persistent covid-19 pandemic induced uncertainty. In addition to domestic headwinds, Nigeria is confronted with heightened global macroeconomic uncertainties, broad based inflation across countries, weakening global recovery associated with the on-going Russia-Ukraine war, and the spillover impact of the wide sanctions imposed on Russia. There is exacerbated pressure raising concerns on surging food prices, food security and other supply chain problems including the PMI.

Nigeria GDP grew by 3.1 percent in real terms during the first quarter of 2022. The growth rate was higher than the 0.5 percent recorded in Q1 2021, but lower than roughly 4.0 percent in Q4 2021. Quarter-on-Quarter, it showed that the GDP grew at -14.7 percent. Although this indicates a slowdown of economic activity from the previous quarter, but there was a year-on- year nominal growth rate of 13.3 percent. The country unemployment stood at 33.3 percent in Q4 2020 with Youth unemployment at 42.5 percent.

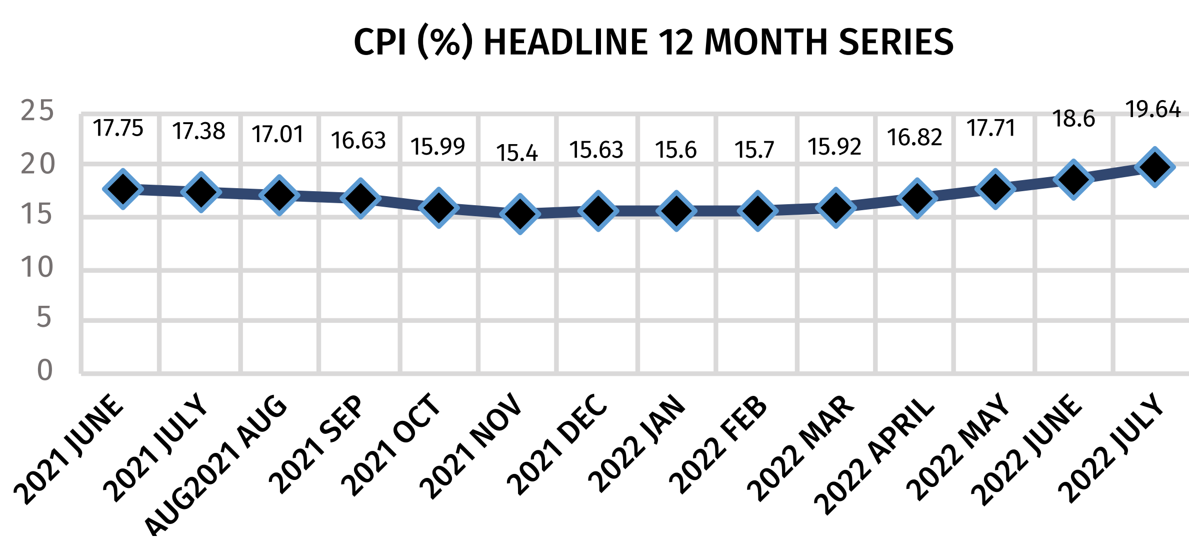
Figure 12 • Nigeria Gross Domestic

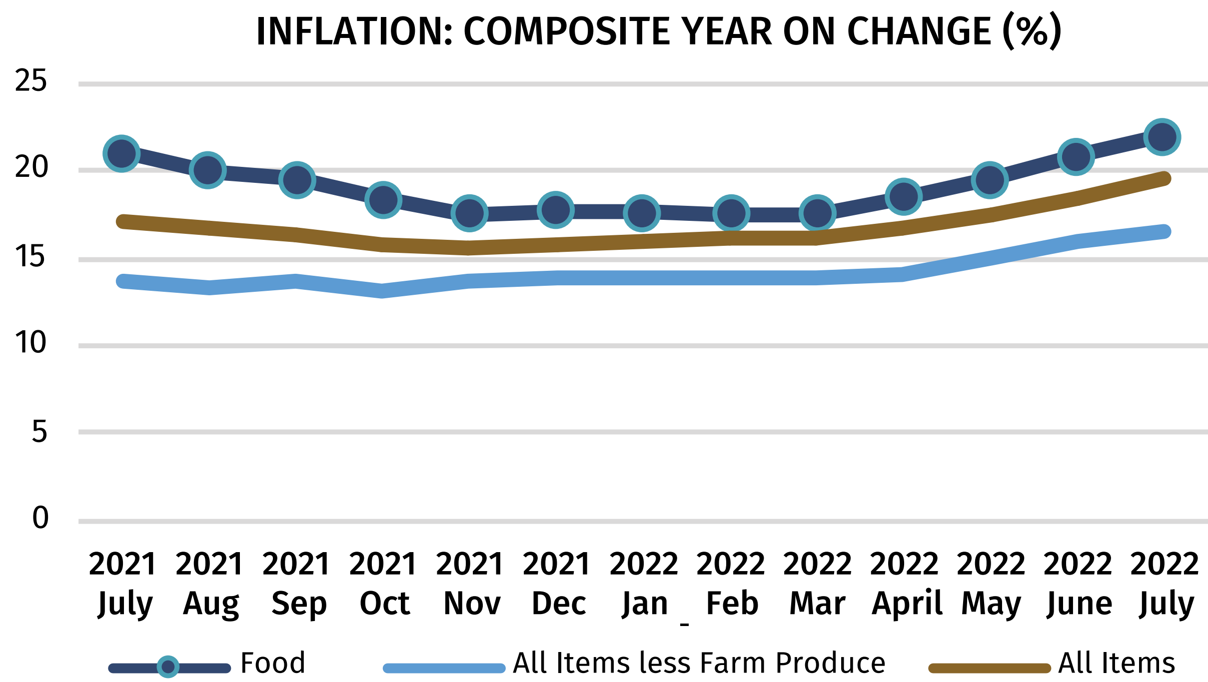


Source: Nigerian Bureau of Statistics – GDP Q1 2022 Report

The headline inflation (year-on-year) rose higher to 19.6 percent in July 2022 from 17.4 percent record in July 2021. This means that in the month of July 2022, the general price level was 2.3 percentage points higher than in July 2021. On a month-on -month basis, the headline inflation rose from 17.4 percent in June to 19.6 percent in July 2022. The percentage change in the Consumer Price Index (CPI) for the twelve months period ending June 2022 over the average CPI for the previous twelve months period is 16.8 percent. There is persistent uptick in inflation driven by increases of both the core and the food components. Factors that are contributing to the escalating inflation includes rising cost of production due to high energy prices, hike in electric tariff, scarcity of PMS, surge in food prices due to security challenges at food producing areas and food insecurity exacerbated by the Russia-Ukraine war, foreign exchange rate pressures, amongst others.

Figure 13 • Nigeria CPI (Percentage) Headline 12 Month Series





Source: Nigeria Bureau of Statistics- CPI and Inflation Report July 2022

The broad economic outlook for Nigeria is challenging with elevated inflation, rising food security concerns, clouded with uncertainties associated with headwinds such as the substantial disruptions to the supply chain accruing from Russian-Ukraine war and the lingering impact of the COVID-19 pandemic. Other challenges include the rising level of corporate and public debt in the Advanced Economies and EMDEs with associated higher global interest rates. Per capita income is expected to be lower in 2022 than a decade ago and projection is that it will remain more than 3 percent below pre-pandemic levels in 2023.

Additional downside risks in the near term are from further deteriorating security conditions, upcoming elections, and rising debt to GDP. On the upside, the private sector recovery is steady and real GDP is broadening to all sectors except oil; the start of operations at the Dangote Refinery will boost growth and the Strategic Revenue Growth Initiative (SRGI) could spur inclusive growth and development. From available macroeconomic data, a likelihood of a subdued output growth is projected for Nigerian economy in 2022; accordingly, the forecast is that Nigeria economy will grow in 2022 by 3.3 percent (CBN), 4.2 percent (FGN) and 3.4 percent (IMF).

World Bank Group Operations and Portfolio in Nigeria

The Country Partnership Framework for Nigeria (FY21 – FY25) was approved by the Board on December 14, 2020. The strategic focus of the CPF is aligned with the priorities of the Government of Nigeria's Medium-Term National Development Plan and the Fiscal Sustainability Plan (FSP). The framework provides adequate support to the Government's vision of accelerated economic growth with better employment opportunities. The CPF was adapted to reflect the new realities of COVID-19, under which period it was prepared, and to support Nigeria's longer-term development agenda.

World Bank Portfolio

Table 3 • World Bank Portfolio Indicators (March 24, 2022)

THE OVERALL BANK PORTFOLIO IN NIGERIA AT $14BN COMPRISING				
	IBRD	IDA	RIs	IBRD/IDA/RIs
Commitment ($USD Million)	1,000	12,986	192	**14,178**
Undisbursed Balance ($USD Million)	514	8577	160	**9,251**
No of projects	2	29	3	**34**
Problem Projects (USD Million)	500	2563.2	0	**3063.2**
Number of Problem Projects	1	11	0	**12**

Source: World Bank

The World Bank Portfolio in Nigeria comprises of IBRD and IDA operations as well as Trust Funds. Nigeria has an active portfolio of 34 Projects with financial commitment of US$14.0 billion at 146 locations in the country as at 24th March 2022. The Portfolio summary showed 29 IDA, 2 IBRD and 3 Regional Interventions. The portfolio cumulative disbursement is US$4.3 billion with undisbursed balance of US$9.3 billion. Further analysis of the Nigerian Portfolio Data showed an IPF Disbursement ratio (YTD) of 10.2 percent. The programs in the portfolio that are operated by the Federal Government stands at 34.0 percent while 66.0 percent is for execution at the State level. The Portfolio distribution covers a wide range of sectors and recently approved project within the FY21 /FY22 are as indicated in table below.

Table 4 • Recently Approved Projects in Nigeria

RECENTLY APPROVED PROJECTS		
PROJECT TITLE	COUNTRY	APPROVAL DATE
Modernizing Financial and Data Management System in Borno State	Nigeria	July 23, 2022
Livestock Productivity and Resilience Support Project	Nigeria	March 18, 2022
Better Education Service Delivery for All Operation Additional Financing	Nigeria	December 17, 2021
National Social Safety Net Program-Scale Up	Nigeria	December 16, 2021
Agro-Climatic Resilience in Semi-Arid Landscape (ACReSAL)	Nigeria	December 14, 2021
Nigeria COVID-19 Preparedness and Response Project Additional Financing	Nigeria	September 30, 2021

Source: https://projects.worldbank.org/en/projects-operations/projects-summary

IFC Portfolio

IFC strategy in Nigeria is structured within the WBG CPF pillars which seeks to support diversified growth, inclusion, sustainability, and job creation with operations across key sectors such as energy, digital economy, agribusiness, light manufacturing, and financial services. Upstream activities would be targeted in areas of human capital development, transport/logistics and cities.

Nigeria has the 6th largest portfolio for IFC, with committed exposure of US$2.1 billion across different strategic sectors of the economy. The IFC Portfolio in Nigeria prime industry groups are Trade and Financial Markets, Manufacturing Sector, Infrastructure and Disruptive Technology Funds. The portfolio investment summary has 65.5 percent volume in Financial Markets, 24.3 percent in Manufacturing Sector, 7.1 percent in Infrastructure and 3.2 percent Disruptive Technology Fund. Further breakdown of the portfolio shows outstanding committed exposure of US$1.7 billion out of which loan outstanding is US$1.5 billion with an equity outstanding of US$131.0 Million and undisbursed stands at US$449.4 million.

Table 5 • Nigeria Investment Program Commitments by Fiscal Year (as of July 31, 2022)

Investment Program	FY18	FY19	FY20	FY21	FY22	FY23 YTD	FY18-FY23
Long Term Finance (LTF)	**1,012.10**	**94.3**	**494.6**	**180**	**510.2**	**0**	**2,292.20**
of which IFC Own Account	112.1	94.3	379.6	171	445.2	0	1,202.20
of which Core Mobilization	9000	0	115.5	9	65	0	1,089.00
Short Term Finance (STF)	**383.4**	**67.9**	**1,068.70**	**2,180.30**	**2,331.60**	**215.6**	**6,247.50**

Source: World Bank

Table 6 • Nigeria Investment Portfolio by Industry Group (as of July 31, 2022)

Industry Group	FIG	MAS	INR	CDF	Total
Committed Exposure	**1,388.40**	**514.7**	**150.3**	**67.4**	**2,120.80**
Portfolio Outstanding	1,169.80	360.5	87.5	53.6	1,671.40
of which Loan Outstanding	1,143.20	315.7	81.3	0.3	1,540.40
of which Equity Outstanding	26.6	44.8	6.2	53.4	131
Undisbursed	218.6	154.2	62.8	13.8	449.4
Non-Performing Loans (NPLs)	0	38.1	0	0	38.1
NPL Ratio (%)	0.00%	12.10%	0.00%	0.00%	2.50%

Source: World Bank

IFC Pipeline Activities

The IFC pipeline activities are targeted towards "creating markets" and "creating opportunities" in identified sectors for their potential impact on the economy. Manufacturing remains a strategic sector for IFC in Nigeria and is allotted over US$1.0 billion in the pipeline, primarily concentrated in cement and chemicals to be committed in FY23/24. The Manufacturing sector creates avenue to support export diversification and import substitution which are both key development priorities for Nigeria.

IFC also plan to develop opportunities by leveraging its advisory services, as well as other World Bank programs. In advancing this context, the CMA recently facilitated the co-creation of the Nigeria Affordable Housing workshop which brought together IFC teams and the World Bank to deliver on the workshop. The Nigeria Affordable Housing Steering Committee will develop a joint program to be implemented collaboratively based on the workshop's outcome and priority tasks. Also, CMA is collaborating with

MAS Upstream on client and stakeholder engagement to support IFC investment in livestock sector. Key activities in the proposed IFC Pipeline Investment for FY23 are as presented in the table below.

Table 7 • Top 5 Investment Pipeline Project by Total TLF in Nigeria (as of Aug 17, 2022)

Commitment Probability	Fiscal Year	Project	Industry	INDUSTRY GROUP SECTOR	IFC OWN ACCOUNT	Total LTF
HP	2023	BUA Cement P1	MAS	Manufacturing	150	500
LP	2023	DARP NPL FCAAL	FIG	Financial Markets	60	60
LP	2023	Lagos FZ Equity	MAS	Construction & Real Estates (TRP)	25	25
LP	2023	Lagos FZ Equity	INR	Infra JV Volume with MAS	25	25
LP	2023	NIG Mortgage SPV	FIG	Financial Markets	70	70
LP	2023	WCS COVID UBA	FIG	Financial Markets	150	150

Source: World Bank

SOUTH AFRICA

Economic Overview

Economic growth in South Africa remains relatively weak and continue to be negatively affected by extensive load-shedding. After growing by a robust 4.9 percent in 2021, which mainly reflected the base effects, the economy is expected to slow down to 1.9 and 1.4 percent, respectively, in 2022 and 2023. Recent publication by Statistics South Africa (StasSA) shows that GDP recorded a 1.9 percent expansion in the first quarter of 2022 compared with revised growth of 1.4 percent in the previous quarter5. This expansion does not reflect the economic growth impact of the devastating floods in KwaZulu-Natal, which occurred during the second quarter in April. Nonetheless, economic growth, however weak, will continue to be driven by private investment which has strengthened on the back of the recovery. This will be offset by weak public sector investment due to fiscal constraints, and the expected softening of household spending resulting from higher inflation, lower asset prices, and rising interest rates.

The annual rate of inflation continued its upward trajectory in the first half of 2022, recording 7.8 percent in July compared to 7.4 percent in June. This is the third consecutive month this year when inflation is above the Reserve Bank's target range of 3 – 6 percent and is the highest reading since May 2009. Main drives of inflation are similar to other countries in the EDS25 Constituency – supply chain bottlenecks, energy and food prices, productions costs increase owing to persistent electricity blackouts, amongst others. In response, South African Reserve Bank unleashed the biggest increase in policy rate for nearly 20 years – a 75-basis points increase to 5.5 per cent.

The fiscal outlook has improved somewhat over the past year because of higher-than-expected revenue collection. Despite this, Government debt accounted for 69.1 percent of GDP in 2021 and is expected to continue an upward trajectory - reaching 70.2 and 73.4 percent respectively for 2022 and 2023.

5 *Statistics South Africa:* https://www.statssa.gov.za/?p=15440

By and large, South Africa's main challenge is to get the economy growing sustainably at levels sufficient to reduce unemployment and poverty. Of immediate priority is to reduce the electricity loadshedding that has plagued the most advanced country in Africa since 2008. As load shedding continue, electricity prices also continue to rise, and this will become difficult to resolve if allowed to continue ad infinitum. Additionally, reforms to improve transport infrastructure, reduce communication costs, especially cost of cellular data, enhance access to finance by SMMEs, and a modification of the communal land ownership, would amongst others, goes a long way towards helping lift economic growth.

World Bank Group Operations and Portfolio in South Africa

South Africa's CPF was approved in July 2022 by the Executive Board and will cover a five-year period from FY22 to FY26. The CPF aims to support the government's goal of addressing a legacy of economic exclusion through reforms that will stimulate investment and job creation and lay a solid foundation towards sustainable growth. The CPF takes into account the COVID-19 pandemic and the possibility of the Government of South Africa (GoSA) to request IBRD lending. The three strategic focus areas are; i) to promote increased competition and improved business environment for sustainable growth; ii) strengthen Medium and Small-Scale Enterprises and skills development to support job creation; and iii) improve infrastructure investment framework and selected infrastructure services.

World Bank Portfolio

Table 8 • South Africa Commitment number of Actual projects (in US$ Million)

Commitment Number of Actual Projects	Number of Actual Projects	FY22
(by Lending Instruments)		
of which IPF	3	502.75
of which DPF	1	750.00
(by Financing Source)		
of which IBRD	2	1230.00
of which Others	2	22.75

Source: WB South Africa Country Office

The projects financed by the WBG were predominantly from the IFC and MIGA in the past few years, with IBRD mostly providing advisory services. Recently, the World Bank approved a Development Policy Operation (DPO) of US$750 million which is the first ever for South Africa. The IBRD consists of 4 projects for the FY22 which have a total commitment amount of US$1,3 billion.

Table 9 • IBRD financing portfolio in South Africa

PROJECT	AMOUNT IN US$ MILLION	FINANCING INSTRUMENT	YEAR APPROVED	CLOSING DATE
SA Covid19 DPO	750	DPO	2022	June 2023
Eskom Renewable Energy	250	IPF	2012	June 2023
Technical Assistance for the Development Carbon Capture and Storage	23	IPF	2018	June 2023
Catalyzing Financing and Capacity for the Biodiversity Economy around Protected Areas Project	8.9	IPF	2022	December 2027
Wildlife Conservation Bond Operation	13.7	IPF	2022	October 2027

Source: IBRD

The largest commitment amount was towards the SA COVID-19 emergency Response Project under the COVID-19 Strategic Preparedness and Response Program (SPRP) using the Multiphase Programmatic Approach (MPA) for US$750 million which is towards financing the procurement of vaccines to complement GOSA's vaccination program in dealing with COVID-19.

This is followed by the Eskom Renewable Energy Project for US$250 million. South Africa has committed to a Just Energy Transition to decarbonize through the adaptation of existing coal powered plants, as well as mitigation against the effects of Climate Change. Another project is the Komati Repurposing Pilot Project which involves the decommissioning and repurposing of the coal-powered Komati Power Station. This project has the potential of being possibly replicated in other coal-powered stations in line with the GOSA just energy strategy and commitments. The International Partner Group (IPG) have pledged US$8.5 billion at COP 26 to help GOSA Just transition plans. This pledge presents an opportunity of aligning the South Africa's development objectives with international climate finance development support. The decommissioning of Komati investment operation is scheduled for Board approval in September 2022.

IFC Portfolio

South Africa is IFC's second largest portfolio in Africa as of 31 August 2022 at US$2.4 billion which is higher than the US$1.7 billion reported as of June 30, 2021. The concentration of the portfolio continues to be concentrated in the financial services at 62 percent compared to 59 percent, followed by manufacturing at 26 percent compared to 31 percent.

IFC Country Report – Summary for South Africa

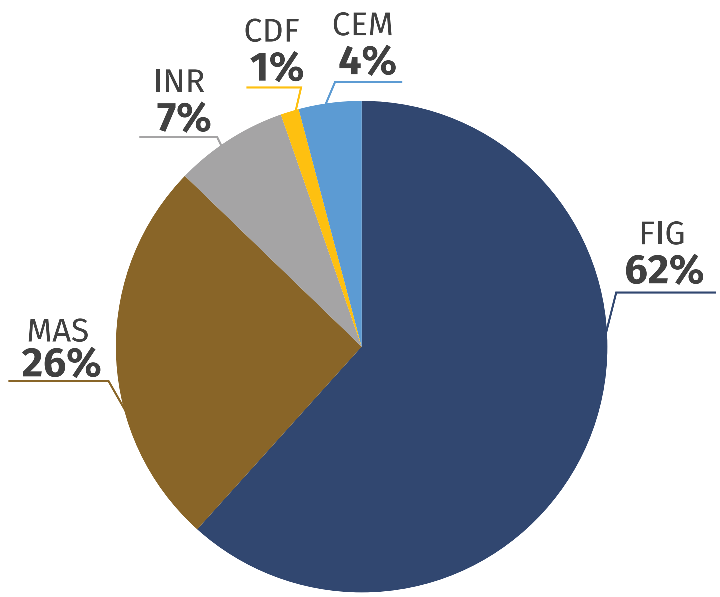
Table 10 demonstrates the growth of the Long-Term Finance over the past five years where a majority has been from IFC's own account.

Table 10 • South Africa Historical Investment Program Commitments by Fiscal Year (as of Aug 31, 2022 in US$ Million)

	FY18	FY19	FY20	FY21	FY22	FY18 - FY22
Long Term Finance (LTF)	**242.8**	**333.3**	**736.2**	**1,827.1**	**433.8**	**3,573.1**
IFC Own Account	242.8	212.8	686.2	693.9	369.5	2,205.3
Core Mobilization		120.4	50.0	1,133.2	64.3	1,367.9
Short Term Finance (STF)	**29.1**	**13.8**	**19.5**	**7.8**		**70.2**

Source: IFC

Figure 14 • South Africa Historical Investment Portfolio by Industry Group (as of Aug 31, 2022)

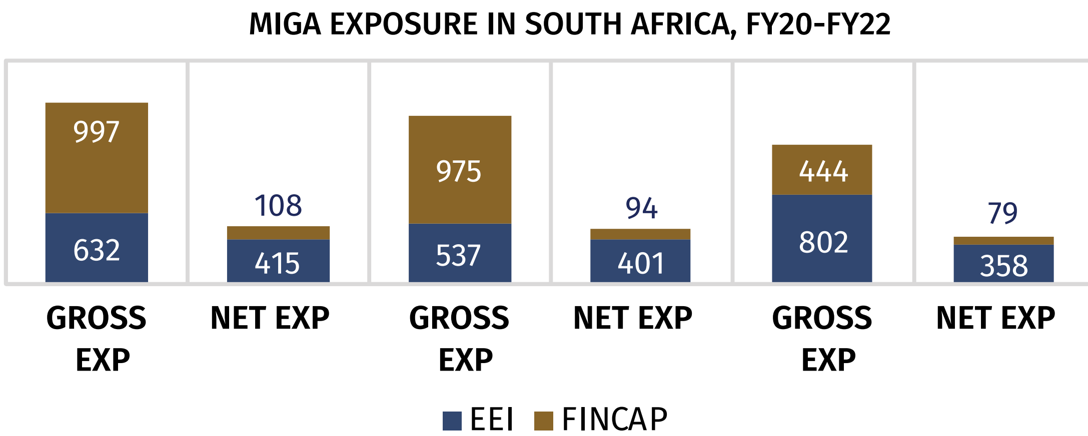


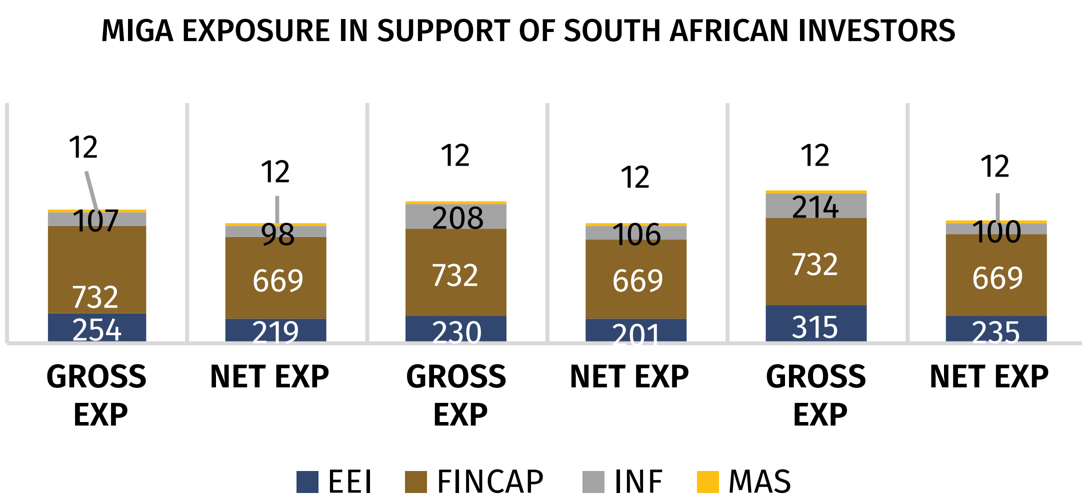
The financial services increased due to the Investment in ABSA Bank Limited for the Absa Housing Project (approximately US$124 million). The Project is in alignment with the CPF FY22-26 which has identified affordable housing as a priority engagement sector and a key driver to achieve sustainable growth. IFC will be providing long-term local currency financing to enable access and affordability of houses to the lower income segment of the economy.

A project that has been approved but not yet committed is the Investment in Imperial Capital Limited "referred to as Imperial" for the Imperial Domestic Trading Management Company (DTMC) Project (up to US$100 million). The Project falls under the IFC's Global Health Platform (GHP) which has the objective of responding to the impact of the COVID-19 pandemic through mobilizing private investment to bridge the healthcare supply gap in emerging markets. The Project will support this objective by providing an integrated solution for healthcare products and services whilst expanding its footprint in sub-Saharan Africa.

MIGA Portfolio

Figure 15 • MIGA Exposure to South Africa (in US$ Million)





Source: MIGA

The MIGA portfolio consist of 20 projects with a total of US$1.25 billion, making it the third largest exposure globally and largest in SSA. The projects are focused on two main sectors namely, energy, for US$480 million, which consists of solar/wind generation and distribution and finance and capital markets for US$444 million. The amount of US$1.25 billion exposure in FY22 represents a decline from US$1.6 billion in FY21 due to the amortization of loans covered under MIGA's non-shareholder loan contracts. MIGA's program continues to focus on supporting foreign investors into the South African Renewable Energy Independent Power Producer (REIPP) Program and supporting lenders such as DBSA through credit enhancements.

CHAPTER FOUR – UPDATE ON COMMITTEES

HUMAN RESOURCES COMMITTEE

Human Resources Committee (HRC) was established by the WBG Boards to strengthen the efficiency and effectiveness of the Boards in discharging their oversight responsibility on the WBG's Human Resources strategy, policies and practices, and their alignment with the business needs of the organization. EDS25 is a member of this committee. In the course of its work, the HRC invite, as appropriate, the views of the Staff Association on relevant issues. Three, major issues engaged attention of the HRC through this year. These are: i) Review of Staff compensation Methodology, ii) Task Force on Workplace Culture, and iii) the Annual Report on the Internal Justice System (IJS).

First, the HRC considered and commenced work on the Review of the 2023 – 2025 Staff Compensation Methodology with the focus on how to a strike balance between salary and benefits and how it fits into the Bank's Business model in the methodology. The committee pledged to incorporate the lessons learnt from this volatile global environment, the changing nature of work in a post pandemic environment as well as the increasing competitiveness and complexities in attracting and retaining talents.

Second, the HRC considered the Report of the Task Force on Workplace Culture which presented a road map with three buckets of recommendations. They are: i) recognizing workplace culture as a value proposition to strengthen engagement with staff; ii) building trust in the WBG's accountability mechanism including the establishment of an independent Ethics and Compliance VPU to be merged with the EBC; and iii) Staff empowerment and motivation to create a better work culture.

Third, the HRC also considered the 2021 Annual Report of the IJS which not only underscored the fact that conflict does not disappear in a virtual work environment and new challenges are likely to arise as we pilot a hybrid working environment going forward, but also the IJS initiatives and fiscal year 2021 data on all the services, including their use by staff, key issues raised, and relevant trends observed.

BUDGET COMMITTEE

The Budget Committee (BC) was established in 1986 with the purpose of assisting Boards in approving budgets of the WBG namely IBRD, IDA, IFC and MIGA and providing management guidance on strategic directions. The committee reviewed and discussed the budget from the World Bank, IFC and MIGA for the FY 22-25 period and concluded on the following:

The World Bank has not only responded to the COVID-19 crisis but also to the Ukraine conflict and other regional and global events that have added to the complexity of delivering the WBG mandate.

The demands from clients in addressing the macroeconomic challenges experienced, not only prior to the crises but during the crises, has called for the World Bank to step up its program to promote green, resilient, and inclusive development (GRID), increase the IBRD capital package and IDA Replenishment. The Bank has made good progress and will work closely with the IFC and MIGA to support countries to respond to current and future crises, restore progress on eliminating poverty, advance the climate agenda, address drivers of conflict and violence, close gender gaps, increase emphasis on job creation and economic transformation and strengthen debt management.

The IFC has embarked on an ambitious FY23-25 program delivery and Capital Package commitments in support of implementing its IFC 3.0 strategy. The IFC plans to strengthen its five strategic focus areas which are i) continuing support for crisis relief and recovery efforts; ii) sustaining a sharp focus on fragility and forced displacements, including in middle income countries; iii) accelerating efforts towards climate response and energy transition; iv) supporting digital transformation across countries and industries; and v) promoting healthcare resilience and vaccine access in the context of diversifying global supply chains. The Board members approved the budget and emphasized the importance of Upstream work, Private Capital Mobilization (PCM), effective global crisis response, and increasing staffing in critical areas.

MIGA committed to provide on average US$5.5 billion - US$6 billion of new guarantees per annum as well as increase guarantees in IDA countries and Fragile and Conflict Affected Situations (FCS) and towards Climate Finance for its FY21 – 23, strategy. However, due to the COVID-19 pandemic and subsequent multiple crises, MIGA has had to pivot its program to align to the World Bank Group's efforts to assist clients through the COVID-19 response. MIGA will continue to support FDI, real sector projects and public private partnerships. The Board supported and approved the budget for FY23 and commended management's efforts to stretch its portfolio and manage the surge in financing while keeping corporate and capital package commitments and savings on track.

COMMITTEE ON DEVELOPMENT EFFECTIVENESS (CODE)

Committee on Development effectiveness (CODE) is one of the five standing committees of the World Bank Group Board established to strengthened efficiency and effectiveness of oversight responsibilities through in-depths examination of policies and practices. They provide recommendations to the Board for consideration and decision.

CODE which was established in 2009 assesses the development effectiveness of the WBG policies and practices by monitoring the quality and results of the Bank operations. It works with the Bank's accountability framework, the Inspection Panel (IP), and the Compliance Advisor Ombudsman (CAO) as well as any other delegated Committees. Their work covers operational policies, development research, knowledge management and institutional effectiveness issues. CODE also considers reports on management's self-evaluation, IEG reports, and other relevant reports.

Some critical subjects considered by CODE over the current fiscal year included Evaluation of the WBG support to countries from FY10 to FY20 on reducing disaster from Natural Hazards which concluded with some recommendations to the Board rating the past performance and proffering advise on strategic adjustment to be made to widen scope of coverage, strengthen resilience, and improve performance. In view of the on-going global challenge on food security, CODE also considered an Evaluation of the WBG support for the Development of Agri-food Economy (FY10 – FY20) – Towards Productive, inclusive and Sustainable Farms and Agribusiness Firms. Recommendations are expected to encourage modernization of Agricultural Practices especially in SSA and improve the investment of Bank in the whole Agricultural chain comprehensively, from integrated approach addressing production, value chain development, market access and finance, and complementarities with other development partners to foster synergies for better outcomes at country level.

COMMITTEE ON GOVERNANCE AND EXECUTIVE DIRECTORS' ADMINISTRATIVE MATTERS (COGAM)

COGAM's primary purpose is to assist the Boards in issues related to the governance of the institutions of the WBG the Boards' own effectiveness and the administrative policy applicable to Executive Directors and their Alternates and Senior Advisors.

COGAM exercises its duties with respect to issues referred to it by the Boards or on the committee's own initiative. In fulfillment of its responsibilities, the committee considers governance-related principles, practices, and procedures to be followed in the organization; considers governance aspects related to representation and shareholding in WBG institutions; evaluates the effectiveness of the Boards and Board Standing Committees; and addresses questions of administrative policy relating to Executive Directors and their Alternates and Senior Advisors.

Over the past years, COGAM has discussed many issues concerning administrative matters. A subject that calls our attention is the Review of IFC/MIGA Environmental and Social Accountability, Including Compliance Advisor Ombusdsman (CAO) Role and Effectiveness, a review that was initiated in 2018 by the Committee of Development Effectiveness (CODE).

Another concern of COGAM is the Transactions in Executive Director's offices. Reports on transactions in Executive Directors' Offices serve as a review mechanism to help improve consistency in the application of administrative expense policy and as a tool to support good fiduciary management by EDs' offices. Each report includes updated figures from the previous quarter. The reports complement the monthly budget reports sent to EDs by the Budget, Performance Review and Strategic Planning (BPS) team. Quarterly reports provide:

- Exceptions to travel rules and guidelines applicable to the Board,
- Variations across EDs' offices in travel, overtime, and other variable categories, and
- Non-typical purchases in EDs' Offices.

AUDIT COMMITTEE

The Audit Committee (AC) assist the WBG Boards in overseeing the WBG's finances, accounting, risk management, internal controls, and institutional integrity, including overseeing; i) the integrity of financial statements for IBRD, IDA, IFC and MIGA and financial reporting related to Trust Funds; (ii) the appointment, qualifications, and independence of the External Auditor; and (iii) the performance of Internal Audit and of the External Auditor. Details are available from the Terms of Reference6.

There have not been any adverse Audit concerns in the last two years. The Committee discussed various issues over the last two years including the Proposed Changes to the Policy on the Use of Intermediate Jurisdictions (IJ) in World Bank Group Private Sector Operations, which was discussed on June 15 this year. The Revised IJ Policy is anchored in the WBG commitments to taxation transparency, integrity, and good governance. It aligns the principles for the use of IJs in Private Sector Operations with leading international standards and practices, including the objectives, practices, and principles of the Global Forum's Exchange of Information on Request (EOIR), the OECD Base Erosion and Profit Shifting Inclusive Framework (BEPS IF) and Financial Action Task Force (FATF) measures for combating money laundering and terrorist financing, which are broadly recognized among WBG member countries.

The AC also discussed the IBRD Sustainable Annual Lending Level for FY23 and Size of the Crisis Buffer. In that discussion, Management recommended that Executive Directors approve the increase in the size of the crisis buffer plus any carryover from underutilization of the FY22 crisis buffer. In addition, the AC has also recently discussed the Allocation of IBRD FY22 Net Income and Waivers of Loan Charges for FY23. The discussion provided Management's recommendations on: (i) the allocation of IBRD's FY22 net income, and (ii) the waivers of loan charges on old loans (i.e., pre-2007 loans) for FY23, as well as the background analysis which informed these recommendations. The WBG Portfolio and Risk Report for FY22 Q3 were also discussed in 2022, amongst other Audit Reports, including the approval of Deloitte & Touché LLP Fiscal Year 2023 External Audit Engagement Letter.

6 *https:*//worldbankgroup.sharepoint.com/sites/wbsites/ExecutiveBoard/Documents/Committee/ACTOR.pdf

CHAPTER FIVE – SPECIAL EVENTS AND CONSTITUENCY BRIEFS

STAFF CHANGES

The Constituency welcomed additional members to the staff compliment. Ms. Ayanda Dlodlo, the Alternate Executive Director, joined on 1 April 2022. Ms. Lindokuhle Matla also joined on 1 April 2022 as the Senior Advisor to the Executive Director. She replaces Mr. Sipho Bhanisi whose services ended on 31 March 2022. Ms. Barbara Molakeng has returned to her duties in South Africa at the National Treasury and is replaced by Ms. Penelope Van Der Merwe who assumed her duties on 1 August 2022.

BUDGET EXECUTION

The monthly Budget execution status as of September was executed by 22.1 percent as compared to 23.1 percent in FY22.Fixed costs which consists of staff cost allocations were executed at 21.3 percent compared to 24.1 percent in FY21, while variable costs most of which was the cost of travels reached 31.7 percent against 1.9 percent in FY 21. The mains driver of this variance remains the massive impact of COVID -19 pandemic which placed server limitations on travels. The monthly trend analysis of office budget has gone smoothly when compared to the previous year as illustrated in the graph below.

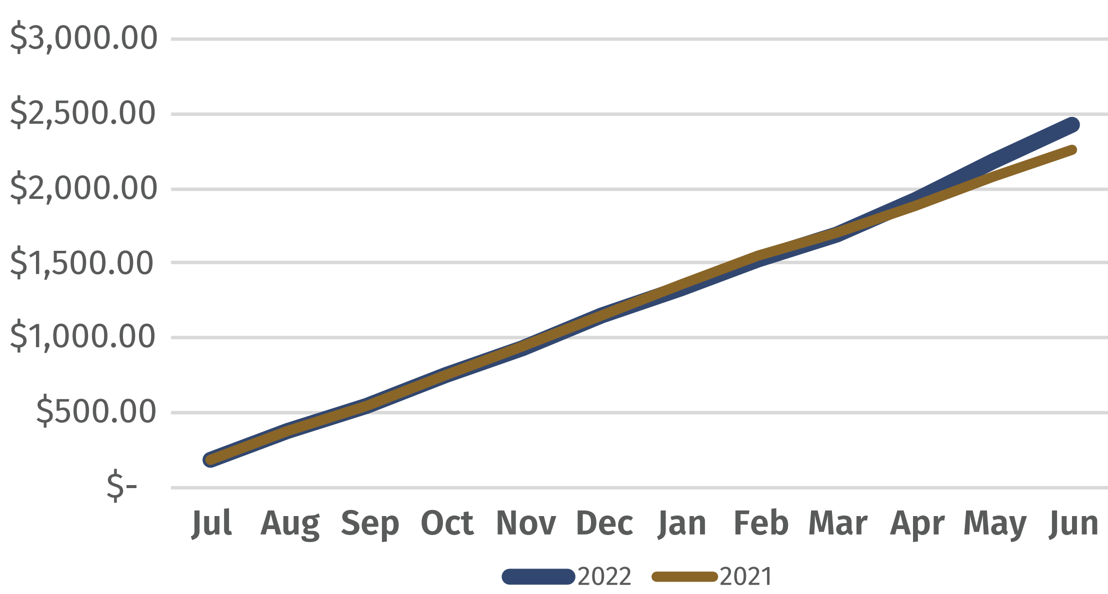
Photo: World Bank Flckr

Table 11 • Monthly Expenses Trend Analysis

EDS25	FY22			FY21			
	Budget	Expenses as of JUN	Expenditure Rate	Expenses as of JUN	FY21	Expenditure Rate	Expenses Full Year
Fixed (Staff) Costs						433.8	3,573.1
Staff Cost Allocation	2,455,956			2,423,723			
Staff Salaries		1,297,974			1,330,137		########
Benefits		908,582			931,096		931,096
Subtotal - Fixed/Staff	2,455,956	2,206,556	89.8%	2,423,723	2,261,233	93.3%	########
Variable Costs							
Communications & IT		10,478			9,215		9,215
Supplies		1,016			49		49
Publications		-			43		43
Overtime		3,823			10,016		10,016
Rep, Hosp, & Fd Srv		10,495			-		-
Travel	126,000	186,985	148.4%	123,000	-		-
Training	0	5,755			1,725		1,725
Misc. Exp. & Edit. Services	0	-			-		-
Other Variables	77,000	-		75,000	-		-
Subtotal - Variable	203,000	218,552	107.7%	198,000	21,050	10.6%	21,050
Grand Total	2,658,956	2,425,108	91.2%	2,621,723	2,282,282	87.1%	########

Source: EDS25 Budget Constituency

Figure 16 • Monthly Expenses Trend Analysis – EDS25 (in million)



Source: EDS25 Constituency Budget

AFRICAN CAUCUS

The Caucus meeting of Ministers of Finance and Governors of Central Banks of African member countries of the World Bank and the International Monetary Fund took place in Marrakech, Morocco from 4 to 6 July 2022, under the patronage of His Majesty King of Morocco Mohamed VI. The opening ceremony of was marked by a Royal Message addressed by His Majesty King, to the participants, which was read out by the Minister of Economy and Finance, Ms. Nadia Fettah Alaoui. The 3-day event reserved the 4th for the arrival of the delegations' registration and the discussions took place on the 5th and 6th.

The opening remarks by Minister Nadia Fettah, highlighted the recognition of the important role that the African Caucus has played with the Bretton Woods institutions, particularly about economic and development challenges those African countries experience, highlighting the impact of the pandemic on the performance of their economies, thus increasing the need for external financing. After the intervention of the Minister, the High Representative for the Financing of the Peace Fund of the African Union, Dr. Donald Kaberuka, spoke on the management of economic crises on the continent and the need for and the need for the continent to keep an eye on the long-term aiming at restoring the economy.

Photo: ED Armando being received at the Marrakech Airport by Angola Ambassador Mr. Baltazar Diogo

Mr. Abebe Selassie, Director of the African Department, IMF presented the first session on the theme: Financing African Development: Challenges in the Current Conjuncture, where delegates debated the issue of Repositioning Public Debt as Catalyst for Economic Recovery and Sustainable Growth. Part of the panel were Mr. Samuel Maimbo, Director, Development Finance Corporate IDA and IBRD as moderator; the Honorable Mrs. Nicole Mbou, Minister of Economy and Recovery, Gabon; Ms. Victoria Kwakwa, Vice President for Eastern and Southern Africa, World Bank; and Prof. Kevin Urama, Acting Chief Economist and Vice President for Economic Governance & Knowledge Management, African Development Bank.

The second Session – Rethinking the Global Financial Architecture, was presented by Ms. Vera Songwe, Executive Secretary of UNECA. The panel discussed Regional Economic Integration and was moderated by Ms. Boutheina Guermani, Director of Africa Regional Integration, World Bank and had as panelists Prof. Daniel Ona Ondo, President of the Communoute Economique des Etats de l'Afrique Centrale (CEMAC); Mr. Cheik-Oumar Syllo, Regional Director for North Africa, IFC; and Mr. Abdessamad Saidi, Director Research Department Bank Al-Maghrib, Morocco.

On the second day, the third session focused on Climate Crisis with a panel moderated by Ms. Jennifer Sara, Global Director for Climate Change, World Bank Group; H.E Mr. Harvesh Seegolam, Governor Bank of Mauritius; Ms. Emilia Jurzyk, Deputy Unit Chief – Climate Expert IMF; and Mr. Bouzekri Razi, Director of Climate Change, Biodiversity and Green Economy, Ministry of Energy, Transition and Sustainable Development. This session addressed the issue of the impact of climate on food security, in which Mr. Simeon Ehui, Regional Director for Sustainable Development, Africa West, World Bank made a presentation.

The last session, restricted to governors, their delegations and EDs reviewed the Draft of the Memorandum and finalized and adopt the Marrakech Declaration. Governors, highlighted the following:

- They called on the World Bank Group (WBG) and the International Monetary Fund (IMF) for rapid, comprehensive, and significant debt relief to help Africa to recover from the negative repercussions caused by the pandemic crisis linked to Covid-19 and by the Ukrainian crisis, and to minimize their risks to growth prospects.

- They stressed the need to ensure the rapid implementation of the commitment made at the G7 Summit (June 2022) and improve multilateral debt restructuring frameworks as well as address the challenges of debt-related vulnerabilities.

- They called on the Bretton Woods institutions (BWIs) to accelerate work on a global debt architecture and to support the region's call to the G20 for an extension of the Debt Service Suspension Initiative (DSSI).

- They called on the WBG to increase its financing of public investments in the energy sector in Africa, while requesting the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) to mobilize more private capital and commercial finance, emphasizing the need to deploy the most commercially attractive financial instruments and risk reduction mechanisms for private investors and to support transformations into energy projects.

- Furthermore, the Governors called on the BWIs to take advantage of the African Continental Free Trade Area (AfCFTA) and other regional trading blocks to help African countries harmonize their policies, laws and regulations for the development of a Secure Digital Single Market in Africa. In addition, participants urge the BWIs to support vibrant small and medium enterprises and start-up ecosystems in Africa so they can thrive in a growing digital economy and to support the expansion of digital literacy and growth. acquisition of digital skills.

The 2023 Caucus meeting will be held in Cabo Verde on a date to be decided.

IDA MEETINGS IN SENEGAL

IDA Meeting in Dakar, Senegal: The Dakar Call of Action: A Forward Agenda for Recovering from Crises and Achieving Economic Transformation

Photo: ED Armando and colleagues in Dakar

After advocating for an ambitious 20th replenishment of the World Bank's International Development Association (IDA20) at the Heads of State Summit in Abidjan in July 2021, African leaders convened again in Dakar, Senegal, on July 7, 2022, to call for a strong start to the implementation of IDA20 focused on a robust and resilient recovery for Africa. Hosted by Senegalese President Macky Sall, the Summit welcomed several Heads of State and Government from across the continent.

African countries have been hit hard by the multiple global crises of climate and COVID-19, growing levels of food insecurity, and more recently by the impact of the war in Ukraine. The IDA20 program will support a resilient recovery from these crises, and help the continent continue its economic transformation. The summit also endorsed the work and relevance of IDA as a partner of choice in the region. IDA is one of the largest sources of funding for fighting extreme poverty in the world's lowest income countries. Africa is IDA's biggest beneficiary with 39 beneficiary countries and has made significant headway in improving development indicators during six decades of partnership with the World Bank. The Summit deliberations focused on five priority areas for the region:

- Economic transformation.
- Agriculture, livestock, and food security.

- Human capital.
- Digital and technological innovations; and
- Energy transition.

ICSID

Angola joins ICSID

Photo: His Excellency, Dr. Joaquim do Espirito Santo signs the ICSID Convention

Angola became the latest country to join the International Center for Settlements of Disputes (ICSD) in its bid to boost private sector participation and place its economy on the pedestal. At the ceremony, the Angolan Ambassador to United States of America, His Excellency, Dr. Joaquim do Espirito Santo who signed the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention) on July 14, 2022, on behalf of the Government and People of Angola, commended the World Bank Group for the strong support to developing countries, especially Angola. He pledged the preparedness of Angola to create the conducive environment for the private sector to thrive in Angola and elsewhere. In her remarks, the Secretary General of ICSID, Meg Kinnear said, "Today's signature of the Convention demonstrates the importance Angola places on foreign investment for its economic and social development and the concrete steps the country is taking to attract, retain and expand investment." ED Armando who was visibly happy with the development, remarked that with Angola becoming the 50th African State to sign the ICSID Convention, Africa has indeed played an important role in the development of ICSID and promised the readiness of his Angolan authorities to ratify the Convention soon.

NIGERIA

Nigeria's Vice President Visits President David Malpass

Photo: ED Armando receiving the Vice President to the WBG HQ.

The Vice President, Professor Yemi Osinbajo led a high-powered delegation to meet with World Bank Group President, David Malpass in July 2022, met with as part of efforts to seek the multilateral institution's support to end petrol subsidy which has become a drain to Nigeria. The delegation which included the Ministers of Finance, Works, Environment as well as representatives of the Ministry of Power and Industries was received by the Executive Director Mr. Armando Manuel.

Before proceeding to the Old Board Room, the AED, Ms. Ayanda Dlodlo had earlier received the Nigerian Minister of Finance along with other members of the Nigerian delegation. The Nigerian delegation was in the United States of America to solicit global support for Nigeria's Energy Transition Plan (ETP) which was launched in Abuja recently. Earlier, the Vice President who led the Nigerian delegation had explained that Nigeria needed US$410 billion to finance the ETP and achieve a universal energy access as by 2030 and net zero emission by 2060. He emphasized the need for the maintenance of a reliable base load energy for growth of the industrial sector. In his response President David Malpass affirmed the World Bank Group's readiness to support Nigeria in phasing out regressive fuel subsidies, while increasing social assistance for the poor and vulnerable. He reiterated the importance of exchange rate unification and stabilization as well as integrating climate and development and urged the Nigerian authorities to do something urgently in this regard.

SOUTH AFRICA

Fordham university Exchange Program

Photo: A cohort of Fordham University at the World Bank in Washington DC.

On 1 July 2022 EDS25 hosted the 2022 cohort of South African exchange students at Fordham University who were visiting the WBG and IMF. Fordham University, through its Political Economy and Development (IPED) program, has been hosting a five-week exchange program with South African Universities. Fordham University students spend five weeks at the University of Pretoria in exchange with South African students spending the same amount of time at Fordham University. The program provides an opportunity for the students to immerse themselves in the American culture and business. The students engaged with the AED Ms. Ayanda Dlodlo and staff that shared their experience working at the World Bank.

Voice Secondment Program

All three constituent countries presented candidates for consideration by the VSP Steering Committee. Given the increasingly competitive nature of the process, we encourage countries to present strong and experienced candidates as we anxiously await the outcome of this year's nomination and screening process.

ANNEXURES

ANNEX 1 DAKAR DECLARATION.

Following the Summit of Heads of States and Governments in Africa to mobilize countries in the African Continent to support an ambitious agenda for development across the continent, We, Heads of State and Government represented by twelve countries met on 7 July 2022 to discuss our common development challenges and chart a common path forward for crisis management, development, and economic transformation on the continent. We thank H.E. Mr. Macky Sall, President of the Republic of Senegal and Chair of the African Union, for the initiative of this important meeting. We also thank H.E. Alassane Ouattara, President of the Republic of Cote d'Ivoire, for leading our shared advocacy for a successful IDA20 replenishment, as set out in the Abidjan Declaration on 15 July 2021.

We recognize that poverty in Africa is increasing for the first time in a generation, triggered by COVID-19 and compounded by climate change, food insecurity and conflict. Recovery is in peril, and most countries across the continent have experienced significant reversals of hard-won development gains and human capital accumulation. We also acknowledge with concern the widening inequality in our countries, which impacts disproportionately on the most vulnerable, including women, school-age children, and forcibly displaced populations.

Thus, as we welcome the record IDA20 replenishment of US$23.5 billion in donors' contributions leading to a total IDA20 financing package of US$93 billion, we are cognizant that it comes at a critical time for the continent. It is critical that African countries make full use of the opportunities provided by IDA20 as they respond to the combined impacts of the pandemic, climate change, insecurity, and the war in Ukraine, and continue on a greener, more resilient, more inclusive development path.

This Call for Action sets out our renewed commitment to build back better from the crisis and defines a leap forward in efforts to transform our economies for a green, resilient, and inclusive future in partnership with IDA. In particular:

We commit to accelerate economic transformation to help mitigate against future shocks. This will require strong political leadership and deliberate actions – including on foundational priorities such as good governance, security and peace, and crisis preparedness –to ensure that we capitalize on the COVID recovery to change our development paths. Recognizing that this is a regional agenda, our national development priorities need to be combined with a strong focus on trade and on removing bottlenecks to cross-border investments in economic infrastructure and capacity transfers.

Africa faces a major food and nutrition crisis for the third consecutive year, and we urgently need to strengthen our response mechanisms to address Food Security. We will invest in efforts to overcome structural challenges—such as fragility, climate change, and environmental degradation—and to improve agricultural productivity through innovations in food value chain and livelihood solutions, and on-farm and productive landscapes solutions, so that Africa can produce, sell and export affordable, climate resilient food and be less dependent on food imports. We reaffirm the critical and urgent need to take immediate and sweeping actions to combat climate change in the region. Recognizing that Africa's greatest asset to tackle the climate challenge is its unparalleled natural capital, which sustains the livelihoods of over 70percent of Africans, we will also scale up our efforts to revitalize ecosystems to promoting landscape restoration and sustainable forest management.

Economic growth, job creation, and climate responses all depend on accelerating our energy transition. We reconfirm our commitment to actions to achieve universal access to affordable, reliable, sustainable, and modern energy for all by 2030.This will require reaching an additional 85 million annually over the next eight years, and demand unprecedented mobilization of public and private investment. We will also promote efforts to invest in a low-carbon energy sector and to strengthen our regional markets for energy trade, while overcoming uncompetitive procurement and sector governance issues and addressing the structural drivers of high energy costs and tariffs.

Protecting, improving, and increasing investment in our people is fundamental to achieving human and economic transformation. We commit to close the human capital development gap which stands significantly low compared to other regions. This will involve strong investments to expand safety nets and food emergency support, increased spending on education and to build pandemic ready health systems, and to improve and strengthen the quality, timeliness, and relevance of national data collection systems to measure and track human capital damages and progress.

We will significantly scale up our efforts to accelerate digitalization and strive for universal access to broadband connectivity by 2030. We will do this by increasing investments in broadband connectivity/ infrastructure, digital stacks and data infrastructure and sector use cases as well as policy and regulatory reforms that strengthen competition to increase access, quality and affordability. We want to use resources from IDA to achieve this ambitious target, which will raise growth per capita by 1.5 percentage points per year and reduce the poverty headcount by 0.7 percentage points per year.

This Call for Action will require strong political leadership and resolve, along with significant public and private resources. We recognize the need to increase and better target our national budget allocations in key development areas, improve financial management and domestic revenue mobilization, and to create a conducive enabling environment to attract the necessary private sector financing. We commit to speed up delivery of the large undisbursed IDA balances to make rapid progress on our ambitious agenda, and to design large transformative programs that can advance reforms with support from additional investments under IDA20.

ANNEX 2 DRAFT MEMORANDUM OF THE AFRICAN CAUCUS TO THE HEADS OF THE BRETTON WOODS INSTITUTIONS.

THE 2022 AFRICAN CAUCUS MEMORANDUM OF THE AFRICAN GOVERNORS TO MR. DAVID MALPASS PRESIDENT OF THE WORLD BANK GROUP AND MS. KRISTALINA GEORGIEVA MANAGING DIRECTOR OF THE INTERNATIONAL MONETARY FUND "TOWARDS A RESILIENT AFRICA"

Preamble

Lessons learned from crises, including from the COVID-19 pandemic and ongoing conflict in Ukraine have reinforced the imperativeness of building resilience to shocks in Africa. The post-pandemic policy strategy should emphasize scaling up affordable and concessional financing to mitigate development challenges in Africa, including youth unemployment, digital divide, inequality, limited access to energy, lack of economic diversification, food insecurity, and climate risks, while focusing policy response on the constraints posed by rising debt vulnerabilities, declining market access, tightening financial conditions, low domestic revenue mobilization, and prospects of a global recession.

In this context, during our meeting chaired by Honorable Mrs. Nadia FETTAH, Minister of Economy and Finance of Morocco, held from July 4th to July 6th, 2022in Marrakech, under the theme – "Towards a Resilient Africa", we the African Governors underscored three key pathways to financing and building the continent's resilience, namely: repositioning debt as a catalyst for economic recovery and sustainable growth; advancing regional economic integration; and promoting climate adaptation. While the current high debt level is inimical to accessing capital, regional integration could be leveraged to increase access to energy, infrastructure and digital services as well as create jobs for the teaming youth and address the rising climate crises which will bolster food security and enhance the productive use of resources.

To address these challenges, it is critical for the Bretton Woods Institutions (BWIs) - the International Monetary Fund (IMF) and the World Bank Group (WBG) to reflect on a new global financial architecture that is attentive of the challenges faced by our countries, including declining market access and tightening financial conditions, notably by making available adequate concessional resources and long-term financing.

We recognize the vital role of the BWIs in supporting our governments in the quest to build resilience to future shocks and, therefore, call attention to the following critical issues:

1. Scaling Up Financing for Africa and Repositioning Public Debt as a Catalyst for Sustainable Growth

We commend the on-going efforts of the BWIs to provide policy advice and capacity development, in addition to their support to the G-20's Debt Service Suspension Initiative (DSSI) over the past two years and the extended debt relief measures under the IMF's Catastrophe Containment and Relief Trust (CCRT). However, the rapidly deteriorating external environment—precipitated by the overlapping crises of the pandemic and the current conflict in Ukraine—is exacerbating the difficult tradeoffs African countries face between supporting economic recovery and maintaining debt sustainability, while tax collection is constrained by still-fragile economic activity.

As the crises are amplifying African countries' fiscal and financing gaps, in addition to our revenue-mobilization efforts, we:

- Call on the BWIs to facilitate inclusive debt relief and restructuring commensurate with the resources needed to recover from the compounding crises (including countries still in arrears – Eritrea; Zimbabwe). The relief and restructuring needs to be, as the WBG Global Economic Prospects (June 2022) underscores, "rapid, comprehensive, and sizable to minimize risks to growth prospects and can be bolstered by support from international financial institutions that forestalls debt service pressures".

- Call upon the BWIs to ensure the swift implementation of the commitment to implement the G20 Common Framework and Paris Club Joint Framework for Debt Treatment, beyond the Debt Service Suspension Initiative and to ensure its follow-up;

- Request the BWIs to promptly facilitate reforms that will build confidence in the G20 Common Framework to ensure its implementation is timely, orderly and coordinated. These reforms should support, the extension of eligibility to highly indebted middle-income countries in Africa; the suspension of debt service for the duration of negotiations which have proven to be lengthy; and improved processes and decision-making that guarantee participation of other official and private creditors on comparable terms, improve transparency of loan terms and contracts as well as timely formation of creditor committee; and

- Urge the BWIs, to assist the international community in establishing an "enhanced version of DSSI" that will provide a roadmap for new debt relief or restructuring for African countries grappling with increasing debt vulnerabilities.

- Urge the IMF to strengthen global financial safety nets through precautionary lines that enable African economies to cope with exogenous shocks.

- Call upon the IMF to accelerate the implementation of SDR reallocation mechanisms tailored to the specific needs of African economies. Also call on the IMF to rapidly re-allocate SDRs, considering in particular the financing needs of climate projects to meet liquidity needs on the basis of more appropriate allocation criteria.

The existing global development finance landscape, characterized by a diversified creditor base and a suite of sophisticated financing instruments, has hardly been responsive to Africa's financing needs, especially in times of crises. Thus, we task the BWIs, as members of the UN's Inter-Agency Task Force for Financing for Development, to rise to the challenge of reforming the international financial architecture with a view to making it inclusive, effective, and fair. We specifically call upon the BWIs to:

- Help address the financing constraints faced by our countries through global safe assets and longer-term and tailored financing instruments. In this regard, we welcome the establishment of the Resilience and Sustainability Trust (RST) by the IMF to help address long-term financing needs arising from the impact of climate change and from the necessity to build resilience against pandemics while bolstering prospective BoP stability. We call on the IMF, with support from its members, to ensure its full operationalization by the 2022 Annual meetings. We request the IMF to expand the coverage of this instrument by including support to digitalization agendas, and consider alternative fundings for this trust and for the Poverty Reduction and Growth Trust (PRGT), including possible IMF gold sales given exceptional circumstances and continuing to call on its membership for voluntary contributions;

- Flexibly apply their debt policies to countries that are financially constrained, as aggressive limits on non-concessional borrowing may deny them much-needed resources from the international markets to sustain recovery;
- Increase support for debt and public investment management capacity building, including by reinforcing national debt offices and their ability to assess fiscal risks, commitments, and contingent liabilities;
- Increase support for domestic capital markets development as most governments increasingly tap into their markets for mobilization of additional resources; and help our governments to continue accessing their domestic capital markets in a way that does not crowd out private sector access to domestic finance for investment;
- Increase technical support for Africa to help reduce the administrative and institutional capacity gaps that constrain the ability to trace and levy fairer taxes and curb illicit financial flows. The available statistics indicate that the continent loses about US$88.6 billion annually, equivalent to the combined total of annual FDI and ODA flows;
- Explore the possibility of converting debt into catalytic investment programs, allowing countries to access additional financing mechanisms without increasing their debt level; and
- Support Africa in accelerating crisis-induced structural reforms to address a formidable set of growing headwinds that are likely to dampen the region's potential growth. Hence, BWIs' efforts to comprehensively address sovereign debt overhang must also support Africa to spur sustainable and inclusive growth. The continent's potential growth over 2022-30 is expected to be below that of the 2010s, and per capital incomes are not expected to return to pre-pandemic levels even in 2023.

2. Regional Integration

To advance regional integration and job-creation towards a resilient Africa, infrastructure, energy, digitalization, and youth entrepreneurship initiatives should be prioritized; with emphasis placed on energy access and energy security, digital infrastructure, youth employment and MSMEs financing.

Considering the criticality of energy access, as underscored by the SDG7, the continent must boost power generation capacity to cover over 900 million people, including renewable sources while remaining conscious that renewables alone cannot meet the energy needs of the productive sectors, particularly manufacturing. The Paris May 18, 2021, Summit on the Financing of African Economies indicates that achieving universal access to electricity in Africa will require investments of around US$200 billion between now and 2030, about US$20 billion per year. Against this backdrop, we:

- Ask the WBG to increase its investments and diversify its upstream pipeline of bankable energy projects to include projects that expand energy baseload on the grid and build the resilience transmission and distribution networks;
- Urge the WBG to consider investments in innovative technologies that enhance the performance of Africa's utility companies and facilitate carbon capture and storage. In this context, we request IFC and MIGA to mobilize more private capital and commercial finance, particularly for the manufacturing of renewables within the continent and to link African countries to the emerging global value chains on battery storage. In this regard, we call for deployment of financial instruments and products - including guarantees, political risk insurance, and risk-sharing mechanisms, for energy projects; and
- Recommend implementing a regional approach to financing midstream and downstream hydro and gas-to-power projects across the Continent, building on Africa's interconnected power systems through its four established regional power pools (SAPP, EAPP, WAPP, and CAPP). A regional approach would help achieve universal energy access as countries with surplus electricity can export to their neighbors.

Another key area to leverage and advance regional integration is Digitalization. Despite setbacks from COVID-19, digital opportunities across Africa are deep and broad. The Google-IFC "e-Conomy Africa 2020" Report shows that Africa's Internet economy has the potential to reach 5.2 percent of the Continent's GDP by 2025, contributing nearly $180 billion to its economy. It also notes that investment interest in Africa's digital startups boomed in 2019, with $2.02 billion raised in equity funding. A further $350 million was raised in the first quarter of 2020. A growing number of Internet-based companies are introducing avenues for significant economic growth that will help create jobs. However, digital transformation in Africa requires investments in digital infrastructure, skills, platforms, and financial services. The World Bank estimates the cost of such investments at about US$80-100 billion over the next 10 years. Therefore, we:

- Ask the WBG to (i) scale up its financing of public investments in Africa's digital sector through its Digital Economy for Africa Flagship Initiative, while paying due attention to cybersecurity and privacy concerns; (ii) use a range of appropriate risk mitigation instruments, to encourage foreign direct and private investment in the sector; (iii) fast-track the buildup of digital network infrastructures, platforms, and ecosystems that can radically expand access to finance, improve service delivery, and create new economic opportunities, to drive growth; and
- Urge the BWIs to increase support for Africa's Internet economy and its safe development, coupling this with private consumption, strong developer talent, and public and private investments in digital infrastructure and platforms to drive resilient growth in Africa. Robust payment systems and regulation of digital money will be critical to avoid major monetary and financial crises driven by local/regional and foreign digital money and platforms in the future. We request the IMF to strengthen its advice and technical support to our central banks in fintech and related AML/CFT issues with a view to preserve financial stability.

Similarly, regional integration can promote job creation for youth in Africa. With 12 million new entrants to the workforce every year, youth unemployment is one of the most daunting challenges African governments are grappling with. Lack of jobs may lead to more "Brain drain", international migration or greater engagement in extremism. In this regard, we:

- Urge the WBG to support the development of Africa's youth entrepreneurship, including improving access to finance for MSMEs through innovative financial structures, as well as risk mitigation instruments, that incentivize more lending to youth start-ups;
- Request the WBG to support the creation of skills sets that could be deployed throughout the Continent to serve the market's demands. The WBG should support the development of digital platforms that allow young Africans to incubate and commercialize their ideas and products, and where young African entrepreneurs can easily identify all trading and investment opportunities within the continent. This will advance regional integration by widening opportunities for technological development, economic diversification, networking, collaboration among peers, and thus a plethora of investment possibilities and quality job prospects, that will positively transform the continent; and
- Call for the WBG to support the development of African's private equity and venture capital funds, private equity associations and microfinance institutions to incubate a pipeline of readily investable companies and accelerate the growth of MSMEs.

3. Climate Crisis

Climate change is emerging as one of the greatest threats to human life, impacting food and water security through increased flooding, extreme heat, more diseases, and contributing to substantial economic losses. Consequently, the changing weather patterns has exacerbated Africa's vulnerability to large and frequent climate events, posing additional risks to food production, infrastructure, and reversing past development gains. Broadly, given its effects on macroeconomic and financial stability, climate change, without doubt, is macro-critical and underscores that global redistribution induced by weather-related shocks has significant repercussions for trade and exchange rates. Further, climate-related damages and adaptation and transition investments put pressure on fiscal and debt sustainability. Considering the impacts of climate change on our economies, we welcome the renewed focus of several international financial institutions (IFIs), including the BWIs, to mainstream climate agenda into their work programs and help the authorities address shocks emanating from climate change and their resultant macro impacts. Against this backdrop and for building adaption and resilience, we, the African Governors

- Call upon the BWIs to support our countries manage climate transition risks. This support must include well-tailored TA and financial sector stress testing for physical and transition risks in Financial Sector Assessment Programs (FSAPs) and integration of transition risks into prudential supervision;
- Urge the BWIs to foster deeper collaboration across their respective areas of comparative advantage, including on Green Budgeting and greening the financial sector. Specifically, collaboration on stress testing/regulation and data disclosures with other standard setters such as Basel committee on

Banking (BCBS), Financial Stability Board (FSB), and International Financial Reporting Standards (IFRS) will add value to the kind of policy advice they provide. Relatedly, strengthening climate information architecture between the BWIs and standard setters is key to serving our diverse member countries. Particularly, data on climate financing will require a better structure and indicator dashboard;

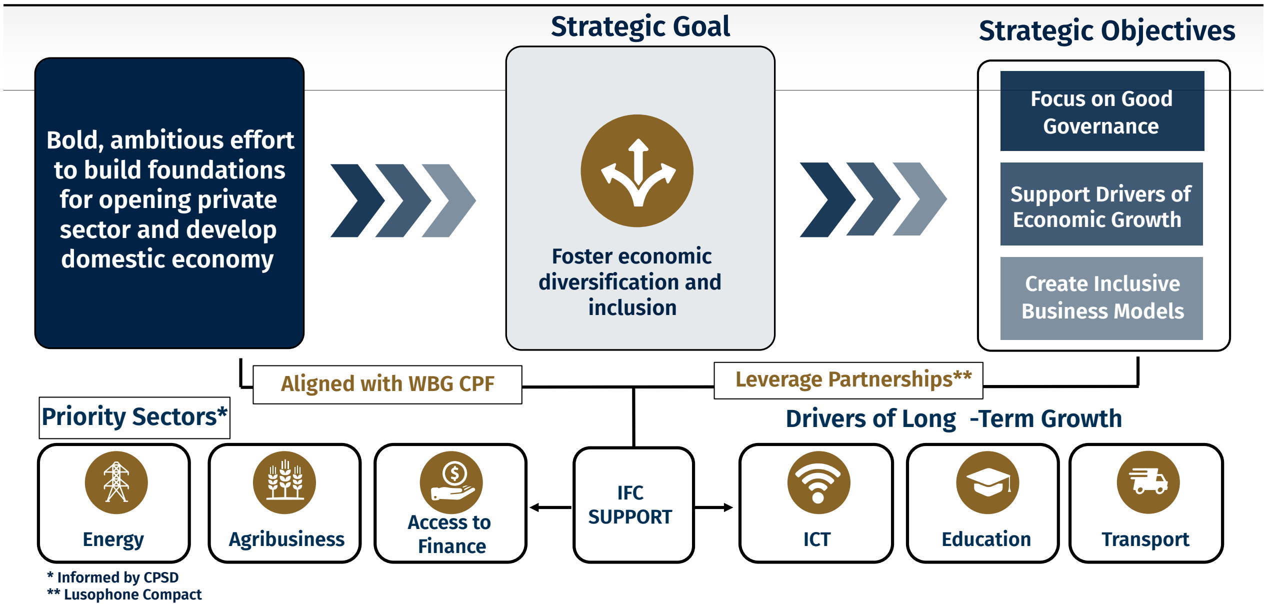
- Request the WBG to facilitate access to green and affordable climate financing. In this context, we urge the WBG to prioritize support to Africa as it implements its 2nd Climate Change Action Plan (CCAP, 2021-2025), which aims to increase climate finance to reduce emissions, strengthen adaptation, by investing in infrastructure and supporting green, resilient, and inclusive development;
- Urge the IMF to ensure that the implementation of the climate strategy links effectively with the Resilience and Sustainability Trust (RST) and supports Africa's transition to greener economies. We urge the IMF to ensure that the RST benefit as many countries as possible, regardless of their income status. Timely and smooth operationalization of the RST by the end of 2022 is essential;
- Request the BWIs to reinvigorate their advocacy and support for multilateral cooperation on implementing the COP26 &27. Particularly, the WBG is requested to scale up its pipeline of adaptation projects so that Africa – the least world's polluter – does not end up disproportionately paying for climate change. In that vein, at COP26 in Glasgow, Global South countries demanded compensation for their losses. Therefore, we urge the WBG to initiate a cost analysis of "loss and damage" for its African member countries affected by climate change to inform further the dialogue on "compensation" at the COP27 in Sharm El Sheikh, Egypt, in November 2022;
- Encourage the BWIs to continue to provide timely analyses of the dual shocks on food security, which arises both from the climate change and disruptive war in Ukraine and offer practical multilateral solutions to the looming food crisis. We are concerned that prolonged high food prices may have lasting adverse effects on vulnerable households and our economies;
- Urge the BWIs to incorporate the Small Island Developing States (SIDS) and Low-Income Countries (LICs) in their climate support initiatives, since they are most vulnerable to climate change and external shocks and the most impacted by the crisis. We also welcome the proposal by the IMF to channel part of the new SDR allocation for eligible small states, specifically earmarking some $100 billion to scale up the Poverty Reduction and Growth Trust (PRGT), establish the RST and create a window for lending to Multilateral Development Banks (MDBs). We encourage the WBG and the IMF to engage in a more robust discussions to further adjust provisions for these countries, considering their specificities and needs; and
- Encourage the BWIs to support boosting resource mobilization for protection of forestry endowments across Africa as they contribute to addressing adverse climate impacts.

Photo: Family photo, African IMF, and WB Governors and EDs

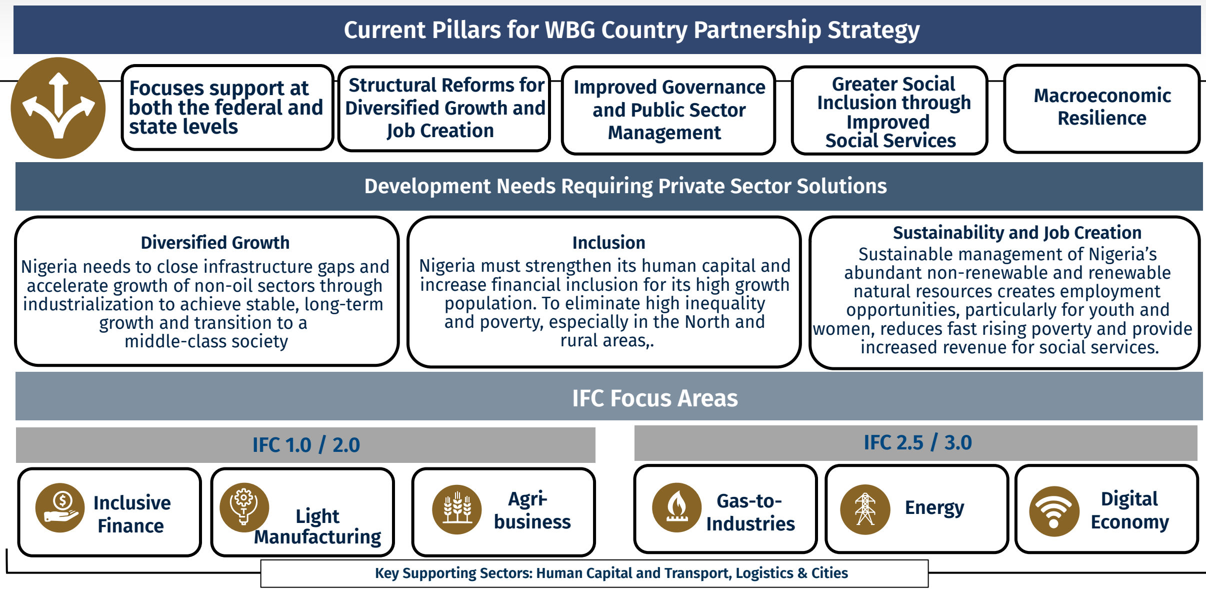
ANNEX 3 EDS25 MEETING WITH IFC – SEPTEMBER 7, 2022

Meeting with EDS25, IFC Engagements Discussion, September 7, 2022

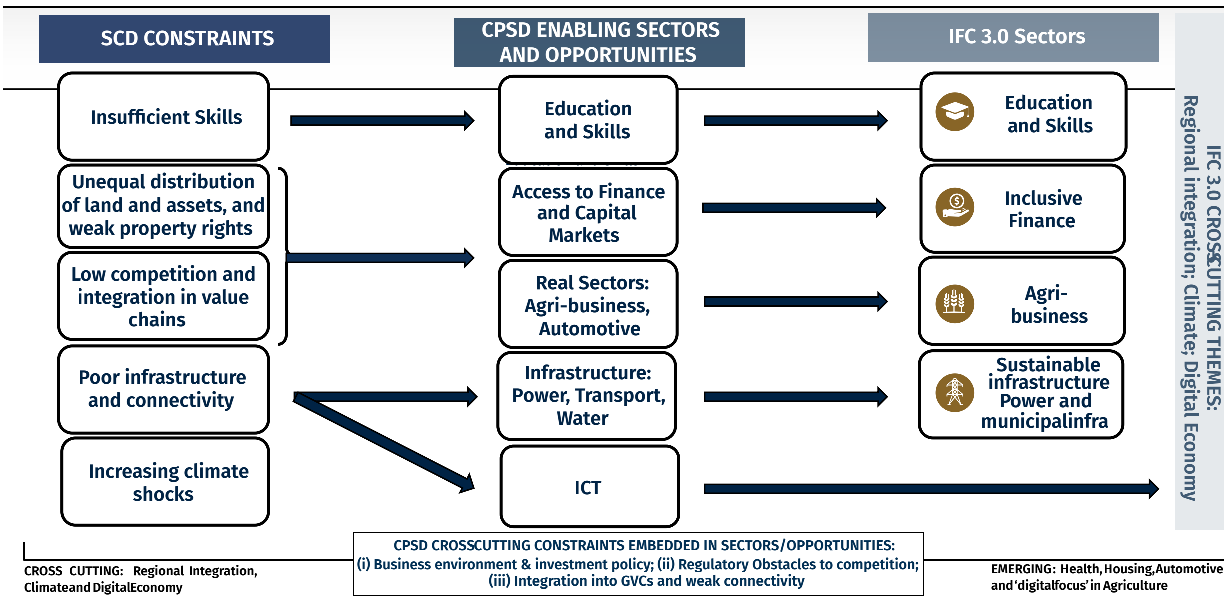
IFC'S STRATEGIC APPROACH IN EDS25 COUNTRIES | ANGOLA



IFC'S STRATEGIC APPROACH IN EDS25 COUNTRIES | NIGERIA



IFC'S STRATEGIC APPROACH IN EDS25 COUNTRIES | SOUTH AFRICA



IFC'S ENERGY ACCESS APPROACH IN EDS25 COUNTRIES | COLLABORATING WITH WB

Country	Engagements*
Angola	**The WB and IFC are working closely to identify opportunities for private sector participation in power generation to help identify the regulatory, financial management and procurement improvements needed to build investment climate for private sector participation, this includes:** 1) Electricity Sector Improvement and Access Project which as part o fits objectives supports investments onTA to improve the performance of the transmission utility and system operator (RNT), as well as TA and equipment supply to strengthen the capacity of the generation utility (PRODEL) to operate large hydropow - erplants. 2) Expanding Access to Electricity, where should the government adopt a National Electrification Strategy based on the National Electrification Analysis (NEA) that the WB completed, will allow for substantial private sector participation in expanding access to electricity through renewable energy.
Nigeria	**Given Nigeria's recent advocacy regarding an inclusive, equitable and just energytransition, IFC is working closely with the WB on its two large integrated program - matic engagements to support the government's comprehensive reform efforts. These are:** 1) The Power Sector Reform Operation (PSRO) which is a $750 million opera on that will help establish policy, regulatory, contractual, and financing condi tions for grid power sector companies to improve performance . 2 The Distribution Sector Recovery Program (DISREP) which is a complementary $500 million operation that will support improvement of distribution companies' operational performances, service delivery and governance. energy.
South Africa	**With the South African government having embarked on an ambitious transition from coal, IFC is involved in several WBG activities in energy, which include:** 1) The Accelerating Coal Transition ("ACT") program, where the WB, AfDB and IFC are progressing forward with a $250-500 million package of financing as part of the ACT program of the Climate Investment Funds (CIF). This program is to be presented to the CIF by October 2022. 2) The COP26 $8.5 billon Decarbonization Pledge, where the governments of South Africa, with France, Germany, the United Kingdom, the United States of America, and the European Union – together forming the Interna tional Partners Group (IPG) – announced a new ambi tious, long-term Just Energy Transi tion Partnership (JETP) to support South Africa's decarbonization effort. IFC is working with the WB on the IPG initiative.

*Engagements not limited to those highlighted

IFC'S SUPPORT TO THE AfCFTA | OPERATIONALIZING IFC'S REGIONAL INTEGRATION FRAMEWORK

Infrastructure and Natural Resources	Telecoms, Media, Technology	Financial Institutions	Manufacturing Agribusiness and Services
WBG themes REGIONAL CONNECTIVITY RESILIENCE	**Crosscutting theme**	**WBG themes: TRADE AND MARKET INTEGRATION RESILIENCE**	**WBG themes TRADE AND MARKET INTEGRATION RESILIENCE**
Sub-Regional and Cross-Country Infrastructure	Regionally focused investment funds	Regional Financial institutions	Supply chain integration across countries/sub-regions
			Regional champions
Regulatory Harmonization for PPP and Private Sector Participation.		Financial Infrastructure	Capacity building and product upgrading
			Climate smart agriculture
Regional ICT and broadband operators, data centers	Regional disruptive technology solutions	Capital Market development	**WBG theme HUMAN CAPITAL**
		Trade Finance focused on intra-African trade	Supporting skills development
Sub-Regional and Cross-country- Climate smart and resilient Infrastructure			Enhancing role of private sector in health and education
Cross-cutting theme			
Improving the Regional Business Environment through harmonization of policies on investment, competition, e-commerce, and intellectual property rights to build more efficient markets, improve competitiveness, and attract further FDI flows			

IFC'S ENGAGEMENTS IN EDS25 COUNTRIES | PROGRAM

IFC FY19-FY22 Program in EDS25 Countries* (US$ M)				
Country	**OA LTF**	**Mobilization**	**OA STF**	**Total**
Angola	60.0	0.0	347.7	**407.7**
Nigeria	1,087.9	189.0	5,648.5	**6,925.4**
South Africa	1,962.5	1,225.1	41.1	**3,228.7**
Total	**3,110.4**	**1,414.1**	**6,037.3**	**10,561.8**
AFR	**9,877.5**	**11,070.7**	**7,874.9**	**28,823.1**
%EDS25 of AFR Program	**31%**	**13%**	**77%**	**37%**

IFC'S ENGAGEMENTS IN EDS25 COUNTRIES | INVESTMENT PORTFOLIO

Investment Portfolio in EDS25 Countries as of June 30th, 2022, (US$ M)*

Investment Portfolio by Sector

Sector	Committed Portfolio
CDF	96.7
FIG	2,928.6
INR	441.7
MAS	1,155.9
Total	**4,622.8**

Investment Portfolio by Country

Country	Committed Portfolio
Angola	**77.0**
Nigeria	**2,088.1**
South Africa	**2,457.8**
Total	**4,622.8**
AFR Committed Portfolio	13,002.3
%EDS25 of AFR Program	**36%**

IFC'S ENGAGEMENTS IN EDS25 COUNTRIES | ADVISORY PORTFOLIO

Advisory Portfolio in EDS25 Countries as of June 30th, 2022, (US$ M)*

Advisory Portfolio by Business Area

Business Area	Advisory Portfolio
Blended Finance	0.01
Climate Business	4.2
Corporate Finance	0.6
Development Economics	0.5
Disruptive Technologies & Funds	2.0
Economics & Private Sector Development	0.5
Environment, Social and Governance	1.9
Financial Institutions Group	10.4
Health, Nutrition & Population	0.2
Infrastructure & Natural Resources	4.2
Manufacturing Agribusiness & Services	10.7
Public-Private Partnerships Transaction Advisory	1.4
Regional Advisory	9.9
Total	**46.5**

Advisory Portfolio by Country

Country	Advisory Portfolio
Angola	**5.1**
Nigeria	**12.1**
South Africa	**29.2**
Total	**46.5**
AFR Advisory Portfolio	455.9
%EDS25 of AFR Advisory Portfolio	**10%**

IFC'S ENGAGEMENTS IN EDS25 COUNTRIES | TAKING STOCK

Area of Focus	Angola	Nigeria	South Africa
Program Linkages with employment and poverty	**Recent milestones over the past year include:** (i) disbursing the $50 million loan to Banco Millennium Atlántico; (ii) being mandated by Clinica Sagrada Esperancafor a $23.5 million A Loan; and (iii) the approval of an Upstream Strategy where 12 Upstream opportunities have been prioritized and engagements with key stakeholders have been initiated in the financial sector, the ICT sector, the energy sector and the agribusines sector.	IFC investments, including through the financial sectorover the recentyearshave **aimed to support job opportunities and/or preservation especially in the COVID-19 context.** IFC FIG projects (totaling $860 millionsince FY19-ytd) have provided working capitaland trade facilities to support SMEs maintain their operations during the current difficult macro context. IFC has also transacted several MFI projects thatfocus on supporting women-owned businesses with the aim of providing livelihoods and increased shared prosperity.	**IFC has grown its South Africa operations both on advisory and investment,** with engagements aligned with the Government of South Africa's priorities of (1) reducing inequality; (2) promoting jobs and investment;s and (3) strengthening institutions. For example, IFC has leveraged financial intermediaries to provide finance to SMEs/ Black entrepreneurs helped emerging farmers through out-growers' schemes in the agri value chains and supported students through affordable student housing.
Lessons Learned & Opportunities	**IFC believes that there are large opportunities to support diversification,** but with significant challenges, which include but not limited to 1) sectorial reform (telecom); 2) government guarantees (transport and energy); 3) limited number of sponsors/donorfunding (agribusiness;) and 4) ownership structures (FIG).	**Strong sponsors with established local foothold is key in Nigeria especially for more complex projects.** Close collaboration with the World Bank critical, particularly for infrastructure investments (inc. through use of PRGs). Access to PSW local currency solutions key esp. in difficult macro economi periods. WB's Recovery Operation and off-grid solutions.	**To enable benefits to the lower end of the socio-economic spectrum,IFC has (i) worked closely with the government–national, provincial and municipal, and (ii) adopted a platiorm or programmatic approach** across the country in climate change, green taxonomy, SMEs, health, automotive, municipal and other infrastructure resourceefficiencyand compe tion issues.
Way Forward	**IFC aims to continue working with the GoA to identify PPP transactions and privatization opportunities where IFC can bring value and support** the GoA's plans, particularly as transaction advisor and providing financing/investment to the projects once the PPP/privatization is completed. Additionally, with IFC having officially become a "Partner"of the Compact with Lusophone, Angola, as one of key players of the Compact, will not only benefit from joint initiatives which aim to acceler at the inclusive, sustainable and diversified growth of the privatesector.	**IFC to continue supporting FGN diversification efforts and strengthen cross industry collaboration such as JVs and climate finance.** Expand manufacturing portiolio beyond cement and chemicals, supporta-gri-commodity value chains and healthcare, explore new areas such as Creative Industries.	**Building on the country strategy as well as responding to the COVID-19 pandemic, IFC will continue to focus on excluded groups, climate agenda and partnerships with GoSA/ IBRD.** Focus on value chain development inclusive finance; health; housing as well as south-south investments will continue, and digital models will be applied where feasible (e.g. health and agriculture).

IFC'S ASKS OF EDS25 OFFICE | SCALING UP

Country	Industry	Key Asks
Angola	Telecom	Raise to GoA the continued need for sector reforms to unlock PS: addressing regulatory issues, Gov influence in sector and need to fully operationnalize infra sharing (i.e. reduce Uniteldominance.)
	Transport	Raise to GoA the continued need for regulatory reforms needed to unlock PS: reform of sector SOEs, divesture and clear PPP framework for transport project sbeyond brown field.
	Energy	Raise to GoA that bank ability issues around projects in the energy sector (e.g. termination back stops for PPAs, liquidity mechanisms for off takers, FX indexation and Utilities performance) need to be addressed for meaningful private sector investments to takeplace.
	Agribusiness	Support to secure donor funds tha twill help de-risk sector investments or fund much needed advisory services for the sector .
	Financial Institutions	Raise to GoA the continued need for sector reforms to unlock PS, esp. reforms that drive privatization/divesturefrom Banks, promote mergers and reduction of NPLs.
Nigeria	Cross-cutting	Request FGN to boost competition by embedding it into policy, enhancing enforcement, and simplifying rules to lower costs to stimulate private sector activity.
		Request FGN to facilitate trade and boost do mestic value added by removing import and foreign exchange restrictions that will allow private businesses to grow and increase employment opportunities.
		Request FGN to adopt a single and market-reflective exchange rate to address FX shortage issues facing private sector clients.
South Africa	PPP	Simplification of PPP regime through amendments of NTR16.
	Farmers	Enhance the bank ability of communalland as banking security for rural farmers.
	Education	Revisit the certification (and related funding) mechanismf or tertiary education in stitutions (TVET, universities etc.).
	Energy	Enabling municipalities to procure power from individual IPPs under 20+ year PPAs and allowing for businesses located within municipalities to be able to procure power directly from IPPs.
		Standardize process on obtaining trading licenses and publishing related guidance.
		Standardized documentation for wheeling and (multi-year) pricing for wheeling charges that are cost reflective.

CONCLUSION

The BWIs have been consistent and reliable partners for the African continent. They have the requisite expertise and financial capacities to support our countries meet their financial and development needs in the areas of policy, including inclusive digital revolution, greener climate agenda, and equitable growth. We, therefore, encourage the BWIs to fully deploy their wealth of expertise and resources to support transformation towards a resilient and sustainable growth in Africa.

Photo: World Bank Flckr

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