



For Discussion
Development Committee: Friday, April 19, 2024

**From Vision to Impact:
Implementing the World Bank Group Evolution**

Update to Governors

Development Committee

March 2024

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Abbreviations

CAF	Capital Adequacy Framework
Cat-DDO	Deferred Drawdown Option for Catastrophe Response
CRDC	Climate Resilient Debt Clauses
CRW+	Crisis Response Window Plus
CPF	Country Partnership Framework
DFI	Development Finance Institution
DPF	Development Policy Financing
EDs	Boards of Executive Directors
E/L	Equity-to-Loan
ESF	Environmental and Social Framework
ESG	Environmental, Social, and Corporate Governance
FIF	Financial Intermediary Funds
FCV	Fragility, Conflict, and Violence
FY	Fiscal Year
GCP	Global Challenge Program
GEMs	Global Emerging Markets Risk Database
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
IPF	Investment Project Financing
IPF-DDO	Deferred Drawdown Option for Investment Project Financing
MDB	Multilateral Development Bank
MIGA	Multilateral Investment Guarantee Agency
MoU	Memorandum of Understanding
MPA	Multiphase Programmatic Approach
OECD	Organization for Economic Cooperation and Development
PSIL	Private Sector Investment Lab
SDGs	Sustainable Development Goals
TF	Trust Fund
WESP	Warehouse-Enabled Securitization Platform

Executive Summary

- i. **We are making progress towards becoming a better and bigger World Bank Group, able to help clients address development challenges with greater impact and speed.** In Marrakech, Governors endorsed the World Bank Group's **bold new vision of a world free of poverty on a livable planet**, along with the deliverables under the evolution process. Since then, the World Bank Group has taken concrete steps to start the implementation and operationalization of the new playbook and to stretch our financial capacity to address our clients' most pressing development challenges. While we are on our way, there is much still to do.
- ii. **With our new playbook, we are redoubling our focus on impact, speed, and efficiency for the benefit of our clients.** The steps taken since Marrakech will enable our clients to benefit from: a strengthened results orientation, with a new Scorecard under development; improved operational effectiveness and efficiency, including strengthened and streamlined implementation of the World Bank's Environmental and Social Framework (ESF), faster project preparation, and an emphasis on stronger implementation support; new crisis preparedness and response tools; the development of Global Challenge Programs (GCPs); a Knowledge Compact to drive impact in our work; a World Bank Group Guarantee Platform, informed by the work of the Private Sector Investment Lab (PSIL); strengthened partnerships; and the establishment of joint World Bank Group representation in 20 countries. The playbook will allow us to deliver to all our clients across income levels, including the poorest countries and those affected by fragility, violence, and rising conflicts globally. We will be better equipped to combat extreme poverty, inequality, and to address global challenges.
- iii. **We are working to become a better and bigger bank through the improvements to our financing model that increase the Group's financing capacity.** Since Marrakech, we have fundraised for the International Development Association (IDA) Crisis Facility, implemented enhancements to the IDA Capital Adequacy Framework that will enable \$20 billion of additional financing over IDA20-24, and taken further measures to maintain IDA's financial capacity of US\$30 billion per year for Fiscal Years (FY) 24-25. We have developed a framework for financial incentives for the International Bank for Reconstruction and Development (IBRD) countries to accelerate investments that address global challenges and are making progress towards enhancing the value of callable capital. The International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) continue to utilize their strong capital positions to scale investment and guarantee issuance volumes. This includes new instruments to mobilize private capital, such as thematic financing or Synthetic Risk Transfers, and contingent liquidity support facilities together with political risk guarantees. IFC and MIGA are pursuing additional sources of concessional finance to support the Group's mission and vision.
- iv. **Looking forward, we will continue work to become a better bank, while stepping up efforts to become a bigger bank, with the IDA21 replenishment an immediate priority.** Management and the Board will continue to engage as we strengthen the Knowledge Bank, develop Scorecard methodologies, and begin reporting on indicators, and we will advance the implementation of the new playbook to achieve impact at scale for our clients. The IDA21 replenishment is a critical next financial step to increase support to the poorest countries. For IBRD, instruments such as hybrid capital, a portfolio guarantee platform, and a Livable Planet Fund will become operational as soon as shareholders, other donors, and partners provide the necessary financial support. These initiatives have in common powerful leveraging – a key feature of the development finance offered by the World Bank Group. A shareholder review is scheduled for 2025. Management will work with shareholders to explore the possibility of establishing a review process to assess the alignment of capital resources with ambition. These measures will help us to deliver on the new vision and mission of the World Bank Group.
- v. **We welcome feedback from the Governors on the following:**
 - i. What are Governors' views on early progress in aligning the World Bank Group playbook with the new vision of a world free of poverty on a livable planet?
 - ii. What guidance do Governors have on steps to strengthen our financing capacity to become a bigger World Bank Group, including securing a robust and ambitious IDA21 replenishment?

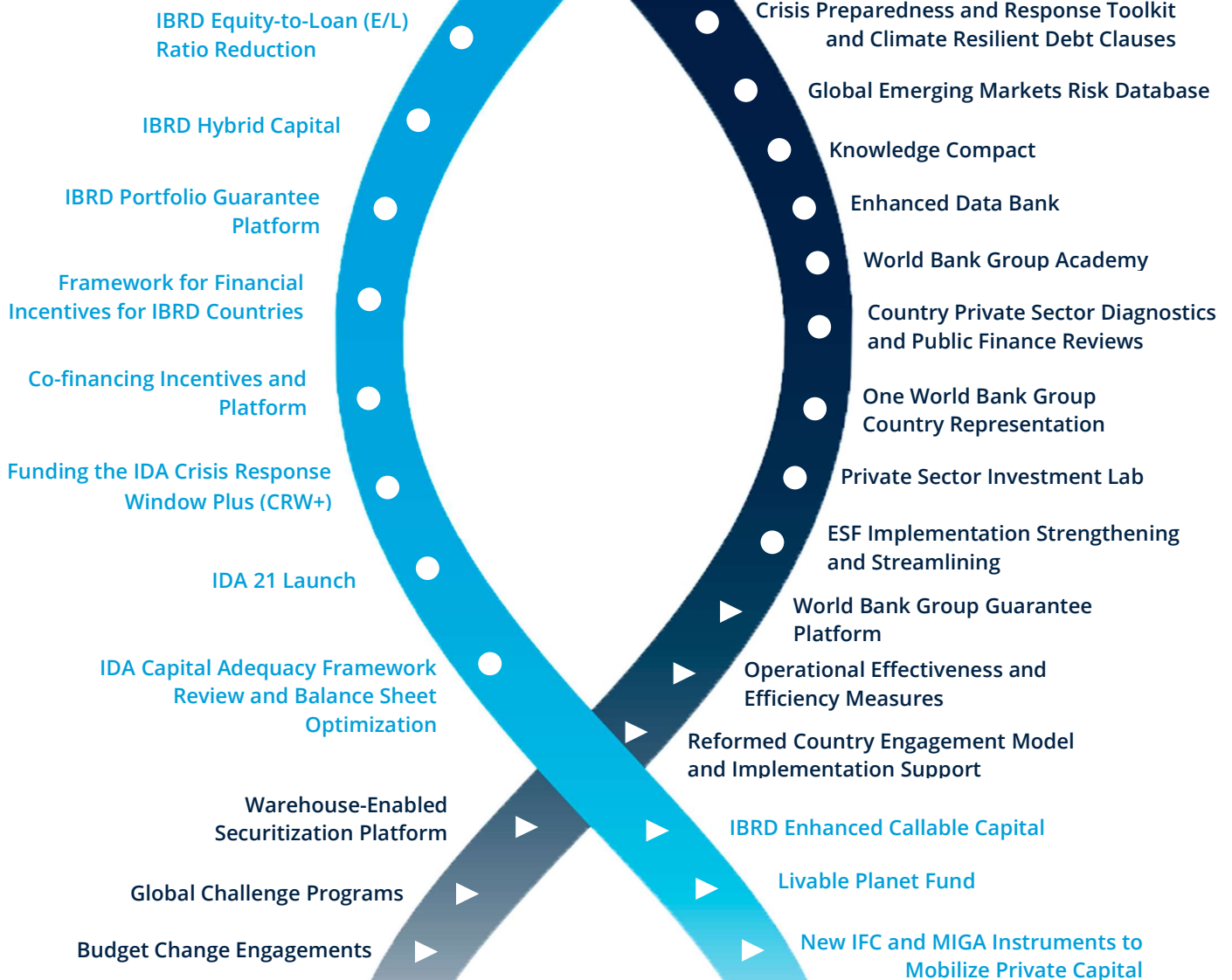
FROM VISION TO IMPACT: WORLD BANK GROUP EVOLUTION

New Vision & Mission

New Scorecard

Financing Model

New Playbook



● Launched by Spring Meetings 2024 ▲ Under Development

I. Introduction

1. **The international community must set a new course of action to address the emergencies of poverty and the growing number of global challenges facing people and the planet.** Despite a barrage of shocks during the past four years, major economies are showing signs of recovery. After the fastest rise in interest rates in 40 years, global inflation has come down and a ‘soft landing’ seems possible (World Bank 2024). Yet, the outlook for developing countries remains troubled, with rising risks of debt distress, increasing frequency of extreme climate events, heightened geopolitical tensions, wars and conflicts. Today, people in one out of every four developing economies are poorer than they were before the COVID-19 pandemic. Record numbers of people are displaced.

2. **Many developing countries are facing particularly challenging prospects.** The Sustainable Development Goals (SDGs) are further off their 2030 trajectory (United Nations 2023), while fiscal space in many countries is increasingly constrained because of weak growth and rising debt burdens. The multiple intertwined crises in recent years have increased rates of poverty and inequality, with shrinking job opportunities and life prospects, notably for women and youth. Populations in IDA countries, especially the extreme poor, struggle with access to the most basic human needs of food and nutrition security, functioning and emergency-ready healthcare systems, and access to clean water and energy – all aggravated by increased fragility as well as the consequences of climate change. The impacts of these multiple shocks hit the most vulnerable populations the hardest. Addressing the challenges developing countries are facing is fundamental to eradicating poverty on a livable planet.

3. **Countries experiencing fragility, conflict, and violence (FCV) also face particular development challenges, often with persistent poverty and declining human capital.** Chronic instability in some of the world’s poorest countries, civil and interstate wars as well as violence and crime in several middle-income countries, and the continued impacts of crises such as the pandemic, climate shocks and conflict hinder and even reverse development progress in many FCV contexts. These trends and dynamics have profound effects on people’s lives within these countries and can have destabilizing effects across borders, such as through transmission of criminality and violence, migration and forced displacement, and disruption of trade and supply chains. This reflects the local and global need for increased anticipatory action, prevention, and response in FCV contexts. By 2025, more than half of all people living in extreme poverty will be in countries classified as situations of fragility and conflict (World Bank 2023b), many of which are also low-income IDA countries. Furthermore, the countries that are most vulnerable to climate change have significant overlap with those countries that are affected by FCV.

4. **Women and girls bear the biggest burdens of persistent poverty and the crises increasingly affecting developing countries.** The forthcoming World Bank Group Gender Strategy (2024-2030) acknowledges the centrality of investing in women and girls while recognizing the disadvantages facing men and boys and the vulnerabilities arising from the intersection of gender with poverty, ethnicity, disability, and other characteristics. It reaffirms the World Bank Group’s commitment to nondiscrimination, inclusion, and equality of opportunity, encompassing sexual and gender minorities. The strategy will be tailored to specific contexts, such as fragility, and to the needs of specific groups, such as adolescent girls. It proposes to involve men and boys to address issues specific to them and issues that impede gender equality.

5. **To better respond to these critical challenges, the World Bank Group is taking decisive action.** With endorsement of the evolution process at the 2023 Annual Meetings in Marrakech, the World Bank Group and its shareholders have been working with urgency to implement the agreed steps to deliver on our new vision of a world free of poverty on a livable planet. We have made progress toward becoming a better bank that will be equipped with the necessary playbook, knowledge, and financial capacity to support all our clients, including in middle-income countries, lower-income IDA recipients, small states, and countries experiencing FCV. We are evolving to address their most pressing development challenges and provide life-changing initiatives for their citizens.

6. **Steps are under way to operationalize our new mission to end extreme poverty and boost shared prosperity on a livable planet.** We need to redouble efforts to achieve the goals of poverty reduction and shared prosperity. Achieving poverty reduction, shared prosperity, and a ‘livable planet’ all require urgent attention to the eight global challenges identified in the World Bank Group evolution process, as well as treating climate adaptation as smarter and more climate-resilient development. The GCPs under preparation will bring together our World Bank Group value proposition to address global challenges with a clear line of sight to the people-centric Scorecard outcomes. Our new Scorecard includes indicators that capture aspects of the ‘livable planet’ (such as in areas related to climate mitigation and adaptation, biodiversity and nature, and life essentials like water and food), closely interlinked with efforts to lift people out of poverty throughout the world. We are aligning and sharpening the focus of our knowledge in these areas to provide the relevant analytical underpinnings to inform our country-based development model. The introduction of the new Crisis Preparedness and Response Toolkit for all countries, complemented by the Climate Resilient Debt Clauses (CRDCs) for small states, helps countries prepare for and mitigate the financial risks of disasters. The introduction of innovative results-based financing terms advances climate goals and our ambitions in addressing global challenges more broadly. Overall, implementation of the new playbook, securing a robust IDA21 replenishment, and strengthening IBRD’s financing capacity are key to doubling down on poverty and shared prosperity.

7. **Moreover, we have increased our ambition to drive climate action and build resilience.** We are the biggest multilateral funder of climate investments in developing countries, and we intend to go further in helping countries rise to the challenges of climate change. At the COP28 United Nations Climate Change Conference, the World Bank Group committed to devote 45 percent of its financing to climate-related projects by the end of FY25, up from the current target of 35 percent, with the ambition to split this financing equally between adaptation and mitigation (see Box 1 for more details on the Group’s work on all aspects of climate action). In addition to boosting resilience and adaptation among those hardest hit by the effects of climate change, World Bank Group projects will focus on safeguarding ecosystems and biodiversity, to protect the health of people and the planet.¹ The World Bank Group has also been tasked to establish the fiduciary structure of the fund to address loss and damage associated with the adverse effects of climate change.² This fund will become operational as soon as shareholders and other donors agree on its governance structure and provide the necessary financial support.

Box 1: Delivering on Climate Action

In FY23, the World Bank Group delivered a record \$38.6 billion (or 41 percent of overall lending) in climate finance supporting efforts to end poverty on a livable planet. Overall, this is a 22 percent increase in climate finance compared to the previous FY, also exceeding the target of 35 percent set out in the World Bank Group’s Climate Change Action Plan 2021-2025.

We are working with clients to address their climate and development needs together. The Climate Change Action Plan supports countries and private sector clients to maximize the impact of climate finance, aiming for measurable improvements in adaptation and resilience and measurable reductions in GHG emissions, while aligning financial flows with the goals of the Paris Agreement. Our work integrates climate considerations into development planning and investment, building resilience in key sectors and providing financial and technical support to countries for implementing adaptation measures. Our support has impact on sectors that are responsible for generating most emissions globally – including energy; agriculture, food, water, and land; cities; transport; and manufacturing – while also building climate adaptation across all social and economic sectors as part of smarter and more climate-resilient development. Transforming sectors across the economy to be more climate-resilient is key for countries at all stages of development and requires action from the public sector to catalyze the private sector to unlock major economic opportunities and to create new jobs.

¹ This includes addressing plastic pollution, which impacts health, livelihoods, and the environment (World Bank 2022).

² For more details, see <https://www.worldbank.org/en/programs/funding-for-loss-and-damage>.

8. **The rest of this paper reports on the way the World Bank Group evolution process is translated into action.** It provides an update to Governors on the next steps in the implementation of the new playbook and how to further increase the World Bank Group’s financing capacity to achieve our new vision and mission. A summary of major aspects of the evolution process is presented in Annex 1.

II. Managing for Results and Accountability

9. **The new World Bank Group Scorecard for FY 24-30 will establish a rigorous approach and framework to measure our collective results in a streamlined and outcome-oriented fashion.** The World Bank Group Boards of Executive Directors (EDs) endorsed the direction of the new Scorecard in December 2023, marking an important milestone. We are now in the process of implementing the new Scorecard through a phased approach. The new Scorecard framework will be announced ahead of the Spring Meetings 2024. A first batch of indicators is planned to be reported in June 2024. We aim to report the rest by the Annual Meetings. New incentives are under development to ensure that outcome management and measurement become more systematically integrated into operational and strategic management.

10. **The new Scorecard represents a significant step forward in how we will measure results and have accountability for outcomes.** The Scorecard is organized around 15 outcome areas, which are people-centric, and that cover all dimensions of the new mission. It includes cross-cutting areas such as ‘Gender Equality’ and ‘Youth Inclusion’ and ‘Better Lives for People in Fragility, Conflict, and Violence (FCV)’ to highlight the importance of these issues in reaching development outcomes. Methodologies for all indicators are being developed, with regular technical briefings provided to the Board. These indicators set new measurement standards for the institution. First, the Scorecard shifts the measurement of results from inputs and outputs to development outcomes, putting people and planet at the center. Second, the new methodologies will incorporate the latest measurement innovations within each thematic area, while ensuring alignment of Scorecard indicators with all SDGs. The Scorecard will also establish transparent protocols across the World Bank Group, the first-ever attempt to harmonize the measurement of joint results across our public and private sector delivery and across delivery instruments. Finally, we are also keeping track and holding ourselves accountable for enabling and mobilizing private sector finance. An interactive online platform is under development to integrate results data from the Scorecard, with interactive visualizations and results narratives.

11. **As the systems are upgraded and an interactive platform is developed, we will use the Scorecard to ensure all programs and projects are aligned towards the vision of ending poverty on a livable planet.** The new indicators are being incorporated into the results frameworks of new operations, including those that will be delivered through the GCPs under development, as well as existing operations wherever possible. They are being cascaded through World Bank Group Country Partnership Frameworks (CPFs), ensuring the comprehensive capture of results and effective utilization of results data at both project and country levels. New information technologies and workflows are underway to help input quality data and automate the aggregation of results, supported by new guidance, procedures, and learning opportunities for staff, management, and clients. Management is also setting up systems to disaggregate the Scorecard by key variables: all relevant indicators will be disaggregated by country income levels, gender and youth, as well as FCV dimensions, allowing for the monitoring of trends to ensure that support is provided where it is most needed. This will give everyone a deeper understanding of who benefits from our project and program delivery, where these benefits are realized, and how they are achieved.

12. **In addition to our strengthened focus on results, we will continue to hold ourselves accountable more broadly as we become a better bank and implement the new playbook.** The World Bank Group accountability framework, which includes the Integrity, Internal Audit, and Independent Evaluation Groups, will continue to ensure that World Bank Group activities are conducted with integrity, efficiency, and effectiveness. A systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes across the World Bank Group will continue to be key.

III. Implementing the New World Bank Group Playbook

13. **The new playbook is advancing and will enable us to deliver on our vision of a world free of poverty on a livable planet through impactful solutions at scale and speed for all our clients.** Its implementation is guided by our commitment to address development challenges that originate at both the local and global levels, by strengthening our country-based development model, knowledge, and partnerships, and enhancing operational efficiency and effectiveness as One World Bank Group. Progress is being made in the following areas:

Doubling Down on Impact

14. **We are putting in place innovative operational enhancements to achieve scale, speed, and replicability for our clients.** New operational innovations – including our Crisis Preparedness and Response Toolkit and the forthcoming GCPs – remain grounded in a country-based approach, while helping us to scale and replicate impactful programs that tackle global challenges through a comprehensive set of public and private sector solutions. Reforms to our Country Engagement model will be discussed with the Board before the Annual Meetings in 2024. This will include strengthening CPFs by mobilizing the knowledge needed through our new Knowledge Compact for Action, aligning priority areas at the country level with the new vision and mission as reflected in our Scorecard, and maximizing the impact of a One World Bank Group and external partnerships. This strengthened country engagement model will help us meet the specific needs of all client countries, with a firm commitment to support those experiencing FCV (see more on approach for support for countries affected by FCV in Box 2 below).

15. **We are rolling out our new Crisis Preparedness and Response Toolkit as a crucial mechanism to achieve the resilience objectives of our new vision and mission.** The new toolkit provides countries with innovative flexibilities to quickly access emergency response financing when crises occur, reducing financial trade-offs between using resources for long-term development priorities and emergency response needs. It also strengthens crisis preparedness in the first place as part of accessing the new financing flexibilities, grounded in strategic country engagement and technical assistance to assess risks and strengthen both preparedness and response capacity. The new flexibilities and increased focus on upstream preparedness will be especially important to support countries in FCV contexts, where multiple crises frequently have compounding impacts and capacity to respond can be especially weak. They will also contribute to the broader pandemic preparedness agenda, with multiple enhanced tools to support clients to improve preparedness for future health emergencies and to support rapid response if a pandemic does occur, complementing efforts of the proposed GCP on health emergencies described below. We have high ambitions to support crisis preparedness in all our IBRD and IDA client countries, with the aim to enable at least 50 countries to have enhanced crisis response mechanisms in place by the end of this calendar year. These IBRD and IDA innovations will complement efforts underway to design a parametric insurance backstop for MIGA-enabled public sector projects and for IFC to respond with agility to assist private sector clients in crisis preparation and response, including with innovative new tools and products. Management is launching a substantial communications, outreach, training, and guidance campaign, for both internal and external audiences, to achieve these ambitions, as we roll out the following new elements of the toolkit:

- The new **Rapid Response Option** will allow governments to repurpose up to ten percent of undisbursed balances from across their Bank lending portfolio for immediate emergency response. The repurposed funds can be quickly disbursed through a Contingent Emergency Response Project, an innovative Investment Project Financing (IPF) project prepared in advance for future emergency response, or by topping up disbursements of an active Development Policy Financing (DPF) operation with a deferred drawdown option for catastrophe response (Cat-DDO).
- Increased **access to contingent financing** for crisis response. The existing country limits on Cat DDOs have been doubled, with special provisions to increase access for small states; scalable financing for a Cat DDO is now available, to scale-up the amount available under an active Cat DDO if needed after

a natural disaster or a health crisis occurs; and IPF with a Deferred Drawdown Option (IPF-DDO) feature has been formalized to finance specific anticipated expenditures after a crisis.

- Expanded **access to catastrophe bonds and insurance**. All countries now have the option to embed these risk management products into their Bank financing operations, expanding borrowers' options in using these tools to manage the risks of high-intensity but low-frequency disasters.
- The **CRDC option**, announced in Marrakech, provides eligible small state borrowers the option to defer interest as well as principal payments for up to two years in the event of an extreme natural disaster (more details in paragraph 30 below).

Box 2: Supporting Countries Affected by FCV – A World Bank Group Priority

Through our evolution process, the World Bank Group is reinforcing our commitment to support people and countries affected by FCV. The needs are clear – by 2025, more than half of all people living in extreme poverty will be in countries classified as situations of fragility and conflict (World Bank 2023b). We are already responding, with annual increases of more than 27 percent in IBRD and IDA financing to those countries over the past five years, along with increases in IFC investments and MIGA guarantees. This has allowed enhanced support to client countries striving to prevent conflict and transition out of FCV, significant strides in gender-focused programming, dedicated support to clients affected by forced displacement and other regional FCV spillovers, as well as increasingly remaining engaged to preserve development gains in the most challenging FCV situations. A lot remains to be done. We have learned that we need to invest more in understanding prevention of crisis, conflict, and violence; address the drivers of FCV earlier; and adapt more flexibly to shocks and crises, underpinned by consistent applications of our policies. In addition, we need to deepen our attention and support to middle-income countries experiencing violence and subnational fragility.

Our new playbook and expanded financing capacity will enable us to apply lessons learned in volatile contexts and continue to enhance our support, with an ambitious operational and knowledge agenda. Fragility is exacerbated by climate change and closely intertwined with food and water insecurity, each of which will be addressed through a FCV lens in proposed GCPs. The new flexibilities and focus on upstream preparedness in the expanded crisis toolkit will be especially important to support countries in FCV contexts, where multiple crises frequently have compounding impacts. Our expanded implementation support will build capacity in fragile states, including through hands-on support for procurement and implementation of the ESF. Our strengthened Country Engagement model will help ensure that we foster resilience and frame our programs to address drivers of fragility in a given country context, with support for state-building, private sector development, continued social service delivery, or other priority needs. We will strengthen our engagement with partners at the country level, including with local partners, and enhance collaboration with humanitarian organizations. The IDA Private Sector Window (PSW) will continue to help de-risk and catalyze private investment in FCV settings as we commit to working across the World Bank Group to leverage public and private sector solutions in the poorest and most difficult IDA markets. We will hold ourselves accountable for achieving results in FCV contexts, with FCV as a cross-cutting area in the new World Bank Group Scorecard and all indicators disaggregated to show progress in FCV contexts. And we will continue working with shareholders to ensure that our financing capacity is in line with our ambition, including with an expected strong focus on support to countries affected by FCV in IDA21.

16. **The Global Challenge Programs are geared to help countries tackle key global challenges with greater scale, speed, and impact.** The GCPs are envisaged as joint World Bank Group offerings, bringing together our public and private sector arms to more effectively crowd-in public and private sector solutions and financing. They intend to leverage partnerships with other development actors. They will use knowledge to support innovation and learning, including through impact evaluations. To be delivered through our country-based development model, the six GCPs will provide replicable and scalable approaches in the areas of energy, food, water, forests and biodiversity, health emergencies, and digital.³ Each GCP will embed a special focus on issues of FCV to identify solutions in those country contexts, in line with the World Bank Group FCV strategy. The GCPs are being designed with a strong line of sight to private capital mobilization, recognizing that domestic resources and other development financing will not suffice to address the scale of global challenges. GCPs will be available to deliver solutions in all countries, independent of income levels and size.

³ For a description of the thematic areas of the six GCPs, see World Bank (2023a): Box 4.

17. **The six GCP Approach Papers are being developed for discussion with the World Bank Group EDs between March and June 2024.** We are aiming high. Each GCP is designed to deliver significantly to results included in the new World Bank Group Scorecard and will track their contributions to outcomes using the Scorecard indicators. Two GCP Approach Papers (on Forests for Development, Climate & Biodiversity and Energy Access and Transition) have been developed and first engagements with the World Bank Group EDs are ongoing. The Energy Access and Transition GCP expects to deliver early results through regional approaches such as energy access interventions across Africa, which aim to provide access to electricity for as many as 200 million people by 2030. The Forests for Development, Climate and Biodiversity GCP aims to scale up sustainable forest landscape and ecosystem solutions through regional programs in large forest basins, deforestation free supply chains and activities to support the bio-economy and economic diversification. The approach papers for the remaining four GCPs (Accelerating Digitalization; Food and Nutrition Security; Enhanced Health Emergency Prevention, Preparedness and Response; and Fast-Track Water Security and Climate Adaptation) are currently being developed and engagements with the World Bank Group EDs on these are expected by the end of FY24.

18. **The Knowledge Compact for Action reinforces the complementarity between knowledge and financing to deliver impactful development solutions to clients.** The new Compact leverages the potential of the digital revolution to make available the latest knowledge to tackle emerging global challenges and scale up development outcomes. It aims at providing clients with rapid access to policy advice, expertise and know-how, including from financing operations, as well as the latest research, data and tools to formulate robust development policies and programs. Learning from impact evaluations that are focused over longer time periods will be a key component, to draw evidence-based lessons from country engagements that can be replicated, adapted, and scaled up in different contexts. We will deliver knowledge to clients under the four pillars of enhanced and streamlined products, partnerships, learning, and systems:

- Global, regional, and country knowledge **products** will build on and complement each other to support the new strategic direction and alignment with global challenges, the increased focus and selectivity in country programs, and the new World Bank Group Scorecard. In particular, core analytics, representing a package of priority knowledge products to shape country engagement, are being strengthened. This stepped-up investment in knowledge will inform our CPFs and lay the foundations for more impactful country programs and operations. A revitalized Data Bank will prioritize collection and access to a wider range of foundational and frontier data.
- A strategic approach to **partnerships** will focus on collaborations and knowledge exchange that bring greater value and relevance to clients and improve operational impact. In addition, we are expanding support for knowledge ecosystems in developing countries through partnerships with local institutes, academia, and civil society organizations. In addition to upstream and advisory efforts, IFC is strengthening its research program, leveraging existing and new partnerships with academic institutions, development partners and the private sector to share knowledge and help prepare clients to engage in new areas and products. MIGA is strengthening existing partnerships and launching new ones to increase knowledge sharing on the role and changing nature of foreign investment flows in scaling development outcomes.
- To support **capacity development** for clients, partners and staff, a new World Bank Group Academy is being launched. This Academy draws on technical expertise from across the Group and will leverage our global footprint, regional hubs, and specific expertise. This will include developing solutions tailored to FCV contexts, where capacity constraints can be particularly significant. It will also engage external partners to maximize reach, scale, and impact. Capacity development for clients will be a core service provided by the Group's Academy and eventually lead to better project implementation for faster and more impactful results. Fostering a culture of continuous learning for our staff will help to maintain thought leadership and technical expertise needed for the Academy. Formal accreditation programs, shaped by global and regional corporate priorities as well as client demand, will be developed for technical staff, enhancing the value of knowledge delivered to clients and the quality of country engagement.

- **Systems** to underpin high value knowledge products, partnerships, and learning are being strengthened. To energize the Bank’s work with cutting edge knowledge and data, Practice Groups will be organized into vertical vice presidencies aligned with the World Bank Group’s new mission – People, Prosperity, Planet, Infrastructure and Digital. The proposed new structure is aimed at facilitating knowledge flows and strengthen knowledge base that could support operations. The efficiency and effectiveness of both processes related to knowledge work and engagement with clients is being enhanced. Moreover, the World Bank Group is investing in its digital capabilities and modernizing knowledge platforms to facilitate access to its vast knowledge base for clients, staff, and partners.

19. **Steps are underway to mobilize additional resources to meet the large financing needs of our clients.** We are making concerted efforts to mobilize resources on both the public and private fronts. We are currently engaging with a subgroup of countries with low tax collection or inefficient tax structures through intensified technical assistance along with lending and analytical work. On analytics, the enhanced Public Finance Review has been launched as a key first step to strengthen domestic resource mobilization efforts. Several new analytical tools and models for fiscal and tax analysis are under preparation. This core analytical product is currently being piloted in seven countries to support the creation of fiscal space by providing the analytical foundation for tax reforms as well as improvements in expenditure efficiency and effectiveness. The updated product is aligned with the expanded World Bank Group vision and mission by analyzing how fiscal policy can support growth, reduce poverty, boost shared prosperity, and address climate change. We have also increased collaboration with the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), and other partners in this area.

20. **A concerted effort on scaling up private capital mobilization to address development challenges is ongoing.** Enabling and mobilizing private capital is a One World Bank Group priority; it cuts across many aspects of implementing the new playbook and will be tracked in the new Scorecard. The PSIL, a partnership between the private sector and the World Bank Group, is informing these efforts through concrete recommendations that better align World Bank Group approaches with the needs and speed of private finance and ultimately to leverage more private capital for development. Specific efforts underway include:

- To provide greater clarity of regulatory policies, which the World Bank Group will identify and support for example through the upgraded Country Private Sector Diagnostics. Pilots are ongoing in five countries and are expected to be completed in FY24. They will have a greater sectoral focus and identify opportunities for Private Capital Mobilization and required Private Capital Enabling reforms. A methodology for measuring Private Capital Enabled is being developed to capture outcomes achieved with World Bank Group support.
- To simplify access to guarantees (described in the following paragraph).
- To develop solutions for foreign exchange risk mitigation, including solutions to increase local currency financing, to facilitate private investment, especially for the green transition.
- To scale an originate-to-distribute model that can provide baskets of investments to institutional investors. This is a medium-term effort, starting with IFC’s engagement with market stakeholders to advance the Warehouse Enabled Securitization Program (WESP); the first test securitization is planned by the end of calendar year 2024, initially containing IFC assets, with the possibility to broaden the originators to include other Multilateral Development Bank (MDBs) and other Development Finance Institutions (DFIs) over time.
- To provide MIGA’s non-honoring of Sovereign Financial Obligations instrument to cover interested MDB’s exposures of sovereign loans with the goal of enhancing the overall capital efficiency of the MDB system by reinsuring these exposures in the private reinsurance market. MIGA is also working to support private re-financing of loans of MDBs and other DFIs using an innovative application of its political risk insurance in combination with a contingent liquidity support facility.

- To grow IFC’s blended finance portfolio, leveraging instruments like subordinated loans, guarantees, local currency, and performance-based incentives, to rebalance the risk-return profile and attract private investors to high-impact projects. In addition, IFC is planning to grow its equity book, including through mobilization efforts, to provide patient, long-term capital to support companies’ growth and promote higher environmental, social, and corporate governance (ESG) standards. IFC is also pushing the envelope on other innovative modes of financing, such as offering Synthetic Risk Transfers globally at scale in emerging and developing countries.

21. **A new World Bank Group Guarantee Platform is being developed to significantly increase the World Bank Group’s mobilization of private capital to support clients.** Implementing a specific recommendation of the PSIL, the World Bank Group has established a new platform and will launch it in July 2024 to bring all guarantee products into a unified storefront to streamline and clarify offerings to our clients, provide increased and unified advocacy for guarantees, and to grow our guarantee business by leveraging the unique value propositions of each of our institutions. The new platform will focus on innovation, especially in support of the energy transition through the potential application of guarantees to the carbon credit market and off-grid and mini-grid solutions. The new Guarantee Platform will seek to triple the Group’s annual guarantee issuance by 2030, thereby significantly increasing private capital mobilization and complementing our growing lending activities to deliver development gains to our clients by leveraging markets and private sector finance and solutions. A first engagement with the World Bank Group EDs has been held, and further engagements are expected prior to the launch of the Platform in July 2024.

22. **Progress with the Global Emerging Markets Risk Database (GEMs) is bringing greater transparency to data on investment risk to overcome a key constraint to private investment in developing economies.** The GEMs Consortium – currently comprising 25 MDBs and DFIs, with IFC and IBRD as the largest contributors of private sector and sovereign data, respectively – has been publicly disseminating statistics through the GEMs website since 2020. In Q1 2024, for the very first time, the GEMs Consortium will publish recovery statistics for private and sub-sovereign lending from 1994 to 2022.⁴ Together with the existing publication of default frequencies, started in 2020 and enriched last November with a fuller set of sectors, this will greatly advance the commitment to make key GEMs statistics publicly available under the G20 Capital Adequacy Framework, in line with the 1–2-year horizon recommended by the expert panel in July 2022. This effort includes the publication of historical IBRD loan loss data since 1985 which will contribute to private capital mobilization by enhancing the ability for risk assessments by private sector market players and investors.

Modernizing our Approach to Delivery to Clients

23. **Key steps have been taken to strengthen our One World Bank Group approach to deliver to all our clients.** The GCPs and the new Guarantees Platform, discussed earlier, are key vehicles to deliver client impact by operationalizing the One World Bank Group approach. Additionally, we are putting in place joint World Bank Group country representation in an initial 20 country offices. Joint country representatives will be in place by July 2024. Country clients will then be able to interface with one World Bank Group country representative to discuss public and private sector solutions to country development challenges in an integrated way. In addition, we are updating the World Bank Group guidance on CPFs to ensure that country engagement is selective and driven by knowledge; and to enable better coordination of public and private development solutions and finance, including how to sequence interventions to facilitate private capital. These changes will be combined with stronger incentive framework. The new Scorecard emphasizes shared goals that incentivize collaboration across the World Bank Group. Additional mechanisms to recognize and reward staff efforts to work across institutional boundaries will also be put in place, with a career development platform to be launched in FY25 that will provide more visibility into career opportunities and facilitate cross-institutional mobility.

⁴ The database can be accessed at <https://www.gemriskdatabase.org/>.

24. **A series of measures to enhance operational effectiveness and efficiency measures are also well underway to expedite delivery to country clients.** We are streamlining processes, facilitating faster project processing, and reducing bureaucracy. This includes reducing the length of program documentation and reducing reviews and processing steps to speed up project preparation. Initial discussions have been held with the World Bank Group EDs on options for streamlining approval of financing in certain areas through delegation of authority, with clear guardrails based on rigorous analysis and consideration, and engaging more on issues of strategic relevance. All of these efforts have so far contributed to a reduction in the expected preparation time of our projects to 17 months in FY24, against previously planned preparation time for FY24 of 19 months. We are working towards reducing the overall preparation time to under 12 months by FY25, which will be a cut by one-third. Improving operational efficiency and effectiveness is supported by a number of concrete operational measures:

- IBRD/IDA have strengthened and streamlined the implementation of the **Environmental and Social Framework (ESF)** with a set of ten measures being rolled out since October 2023. This promotes greater use of borrower frameworks, simplifies and eliminates duplication in our internal processes, offers more hands-on support to country clients, and adopts a risk-calibrated approach to environmental and social review and clearance processes. The objective is to make internal processes more efficient and apply greater resources to supporting client countries on strengthening their environmental and social capacity and systems. We have started our overview assessments/gap analysis of borrowers' existing frameworks for addressing environmental and social risks and impacts in over 30 countries to date, with the aim of developing a comprehensive capacity-building program over the medium-term. We initiated expanded hands-on implementation support in over 70 projects, aiming to strengthen capacity and systems. Close to 300 projects are already benefitting from streamlined review and clearance process of ESF documents. Initial client feedback on efforts has been positive. IFC is using MALENA, an AI-powered tool, leveraging over 15 years of IFC ESG data to distill complex, unstructured ESG information into actionable insights for sustainable investments. The tool allows IFC to provide emerging market investors with ESG analyses to conduct rapid due diligence of potential investments and effectively manage risks of the existing portfolio.
- Regional teams are working to scale up IBRD and IDA operations for faster and greater impact, including through **increased use of programmatic approaches** like the Multiphase Programmatic Approach (MPA) and by replicating successes through additional financing to successful operations in the current portfolio. The MPA pipeline is growing, with 46 MPA programs expected in FY24, alongside IFC platforms. Simplified processing and documentation lead to faster preparation for subsequent phases of MPAs, and management authorization to commit subsequent financing with low/moderate environment and social risk increases speed and efficiency. In addition, increased predictability of public investment and reforms has the potential to crowd in more financing from government budgets, development partners and the private sector. The planned launch of the GCPs will further support scaled-up programming for increased impact, capitalizing on complementarity and effectiveness gains through a joint approach to programming through horizontal MPAs, IFC platforms, and de-risking instruments from MIGA.
- **Implementation support** is an important determinant for the quality and timeliness of delivery. We are expanding our hands-on implementation support to provide direct support to borrowing countries, particularly in FCV contexts where limited implementation and administration capacity can impede effective implementation. This had already played critical roles in our response to COVID-19, alongside Bank-Facilitated Procurement. Through operations and knowledge, we are working to provide additional capacity building and implementation support to clients, including through the Academy offering under the Knowledge Compact, which will speed up time to deliver impact, for example, in FCV contexts where such capacity is particularly low.

25. **The next phase of effectiveness and efficiency measures will further simplify internal processes and strengthen client implementation capacity to achieve results faster.** Efforts are underway to enhance

client capacity and institutions, improving the rigor of diagnostics that inform project preparation and implementation; strengthening incentives for project implementation; enhancing knowledge, learning, and data capacity for clients, stakeholders, and decision makers; and systematically providing demand-driven support to clients. Management is identifying further actions to enhance the efficiency of our project cycle including identifying redundant processing steps, streamlining processing of recurring types of waivers/exceptions, reducing the number of decision points, and ensuring more focused reviews commensurate with the risks. Proposals are also under discussion to update the Citizen Engagement and Social Accountability framework to eliminate duplication and maximize synergies with the ESF. For IFC and MIGA, these continued efforts will be important drivers in enabling more effective and quicker delivery to clients. IFC will continue to build on recent successful efforts that have resulted in improved program delivery such as the updated Accountability and Decision-Making framework, simplified procedures for existing clients, an improved approach to capital market transactions, as well as IFC platforms. We are also developing options to expand project preparation financing, including from grant sources. This will help strengthen the pipeline of bankable projects for our clients.

26. Delivering on the ambitions of the evolution process depends on having a high-performing, motivated, and engaged workforce with an appropriately diverse skill set. A new Career Development Plan has been launched for all World Bank Group staff to strengthen support for professional development. This initiative assists staff in reflecting on their career aspirations and areas of development, collaboratively defining concrete actions with their managers to foster career growth, in line with new corporate priorities being set in the World Bank Group playbook. We are also conducting a review of existing performance, talent, and career management approaches, with the goal of having a skills-based integrated talent management ecosystem. Staff incentives will align career growth with the priorities of the new playbook, such as to encourage and support staff to deliver to clients in FCV contexts.

27. To support the implementation of the evolution process, the business planning and budgeting process has been revamped across the World Bank Group. We have simplified the business planning and budgeting processes and timelines across IBRD/IDA, IFC, and MIGA from 9 months to 3 months. This will facilitate early strategic engagement between World Bank Group Management and the Board on budget proposals and early decision-making so that teams can plan for effective implementation at the start of each fiscal year throughout the Group. The revamped annual business planning exercise includes units across the World Bank Group annually identifying productivity savings of 5 percent and senior management reallocating these savings to the new priorities and commitments in that year. But growing our programs and our impact will also require additional resources and will entail adjustments of administrative budgets of each institution. Priorities for the FY25 budget include the new Knowledge Compact, implementing operational effectiveness and efficiency measures and financial model enhancements, advancing private capital and domestic resource mobilization, and roll-out of GCPs. Importantly, the new business planning processes will emphasize flexibility to enhance resilience to external shocks.

28. We are strengthening our collaboration with development partners and the private sector to deliver on country, regional, and global priorities at scale. The World Bank Group has committed to being a better partner to help address development challenges and priorities, leverage public and private resources, measure results, and work better across MDBs and with other partners. New Memoranda of Understanding (MoUs) have been signed (e.g., with the Inter-American Development Bank and the Islamic Development Bank) to work in partnership to scale up impact and reach in some targeted areas of common interest. Several other MoUs with regional institutions are also under development, with a focus on achieving and measuring specific results. Across the MDB system, we have committed to promote systemic MDB cooperation through increased alignment of policies and procedures, mutual reliance agreements for jointly financed programs, and the deepening of co-financing. Work is also underway to simplify the principles and modalities for entering operational partnerships with United Nations agencies as well as other partners. In this light, we are also seeking ways to boost partnerships with civil society and non-governmental organizations, which often have

complementary development mandates and can bring tremendous value through local knowledge, technical expertise, and social capital.

IV. Enhancing the World Bank Group's Financing Model

29. **We are advancing our plans to further increase IBRD's financing capacity, beyond the US\$50 billion increase over the next ten years from the measures already implemented, including raising resources to provide financial incentives as discussed in Marrakech.** World Bank Group institutions significantly leverage the market to mobilize resources for the benefits of our clients. Substantial progress has been made on increasing IBRD's financing capacity through balance sheet optimization measures, while continuing to protect IBRD's triple-A rating. Measures to stretch existing capital more efficiently, including lowering the minimum equity-to-loan (E/L) ratio and increased limits on the bilateral shareholder guarantee program, have enhanced IBRD's long-term sustainable lending capacity by an estimated US\$50 billion over the ten-year period starting FY24. Beyond this, IBRD financing initiatives agreed at the Spring and Annual Meetings (such as hybrid capital from shareholders/development partners, and the portfolio guarantee platform) have continued to progress and are ready for implementation. A number of shareholders have announced their intent to participate. Work on hybrid capital from markets continues to progress, including engagement with rating agencies, with the expected implementation by end of 2024. Management is also clarifying procedures regarding existing callable capital and exploring options to enhance its value to enable additional capacity.

30. **We have strengthened the Bank's offering to the most vulnerable IBRD and IDA borrowers beyond what was announced at Marrakech.** The CRDCs have been expanded to cover (a) interest payments as eligible for deferral, and (b) existing loans of eligible borrowers. In addition, the CRDC fee of 5 basis points per annum, if needed, is proposed to be covered from the Livable Planet Fund once it is established.

31. **To enhance the impact of these initiatives, significant progress has been made towards launching a framework for financial incentives to support IBRD projects that address global challenges and have positive cross-border externalities.** The package of financial incentives for IBRD country clients aims to provide targeted volume, tenor, and price incentives in a transparent manner to stimulate demand to invest in projects that address global challenges and have positive cross-border externalities, while balancing the need to retain the Bank's country-led model to ensure client ownership and accountability and the flexibility of IBRD lending to meet clients' evolving needs. The framework is built upon the principles and approach that will be used to incentivize projects addressing global challenges with cross-border externalities. The framework's "learning-by-doing approach" would be underpinned by rigorous project-by-project assessment, and embed systematic opportunities to review the implementation experience, adjust and enhance the approach, and share learning outcomes across the MDB community.

32. **The framework also aims to create incentives for contributing partners to provide additional voluntary contributions that IBRD can leverage by creating a compelling value proposition:** aligning the use of additional resources with strategic priorities agreed through the evolution process discussions at the 2023 Annual Meetings and benefitting from IBRD's powerful leverage model to multiply the lending capacity. The framework's 'Global Solutions Accelerator Platform' will allow shareholders to direct their contributions and additional lending capacity generated by such contributions; the platform would provide the financing for volume incentives for projects addressing global challenges and mitigating negative externalities. The framework will also underpin the use of donor resources under the Livable Planet Fund. The viability and success of the framework for financial incentives will depend on support from contributing shareholders to purchase hybrid capital instruments, participate in portfolio guarantee platforms, and contribute to the Livable Planet Fund.

33. **Developing more and better partnerships is also a key aspect of mobilizing finance to scale client impact.** IDA itself embodies an extraordinary global partnership, bringing together its current 59 donor

governments as well as representatives of 75 recipient countries in a multilateral process that seeks consensus on priorities and policies for the use of funds. Trust Funds (TF) and Financial Intermediary Funds (FIF) work in close complement to bring in additional resources. As part of the IDA20 Mid-Term Review in Zanzibar in December 2023, a paper, *Partnerships: IDA Works in Cooperation with a Broad and Diverse Range of Partners*, was prepared that takes stock of IDA20 partnerships and sets the stage for a stepped-up partnership focus in IDA21.

34. The evolution process identified direct co-financing in the public sector as an important instrument to support an evolving mission to confront global challenges and priorities. By its very nature, co-financing is about partnerships and MDBs, bilateral agencies, and other development partners working together. We implemented several measures to increase direct co-financing in the public sector given its potential to mobilize and align resources strategically and efficiently towards policy reforms, maximize development outcomes, raise catalytic concessional financing to leverage private capital, and reduce transaction costs for our partner countries. We reformed our cost sharing approach to further incentivize co-financing, grant and concessional resources, and alignment with strategic priorities.

35. Further, we are developing a Collaborative Co-financing Platform, together with other MDBs to improve coordination across the multilateral system and to identify co-financing opportunities to better serve our clients. The Platform, to be launched at the 2024 Spring Meetings, will include a digital component (the Co-financing Portal) and a Co-financing Forum. The Co-financing Portal will comprise a database of projects seeking co-financing provided by each of the participating institutions. The Portal will be complemented by a forum for participants to discuss co-financing opportunities identified through the Portal, and common issues related to co-financing.

36. IFC and MIGA are continuing to leverage their strong capital positions. To deliver on evolution ambition, IFC and MIGA will focus on and scale activity in priority areas, emphasizing innovative products and solutions that create markets and drive foreign investment for development, facilitate private sector growth at scale, and enable impact, including in FCV and IDA markets. Both institutions remain focused on expanding the impact and scope of their delivery across clients. For IFC, for example, this includes effectively leveraging blended finance and new innovative structures, such as Synthetic Risk Transfer transaction, which serve as impact multipliers while also helping IFC leverage its capital more efficiently. MIGA is using its efficient capital model, enabled by its robust reinsurance capacity, to deliver record guarantee issuance and mobilization of private capital, including through doubling down on innovation (for example, through liquidity support guarantees for renewable energy and infrastructure). The continued ability of both IFC and MIGA to leverage their respective capital bases will be facilitated by (i) leveraging the IDA Private Sector Window to enable sustainable private investment in these challenging markets, further underscoring the need for a strong IDA21 replenishment and (ii) by evaluating options for multi-donor trust fund structures to help scale and streamline fundraising efforts to support private sector projects that address global public goods and local market distortions.

37. Strengthening IDA's financing capacity will be imperative to deliver on our increased ambitions to help set low-income countries back on the pathway to eradicate poverty on a livable planet. IDA's financial model already allows it to leverage every dollar of partner contributions into almost four dollars of commitment authority. In the same vein of efforts earlier undertaken for IBRD, as part of continuing improvements and enhancements of the use of IDA's balance sheet and financing capacity, Management has proposed enhancements to IDA's Capital Adequacy Framework (CAF) that are cumulatively estimated to release US\$16 billion of capital and would allow to increase IDA's financing capacity by about US\$20 billion over IDA20-24. These enhancements relate to the capital requirements for the Private Sector Window facilities as well as other refinements.

38. At the IDA20 Mid-Term Review Meeting in December 2023, Management and IDA Participants agreed on a package of measures to support additional capacity through the end of IDA20. This package

includes using resources from the CRW+, cancellation and recommitments, and additional capacity from releasing capital from additional long-dated fixed rate bonds – scaling up a balance sheet optimization measure that was already implemented in IDA20. The package also includes part of the additional capacity generated from the enhancements identified in IDA’s CAF. These measures enable IDA to maintain US\$30 billion per FY financing through the end of IDA20 in 2025. The remaining capital release from the enhancements identified in IDA’s CAF review will be used to boost IDA’s capacity in the medium term.

39. **Increased support is needed to help set IDA countries back on the pathway to eradicate poverty on a livable planet.** Decisive action is critical, and we must position IDA21 to help IDA countries face the current crises in the short term, while continuing to focus on long-term development goals and increasing countries’ resilience to crises. We will need an ambitious and robust IDA21 commensurate with the challenges at hand. IDA will need to continue to provide strong net positive flows to IDA countries, including ensuring adequate support to address the needs for prevention and transition out of FCV and of IDA conflict-affected countries. The implementation of our playbook will leverage these resources to achieve impact at scale, measured and managed through the new World Bank Group Scorecard.

40. **The proposed IDA21 strategic directions are informed by these challenges and opportunities faced by IDA countries, as well as alignment with the World Bank Group evolution efforts to deliver impact at greater scale and with speed.** Through multiple replenishment engagements, various aspects of IDA’s operational, policy and financing frameworks are already positioned to deliver on the evolution endeavor. Demographic shifts and the advent of new technologies also present opportunities to improve prospects for millions of people in IDA countries. Progress already achieved on key thematic issues in IDA20 and past IDA cycles, provide a steppingstone for greater impact. With the proposed overarching theme of “*Acting with Urgency and Ambition to End Poverty on a Livable Planet*”, IDA21 will heighten focus on outcomes, in line with the World Bank Group Scorecard and benefitting from improved transparency and accountability that the Scorecard as a strategic management and communication tool provides. IDA21 will complement its enhanced outcome orientation with a SimplifIDA initiative, which, by streamlining IDA architecture and processes, will support speed and impact in the delivery of development solutions in a manner that does not increase environmental and social risks, or reduce quality outcomes.

41. **IDA21’s policy framework will be informed by exchanges with the civil society.** This will be done not only through the longstanding IDA Forum events held at Spring and Annual Meetings, which have been helpful in understanding the priorities of the civil society; but also through the new regional IDA Forums, which will build on the successful model of engaging with Civil Society Organizations and private sector representatives on the Evolution at the regional and local levels.

V. Next Steps and Questions

42. **We are on a path to deliver an ambitious World Bank Group transformation that will achieve impact at scale for all our clients.** The measures being delivered will improve the client experience of working with the World Bank Group on addressing their most pressing development challenges. Over the remainder of 2024, in consultation with the Board, we will finalize the new Scorecard indicators to drive accountability and improve the measurement of results with a focus on outcomes and continue implementing operational effectiveness and efficiency measures for a better and faster World Bank Group. We will work on fully implementing the operational measures under the new playbook, rooted in our enhanced country-based development model. As we move into implementation of the GCPs, we will increase our delivery of replicable and scalable programmatic approaches to critical global challenges, including innovative means and stepped-up approaches to mobilize private capital to fill the financing gap to address global challenges. Further details are set out in Annex 1. We remain committed to supporting FCV countries with resources, knowledge, hands-on implementation support and capacity building. We will maintain an adaptive and flexible approach to ensure we continuously incorporate lessons on how to best achieve lasting results in FCV countries. We will deepen our partnerships.

43. **More efforts are needed to fully respond to the pressing development needs of our clients, and there has never been a more important moment for stepped-up global action.** The transformation to becoming a better bank will need to be accompanied by an increase in the World Bank Group’s financial capacity. The leveraging model of the World Bank Group offers high value for money to the international community. Moving from Vision to Impact in the evolution process further enhances our value proposition. The financial measures already adopted and those currently under review are important steps to increase World Bank capacity. But more could be done for clients by mobilizing new, additional resources, especially by maximizing the IDA21 replenishment to address the needs of the poorest countries. With Governors’ support, Management and World Bank Group EDs could work together to deliver a robust and ambitious IDA replenishment. A shareholder review is scheduled for 2025. Management will work with shareholders to explore the possibility of establishing a review process to assess the alignment of capital resources with ambition. These operational and financial measures will help us to deliver on the new vision and mission of the World Bank Group.

44. **We welcome feedback from the Governors on the following:**

- i. What are Governors’ views on early progress in aligning the World Bank Group playbook with the new vision of a world free of poverty on a livable planet?
- ii. What guidance do Governors have on steps to strengthen our financing capacity to become a bigger World Bank Group, including securing a robust and ambitious IDA21 replenishment?

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Annex 1: Deliverables, as of Spring Meetings 2024

Action Area	Launched by:		
	Spring Meetings 2024	Annual Meetings 2024	Post-Annual Meetings 2024
NEW VISION, MISSION, AND WORLD BANK GROUP SCORECARD			
<i>Establish New Vision and Mission</i>			
<i>Define Eight Global Challenges</i>			
<i>Define preliminary World Bank Group Scorecard</i>			
<i>Endorsement of New Scorecard</i>			
<i>Issue of FY24 Scorecard (with indicators in two phases)</i>			
A NEW WORLD BANK GROUP PLAYBOOK			
DOUBLING DOWN ON IMPACT			
Knowledge Compact			
<i>Define and establish Knowledge Compact (products, learning, partnerships, and systems)</i>			
Country Engagement			
<i>Strategic Alignment and Streamlining of Country Engagement Model</i>			
Enabling and Mobilizing Private Capital			
<i>Engage the private sector more, including through the Private Sector Investment Lab</i>			
<i>Upgrade Country Private Sector Diagnostics as core analytical product</i>			
<i>Increase public access to the Global Emerging Markets default and recovery rates (GEMs)</i>			
<i>Finalize design of the IFC Warehouse-Enabled Securitization Program (WESP)</i>			
<i>Launch of initial test securitization under WESP</i>			
<i>Scale up green bond structure backed by a contingent liquidity facility and MIGA's political risk insurance</i>			
<i>Develop proposals for FX risk management and increasing the affordability of hedging for the private sector</i>			
Mobilizing Domestic Public Resources			
<i>Establish Public Finance Reviews as a core diagnostic</i>			
<i>Issue new guidance on supporting clients to strengthen domestic resource mobilization for countries with low tax collection rates</i>			
<i>Strengthen partnerships on domestic resource mobilization with key institutions</i>			
Global Challenge Programs			
<i>Launch the development of six GCPs</i>			
<i>Develop Six GCP Approach papers</i>			
Crisis Preparedness and Response Toolkit			
<i>Establish a Rapid Response Option to allow countries to use undisbursed funds for emergency response; increase country access to Cat-DDOs; establish IPF-DDO; increase access to parametric products to transfer disaster risk to the private sector</i>			

Action Area	Launched by:		
	Spring Meetings 2024	Annual Meetings 2024	Post-Annual Meetings 2024
<i>Launch CRDCs for the most vulnerable countries – new loans</i>			
<i>Extend CRDCs to existing loans</i>			
<i>Design a parametric insurance backstop for MIGA-enabled public sector projects</i>			
<i>Assist private sector clients in crises preparation and response</i>			
MODERNIZING OUR APPROACH TO DELIVERY			
One World Bank Group			
<i>Establish World Bank Group Guarantee Platform</i>			
<i>Leverage staff incentives and flexibilities to promote World Bank Group collaboration and cross-institutional mobility</i>			
<i>Launch a new country representation cohort for One World Bank Group (by completing recruitment of the cohort for 20 countries)</i>			
<i>Establish One World Bank Group Approach across Finance and Risk functions</i>			
<i>ITS Strategy Refresh Initiative in Support of the Evolution Process</i>			
<i>Update on Real Estate Strategy and One World Bank Group Global Footprint Management</i>			
People and Culture			
<i>Labor model review (Management evaluation of contract architecture and types)</i>			
<i>Review of talent management and career development framework (Management scoping improvements to enhance World Bank Group employee value proposition)</i>			
Budget			
<i>Budget changes engagements</i>			
Operational Efficiency and Effectiveness			
<i>Streamline Additional Financing (including replenishment of financing repurposed for crisis response) and Improve Management of Undisbursed Balances within a Country Portfolio</i>			
<i>Review of MPA to facilitate replicability and scalability</i>			
<i>Update on Operational Efficiency and Effectiveness initiative and Next Steps</i>			
<i>Launch and Implement 10 actions to streamline and strengthen ESF implementation</i>			
<i>Scale up hands-on implementation support to provide direct support to IBRD/IDA borrowing countries</i>			
<i>Agree on IBRD/IDA bunching strategy: delivering no more than 17 operations per week, with minimal exceptions</i>			
<i>Mandate maximum 25-page project documents</i>			

Action Area	Launched by:		
	Spring Meetings 2024	Annual Meetings 2024	Post-Annual Meetings 2024
Partnerships			
<i>Public Sector Direct Co-Financing Cost Sharing Framework</i>			
<i>Develop a Co-financing Platform for public sector operations together with other MDBs</i>			
<i>Establish partnership MoUs with development partners</i>			
WORLD BANK GROUP FINANCING MODEL			
IDA			
<i>Fundraise for CRW+</i>			
<i>Explore measures to strengthen medium-term financing capacity</i>			
<i>IDA Capital Adequacy Framework Review and Balance Sheet Optimization</i>			
IBRD			
<i>Pilot innovative results-based financing terms</i>			
<i>Lower minimum E/L ratio to 19% (from 20%)</i>			
<i>Increase bilateral guarantee limit by US\$5b (from US\$10b to US\$15b)</i>			
<i>Pilot hybrid capital from capital markets (pilot up to US\$1b)</i>			
<i>Finalize the ongoing Board of Governors vote on the removal of the statutory lending limit from IBRD Articles</i>			
<i>Increase bilateral guarantee limit by US\$5b (from US\$15b to US\$20b)</i>			
<i>Introduce Asian Infrastructure Investment Bank guarantee (US\$1b)</i>			
<i>Establish portfolio guarantee platform</i>			
<i>Develop shareholder hybrid capital option</i>			
<i>Clarify call and payment procedures on existing callable capital</i>			
<i>Explore enhanced callable capital</i>			
<i>Consider augmenting donor interest in IBRD balance sheet optimization s with thematic preferencing (as part of an overall Framework for Financial Incentives) (see also item below)</i>			
IFC			
<i>Continue to develop and introduce internal efficiency measures to enable delivery to clients through improvements to policies and procedures</i>			
MIGA			
<i>Introduce Non-Honoring of Sovereign Financial Obligations cover to MDBs for their exposure to sovereign loans</i>			

Action Area	Launched by:		
	Spring Meetings 2024	Annual Meetings 2024	Post-Annual Meetings 2024
CONCESSIONAL FINANCE			
<i>Identify sources of concessionality – augmented Global Public Good Fund Trust Fund (or Livable Planet Fund), Umbrellas, Financial Intermediary Funds, co-financing</i>			
<i>Establish principles of concessionality for World Bank Framework for financial incentives for IBRD-eligible countries (including existing resources in TF-FIF) (see also item above)</i>			
<i>Explore multi-donor trust funds for IFC and MIGA to provide concessional funding for private sector operations</i>			