



2021 Annual Report

Nordic-Baltic Office World Bank Group

Highlights from Financial Year 2021

July 1, 2020 - June 30, 2021



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Abbreviations

Acronym	Definition
AML/CTF	Anti-Money Laundering/ Counter-Terrorism Financing
BBBG	Building Back Better and Greener
BC	Budget Committee
CCAP ₂	Climate Change Action Plan
CCDRs	Country Climate Development Reports
CIP	Capital Increase Package
CODE	Committee on Development Effectiveness
COGAM	Committee on Governance and Executive Directors Administrative Matters
COVAX	COVID-19 Vaccines Global Access
COVID-19	Coronavirus Disease
DFi	Development Finance
DRM	Domestic Resource Mobilization
DSSI	Debt Service Suspension Initiative
DTT	Disruptive and Transformative Technologies
E&S	Environmental Social
ESMAP	Energy Sector Management Assistance Program
FCV	Fragility, Conflict and Violence
FTCT	Fast Track COVID-19 Facility
FY	Fiscal Year
GP	Global Practice
GRID	Green, Resilient & Inclusive Development
HRC	Human Resource Committee
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IFFs	Illicit Financial Flows
IMF	International Monetary Fund
INFF	Integrated National Financing Frameworks
IPCC	Intergovernmental Panel on Climate Change
JET	Jobs and Economic Transformation
MfD	Mobilizing Finance for Development
MIGA	Multilateral Investment Guarantee Agency
MTR	Mid-Term Review
NB	Nordic-Baltic
NBC	Nordic-Baltic Constituency
NBO	Nordic-Baltic Office
NDC	Nationally Determined Contributions
PCM	Private Capital Mobilization
RMNCAH	Reproductive, Maternal, New-born and Child, and Adolescent Health
SDG	Sustainable Development Goals
SDGP	Social Development Global Practice
WB	World Bank (IBRD/IDA)
WBG	World Bank Group (IBRD/IDA, IFC, MIGA, ICSID)
WDR	World Development Report
WHO	World Health Organization

Nordic-Baltic Strategic Priorities

COVID-19 Response in line with Building Back Better and Greener and Long-Term Development Objectives

The measures taken to address the negative health, economic, and social impacts of the COVID-19 pandemic in FY21 have been the largest crisis response in the history of the WBG. From March 2020 and until the end of FY21, the WBG approved more than USD 155 billion in new financing, helping more than 100 countries address the health emergency, strengthen health systems and pandemic preparedness, protect the poor, provide social protection to the most vulnerable populations, and preserve jobs, companies and financial institutions. The Bank also increased its efforts to address and ameliorate the debt situation in countries in high debt distress.

In the WBG's health response, the issue of ensuring adequate supply of vaccines to developing countries rose to one of the most pressing and critical priorities for the WBG in FY21. Following approval of the initial USD 6 billion IDA/IBRD health emergency response envelope in April 2020, the Bank moved quickly to roll out support to over 90 countries by end of FY21. Emphasis was placed on efforts to prevent, detect, and respond to COVID-19 and strengthen systems for public health preparedness. In October 2020 the Board approved an additional USD 12 billion (increased to USD 20 billion in June 2021) to enable the Bank to respond swiftly upon vaccine approval by regulatory authorities. By end of FY21, over 50 countries were supported for vaccine procurement and deployment. On the private sector side, the IFC launched its USD 4 billion Global Health Platform in July 2020, seeking to mobilize private investment to help close the large healthcare supply gaps. Under the Platform the Board approved IFC's investment in the first localized manufacturing of COVID-19 vaccines in Africa. NBO continuously stressed the importance of close coordination, alignment, and collaboration with the WHO, COVAX and other key actors in the response, in addition to the importance of strengthening health systems.

NBO was also supportive of the WBG's decisive **response to address the economic and social implications** of COVID-19. On the policy side, NBO and the Board requested greater clarity on the strategic approach and implementation framework. Management presented such policy orientation in the *COVID-19 Crisis Response Approach Paper* (June 2020) and in the paper, ***Saving Lives and Livelihoods while Supporting Green, Resilient and Inclusive Development (GRID)*** in March 2021. NBO welcomed this vision for a more integrated approach to promote green, resilient and inclusive development by combining immediate support to client countries' relief efforts with a line of sight to long-term and interconnected development goals, including global public goods, as this is well aligned with NBC priorities. The GRID approach aims to address multiple challenges in a comprehensive, simultaneous and systematic way; including the pandemic response, structural weaknesses, slowdowns in productivity, employment, Jobs and Economic Transition (JET), gender equality, growth, slower progress on poverty reduction, rising inequality, rising debt levels, limited room to maneuver on fiscal policy, and challenges related to climate change, pollution and biodiversity. NBO will monitor the implementation of this approach at the country, regional, and global levels during FY22.

Climate Change

The new Climate Change Action Plan for 2021-2025 (CCAP2), launched in FY21, represents a paradigm shift for the WBG as the intention is to advance all development work in a green, resilient, and inclusive way. The ambition is to apply a climate lens to all sectors, including to education, health or social protection which are not traditionally associated with climate action. NBO welcomed this integrated approach and supported the final CCAP2. Throughout FY21, NBO and European Board offices advocated for an aspirational climate plan and had close dialogue with the drafting team during the drafting process. A breakthrough achievement was the WBG commitment to a clear timetable for Paris alignment (2023

for IBRD/IDA, and 2025 for IFC and MIGA). Other key commitments are the target of 35 percent climate co-benefits, and parity between financing for climate mitigation and adaptation. The new CCAP also includes more attention to climate results and impact, through a greater focus on greenhouse gas emissions reduction, adaptation, and resilience goals, supported by new metrics.

NBO urged the WBG to further strengthen its climate advisory services and to link these to the Nationally Determined Contributions (NDCs) of client countries. NBO welcomed the launch of the new diagnostic tool, the so-called Country Climate and Development Reports (CCDRs). The CCDRs will help to mainstream climate into all of the Bank's operations, lending, and engagements with clients. In effect, the CCDR will offer a blueprint for climate priorities for each country. CCDRs will be tailored to specific development priorities and the scenarios by the Intergovernmental Panel on Climate Change's (IPCC) for future emissions and will offer insights on the most critical investments needed, the biggest opportunities, as well as the tradeoffs and how these can be managed.

NBO furthermore called for tailormade approaches to client countries, now reflected in the plan. In low-income countries, where emissions are the lowest but climate impacts often the greatest, the WBG's focus will be on climate-smart development, as well as on adaptation and resilience. In middle-income countries, many of which are already high emitters, the Bank will focus more on accelerating low-carbon development and on supporting a "just transition" to a low-carbon future. NBO continued to support the Bank in engaging with policy makers to make transformative changes happen, e.g. via the Coalition of Finance Ministers for Climate Action and the "[Helsinki Principles](#)."

Energy

The WBG remains the single largest global contributor to renewable energy in developing countries and helps clients address key barriers to scaling-up such clean technologies through its investments and policy advice. The entire WBG shows commitment to working upstream to build a pipeline of bankable clean energy projects, including solar, wind and hydropower projects.

The NBC's new approach paper to *Energy Investments in the WBG* (finalized March 2021) has been extensively used by NBO in outreach with other member countries, WBG staff and Management to build strong alliances in pursuit of ambitious climate and energy objectives and targets. NBO also utilized this policy paper in dialogue with the African and other chairs, as well as with staff when discussing specific project proposals. Other member countries have developed similar policy papers (UK, France, Germany, Canada, US), which helped form a strong coalition of likeminded chairs in support of clean energy.

NBO actively engaged in Board discussions about gas projects, which continue to be very contentious. NBO's position to call for clean energy solutions and to only accept gas projects in exceptional cases and IDA-only countries, has become well aligned with the views of other European Chairs. However, client countries argued that the green agenda must not overshadow the development mandate of the Bank and called for a continued strong focus on universal access to energy, rather than on renewables only.

NBO views the WBG's new Climate Change Action Plan and its commitment to step-up support for an energy transition in client countries as very constructive, especially the focus on the largest emitters and a transition away from coal, together with mobilization of large-scale resources to support this. NBO underscored that the Bank must invest in a "just transition" towards zero-carbon and climate resilient societies which goes hand in hand with prosperity for all, gender-sensitive inclusive growth, job creation and poverty reduction. Management has confirmed that all these factors will be part of the Bank's transition program.

NBO also supported the Bank's work to strengthen energy efficiency, energy access, and the use carbon shadow pricing. NBC has been a strong donor and partner from the very start to the Energy Sector

Management Assistance Program (ESMAP), which continues to be an effective knowledge program to achieve universal energy access and advancing decarbonization.

Domestic Resource Mobilization (DRM)

In FY21, the Bank developed its first *DRM Strategy* on how to support client countries in their efforts to raise domestic revenues through fair and progressive taxation and by addressing tax avoidance. NBO found that the Bank is well placed to implement the DRM Strategy and to assist countries in protecting their taxing rights and tax base. NBO and likeminded chairs also called for the Bank to apply a balanced approach and a sharper focus on taxing the highest incomes, multinational corporations, property, capital, and wealth. This would help redistribute income and wealth and generate other co-benefits such as reducing the debt burden, reducing informality and inequalities, and increasing inclusive economic growth to achieve the Twin goals, GRID and SDG outcomes. The development of the *DRM Strategy* was a result of NBO's consistent engagement with Management and across the Board. NBO established the *DRM Working Group* in cooperation with the German constituency office, and co-organized a high-level seminar, *Fighting Poverty through Progressive Taxation* with Professor Lucas Chancel.

NBO welcomed the intensified international discussion on new taxing rights and a global minimum corporate tax. In this context, NBO and likeminded chairs also called on the Bank to be more active in G7 and G20 discussions, considering that even before the pandemic, sovereign debt across developing countries had been increasing due to growing financing needs. Insufficient tax revenues, where tax avoidance by multinational companies contributes to lowering developing countries' budgets by around 200 billion dollars annually, also contributes to the worsening debt situation. NBO argued that the Bank's leadership is vital not only at a domestic level but also at a global level and welcomed that this was recognized by the Bank in the *DRM Strategy*.

The WBG furthermore has a key role to play in promoting responsible AML/CFT (Anti-Money Laundering/ Counter-Terrorism Financing) and tax behavior by the private sector. In FY21, after systematic requests by NBO and likeminded chairs, IFC started to carry out enhanced tax due diligence in projects with intermediate jurisdictions. NBO also continued its advocacy during the *WBG Intermediate Jurisdictions Policy* revision process, which is at its final stage. In June 2021, the Bank developed a more integrated approach, notably on beneficial ownership, in fighting *Illicit Financial Flows*. In this regard, NBO urged the Bank to take a more active stance on confronting corruption, new threats and challenges created by new technologies and digitalization and their impact on the traceability of financial flows.

Mobilization of Private Sector Resources for Building Back Better and Greener (BBBG)

The NBC introduced the theme Mobilization of Private Sector Resources for the (BBBG) Agenda as a strategic priority in January 2021, to give new impetus to the WBG's Private Capital Mobilization (PCM) agenda and to ensure implementation of the Cascade Approach and Mobilizing Finance for Development (MfD) Strategy. NBO's proactive work in line with the NBC work plan, and in partnership with likeminded countries, elevated PCM issues in the Board and influenced WBG Management to strengthen its efforts to develop concrete and systematic solutions to mobilize more private and institutional capital for the benefit of climate financing, the WBG twin goals and the SDGs in client countries.

In March 2021 NBO led an initiative to request an update to the Board on the implementation of the MfD and Cascade approach and initiated an informal dialogue with Management and the newly created WBG-wide PCM Task Force. The purpose of this Task Force is to review the WBG's policies, processes, and implementation, and to consider the introduction of new financial instruments and de-risking solutions in cooperation with potential investors and interested donor countries. The deepened dialogue with

Management led to Sida inviting the WBG leadership group to a high-level round table discussion with institutional investors and client countries on June 9, 2021. This “trigger event” resulted in the establishment of a *joint WBG and institutional investors working group* which started its work in July 2021. The group will explore options to scaling-up investments in support of sustainable development, climate action, and the COVID-19 recovery agenda, to meet the increasing demand from these investors to contribute to those long-term development objectives. The group will i.a. assess the most promising ways to increase the use of WBG de-risking instruments and how to better align the WBG’s PCM agenda with the financial instruments preferred by institutional investors.

Momentum to scale up private co-financing and PCM increased further towards the end of FY21, as the G7, G20, the UK and the USA called on the WBG and MDBs to deliver more PCM for climate financing in the lead-up to COP 26 in Glasgow. NBO believes this concerted push will bear fruit in FY22 as Management is expected to present new measures and incentives to increase the WBG’s share of PCM. NBO also welcomes that *WBG Financing for Green, Resilient and Inclusive Development (GRID)* was selected as one of the key topics for the 2021 WBG/IMF Annual Meetings.

Nordic-Baltic Thematic and Institutional Priorities

IDA20 Replenishment

Following the frontloading of IDA19 resources to FY20 and FY21 and pressing financing needs in IDA countries due to the COVID-19 Crisis, IDA Deputies agreed in February 2021 to shorten the IDA19 period and advance the IDA20 Replenishment negotiations by one year. The pledging session will take place in December 2021. By the end of FY21, IDA Deputies and Borrower Representatives agreed on the strategic direction of IDA20. The overarching theme of IDA20 is *Building Back Better from the Crisis: Towards a Green, Resilient and Inclusive Future* and will build on the IDA19 framework. Some adjustments will be made to adapt to new challenges. The special themes will continue to be five, with Climate Change, Gender, FCV and JET continuing, and Human Capital added. The IDA19 special theme of Governance and Institutions will be made a cross cutting issue along with Debt, Technology, and Crisis Preparedness which comes as a new topic in IDA20 and will include focus on food security and pandemics. Disabilities will continue to be an area of focus and under the Human Capital theme. IDA Deputies have discussed possible financing scenarios and balance sheet optimization measures to maximize the impact of IDA donor contributions, while the importance of preserving IDA’s hybrid financial model and AAA rating has been emphasized. IDA, which is the largest single donor to the LDCs and considered one of the most effective development institutions, is of high importance to the Nordic-Baltic Constituency. IDA’s strategic direction is well aligned with NBC priorities and jointly, the constituency is the fourth largest donor in financial contributions.

Gender Equality

The implementation of the World Bank 2016-2023 Gender Strategy remained on track in FY21. Eighty-one percent of new operations helped close gender gaps in FY21, well above the target of 55 percent by 2023. The Mid-Term Review (MTR) of the World Bank Gender Strategy was completed in January 2021 and confirmed the relevance of the Strategy and a strong commitment from Management to address gender inequality. However, it also noted that competing demands and priorities at country level at times hampered the attention to gender equality and encouraged increased attention to supporting and monitoring implementation. These are issues which NBO will take forward in the dialogue with the Gender Team and Bank Management. During FY21 the Gender Team engaged in guiding and advising Bank operational teams on how to mitigate the significant impact of the pandemic on gender equality.

NBO urged Management to use the current crisis to leapfrog on gender equality by ensuring comprehensive attention to gender equality in the Green, Resilient and Inclusive recovery phase.

Fragility, Conflict and Violence

After the milestone of introducing the World Bank Group Fragility, Conflict and Violence Strategy for 2020-2025 in February 2020, the focus in FY21 was on the implementation of the strategy. For the most part implementation proceeded well, as evidenced by the January 2021 briefing to the Board which confirmed that 20 out of the 23 implementation measures were on track or completed.

One of the three implementation measures that were delayed was updating the operational policy on FCV (formerly OP 2.30). Originally envisioned to be concluded by end of 2020, the update included lengthy negotiations, in which NBO was an active party. In the end, NBO and likeminded partners were able to gather support for a vision statement which, while not part of the policy itself, acts as an encouragement to the Bank and its staff to conduct solid and sound conflict analyses to inform the Bank's programming, and to actively consider all drivers of fragility, including the human rights situation.

Digitalization, 4th Industrial Revolution

The WBG has adopted a mainstreaming approach to disruptive and transformative technologies (DTT), as economies grow faster in the digital domain and as technological progress and digitalization continue lives and welfare of people are affected. During FY21 IEG assessed the WBG's preparedness of mobilizing technology for development and concluded that the WBG was not sufficiently prepared to help clients harness the opportunities and mitigate the risks posed by DTT, and that further efforts were needed to link technologies better to the twin goals. While NBO supported the WBG's technological transformation agenda, NBO also agreed with IEG and other chairs that there was room for improvement.

In discussion on the WBG's approach to connectivity and digital infrastructure in FY21, the Board concluded that access to digital infrastructure is key for more people to benefit from the digital revolution. NBO continuously underscored that the focus on poverty, inclusion and development outcomes must be central. NBO welcomed the World Development Report 2021 Data for Better Lives as the expected benefits from greater usage of data have the potential to be transformative and lead to improved development outcomes. Throughout the WDR process, NBO emphasized that markets should play a greater role in determining supply and demand for data. NBO also found there is room for a more dedicated discussion on data and gender equality.

As the WBG has adopted a decentralized approach to internal digital transformation, NBO called on Management to prioritize business process innovation and digital transformation in all WBG entities.

Human Capital and Human Capital Project

In FY21, the WBG engagement in human capital remained heavily focused on the COVID-19 health emergency response supporting education and provision of social protection. Due to the pandemic, FY20 saw a record high level of commitments in human development and this trend continued in FY21.

The second Human Capital Index was published in September 2020 and included gender disaggregated data for the underlying indicators. The aim of the Index - to stimulate increased investments in human capital - remains highly relevant considering the reversal of gains caused by the pandemic. During the pandemic response, NBO continuously stressed the need for broader health systems strengthening and ensuring continuation of essential service delivery including reproductive, maternal, new-born and child, and adolescent health (RMNCAH), non-communicable diseases, antimicrobial resistance etc. NBO also emphasized RMNCAH in relation to the upcoming IDA replenishment.

Debt Sustainability

The last decade witnessed an emergence of debt vulnerabilities in many LICs, which the COVID-19 pandemic escalated. Many LICs are currently either in debt distress or at high risk of debt distress, facing both solvency and liquidity concerns. In some cases, debt treatment is likely necessary.

NBO emphasized the need to have full understanding of the root causes of excessive debt accumulation, and the necessity to address these. NBO argued that the Multipronged Approach to Debt vulnerabilities should be geared more towards debt sustainability and the debt sustainability assessment framework should be upgraded by including, for example, climate risks. NBO also encouraged Management to focus more on DRM, promoting greater tax fairness and tax progressivity, and addressing tax avoidance.

The WBG responded to the changed circumstances by launching the Debt Service Suspension Initiative (DSSI) in May 2020, and extending it in 2021. DSSI helps countries by providing liquidity and freeing resources to fight the pandemic and safeguard the lives and livelihoods of the most vulnerable people. In implementing the Common Framework for debt treatments, NBO stressed the importance of seizing the momentum to rebuild the structural reform. At the Sustainable Development Finance Policy update the NBO welcomed that SDFP brought debt risks to the forefront of the policy dialogue and underscored the need for more progress with the creditor outreach pillar.

Environmental Sustainability and Biodiversity

During discussions on both the GRID-approach and in particular the CCAP2, NBO called for a strong “nature” dimension and commitments for delivering nature-based solutions to climate change, supporting the blue economy, the transition to a circular economy, scaling up support for biodiversity action plans in IBRD/IDA, and land degradation targets. NBO argued that WBG should strengthen assistance to client countries to value, sustainably manage, protect, and restore their natural assets. This will provide real improvements in the lives and livelihoods of the poorest, as highlighted by the *Dasgupta Review on Economics of Biodiversity*. NBO also argued that biodiversity and ecosystem services loss is a fundamental development issue. These issues became well reflected in the final CCAP2 and in a new approach paper about Biodiversity. The Bank is now committed to a comprehensive approach to nature.

NBO continued its dialogue on knowledge management and the thematic area of “nature” with the program teams of PROBLUE, PROGREEN and PROCLEAN, which help to build understanding about environmental sustainability. All three programs became well reflected in CCAP2. NBO was pleased to see more emphasis on “the Blue economy” in the new climate plan, especially since the PROBLUE program has become an important partner for the UN High Level Panel for a Sustainable Ocean Economy and will engage in the planning and implementation of sustainable ocean management plans.

Multilateral, Partnerships and Country Platforms

NBO advocated for the WBG to strengthen its role as a convening power and a leader on global development issues, multilateralism and partnerships. The need for this became increasingly evident during the pandemic, and in particular in the global efforts to provide access to vaccines to LICs and MICs. Important progress in this area was made during FY21 with closer cooperation between the WBG and WHO/COVAX, and by the establishment of a joint IMF/WBG/WHO/WTO task force on vaccines.

NBO welcomed the GRID approach presented by the WBG as it linked the short- and medium-term pandemic recovery response with longer-term development objectives such as poverty reduction, climate and the SDGs. To implement this approach effectively, NBO called on the WBG to engage and coordinate constructively with all relevant parts of the multilateral system at both HQ, regional and country levels, and across all its operations. As progress on establishing country platforms continued to

be uneven and limited, NBO called for improved cooperation and coordination with the UN system, other MDBs, bilateral partners, humanitarian organizations, stakeholders and CSOs at the country level, and for closer engagement on INFFs (Integrated National Financing Frameworks).

Development Outcomes

Work to strengthen outcome orientation in World Bank Group operations continued in FY21. In August 2020 the Committee on Development Effectiveness (CODE) discussed the paper *Strengthening Outcome Orientation: An Update* and in October 2020 CODE discussed the Independent Evaluation Group's report *Outcome Orientation at the Country Level*. The IEG report found that "the model of how the Bank Group aims for outcomes in its client countries is sound, and, for the most part, teams practice it well." Based on IEG's recommendations and feedback received from chairs in August and October, Management prepared an outcome roadmap, identifying 19 activities over FY21-23 to strengthen the Bank's ability to articulate support to high-level outcomes. The approach taken to strengthen outcome orientation is well aligned with NBC priorities, as SDG-related targets were added to IDA's results measurement system and the corporate scorecard. Commitments made in the capital increase package and IDA19 were also incorporated in results frameworks and reporting. Particular attention was paid to the specifics of outcome orientation in FCV settings, which is welcome and in line with the FCV strategy.

Follow Up on Capital Increase Package

During FY21 NBO monitored the implementation of the Forward Look agenda, the 2018 Capital Increase Package (CIP) and other corporate commitments, in particular IDA19. NBO found that the WBG made good overall progress during the first three years of the implementation and was largely on track with the capital package commitments despite the many challenges presented by the pandemic. In fact, WBG managed to implement its large and broad COVID-19 response in line with these commitments. NBO stressed the importance of delivery on targets, in particular on longer term development objectives such as climate, FCV, gender and SDGs in general, even under these extraordinarily difficult circumstances.

In the CIP **policy package** which covers four areas (i) Serving All Clients, ii) Leading on Global Issues, iii) Creating Markets and Mobilizing Finance for Development and iv) Improving the Business Model), most measures have been implemented or are on track. The new CCAP2 and commitments to increase the share of the WBG's climate co-benefits to 35 percent of total commitments in the coming five years, and announcements on when to achieve Paris alignment were important steps. Progress was also made in areas such as FCV, DRM, health and the closing of gender gaps. NBO however pointed out that IFC's utilization of the PSW and IBRD's private mobilization ratio were both too low and required Management attention. In the **financing package** which covers five areas (i) the Capital Increase, ii) Pricing, iii) Budget Efficiency, iv) Balance Sheet Optimization and v) Income transfers), many commitments were either completed or implemented, or on track to be achieved. However, operational savings made during the pandemic were of a temporary nature. NBO welcomed the matrix introduced in 2020 which gives an excellent overview of the Capital Package commitments and implementation status.

2020 IBRD Shareholding Review and IDA Voting Rights Review

Governors noted in the April 2018 DC Communique that an **IBRD Shareholding Review** would take place in 2020, five years after the first regular review was initiated at the 2015 Annual Meeting in Lima. Periodic reviews take stock of the shareholding structure of IBRD and IFC and assess if shareholding is aligned or misaligned against the benchmark provided by the Dynamic Formula and the shareholding principles agreed in Lima. During FY21, a majority of mainly large and/or over-represented shareholders continued to argue that the 2020 shareholding review should only be a technical exercise, while underrepresented shareholders, including the Nordic-Baltic chair, argued that the identified imbalances should lead to

adjustments. Governors were asked to provide guidance at the 2020 Annual Meeting; however, the guidance was along the same lines as presented by chairs in the negotiations in the Board. Negotiations did not advance since the 2020 Annual Meeting which means that the review will be concluded at the 2021 Annual Meeting without any adjustment being made. NBO finds that such an outcome would risk undermining the commitment to the Lima principles and the Dynamic Formula and could make the next scheduled shareholding review in 2025 even more challenging to agree on.

During FY21, the Committee on Governance and Executive Directors Administrative Matters (COGAM) continued its slow and difficult negotiations on the **IDA Voting Rights Review**, which Governors asked the Board to carry out and conclude by the IDA19 Mid Term Review in November 2021. During the year, good progress was made on a technical level and some pathways were identified which would require both Part I and Part II donors to compromise on their preferred options. Many Chairs, including NBO, showed quite some flexibility in order to finalize the review in time while others found it difficult to compromise. NBO worked in line with its NBC Framework Instruction in which fairness and simplicity are emphasized, and underlined the importance of finalizing the review before the IDA20 pledging session. Towards the end of FY21 negotiations progressed well and it is likely that an agreement can be found before the Annual Meeting in October 2021.

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

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

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

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

Executive Director	Geir H. Haarde (Iceland)
Executive Director	Lene Lind (Norway) (Effective July 1, 2021)
Alternate Executive Director	Joergen Frotzler (Sweden)
Senior Advisor	Anna Dravniece (Latvia)
Senior Advisor	Thorarinna Soebeck (Iceland)
Senior Advisor	Joar Strand (Norway)
Advisor	Sanne Frost Helt (Denmark)
Advisor	Martin Lindpere (Estonia)
Advisor	Pille Pruunsild (Estonia) (Effective August 17, 2021)
Advisor	Jolita Klimaviciene (Lithuania)
Advisor	Eeli Jaakkola (Finland)
Sr. Executive Assistant	Colleen J. Martin
Program Assistant	Veronica Marchant

The Nordic-Baltic ED was a member of the Human Resources Committee (HRC) and Budget Committee (BC).

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

Annex B: Nordic-Baltic Contributions to WBG Funds

Contributions paid in during FY16-FY21Q2 (in US\$ millions)

- Nordic and Baltic countries view

Development Partner	IDA	IBRD/IDA TFs	FIFs	IFC TFs	Total
<u>Nordic countries</u>					
Denmark	617	453	598	24	1,692
Finland	314	142	181	139	776
Iceland	26	9	2	-	37
Norway	796	1,521	1,379	57	3,753
Sweden	1,636	849	2,076	48	4,609
Total Nordic countries	3,388	2,974	4,236	268	10,867
<u>Baltic countries</u>					
Estonia	7	3	1	-	11
Latvia	6	0.05	-	-	6
Lithuania	5	-	0.11	-	5
Total Baltic countries	18	3	1	-	22
Grand Total	3,406	2,977	4,237	268	10,889

Note:

(i) ARTF - Afghanistan Reconstruction trust fund, GFF - Global Financing Facility, FCPF - Forest Carbon Partnership Facility,

(ii) GCF - Green Climate Fund, GPEF - Global Partnership for Education, GFATM - Global funds for Aids, Tuberculosis and Malaria.

Development Partner	Top three programs (IBRD/IDA TFs)			Top three FIFs		
	ARTF	GFF	FCPF	GCF	GPEF	GFATM
<u>Nordic countries</u>						
Denmark	150	15		45	254	7
Finland	61			94	4	-
Iceland				1		-
Norway	143	406	171	347	398	73
Sweden	258			842	173	475
Total Nordic countries	611	421	171	1,328	829	556
<u>Baltic countries</u>						
Estonia	3			1		
Latvia						
Lithuania						
Total Baltic countries	3	-	-	1	-	-

Annex C: Nordic-Baltic Staff in WBG FY20-FY21

WBG Active Full-Time Nordic-Baltic Staff (FY20-FY21)

Nordic & Baltic	IBRD				IFC				MIGA				WBG			
	2020		2021		2020		2021		2020		2021		2020		2021	
	Core	Other	Core	Other	Core	Other	Core	Other	Core	Other	Core	Other	Core	Other	Core	Other
Denmark	54	6	55	6	13	-	13	-	-	-	-	-	67	6	68	6
Estonia	4	-	4	-	-	-	-	-	-	-	-	-	4	-	4	-
Finland	26	2	25	3	5	-	7	-	-	-	-	-	31	2	32	3
Iceland	2	-	2	-	1	-	1	-	-	-	-	-	3	-	3	-
Latvia	8	1	8	1	4	-	3	-	1	-	1	-	13	1	12	1
Lithuania	11	-	11	-	3	-	4	-	-	-	-	-	14	-	15	-
Norway	23	1	23	-	3	-	3	-	-	-	-	-	26	1	26	-
Sweden	54	3	56	4	3	-	4	-	2	-	2	-	59	3	62	4
Grand Total	182	13	184	14	32	-	35	-	3	-	3	-	217	13	222	14

Notes:

- 1) Active Full-time staff includes staff with Appointment types Regular/Open, Term, SPAS and ETC/ETT with Active Employment status
- 2) 'Core' staff includes staff with staff type as Net Unit Staff and 'Other' staff includes staff with staff types as SPAS and ETC/ETT

Nordic & Baltic	GEF		IBRD		IFC		MIGA		Total
	2021		2021		2021		2021		
	Core	Other*	Core	Other*	Core	Other*	Core	Other*	
Denmark	2	-	53	6	13	-	-	-	74
Estonia	-	-	4	-	-	-	-	-	4
Finland	3	-	22	3	7	-	-	-	35
Iceland	-	-	2	-	1	-	-	-	3
Latvia	-	-	8	1	3	-	1	-	13
Lithuania	-	-	11	-	4	-	-	-	15
Norway	-	-	23	-	3	-	-	-	26
Sweden	3	-	53	4	4	-	2	-	66
Grand Total	8	-	176	14	35	-	3	-	236

WBG Active Full-Time Nordic-Baltic Staff Distribution by Grade Level as of end of June 30, 2021

Grade	Denmark	Estonia	Finland	Iceland	Latvia	Lithuania	Norway	Sweden	Grand Total
EC1	-	-	-	-	1	-	-	1	2
EC2	-	-	2	-	-	-	-	3	5
EC3	2	-	-	-	-	-	-	-	2
GC	-	-	-	-	-	-	-	1	1
GD	-	-	-	-	-	1	-	-	1
GE	1	-	-	-	1	1	-	4	7
GF	5	-	6	-	1	4	4	14	34
GG	40	2	17	2	6	8	16	27	118
GH	18	2	7	1	4	1	1	10	44
GI	-	-	2	-	-	-	1	1	4
GJ	1	-	-	-	-	-	-	1	2
UC	7	-	1	-	-	-	4	4	16
Grand Total	74 (+1)	4 (0)	35 (+2)	3 (0)	13 (-1)	15 (+1)	26 (-1)	66 (+4)	236

* Numbres in parenthesis are in comparison to FY18-FY20; no change

Annex D: Nordic-Baltic Countries Procurement Data FY19-21

Overall Results Fiscal Years 2019 -2021										
	Denmark	Estonia	Finland	Iceland	Latvia	Lithuania	Norway	Sweden	Constituency Total	Bankwide Total
Total	\$60,660,343	\$1,510,366	\$33,136,870	\$415,318	\$3,707,526	\$3,592,739	\$5,068,743	\$106,683,545	\$214,775,451	\$ 30,824,371,873
Average of WB Totals (%)	0.20%	0.00%	0.11%	0.00%	0.01%	0.01%	0.02%	0.35%	0.70%	

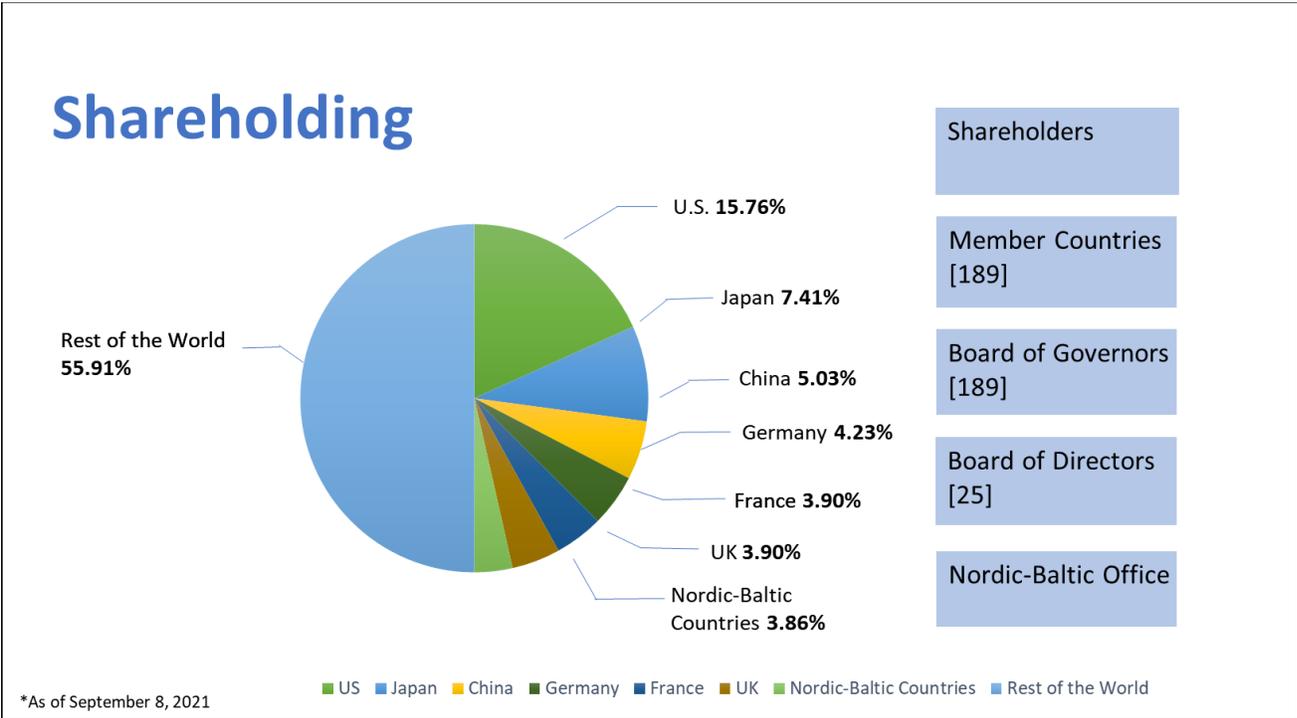
Fiscal Year 2019						
	Civil Works	Consultant Services	Goods	Non-Consulting Services	FY Total	Percentage of WB Total
Denmark	\$2,445,000	\$19,655,129	\$7,350,178		\$29,450,307	0.27%
Estonia		\$828,853			\$828,853	0.01%
Finland		\$2,404,691			\$2,404,691	0.02%
Iceland					\$0	0.00%
Latvia			\$248,000		\$248,000	0.00%
Lithuania		\$3,044,734	\$522,605		\$3,567,339	0.03%
Norway		\$1,239,489			\$1,239,489	0.01%
Sweden	\$90,901,401	\$185,852	\$10,010,646	\$199,950	\$101,297,849	0.93%
Constituency Total	\$93,346,401	\$27,358,749	\$18,131,428	\$199,950	\$139,036,528	1.28%
Bank-wide Total	\$6,433,211,481	\$1,708,403,678	\$2,462,747,988	\$296,263,524	\$10,900,626,670	
Constituency % of Total	1.45%	1.60%	0.74%	0.07%	1.28%	

Fiscal Year 2020						
	Civil Works	Consultant Services	Goods	Non-Consulting Services	FY Total	Percentage of WB Total
Denmark		\$4,930,480	\$5,137,995		\$10,068,476	0.12%
Estonia		\$494,948			\$494,948	0.01%
Finland		\$8,324,515	\$2,789,947		\$11,114,462	0.14%
Iceland					\$0	0.00%
Latvia		\$699,998			\$699,998	0.01%
Lithuania		\$25,400			\$25,400	0.00%
Norway		\$534,836			\$534,836	0.01%
Sweden		\$3,884,943	\$354,095	\$199,950	\$4,438,988	0.05%
Constituency Total	\$0	\$18,895,120	\$8,282,037	\$199,950	\$27,377,107	0.34%
Bank-wide Total	\$5,069,012,252	\$1,287,908,351	\$1,392,663,953	\$345,730,238	\$8,095,314,793	
Constituency % of Total	0.00%	1.47%	0.59%	0.06%	0.34%	

Fiscal Year 2021						
	Civil Works	Consultant Services	Goods	Non-Consulting Services	FY Total	Percentage of WB Total
Denmark		20,815,928	325,633		\$21,141,561	0.18%
Estonia		186,565			\$186,565	0.00%
Finland		4,587,759	15,029,958		\$19,617,717	0.17%
Iceland		415,318			\$415,318	0.00%
Latvia			2,759,529		\$2,759,529	0.02%
Lithuania					\$0	0.00%
Norway		2,660,605	633,813		\$3,294,418	0.03%
Sweden		946,709			\$946,709	0.01%
Constituency Total	\$0	\$29,612,883	\$18,748,933	\$0	\$48,361,816	0.60%
Bank-wide Total	8,264,776,747	1,060,925,130	2,210,561,435	292,167,098	\$11,828,430,410	
Constituency % of Total	0.00%	2.79%	0.85%	0.00%	0.41%	

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

Annex E: Shareholding



Annex: F: For Further Information

- World Bank Group Annual Report can be found at:
<https://openknowledge.worldbank.org/handle/10986/2127>
- WBG Corporate Scorecard can be found at:
<http://scorecard.worldbank.org/>
- Weblink to COVID-19 response webpages:
<https://www.worldbank.org/en/who-we-are/news/coronavirus-covid19>