

## CDD Portfolio Update as of end-June 2020

### WB CDD Portfolio at a Glance

- Lending: The CDD portfolio continues to grow across the WB.** Total Bank lending towards CDD operations in **FY20 was \$6.6 billion** (27 percent increase over FY19 (\$5.2 billion), and almost 61 percent increase over 5 years, at \$4.1 billion in FY16). Other borrower and donor contributions for FY20 projects totaled almost US\$3 billion, which included US\$2.1 billion from borrowers and US\$890 million from donors.

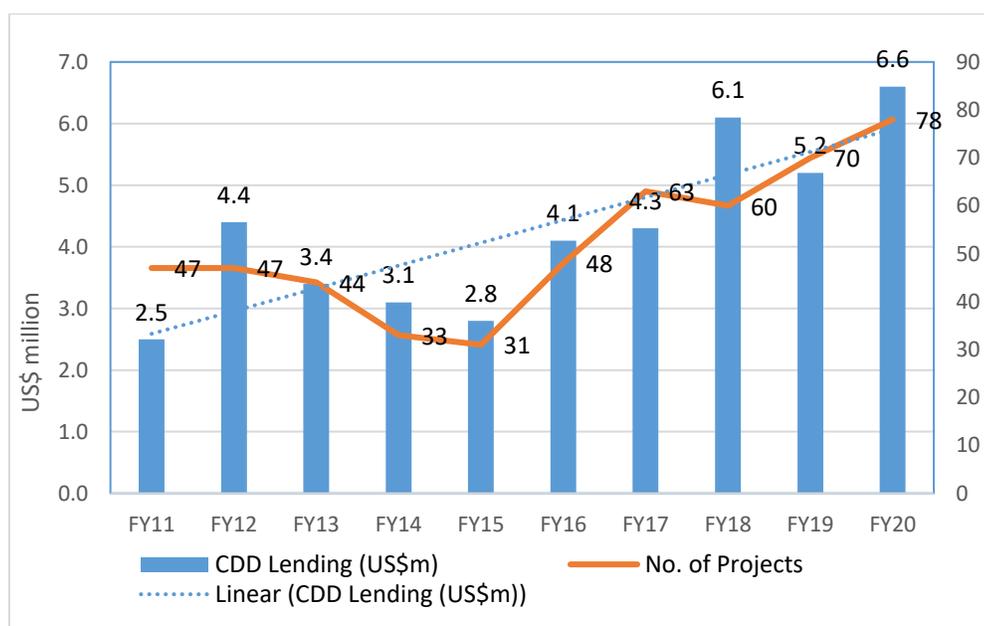


- Active Projects: The active CDD portfolio as of end-FY20 was 327 projects in 90 countries,** valued at approximately **\$33 billion** in Bank financing (65 percent of which is IDA or IDA/blend financing).
- Fragile and Conflict Situations:** 28 percent of active CDD projects are either in FCS countries or working on an FCS agenda. 21 percent (\$7.1 billion) of active CDD Bank lending focuses on FCS.

### CDD Portfolio Detailed Update

- **Total IBRD/IDA lending towards CDD projects approved over the past ten years (between FY11-20) is \$42.5 billion** (averaging \$4.2 billion per year) **to 521 projects** (including 121 Additional Financing). See Table 1 below.

**Table 1: The World Bank's CDD Portfolio (New Lending) FY11-20**



- **New CDD lending for FY20 amounted to \$6.6 billion to 78 projects** (including 15 Additional Financing and 7 Recipient-Executed trust-funded projects) **in 51 countries<sup>1</sup>**, of which \$182 million was for Recipient-Executed TF activities. Annual CDD lending has increased steadily over the past five years as indicated in Table 1 above. FY20 lending of \$6.6 billion was a 27 percent increase over FY19 (\$5.2 billion), and almost 61 percent higher than five years earlier (4.1 billion in FY16). There has been a 45 percent increase in lending from FY16 (which was \$4.4 billion) to FY20. **CDD lending for FY20 amounted to 11 percent of Bankwide lending** which was \$58.9 billion. (Over the past 10 years CDD lending has averaged approximately 10 percent of Bankwide lending). **FY20 lending included 25 FCV Projects in 17 countries** (including 5 Additional Financing projects), **totaling \$2 billion**, with three-quarters in AFR, followed by EAP, LCR, and SAR.
- **Other Borrower and donor financing** (consisting of Bank-Administered trust funds and Recipient-Executed trust funds as well as government co-financing) **for CDD projects approved in FY20 totaled \$3 billion over the life of the project** (\$2.2 billion from Borrowers --including \$536 million for the China Forest EcoSystem Improvement in the Yangtse River Basin Program;

<sup>1</sup> FY20 saw CDD projects approved in several new countries, including Kiribati, Mauritania, Samoa, Serbia, South Sudan, St. Maarten and Zimbabwe.

\$346 million for the Morocco Municipal Performance Program and \$226 million for the Indonesia Improvement of Solid Waste Management Program-- and \$0.8 billion from donors).<sup>2</sup>

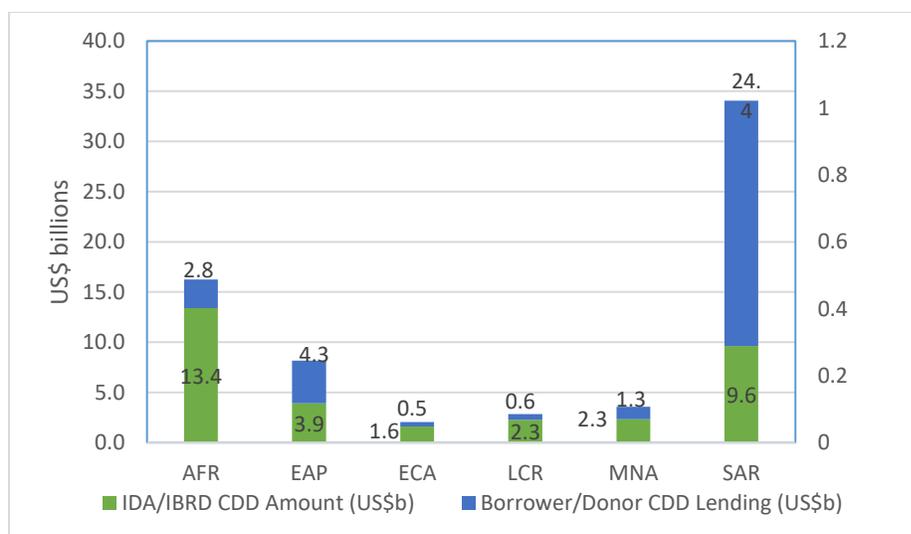
### **Active Project Portfolio**

**As of end-June 2020, there were 327 active projects** (excluding 51 Additional Financing projects) **in 90 countries**<sup>3</sup>. **Total active project lending** comes to approximately **\$33 billion in Bank funding** (65 percent of which is IDA or IDA/Blend). **An additional \$33.8 billion** was provided by borrowers and other donors (\$30.1 billion by borrowers, of which \$20.5 billion was from the Indian government for the FY16-approved Swachh Bharat Rural Sanitation Flagship Program and \$1.3 billion was from the Indonesian government for the National Slum Upgrading Program, and \$3.7 billion from other donors).

### **Regional Active CDD Portfolio**

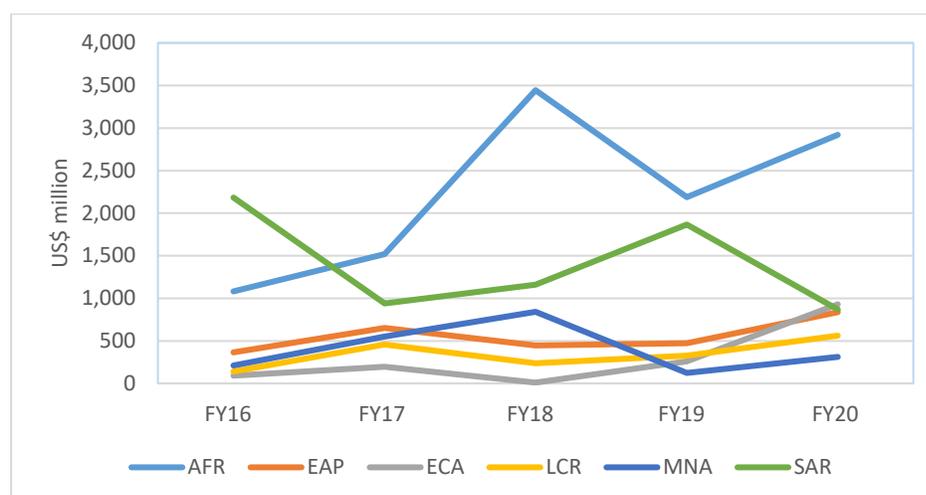
**Regional CDD lending** volumes and project numbers for the active portfolio are shown in Table 2 below. **AFR** (\$13.4 billion) continues to have the largest lending volume, followed by **SAR** (\$9.6 billion), then **EAP** (\$3.9 billion). CDD lending in other regions remains relatively smaller as reflected in **LCR** and **MNA** (both \$2.3 billion), and **ECA** (\$2.1 billion). All regions, apart from SAR have all seen increased CDD lending in FY20 compared with FY19 (see Table 3 for Regional lending trends).

**Table 2: Regional Distribution of Active Projects - June 2020**



<sup>2</sup> Note that these are indicative figures taken from the PADs on project approval, and do not account for any changes or variations in Borrower or Donor financing that occur during implementation over the life of the project.

<sup>3</sup> A recent comprehensive review of projects conducted for the COVID-19 exercise in May 2020 led to the inclusion as CDD of 68 projects approved in previous years (including several local government projects), resulting in increased CDD lending numbers for fiscal years FY15 – FY19, along with an increase in the number of countries with CDD projects.

**Table 3: Regional IBRD/IDA CDD Lending Trends – FY16-20**

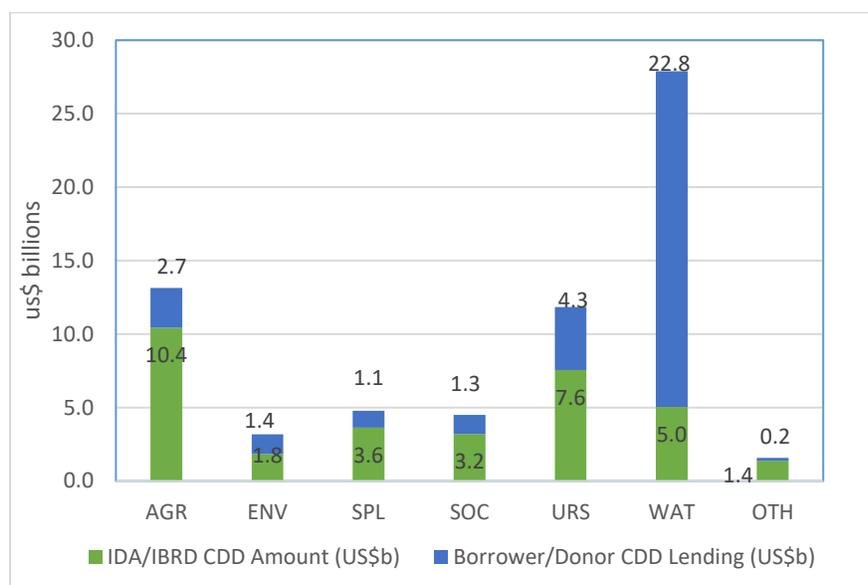
- AFR has the largest active portfolio** in terms of both Bank lending volume and number of projects, (\$13.4 billion with 152 projects of which 19 are Recipient-Executed trust funds, in 36 countries). About a third of the active CDD projects are over \$100 million, with the majority of projects having smaller lending amounts. For projects approved in FY20, Africa accounted for \$3.1 billion going to 32 projects (including 7 Additional Financing and one Recipient-Executed TF) in 20 countries (47 percent of the FY20 Bankwide CDD lending volume). One-third of the FY20 Africa CDD projects are over \$100 million, including two large projects - the DRC STEP Second Additional Financing for \$445 million, and the Tanzania Productive Social Safety Net II Project for \$450 million.
- SAR is next** (\$9.6 billion with 61 projects, 6 of which are Recipient-Executed trust funds, in 7 countries, with over half of the CDD lending in India). Although SAR has fewer projects than AFR, 55 percent of projects are over \$100 million (six projects are over \$300 million, including the previously mentioned India Swachh Bharat Rural Sanitation Flagship Program approved for IBRD funding of \$1.5 billion in FY16). In FY20, SAR had nine projects (including one Additional Financing and one Recipient-Executed TF) approved in Bangladesh, India and Pakistan totaling \$869 million, with five projects being \$100 million or more (three in Bangladesh and two in India).
- EAP** (\$3.9 billion with 42 projects, 6 of which are Recipient-Executed trust funds, in 13 countries). About 40 percent of EAP's CDD Bank lending volume comes from Indonesia with eight ongoing projects, including the FY13 Rural Water Supply and Sanitation Project (\$536 million with two AF projects) and the FY18 Indonesia Nutrition project (\$400 million). The FY14 Philippines National CDD Project for \$478 million is still ongoing, but is expected to close in December 2020. In FY20, 13 projects (including four Additional Financing and two Recipient-Executed TFs) were approved totaling \$837 million, five of which were for \$100 million or more (China Forest Ecosystem Improvement in the Upper Reaches of Yangtze River Basin Program for

\$150 million; Indonesia Improvement of Solid Waste Management Project for \$100 million; Myanmar Maternal and Child Cash Transfers for Improved Nutrition for \$100 million; Myanmar National Food and Agriculture System Projects for \$200 million; and Vietnam Vinh Long City Urban Development for \$143 million). Other ongoing projects are found in Kiribati, Lao PDR, Mongolia, Samoa, Solomon Islands and Timor Leste, most under \$30 million.

- **LCR** (\$2.3 billion from 37 projects, 6 of which are Recipient-Executed trust funds, in 17 countries). The majority of active projects in LCR tend to be under \$100 million, with about a quarter over \$100 million (including several Agriculture projects in Brazil, and other projects in Argentina, Bolivia, El Salvador and Paraguay). In FY20, 10 new projects, five of which are Recipient-Executed TFs, were approved totaling \$561 million, almost half of which went towards three projects in Brazil.
- **MNA** (\$2.3 billion from 18 projects, 8 of which are Recipient-Executed trust funds, in 8 countries). 72 percent of the active portfolio consists of several large programs in seven countries (Djibouti, Egypt, Iraq, Morocco, Tunisia, West Bank Gaza, and Yemen), along with smaller Recipient-Executed trust fund activities in Jordan. Three projects (including two Additional Financing) were approved in FY20 totaling \$310 million, including the Morocco Municipal Performance Program for \$300 million, and two smaller Additional Financing projects in Djibouti and Jordan (the latter being a Recipient-Executed TF).
- **ECA** (\$1.6 billion from 17 projects in 9 countries). Almost 60 per cent of the CDD lending portfolio comes from four projects in Uzbekistan. Turkey has one project over \$100 million, and the region has several smaller projects in Armenia, Kosovo, Kyrgyz Republic, North Macedonia, Romania, Serbia and Tajikistan. In FY20, ECA had seven projects approved (including one Additional Financing) totaling \$930 million, including The Turkey Municipal Services Improvement Program (\$149 million); Uzbekistan Agriculture Modernization Project (\$500 million); and Uzbekistan Prosperous Villages Project (100 million).

### **Sectoral CDD Portfolio**

**Sectoral Lending: The largest Bank-funded CDD portfolios continue to be in Agriculture** (\$10.4 billion) as can be seen in Table 4 below. The former Social, Urban and Rural (URS) Global Practice has now been divided into two, namely Urban, Resilience and Land (URS), and Social Development (SOC). **Urban, Resilience and Land** has the second largest portfolio (\$7.6 billion), followed by **Water** (\$5.0 billion). These are followed by **Social Protection** (\$3.6 billion), **Social** (3.2 billion), **Environment** (\$1.8 billion) and **Other** (Digital Development, Education, Governance, Health and Nutrition, and Transport – \$ 1.4 billion). Borrower/ Donor CDD funding is significant in the Water active portfolio (\$22.8 billion), mainly due to the \$20.5 billion provided by the Indian Government for the previously mentioned Swachh Bharat Rural Sanitation Flagship Program approved in 2016.

**Table 4: Sectoral Distribution of Active Projects - July 2020**

- Agriculture** (\$10.4 billion from 101 projects, 8 of which are Recipient-Executed trust funds) accounts for almost a third of the CDD active lending portfolio. In terms of CDD lending amounts, AFR and SAR account for close to three-quarters of the AGR portfolio, with over \$4.1 billion (39 percent) of CDD lending in SAR, and \$3.5 billion in AFR (34 percent). The balance is distributed between LCR with \$1.2 billion (12 percent) and other ongoing projects in EAP, ECA and MNA. 38 percent of agriculture projects have Bank CDD lending amounts over \$100 million, including five FY19- approved projects, and nine FY20-approved projects in AFR, EAP, ECA, LCR and SAR.
- Urban, Resilience and Land** (\$7.6 billion from 58 projects, 6 of which are Recipient-Executed trust funds). AFR has the largest URS CDD active lending portfolio with \$2.7 billion (36 percent, with large urban projects in Ethiopia, Cameroon, Nigeria, Uganda and Tanzania). SAR is next with almost \$2 billion (26 percent) with most of the projects in Bangladesh, India and Pakistan; and MNA is \$1.7 billion (22 percent) with large projects in Egypt, Morocco and Tunisia. Other projects are also ongoing in LCR, EAP and ECA. In FY20, 17 URS projects were approved (with four being Additional Financing). Seven projects were in Africa, with the rest in ECA, EAP, MNA, and SAR. Four of the approved projects were over \$100 million (Bangladesh Emergency Multi-Sector Rohingya Crisis Response Project AF for \$100 million; Morocco Municipal Performance Program for \$300 million; Somalia Crisis Recovery Project for \$137.5 million; and Vietnam Vinh Long City Urban Development Project for \$142.7 million).
- Water** (\$5 billion from 31 projects). Over half of the Water CDD portfolio has projects over \$100 million, with SAR being the largest with \$2.6 billion of CDD Bank lending (52 percent, the majority going to projects in India, including the \$1.5 billion IBRD-funded Swachh Bharat Mission

Support Operation). AFR has \$1.6 billion (32 percent, including large WSS projects in Benin, Burkina Faso, Tanzania and Uganda). Other activities are ongoing in EAP (\$0.6 billion) with the large PAMSIMAS project in Indonesia, and the remaining projects are in ECA (\$174 million in Kyrgyz Republic and Turkey), MNA (\$21 million in Tunisia) and LCR (\$16 million in Honduras). In FY20, seven projects were approved totaling \$503 million, of which three were over \$100 million (two in Bangladesh and one in Turkey).

- **Social Protection** (\$3.6 billion from 33 projects, 3 of which are Recipient-Executed trust funds). AFR with \$2.8 billion has 77 percent of the SPL CDD active portfolio, with large projects in DRC, Malawi, Nigeria, Ethiopia, Tanzania and Uganda. Other activities are ongoing in EAP, ECA, LCR, MNA and SAR. In FY20, 10 projects (including 4 Additional Financing) totaling \$1.2 billion were approved in AFR, ECA, EAP and LCR. These included two large projects in AFR (\$450 million for the Tanzania Productive Social Safety Net II Project and \$445 million for the DRC STEP Second Additional Financing).
- **Social Development** (\$3.2 billion from 35 projects, including 3 small Recipient-Executed trust fund projects under \$5 million). EAP accounts for 44 percent of the active Social Development portfolio, with \$1.4 billion from 9 projects (mainly in Indonesia, Myanmar, and Philippines, the latter due to close end-December 2020). AFR is next, with \$1.1 billion from 13 projects (34 percent of the Social CDD portfolio) which work mainly in FCV settings and focus on displacement and socio-economic inclusion of refugees and vulnerable communities. SAR with \$407 million and ECA with \$183 million each has five projects; LCR has one project for \$80 million; while MNA has \$10 million from two projects. In FY20, Social Development had eight projects approved (including four Additional Financing) totaling US\$377 million. Apart from two large projects (Lake Chad Lake Chad Region Recovery and Development Project for \$170 million, and Uzbekistan Prosperous Villages for \$100 million), the projects were small (one for \$60 million, and the rest under \$25 million).
- **Environment** (\$1.8 billion from 45 projects, 20 of which are Recipient-Executed trust funds), with the largest project being the FY19 approved Ethiopia Climate Action through Landscape Management PforR for \$335 million. In FY20, ENV had 11 projects approved (including two Additional Financing and four Recipient-Executed TFs) for \$500 million in AFR and EAP and one in LCR which is a Recipient-Executed trust fund.
- The **Digital Development, Education, Governance, Health and Nutrition, and Transport Sectors**, all combine to lend \$1.4 billion to 24 ongoing CDD projects. 41 percent of CDD lending from these projects is in the AFR region, 29 percent in EAP (with two projects including the Indonesia Investing in Nutrition Project for \$400 million), with the remaining spread among the other regions. Seven new projects were approved in FY20 in Digital Development, Governance, HNP, and Transport, totalling \$334 million in CDD lending. The largest of these projects is the Malawi Governance to Enable Service Delivery Project with \$100 million in CDD lending.

### CDD in Situations of Fragility, Conflict and Violence (FCV)

FCV projects include those in countries on the annual Harmonized List of Fragile Situations and others with projects targeted at IDP, refugee or conflict zones. More recently, these designations are indicated in the Project Appraisal Document by a checkmark in either the 'Fragile State' or 'Fragile within a non-Fragile Country' or 'Conflict' boxes listed under the Financing and Implementation Modalities. **As of end-June 2020, the global active CDD-FCV portfolio** covered almost half of the countries with CDD projects (42 of the 90 countries). The CDD portfolio covers 27 of the 37 countries (73 percent) on the FY20 List of Fragile and Conflict Situations, as well as 15 other countries which were either on earlier harmonized lists of fragile situations when projects began (e.g. Cote d'Ivoire, Djibouti, Nepal, Guinea, Sierra Leone, Togo) or are countries where projects are targeted at IDPs, refugees, or conflict zones (e.g., Bangladesh, Kenya, the Kyrgyz Republic, Pakistan, Tajikistan, Uganda).

#### Active CDD-FCV Projects as of end-June 2020

	<i>IDA/IBRD CDD Lending (US\$m)</i>	<i>Borrower/Other Donors CDD Lending (US\$m)</i>	<i>No. of Projects (excluding AF)</i>	<i>FCV or IDP Countries</i>
AFR	4,270.4	278.2	54	26
EAP	965.5	291.1	9	4
ECA	91.1	0.0	3	3
LCR	109.2	11.2	4	1
MNA	794.3	110.6	10	5
SAR	890.6	1,049.6	11	3
<b>Total</b>	<b>7,121.1</b>	<b>1,740.7</b>	<b>91</b>	<b>42</b>

- **As of end-June 2020, the CDD-FCV portfolio was 28 percent of the active CDD portfolio in terms of number of projects** (91 out of 327 active projects), **covering 47 percent of the countries with CDD projects** (42 of 90 countries). **CDD-FCV Bank lending was \$7.1 billion** (21 percent of the active CDD Portfolio lending, of which IDA financing is \$6.4 billion and IBRD financing is \$0.7 billion), along with an additional **\$1.7 billion** provided by borrowers and other donors.
- **The active CDD-FCV portfolio has increased since FY15 - both in volume of CDD lending and in number of projects.** CDD-FCV lending volume more than doubled from FY15 to FY20. At end-FY15 there were 37 active CDD FCV projects in 26 countries totaling \$3.2 billion, compared with FY20 (91 active projects totaling \$7.1 billion in 42 countries). Over the past few years the volume of CDD lending approved each fiscal year to FCV countries has increased, from \$0.7 billion in FY17, to \$1.5 billion in FY19, to \$2 billion in FY20.
- **AFR, as of end-FY20, had about 60 percent of the CDD-FCV active portfolio in terms of country coverage** (27 of the 43 FCV countries), **numbers of projects** (54 out of 91 projects) and **lending amounts (\$4.3 billion of the \$7.1 billion of Bank CDD-FCV lending)**. 17 FCV projects were approved in FY20 (including 4 AF projects) totaling US\$1.5 billion.

- **EAP follows with \$966 million** covering 9 projects in 4 countries, (with 88 percent of the funds going towards projects in Myanmar), and other smaller projects in Papua New Guinea, the Solomon Islands, and Timor-Leste (which had a small WSS project approved in FY20).
- **SAR is next with \$890 million**, covering 11 projects. 30 percent of the Bank funds goes towards projects in Afghanistan (which also has substantial funding from the Afghanistan Reconstruction TF), along with other projects in Bangladesh and Pakistan. Two projects for Pakistan were approved in FY20 (one a Recipient-Executed TF).
- **MNA with \$794 million** covering 10 projects in 5 countries, has almost 60 percent of the funds going towards two FY18 projects in Iraq, and the balance towards projects in Djibouti, Jordan, Yemen and West Bank and Gaza (the latter funded by special donor financing).
- **LCR funding of \$109 million** goes towards four projects in Haiti (including one approved in FY20), while **ECA funding (\$91 million)** covers 3 small projects in Kosovo, Kyrgyz Republic, and Tajikistan.