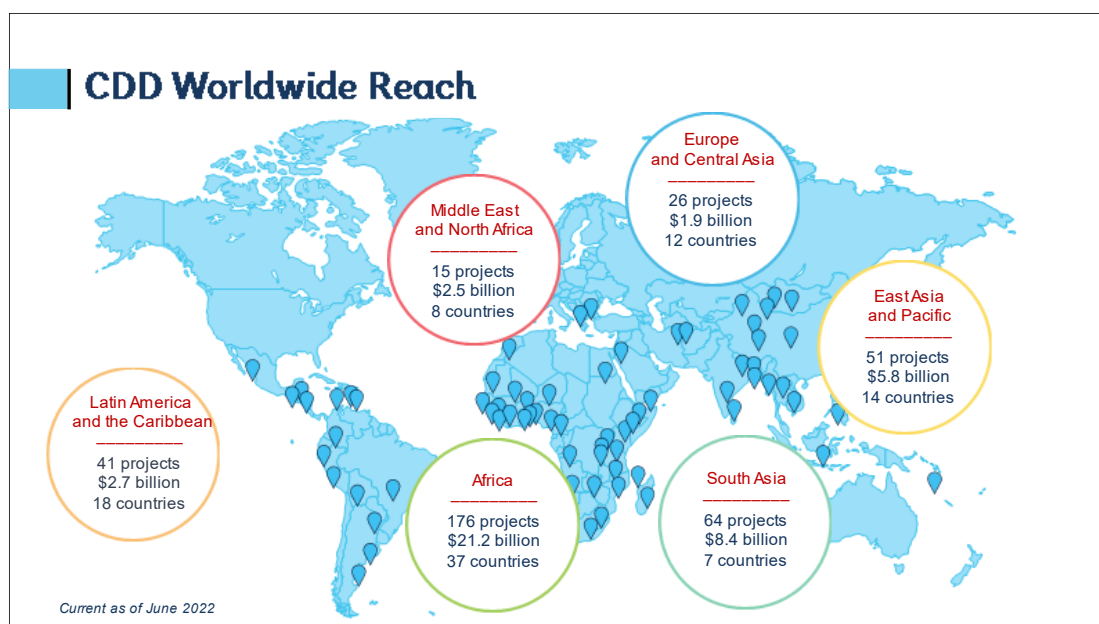


## **CDD PORTFOLIO UPDATE AS OF END-FY22 (JUNE 30, 2022)**

### **WB CDD Portfolio at a Glance**

- **New Lending:** Total Bank lending towards CDD operations in FY22 was \$6.4 billion. Other borrower and donor contributions for FY22 projects totaled almost US\$1.1 billion, which included approximately US\$0.2 billion from borrowers and US\$0.9 billion from donors.



- **Active Projects:** The active CDD portfolio as of end-FY22 was **373 projects in 96 countries**, valued at approximately **\$42.4 billion** in Bank financing (69 percent of which is IDA or IDA/blend financing). **An additional \$14.3 billion was provided by borrowers and other donors** (\$9.2 billion by borrowers, and \$5.1 billion from other donors).
- **Fragile and Conflict Situations:** The CDD portfolio covers **29 of the 39 countries (74 percent) on the FY22 List of Fragile and Conflict-Affected Situations**. In addition, 15 other countries which were either on earlier harmonized lists of fragile situations when projects began (e.g. Djibouti, Guinea) or are countries where projects are targeted at IDPs, refugees, or conflict zones (e.g., Bangladesh, Jordan, Kenya, Kosovo, Kyrgyz Republic, Lao PDR, Liberia, Madagascar, Mauritania, Pakistan, Tajikistan, Uganda and Ukraine). 31 percent of active CDD projects are either in FCS countries<sup>1</sup> or working on an FCS agenda (115 of the 373 active projects, across 42 countries). 29 percent (\$12.2 billion) of active CDD Bank lending focuses on FCS, of which 96 percent is IDA.

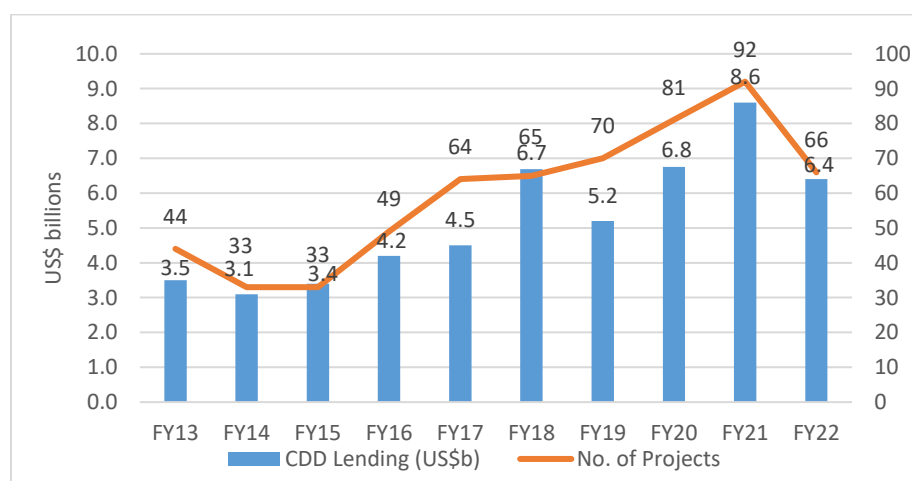
<sup>1</sup> FCS countries are countries that appear on the World Bank's [FY22 FCS list](#). Projects working on an FCS agenda are those that address core aspects of fragility, conflict and violence, including forced displacement and subnational conflict.

## CDD PORTFOLIO DETAILED UPDATE AS OF END-FY22 (JUNE 30, 2022)

### New CDD Lending

- New CDD lending for FY22 amounted to \$6.4 billion to 66 projects** (including 11 Additional Financing and 10 Recipient-Executed trust-funded projects) **in 46 countries<sup>2</sup>**, with an additional \$521 million for Recipient-Executed trust-funded activities. While annual CDD lending increased steadily over the past few years as indicated in Table 1 above, FY22 lending showed a 26 percent decrease over FY21, but was in line with that of FY20. It is noteworthy that FY21 lending was unusually high as the CDD projects supported the Bank's critical response to the Covid-19 pandemic crisis, helping address the economic and social impacts of the pandemic. **CDD lending for FY22 amounted to 9 percent of Bankwide lending** which was \$71 billion.
- FY22 CDD lending included 27 FCS Projects in 17 countries** (including 7 Additional Financing projects), **totaling \$2.7 billion**, with 70 percent (12 projects) in AFR, followed by EAP with two projects, and LCR, MNA and SAR with one project each.
- Total IBRD/IDA lending towards CDD projects approved over the past ten years (between FY13-22) is \$52.3 billion to 597 projects** (including 141 Additional Financing). See Table 1 below.

**Table 1: The World Bank's CDD Portfolio (New Lending) FY13-22**



- 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 FY22 totaled US\$1.1 billion over the life of the project**, (US\$0.2 billion from borrowers and US\$0.9 billion from donors).<sup>3</sup>

<sup>2</sup> FY22 saw new CDD projects approved in Belize, Gambia and Vanuatu while in FY21 new projects were approved in Azerbaijan, Kazakhstan and Ukraine.

<sup>3</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.

### **Active Project Portfolio**

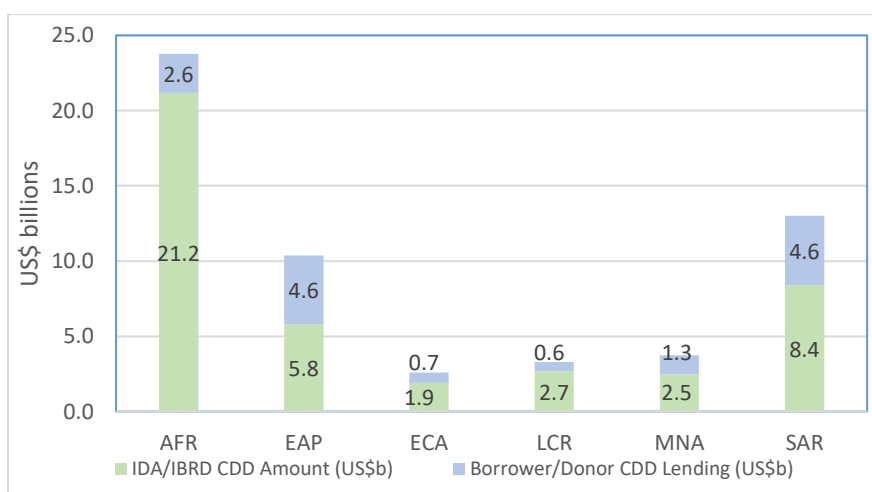
The CDD portfolio remains highly diversified, with all regions and a broad range of GPs using CDD approaches in their work. Additionally, CDD approaches continue to be strongly supported by partnerships, not only with communities, but also with borrowers and donors through co-financing.

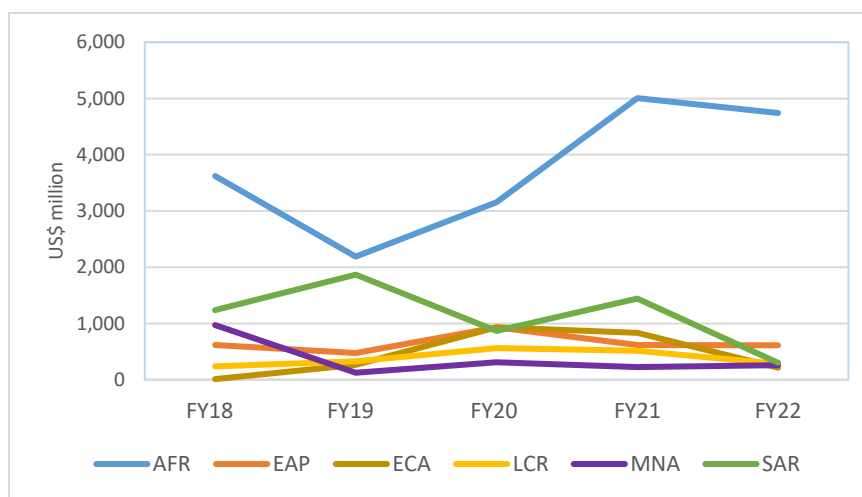
**As of end-June 2022, there were 373 active projects** (excluding 79 Additional Financing projects) **in 96 countries**. **Total active project lending comes to approximately \$42.4 billion in Bank funding** (69 percent of which is IDA or IDA/Blend). **An additional \$14.3 billion was provided by borrowers and other donors** (\$9.3 billion by borrowers, and \$5.1 billion from other donors). **The active portfolio has remained similar in size and volume to the previous year** (end-FY21 had 374 active projects totaling \$42.2 billion), as almost 50 projects closed over the past year. These included several large projects, including the FY16 India Swachh Bharat Rural Sanitation Flagship Program for \$1.5 billion; two Bangladesh projects (FY14 Municipal Governance Project for \$410 million and the FY17 Local Governance Project for \$295 million); and the FY21 Kazakhstan Sustainable Livestock Development Program for \$500 million which was cancelled.

### **Regional Active CDD Portfolio**

**Regional CDD** lending volumes and project numbers for the active portfolio are shown in Table 2 below. **AFR (\$21.2 billion)** continues to have the largest lending volume, followed by **SAR (\$8.4 billion)**, then **EAP (\$5.8 billion)**. CDD lending in other regions remains relatively smaller as reflected in **LCR (\$2.7 billion)**, **MNA (\$2.5 billion)**, and **ECA (\$1.9 billion)**. AFR saw increased lending from FY21 (\$18.4 billion) but SAR declined from FY21 (\$11.2 billion) as several large projects closed. EAP, ECA, MNA and LCR were similar to the previous year (see Table 3 for Annual Regional lending trends).

**Table 2: Regional Distribution of Active Projects - June 2022**



**Table 3: Regional IBRD/IDA CDD Annual Lending Trends – FY18-22**

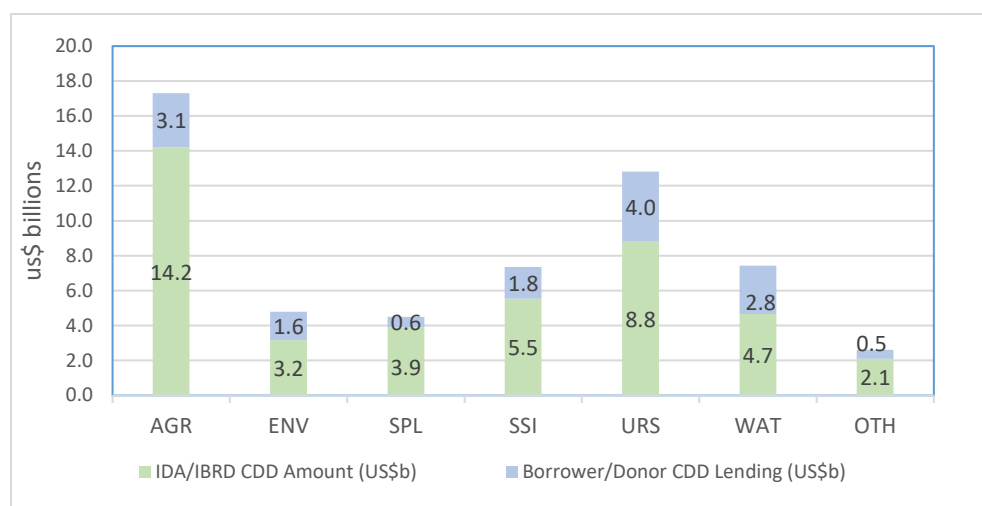
- AFR has the largest active portfolio** in terms of both Bank lending volume and number of projects, (\$21.2 billion with 176 projects of which nine are Recipient-Executed trust funds, in 37 countries). The AFR portfolio grew by 15 percent from the previous year (\$18.4 billion in FY21). 40 percent of the active CDD projects are over \$100 million, with the rest having smaller lending amounts. **For projects approved in FY22, Africa accounted for \$4.7 billion (73 percent) going to 40 projects** (including eight Additional Financing and three Recipient-Executed TFs) in 25 countries. Almost half of the FY22 Africa CDD projects are over \$100 million, with the two largest projects being the Nigeria Livestock Productivity and Resilience Support Project for \$500 million, and the Western Africa Gulf of Guinea Northern Regions Social Cohesion Project for \$450 million.
- SAR is next** (\$8.4 billion with 64 projects, seven of which are Recipient-Executed trust funds, in seven countries, with 43 percent of the CDD lending in India). Although SAR has fewer projects than AFR, 52 percent of projects are over \$100 million. SAR saw a 25 percent decrease in its active portfolio since the previous year (\$11.2 billion) as indicated earlier, due to the closure of several large projects, including the FY16 India Swachh Bharat Rural Sanitation Flagship Program for \$1.5 billion and two large Bangladesh municipal governance projects. **In FY22, SAR had four projects approved in three countries** (three of which were Recipient-Executed TFs in Afghanistan and Bhutan) and the fourth for the Bangladesh Local Government COVID-19 Response & Recovery Project for \$300 million.
- EAP** (\$5.8 billion with 51 projects, eight of which are Recipient-Executed trust funds, in 14 countries). The EAP portfolio increased slightly over the previous year (\$5.2 billion in FY21). About 36 percent of EAP's CDD Bank lending volume comes from Indonesia with 11 ongoing projects, including the FY18 Indonesia Nutrition project (\$400 million) and FY19 Institutional Strengthening for Improved Service Delivery project (\$300 million). The Philippines also has two large ongoing projects (FY14 Philippines National CDD Project with one AF for \$778 million, and the FY15 Phippines Rural Development Project including two AFs for \$850 million). **In FY22, eight projects** (including one Additional Financing which is a Recipient-Executed TF) **were**

**approved totaling \$613 million in five countries.** These included two large projects in Indonesia (Mangroves for Coastal Resilience Project for \$400 million, and the Agriculture Value Chain Development Project for \$100 million). Smaller projects were approved in Kiribati, the Philippines, Solomon Islands and Vanuatu.

- **LCR** (\$2.7 billion from 41 projects, seven of which are Recipient-Executed trust funds, in 18 countries). The LCR portfolio was similar to the previous year (\$2.6 billion in FY21). The majority of active projects in LCR tend to be under \$100 million, with about 30 percent over \$100 million (including several Agriculture projects in Brazil, and other projects in Argentina, Bolivia, El Salvador, Guatemala, Haiti, Honduras and Paraguay). **In FY22, six new projects** (including two Recipient-Executed TFs) **totaling \$281 million were approved** in five countries. These included two projects over \$100 million (Argentina Climate Intelligent and Inclusive Agri-food Systems Project for \$142 million and Haiti Emergency Resilient Agriculture for Food Security Project for \$102 million). Smaller projects were approved in Belize, Dominican Republic and Mexico.
- **MNA** (\$2.5 billion from 15 projects, two of which are Recipient-Executed trust funds, in eight countries). MNA's active portfolio has remained steady over the past year (\$2.5 billion in FY21), with several large projects over \$100 million, including the Upper Egypt Local Development PforR for \$500 million; three projects in Morocco over \$200 million including two Municipal Programs, and the Tunisia Urban Development and Local Governance Program for \$430 million. Iraq, Tunisia, and Yemen also have projects over \$100 million, while there are smaller projects and Recipient-Executed trust fund activities in Djibouti, Jordan and West Bank and Gaza. **Two projects** (one in Morocco and one Additional Financing in Yemen) **were approved in FY22 totaling \$260 million.**
- **ECA** (\$1.9 billion from 26 projects, three of which are Recipient-Executed trust funds in 12 countries). The ECA portfolio declined slightly over the past year (\$2.4 billion in FY21) due in part to the cancellation of the FY21 Kazakhstan Sustainable Livestock Development Program for \$500 million. 42 percent of the CDD lending portfolio comes from three large projects in Uzbekistan (two agricultural and one rural infrastructure), while Serbia, Turkey and Ukraine also have projects over \$100 million. The region has several smaller projects in Armenia, Azerbaijan, Bosnia, Kazakhstan, Kosovo, Kyrgyz Republic, North Macedonia, Romania, and Tajikistan. **In FY22, ECA had six projects approved** (including one Recipient-Executed TF) **totaling \$215 million**, including the Serbia Local Infrastructure and Institutional Development Project for \$100 million, with smaller projects in Bosnia, Kyrgyz Republic, Tajikistan, Turkey and Uzbekistan.

### **Sectoral CDD Portfolio**

**Sectoral Lending: The largest Bank-funded CDD portfolio continues to be in Agriculture** (\$14.2 billion) as shown in Table 4 below. As in previous years, **Urban, Resilience and Land** has the second largest portfolio (\$8.8 billion), followed by **Social Sustainability and Inclusion** (5.5 billion) which has grown over the past year. These are followed by **Water** (\$4.7 billion), **Social Protection** (\$3.9 billion), **Environment** (\$3.2 billion) and **Other** (Digital Development; Education; Finance, Competitiveness and Innovation; Governance; Health and Nutrition; and Transport, totaling \$2.1 billion).

**Table 4: Sectoral Distribution of Active Projects - June 2022**

- Agriculture** (\$14.2 billion from 119 projects, eight of which are Recipient-Executed trust funds) accounts for one-third of the CDD active lending portfolio. In terms of CDD lending amounts, AFR and SAR account for 70 percent of the AGR portfolio, with \$5.7 billion (40 percent) of CDD lending in AFR, and \$4.3 billion (30 percent) in SAR. The balance is distributed between EAP (\$1.7 billion), LCR (\$1.5 billion), ECA (\$0.9 billion), and MNA (\$100 million). Almost 40 percent of agriculture projects (46 projects) have Bank CDD lending amounts over \$100 million making up 77 percent (\$11 billion) of the sector's lending value. **In FY22, AGR had 16 projects approved totaling \$1.6 billion** (of which two were Additional Financing) including three large projects in Nigeria, Angola and Kenya.
- Urban, Resilience and Land** (\$8.8 billion from 65 projects, two of which are Recipient-Executed trust funds). AFR continues to have the largest URS CDD active lending portfolio with \$3.6 billion (41 percent), with large urban projects in Cameroon, Congo DR, Ethiopia, Nigeria, Rwanda, Somalia, Uganda and Tanzania. SAR is next with \$2.1 billion (24 percent) with most of the projects in Bangladesh, India, and Pakistan; and MNA is \$1.9 billion (21 percent) with large projects in Egypt, Morocco, Tunisia and Yemen. Other projects are also ongoing in LCR, EAP and ECA. **In FY22, 11 URS projects were approved (of which four were Additional Financing) totaling \$0.8 billion.** Five of the projects were for \$100 million or more, with six projects in AFR, two in EAP, and one each in ECA, MNA and SAR.
- Social Sustainability and Inclusion** (\$5.5 billion from 42 projects, including four Recipient-Executed trust fund projects). The SSI active portfolio has grown 25 percent over the past year (\$4.4 billion in FY21). AFR accounts for 53 percent (\$2.9 billion) of the portfolio, with large projects in the Horn of Africa, Ethiopia, Kenya, Uganda and Western Africa. EAP follows with 31 percent (a decline from 39 percent a year ago), with \$1.7 billion from ten projects (the largest being in Indonesia, Myanmar, and the Philippines). SAR (\$469 million) has five projects, and ECA (\$321 million) has seven projects. LCR has two projects totaling \$109 million; while MNA has \$10 million from two projects (one of which is a Recipient-Executed TF). **In FY22, SSI had 10 projects approved (including two Additional Financing) totaling US\$1.5 billion.** These included

several large projects in Afghanistan (ARTF-funded), Ethiopia, Kenya, Uganda and Western Africa.

- **Water** (\$4.7 billion from 33 projects). The active WAT portfolio declined 19 percent over the past year (\$5.8 billion in FY21) with the closure of several projects including the large India Swachh Bharat Rural Sanitation Flagship Program mentioned earlier. Over half of the Water CDD portfolio has projects \$100 million or more, with 55 percent of the portfolio in AFR (\$2.6 billion), which has large WSS projects in Angola, Benin, Burkina Faso, Ethiopia, Ghana, Tanzania and Western Africa. SAR is next with \$1.1 billion of CDD Bank lending (23 percent), with large projects in Bangladesh, India and Pakistan. Other activities are ongoing in EAP (\$0.65 billion, including the large PAMSIMAS project in Indonesia), and the remaining projects are in ECA (\$174 million in Kyrgyz Republic and Turkey), and two projects each in LCR and MNA. **In FY22, six projects were approved totaling \$622 million**, of which three were over \$100 million (Angola, Benin and Morocco).
- **Social Protection** (\$3.9 billion from 31 projects, one of which is a Recipient-Executed trust fund). The active SPL portfolio declined 17 percent over the past year (\$4.7 billion in FY21). 85 percent of SPL active CDD projects are in AFR (\$3.3 billion), with large projects in DRC, Ethiopia, Malawi, Nigeria and Tanzania. MNA has nine percent of the portfolio (\$342 million), while a few small projects are ongoing in EAP, ECA, LCR and SAR. **In FY22, six projects (including one Additional Financing) totaling \$403 million were approved**, all in the AFR region, with a large project in Malawi, and five smaller projects with CDD components.
- **Environment** (\$3.2 billion from 54 projects, 21 of which are Recipient-Executed trust funds). The active ENV portfolio grew 45 percent over the past year (\$2.2 billion in FY21), with 13 projects over \$100 million. Of all sectors, ENV has the most projects (39 percent) which are funded by Recipient-Executed trust funds (including GEF). **In FY22, ENV had 13 projects approved totaling \$1.1 billion (including five new Recipient-Executed TF projects)**, with seven projects in AFR, three in LCR; two in ECA and one in EAP.
- **The Digital Development; Education; Finance, Competitiveness and Innovation; Governance; Health and Nutrition; and Transport Sectors** all combine to lend \$2.1 billion to 29 ongoing CDD projects. 57 percent of CDD lending from these projects is in the AFR region, 22 percent in EAP, with the remaining spread among the other regions. **Four new projects (including one Additional Financing) were approved in FY22 totalling \$340 million in CDD lending**. Three projects are in the Transport Sector and one project with a CDD component in the HNP Sector.

### CDD in Fragile and Conflict-Affected Situations (FCS)

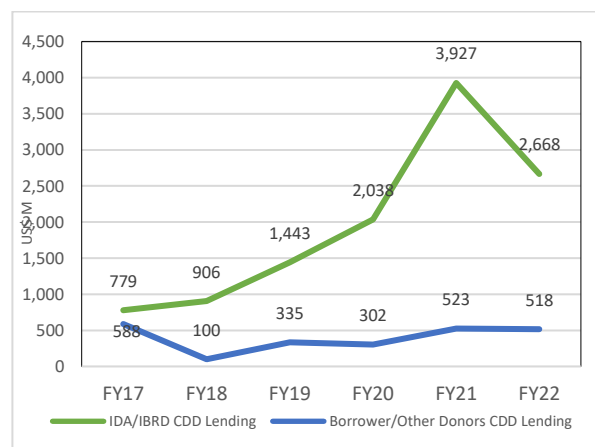
**CDD approaches remain particularly important in situations of fragility, conflict and violence, where they can enable capacity-constrained governments to deliver at scale.**

FCS projects include those in countries on the annual Harmonized List of Fragile and Conflict-Affected Situations and others with projects targeted at IDP, refugee or conflict zones. These designations are also 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. **The CDD portfolio covers 29 of the 39 countries (74 percent) on the FY22 List of Fragile**

**and Conflict-Affected Situations**, as well as 15 other countries which were either on earlier harmonized lists of fragile situations when projects began (e.g. Djibouti, Guinea) or are countries where projects are targeted at IDPs, refugees, or conflict zones (e.g., Bangladesh, Jordan, Kenya, Kosovo, Kyrgyz Republic, Lao PDR, Liberia, Madagascar, Mauritania, Pakistan, Tajikistan, Uganda and Ukraine).

**Table 5: FCS Lending by Fiscal Year from FY17-22**

	IDA/IBRD CDD Lending	Borrower /Other Donors CDD Lending	No. of Projects (excluding AF)	AF Projects
FY17	779	588	11	4
FY18	906	100	14	3
FY19	1,443	335	21	8
FY20	2,038	302	23	6
FY21	3,927	523	26	14
FY22	2,668	518	20	7
<b>Total</b>	<b>11,760</b>	<b>2,366</b>	<b>115</b>	<b>42</b>



The active CDD-FCS portfolio increased each year between FY17-21 both in volume of CDD lending and in number of projects, before a slight decline in FY22 (although FY22 was higher in volume than in FY20), as indicated in Table 5. In FY17 the volume of CDD lending was \$0.7 billion, in FY18 it was \$0.9 billion, in FY19 \$1.4 billion, FY20 was \$2 billion and FY21 was \$3.9 billion (almost double the amount of the previous year) but declined to \$2.7 billion in FY22.

**Table 6: Active CDD-FCS Projects as of end-June 2022**

	IDA/IBRD CDD Lending (US\$m)	Borrower/Other Donors CDD Lending (US\$m)	No. of Projects (excluding AF)	FCS or IDP Countries
AFR	9,210	216	72	23
EAP	977	321	15	6
ECA	191	0	4	4
LCR	219	11	5	1
MNA	633	130	7	5
SAR	981	1,563	12	3
<b>Total</b>	<b>12,211</b>	<b>2,241</b>	<b>115</b>	<b>42</b>

- As of end-June 2022, the CDD-FCS portfolio was 31 percent of the active CDD portfolio in terms of number of projects (115 out of 373 active projects). CDD-FCS Bank lending was \$12.2 billion (29 percent of the active CDD lending portfolio), higher than a year ago when it was 25 percent of the active CDD Portfolio lending. IDA financing accounts for \$11.7 billion (96 percent)



of CDD-FCS project lending and IBRD financing is \$0.45 billion, along with an additional \$2.2 billion provided by borrowers and other donors.

- **AFR, as of end-FY22, continues to have a majority of the CDD-FCS projects. It had 55 percent of the CDD-FCS active portfolio in terms of country coverage** (23 of the 42 FCS countries), **63 percent in numbers of projects** (72 out of 115 projects) **and 72 percent of lending amounts** (\$9.2 billion of the \$12.2 billion of Bank CDD-FCS lending). 40 FCS projects were approved in FY22 (including eight AF projects) totaling US\$4.7 billion.
- **SAR is next with \$981 million in Bank funding**, covering 12 projects in Afghanistan, Bangladesh and Pakistan. 57 percent of the Bank funds goes towards projects in Afghanistan (which also has substantial funding from the Afghanistan Reconstruction TF), and where two ARTF-funded projects were approved in FY22 (including one Additional Financing) totaling \$460 million.
- **EAP follows closely with \$977 million** covering 15 projects in six countries, (with 80 percent of the funds going towards projects in Myanmar), and other smaller projects in Lao PDR, Kiribati, Papua New Guinea, the Solomon Islands, and Timor-Leste. In FY22 four projects (including one Additional Financing and one Recipient-Executed) totaling \$53 million were approved in Kiribati and Solomon Islands.
- **MNA with \$633 million** covering seven projects in five countries, has almost 50 percent of the funds going towards projects in Yemen, and the balance towards projects in Djibouti, Iraq, Jordan, and West Bank and Gaza (the latter two funded by special donor financing). In FY22 one Additional Financing project in Yemen was approved.
- **ECA with \$191 million**, covers four small projects in Kosovo, Kyrgyz Republic, and Tajikistan along with a project in Ukraine which was approved in FY21 for \$100 million. No FCS projects were approved in FY22.
- **LCR funding of \$219 million** goes towards five projects in Haiti (including the Emergency Resilient Agriculture for Food Security Project for \$102 million approved in FY22).