



SMALL STATES STRATEGY IMPLEMENTATION

October 2026
Small States Forum



WORLD BANK GROUP



The Small States Strategy at a glance



WHAT

Six Lighthouse Initiatives for jobs and growth

Health delivery and services

Physical and digital
connectivity

Access to affordable,
reliable energy

Resilient infrastructure and
disaster preparedness

Fiscal sustainability and
debt management

Support for MSMEs

HOW

Differentiated delivery geared to scale and replication

- ◆ **Selectivity:** Country and Regional Partnership Frameworks and new operations converge on the Lighthouse Initiatives
- ◆ **Financing effectiveness:** crisis financing, innovative financing, private capital mobilization
- ◆ **Operational efficiency:** and simpler procurement and environmental and social (ESF) approaches
- ◆ **Knowledge and partnerships:** leverage shared learning and partnerships across small states

The main vehicle for implementing the Strategy is through the Country and Regional Partnership Frameworks.
Today is about implementation progress so far.

Headline Figures

Six headline indicators, with FY26 figures

WBG DELIVERY

\$2.8B

WBG commitments to small states, FY26

CRISIS FINANCING

30 of 41

small states with at least one pre-arranged crisis financing instrument

PARTNER CAPITAL

\$3.8B

External co-financing mobilized from multilateral and bilateral partners and private investors, FY26

\$2.1B

of which **private capital mobilized**

RESULTS ACROSS THE STRATEGY

CLIMATE CO-BENEFITS

58%

IBRD/IDA

share of FY26 commitments to small states with climate co-benefits; MIGA 0%

40%

IFC (own account)

GENDER

2.0M

people in small states expected to benefit from actions to advance gender equality

Active portfolio, June 2026

JOBS

reporting in progress

More and better-paid jobs

To be included in the Spring 2027 update

WBG delivery, Crisis financing, Partner capital, and Climate co-benefits are FY26 figures from annual reporting; Gender and Jobs are WBG Scorecard indicators for the active portfolio.

Selectivity

Operations in small states are converging toward the Lighthouse Initiatives (LIs)



Coverage in CPFs/RPFs

CPF/RPFs delivered in FY26

	Belize	PIC-9	Solomon Islands
Health delivery and services		●	
Physical and digital connectivity	●	●	●
Affordable, reliable energy	●	●	●
Resilient infrastructure and disaster preparedness	●	●	
Fiscal sustainability and debt management		●	●
Support for MSMEs	●		

Alignment of new operations in FY26

Share of projects approved in FY26 supporting LIs

	IBRD/IDA	IFC	MIGA
Health delivery and services	13%	0%	0%
Physical and digital connectivity	27%	22%	50%
Affordable, reliable energy	25%	17%	0%
Resilient infrastructure and disaster preparedness	83%	44%	0%
Fiscal sustainability and debt management	22%	0%	0%
Support for MSMEs	19%	28%	50%

OVERALL

4

5

3

94%

89%

100%

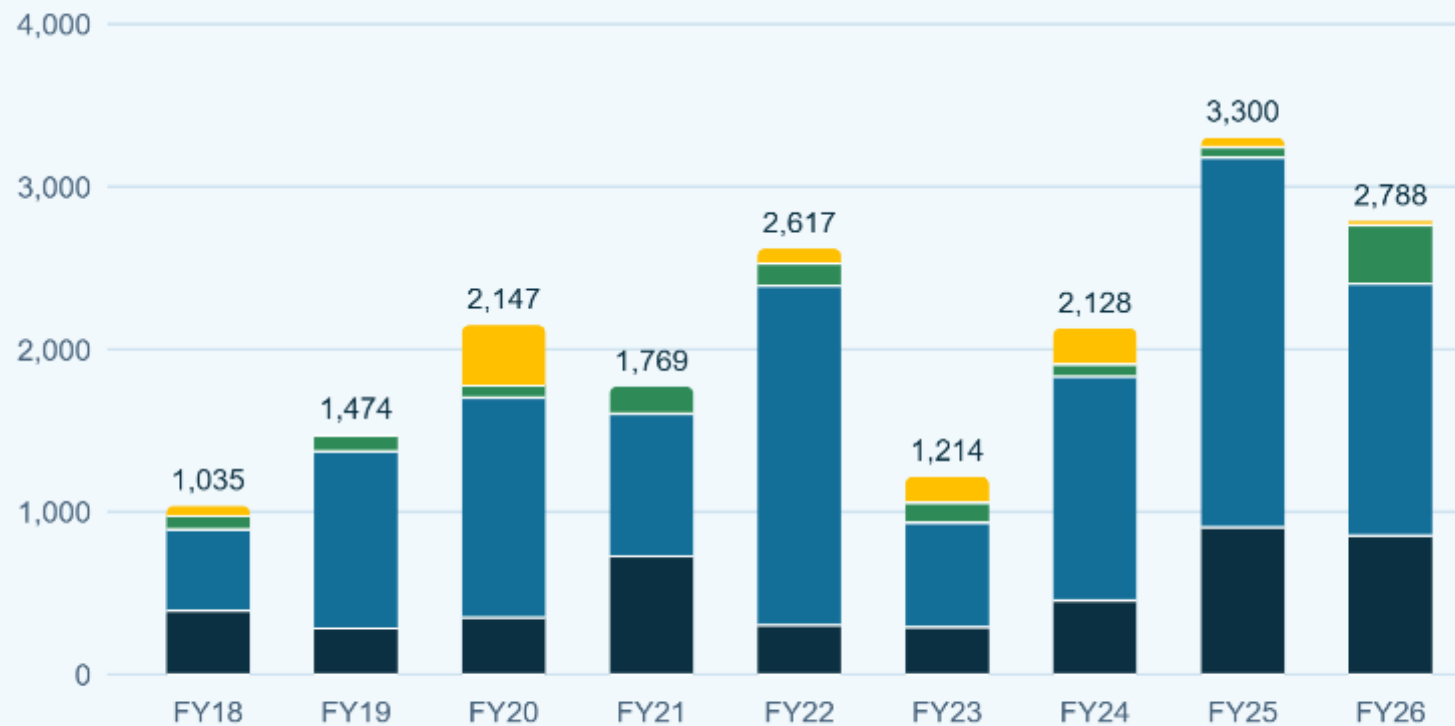
Financing Effectiveness: WBG Delivery

WBG commitments by fiscal year

Commitments by year

\$ million, by fiscal year, FY18–FY26

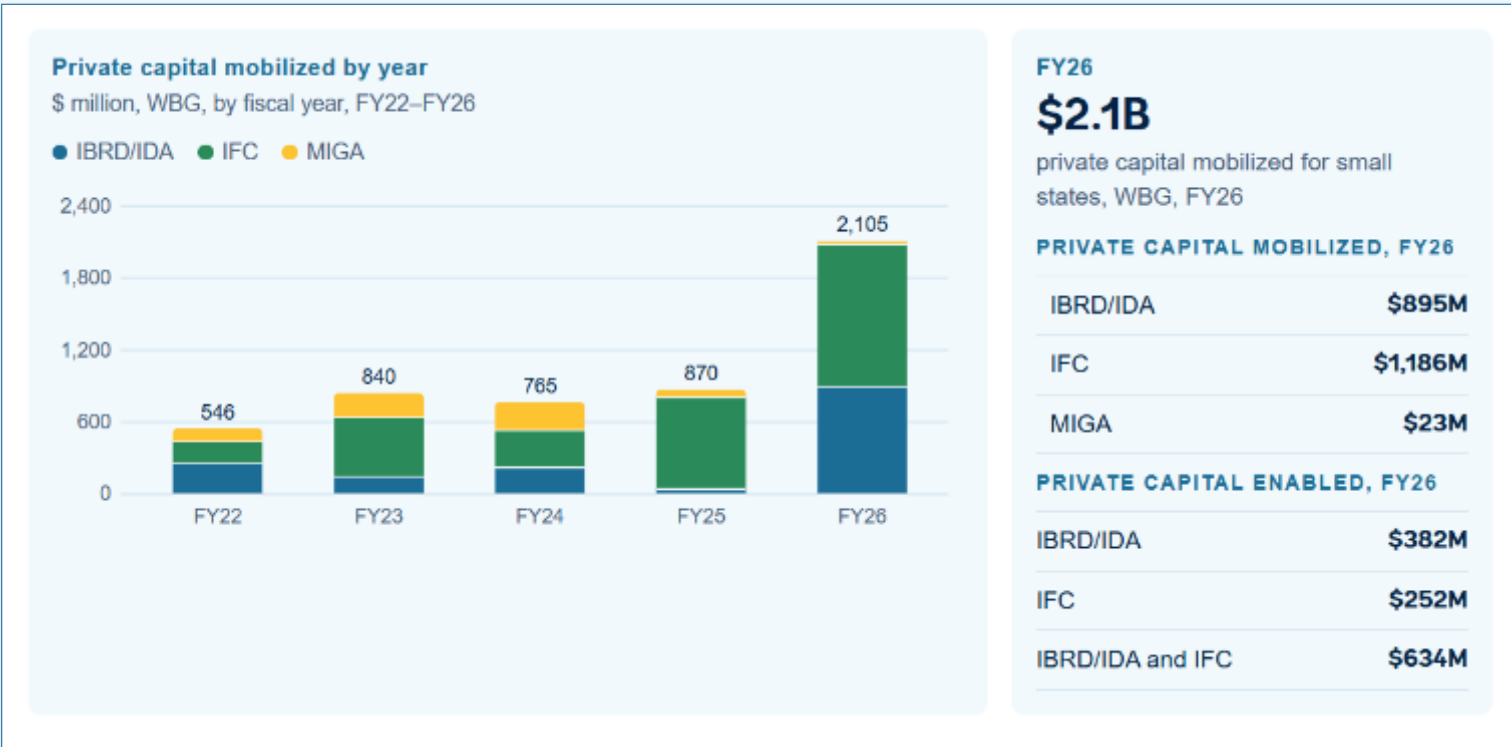
● IBRD ● IDA ● IFC (own account) ● MIGA issuance



- ◆ **FY26 WBG commitments reached \$2.8 billion** – most comes from IBRD/IDA (\$2.4 billion).
- ◆ Though lower than FY25 delivery, when compared against other first years of IDA cycles (FY18, FY21, and FY23), **FY26 exceeds its counterparts.**
- ◆ FY26 saw the **largest IFC own account commitments in small states, ever**, at \$362 million.

Financing Effectiveness: PCM and PCE

WBG private capital mobilized and enabled



- ◆ FY26 WBG PCM in small states reached **\$2.1 billion**, more than doubling the FY25 value.
- ◆ IBRD/IDA: two transactions account for 86% of the \$895 million
 - Bhutan Dorjilung Hydropower project (\$569 million)
 - Jamaica Cat Bond (\$200 million)
- ◆ IFC: three projects account for 92% of the \$1.2 billion
 - Gabon Transgabonais Railway (SETRAG III)
 - Cabo Verde Airports
 - Montenegro Resorts Hotel

Private Capital Mobilization in practice

TREASURY TRANSACTION

Jamaica cat bond

\$200M (IBRD/IDA)

private capital mobilized, FY26

WHAT THE WBG DID

The World Bank issued the bond in May 2026 and passed the cover to Jamaica.

SOURCE OF PRIVATE CAPITAL

25 global investors (up from 15 in the 2024 cat bond). They earn a premium for carrying a portion of Jamaica's hurricane risk.

WHAT JAMAICA GETS

\$200 million of hurricane cover to May 2030. The 2024 bond (\$150 million) paid out in full after Hurricane Melissa.

IFC LOAN AND MIGA GUARANTEE

Gabon Transgabonais railway

\$639M (IFC)

private capital mobilized, FY26

WHAT THE WBG DID

IFC lends \$122m OA LTF to the concessionaire, SETRAG, for the third phase of modernization and refinancing of part of its outstanding debt. MIGA provides guarantees for the project.

SOURCE OF PRIVATE CAPITAL

Meridiam, a private infrastructure fund, and the mining group Eramet, which invest in the concessionaire.

WHAT GABON GETS

- A safer, **higher-capacity 648 km railway**, the country's only rail line. **Increased capacity to 16 train pairs per day.**
- Supports **Gabon's economic diversification** by enabling manganese exports, facilitating trade, and strengthening connectivity across the country

PUBLIC PRIVATE PARTNERSHIP

Bhutan Dorjilung hydropower

\$569M (IBRD/IDA)

private capital mobilized, FY26

WHAT THE WBG DID

IDA committed \$300 million to the Government and IBRD committed \$200 million directly to the joint venture of Bhutan's state power company (60%) and Tata Power (40%). IFC has received Board approval for the project, which is currently in the pipeline pending its first commitment.

SOURCE OF PRIVATE CAPITAL

Private investors, including Tata Power, which owns 40% of the joint venture, are expected to invest \$569 million.

WHAT BHUTAN GETS

A 1,125 MW plant that raises the country's power generation by 40%

Note: MIGA PCM at the project-level cannot be publicly disclosed.

Support for Micro, Small, and Medium Enterprises

STRENGTHENING PRIVATE SECTOR AND ENHANCING MSME COMPETITIVENESS

Djibouti

This PforR instrument, supported by a \$26 million grant from IDA, is the first operation in the region to be co-led by the World Bank and IFC. It combines public sector reform support with parallel IFC advisory services and investments.

SMEs get expanded access to finance and business development services. The program improves the business and investment climate and access to public procurement.

CREDIT FOR MSMES

Eswatini

MIGA Capital Optimization Guarantee

The Guarantee provides regulatory capital relief that allows SMEs, particularly women-owned firms, to get more bank lending, and supports private sector-led growth.

TRADE FINANCING FOR MSMES

Fiji

Joint IFC-MIGA Trade Finance Framework has supported Fiji's HFC Bank since 2025.

Expanded access to trade finance for MSMEs, helping MSMEs and other local businesses participate more effectively in international trade and global value chains while strengthening economic resilience and connectivity.

Knowledge and Partnerships

14 core diagnostics in FY26 cover 12 small states and FMRF covers half of small states

Core Diagnostics



◆ Country Climate and Development Reports

Botswana · Fiji · Gabon · The Gambia · Mauritius · Namibia · São Tomé and Príncipe · Seychelles

◆ Public Finance Reviews

Djibouti · Gabon · The Gambia

◆ Country Growth and Jobs Reports

Samoa · Tonga

◆ Poverty and Equity Assessment

Guinea-Bissau

Full Mutual Reliance Frameworks (FMRFs)



◆ Together with the ADB and IDB, half of the small states are covered by FMRF agreements.

◆ **Two projects** approved so far using a FMRF: Pacific Healthy Islands Transformation and Tonga SECURE, both with the Asian Development Bank.

Operational Efficiency

Efficiency outcomes, and the mechanisms that enable them

IMPLEMENTATION SUPPORT

GFPP

\$28M

in project preparation grants to small states, FY26

HEIS

20

projects receiving hands-on expanded implementation support on environmental and social work, FY26

SCCI

411

participants in Strengthening Client Capacity for Impact programs, FY26

FUNDSCCHAIN

41

small states operations using FundsChain, end-FY26

REGIONAL AND PROGRAMMATIC APPROACHES

REGIONAL OPERATIONS: SHARE OF THE PORTFOLIO, AND SMALL STATES REACHED

72

of the 253 active operations serving small states (28%) are regional or phases of regional programs;

34

of the 41 small states are in at least one

in at least one regional operation, by country group

Remote micro- and small states

11 of 11

Connected micro- and small states

15 of 22

Connected larger small states

8 of 8

MULTIPHASE PROGRAMS (MPAs): HOW MANY SMALL STATES HOST ONE

17

active MPA operations in a small state

13

of the 41 small states host one

hosting at least one MPA operation, by country group

Remote micro- and small states

3 of 11

Connected micro- and small states

8 of 22

Connected larger small states

2 of 8

IFC: 9 of 18 FY26 small-states projects (50%) are regional.

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Thank you!

