

The World Bank Group

- An offshoot of the agenda of [Bretton Woods Conference](#) meetings.
- Set up for rebuilding economies post World War 2.
- With 189 member countries, staff from more than 170 countries, and offices in over 130 locations, the World Bank Group is a unique global partnership: [five institutions](#) working for sustainable solutions that reduce poverty and build shared prosperity in developing countries.
- The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. Its five institutions share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development.



Mission of World Bank

1. [To end extreme poverty](#): By reducing the share of the global population that lives in extreme poverty to 3 percent.
2. [To promote shared prosperity](#): By increasing the incomes of the poorest 40 percent of people in every country.

Name	Established in	HQ's	Members	Is India a member
IBRD	1945	Washington DC	189	Yes
IDA	1960	Washington DC	174	Yes
IFC	1956	Washington DC	185	Yes
MIGA	1988	Washington DC	182	Yes
ICSID	1966	Washington DC	156	No

1. International Bank for Reconstruction & Development (IBRD)

- Original World Bank Institution – first to be established among group of five.
- The world's **largest development bank with 189 members**, IBRD provides financial products and policy advice to help countries reduce poverty and extend the benefits of sustainable growth to all of their people.
- It supports the World Bank Group's mission by providing loans, guarantees, risk management products, and advisory services to middle-income and creditworthy low-income countries, as well as by coordinating responses to regional and global challenges.
- Works closely with all institutions of the World Bank Group and the public and private sectors in developing countries to reduce poverty and build shared prosperity.
- India is the founding member.
- Shareholding of India in IBRD is 3.15% (7th largest)
- Voting right of 3.01 %.
- It supports India with an integrated package of financing, advisory services & knowledge.

2. International Development Association (IDA)

- The soft lending arm of the World Bank with **174 member countries** that helps the world's poorest countries—75 to be exact.
- IDA provides loan on zero or very low interest rate for a longer period stretched over 30 to 38 years along with 5-to-10-year grace period.
- Along with concessional loans IDA also provides grants to countries at risk of debt distress.
- It's the **largest single source of donor funds for basic services** (primary education, basic health facilities, clean water supply & sanitation) in these countries and aims to eliminate extreme poverty.
- IDA's most recent replenishment, **IDA20**, resulted in a historic \$93 billion financing package for IDA countries for fiscal years 2022-2025.
- Funded largely through borrowings from financial market and contributions from the government of its richer member countries.

3. International Finance Corporation (IFC)

- IFC - a member of the World Bank - is the largest global development institution with **186 member countries** focused exclusively on the **private sector** in developing countries.
- IFC applies financial resources, technical expertise, global experience, and innovative thinking to help partner countries to overcome financial, operational, and other challenges.
- It focuses on private sector by providing investments, technical expertise, and advisory services to build a sound & robust private sector in developing economies.
- Provides loans to private companies rather than to governments.
- Renewable energy generation, improving food security and infrastructure building are the focus area of IFC.
- IFC raises funds by issuing bonds in the international capital market. These include.
 - U.S. Dollar Benchmark Bond
 - Local currency bond
 - Theme bonds (supporting a specific program example green bond, social bonds etc.,)
- IFC floated Rupee bond & Masala bond in the global credit market to fund Indian companies.
- India has been the largest country in IFC's investment portfolio for several years.

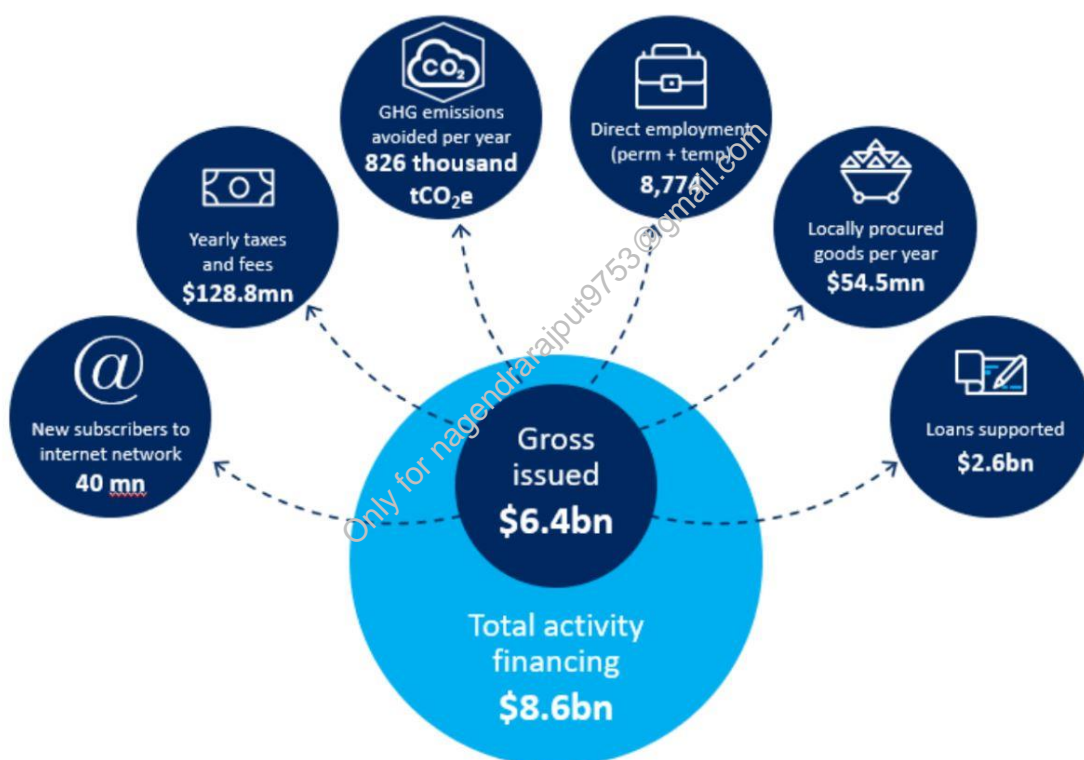
4. Multilateral Investment Guarantee Agency (MIGA)

- A member of world bank and its mandate is to promote cross-border investment one being FDI in developing countries by providing guarantees (political risk insurance and credit enhancement) to investors and lenders.
- Guarantees protect investments against non-commercial risks and can help investors obtain access to funding sources with improved financial terms and conditions.
- Shareholders include most countries of the world. This enables MIGA to provide an umbrella of **deterrence against government actions** that could disrupt projects, and assist in the resolution of disputes between investors and governments.

MIGA can help cross-border investors and lenders deal with non-commercial risks by insuring eligible projects against losses related to:



- Also offers its clients extensive knowledge of emerging markets and of international best practice in environmental and social management.
- The guarantees issued in FY23 are expected to create over 8700 direct jobs, add **40 million new subscribers** to the internet network mainly in Sub-Saharan Africa, generate more than **\$128 million** in tax revenue to the host governments per year, and avoid nearly a **million metric tons of CO₂** emissions annually.



5. International Centre for Settlement of Investment Disputes (ICSID)

- ICSID is the world's leading institution devoted to international investment dispute settlement with 156-member countries.
- ICSID was established in 1966 by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention).
- The ICSID Convention is a multilateral treaty formulated by the Executive Directors of the World Bank to further the Bank's objective of promoting international investment.
- ICSID is an independent, depoliticized, and effective dispute-settlement institution.
- Settlement of an investment dispute through ICSID is voluntary but once parties agree to settle the dispute, they cannot withdraw unilaterally.
- India is not a member.

The World Bank Group (WBG) & India

- The WBG's present engagement with India is guided by its Country Partnership Framework for FY18-22 (CPF).
- CPF aims to work with India so that the country's rapidly growing economy makes much more efficient use of resources; fosters inclusiveness by investing in human capital and generates more quality jobs; and develops strong public sector institutions that are capable of meeting the demands of a rising middle-class economy.
- First loan from WBG was to Indian Railways in 1949, since then the WBG's financing, analytical work, and advisory services have contributed to the country's development.
- International Development Association (IDA) has supported activities that have had a considerable impact on.
 1. Universalizing primary education
 2. Empowering rural communities through a series of rural livelihoods projects
 3. Revolutionizing agriculture through support of the Green and White (milk) Revolutions
 4. Helping to combat polio, tuberculosis, and HIV/AIDS.
- In FY18, the relationship reached a major milestone when India became a low middle-income country and graduated from International Development Association financing.

How will the WBG amplify the impact of its work in India?

- By leveraging the private sector
- By harnessing India's federalism
- By strengthening public institutions
- In all its activities, the WBG will seek to address climate change, gender gaps, and the challenges and opportunities afforded by technology.

World Bank Group Program For India

- The World Bank's lending program consists of 95 lending operations.
- Of the \$19.6 billion in commitments, \$17.4 billion is from IBRD, \$2.1 billion is from IDA – the Bank's soft lending arm - and \$0.1 billion is from other sources, primarily grant funding from the [Global Environment Fund](#).
- 38.2% of commitments are either for central or multi-state operations, while the remainder consists of state-specific operations in 23 of India's 28 states.
- The three largest portfolios are.
 - Agriculture (15 operations totalling \$3.2 billion in commitments)
 - Transport (11 projects totalling \$2.5 billion)
 - Health, Nutrition & Population (10 projects totalling \$2.5 billion)
- In FY22, the Bank approved 18 operations amounting to \$4.069 billion. Of this, \$3.98 billion is lending from IBRD and \$0.08 billion from IDA (recommitted from cancelled IDA programs).
- There is a robust pipeline for FY23 which is expected to deliver around 17 operations with total commitments of \$3.5 - 4 billion.
- For the IFC, India is the [largest client country](#), accounting for 10 percent (US\$6.3 billion) of its global portfolio. Since its first engagement in 1958, IFC has invested more than US\$24 billion (including mobilization) in more than 500 companies in India. India is the sixth largest shareholder in IFC with a 4.01 percent stake.
- IFC- World Bank synergies have been particularly strong in raising financing for renewable energy, supporting the Government of [Madhya Pradesh](#) in setting up one of the [largest single-site solar power project](#) that provides solar power at record low cost.

- IFC and the World Bank had a similar collaboration under the government's flagship [Clean Ganga program](#) for sewage treatment plants using hybrid annuity-based PPP projects.
- [The Multilateral Investment Guarantee Agency \(MIGA\)](#) does not have exposure in India. MIGA has been working closely with the Ministry of Finance to provide credit enhancement solutions at the state-level and state-owned enterprise (SOE) level.

Impact Of Association with World Bank On India

1. Education

- Association with world bank has resulted in [near universal coverage](#) at the primary level and enhanced representation of girls and students from marginalized groups.
- Support to skills development through national projects like [Skill India Mission Operation](#) (SANKALP) and [STRIVE](#) that has strengthened short term informal and long-term institutional skilling systems.
- The [Nai Manzil project](#) offers an opportunity for school dropouts from minority communities to complete their education and learn a marketable skill.
- Under three phases of the [Technical Education Quality Improvement](#) (TEQIP) Project, in operation from 2003 to 2021, tertiary learning for over 3 million students improved.
- The Bank also provided support to state-level tertiary education reforms in Odisha and Madhya Pradesh, cumulatively impacting close to 2 million students.

2. Social Protection

- In response to the COVID-19 pandemic, the World Bank invested heavily in India's social protection systems in 2021 through [the Accelerating India's COVID-19 Social Protection Response Program \(\\$1.15 billion\)](#) and the [Creating a Coordinated and Responsive Indian Social Protection System \(CCRISP\)](#) operation (\$500 million).

- Through these operations, cash transfers reached to about 320 million individual bank accounts; and additional food rations were provided to about 800 million individuals.
- An operation in Jharkhand has helped set up about 13,000 strong community level clubs that help pass skills and education to over 1 million adolescent girls and young women.

3. Health

- World Bank support to India's health sector began in 1972.
- Currently, eight projects are under implementation, providing financing of \$2.5 billion.
- The World Bank has supported India's strong response to HIV, which has been lauded as a global success story: new HIV infections in India were reduced by 37% from 2010 to 2019.
- Ongoing operations in the states of Tamil Nadu (TN), Andhra Pradesh (AP), Nagaland, Mizoram, and Uttarakhand focus on building state capacity for improving quality of care, engaging the private sector to improve service delivery, and strengthening management of non-communicable diseases.
- Use of digital health strategies for improved service delivery are being implemented in TN, Nagaland, and AP.
- WBG has supported India's COVID-19 emergency response with expanding health system capacity for testing and treatment and strengthening pandemic preparedness.
- Since 2019, the Bank supports the national Tuberculosis (TB) program to increase private sector TB notifications and treatment success rates.

4. Nutrition

- Since September 2015, World Bank Group support for malnutrition has reached approximately 59.5 million pregnant and lactating women and children 6 months to 3 years of age with nutrition services.
- The ICDS Systems Strengthening & Nutrition Improvement Program (ISSNIP) focuses on innovative methods to build the capacity of community nutrition

workers, strengthening community mobilization and nutrition behaviour change, and strengthening convergence mechanisms.

5. Rural Water Supply and Sanitation

- Since 2000, WBG projects have contributed over \$2.8 billion in financing for rural water supply and sanitation. This has helped about 30 million people from over 30,000 villages—with populations ranging from 150 to 15,000—gain better access to drinking water.
- In addition, about 167 million rural people have benefitted from improved sanitation.

World Bank, India & Covid 19

- Between March and June 2020, the World Bank had approved **\$2.75 billion** in emergency lending to support India's response to the COVID-19 crisis of which \$2.25 billion was disbursed by December 2020.
- On December 15, 2020, the Bank committed an additional **\$400 million** through a 2nd COVID-19 related social protection project and the funds were disbursed to the Government early this year.

The initial \$ 2.75 billion lending support covered.

1. Supporting India's health sector

- Support to the country's immediate health needs through a \$1 billion **COVID-19 Emergency Response and Health System Preparedness Project**.
- More than half this amount has been disbursed to help strengthen health facilities in states, procure essential medical supplies such as testing-equipment and kits, PPEs, gloves, masks, oxygen cylinders and insure 2.2 million frontline health workers.

2. Helping protect people from the impact of COVID-19

- As the majority of the workforce consists of informal workers. The World Bank is supporting and strengthening India's social protection programs to help the poor and vulnerable households most affected by the pandemic through the **\$1.15 billion Accelerating India's COVID-19 Social Protection Response Program**.

- By August 2020, 84 percent of India's poorest households had received at least one food or cash benefit under the program.
- Over 300 million women were the primary beneficiaries of cash transfers, which they received through their Pradhan Mantri Jan Dhan Yojna accounts.

3. Supporting economic stabilization

- Economic stabilization, including support to some 1.5 million small businesses that are the backbone of the Indian economy, through the \$750 million Emergency Response Program for Micro Small and Medium Enterprises.

Major Reports Published By World Bank

1. World Development Report (WDR) 2023

- Published annually since 1978 by the IBRD
- The report provides an in-depth analysis of specific aspect of economic development.
- This year WDR focuses on migrants and refugees along with their reflections upon societies.
- This report envisages to put a light up on the management of cross border mobility in achieving the development mandate of the World Bank Group and the Sustainable Development Goals of the United Nations.
- This report aims to shift from narrow focus on labour markets for migrants and legal protection for refugees to a more holistic perspective so that the humanity of migrants & the complexity of societies can be recognised.

2. Ease of Doing Business Report

- Published annually by the World Bank.
- The report is based on the studies to analyse 10 quantitative indicators as to whether regulation enhances or lowers down the business activity.
- Higher ranking of a country in this list means that its regulatory environment is more conducive to and favourable for undertaking businesses.
- India's rank is that of 77 out of 190 economies compared in this report.

3. Global Economic Prospects Report (GEP)

- It is issued by World Bank group **twice a year in January and June**
- The report examines global economic development and prospects with special focus on emerging market and developing economies.
- According to 2023 GEP report the global economy is about to grow by 1.7% in 2023 and 2.7% in 2024.

4. Global Findex Database

- Launched by World Bank with funding from Bill and Melinda Gates Foundation. The database has been published every 3 years since 2011.
- It is a comprehensive data set on financial inclusion (how people save, borrow, make payments, manage risks etc.,)

5. Transformative Carbon Asset Facility

- It was launched by World Bank in 2015 to provide finance innovative results-based carbon market mechanism under article of the Paris climate change agreement.

6. Poverty and shared prosperity report

- It is a biennial report released by World Bank. It provides consistent and accurate estimates on trends in global poverty and shared prosperity.