



World Bank Group

Working for a world free of poverty

*Presentation for participants of Diplomatic Course
at the Foreign Services Academy-- March 2, 2005*

The World Bank

- ❖ International Bank for Reconstruction and Development established July 1944, Bretton Woods, New Hampshire.
- ❖ Its mission? To rebuild Europe after World War II.

World Bank Borrowers

- ❖ France was the first borrower for \$250 million to finance post-war reconstruction in 1946.
- ❖ Many developed nations who are now donors, were also borrowers, such as Austria, Australia, Denmark, Japan, Italy, Slovenia, and Greece.

What Does the World Bank Do Now?

- ❖ One of the world's largest sources of development assistance.
- ❖ In fiscal 2004, it provided US\$20.1 billion in loans to developing countries.
- ❖ It works in more than 100 developing economies.
- ❖ Primary focus: poverty reduction

Where Does the Bank Work Today?



Borrowers Today

The largest IDA borrowers today include India, Vietnam, Nigeria, Bangladesh and Pakistan

The largest IBRD borrowers today are India, Brazil, Turkey, China, Romania and Argentina

The top 10 IBRD/IDA blend borrowers are India, Brazil, Turkey, China, Indonesia, Pakistan, Colombia, Vietnam, Romania and Nigeria

Partners

- ❖ The World Bank works with a wide range of partners including:
 - ◆ Bilateral development agencies
 - ◆ Multilateral Dev Banks
 - ◆ United Nations
 - ◆ International Monetary Fund
 - ◆ Civil Society
 - ◆ Parliamentarians
 - ◆ Academic Community and Students
 - ◆ Youth

Progress toward Poverty Reduction

Over the last 30 years, in developing countries:

- ❖ Life expectancy has increased from 55 to 65 years.
- ❖ The number of literate adults has doubled.
- ❖ The total number of children in primary school has risen from 411 million to 681 million.
- ❖ Infant mortality has been reduced by 50 percent

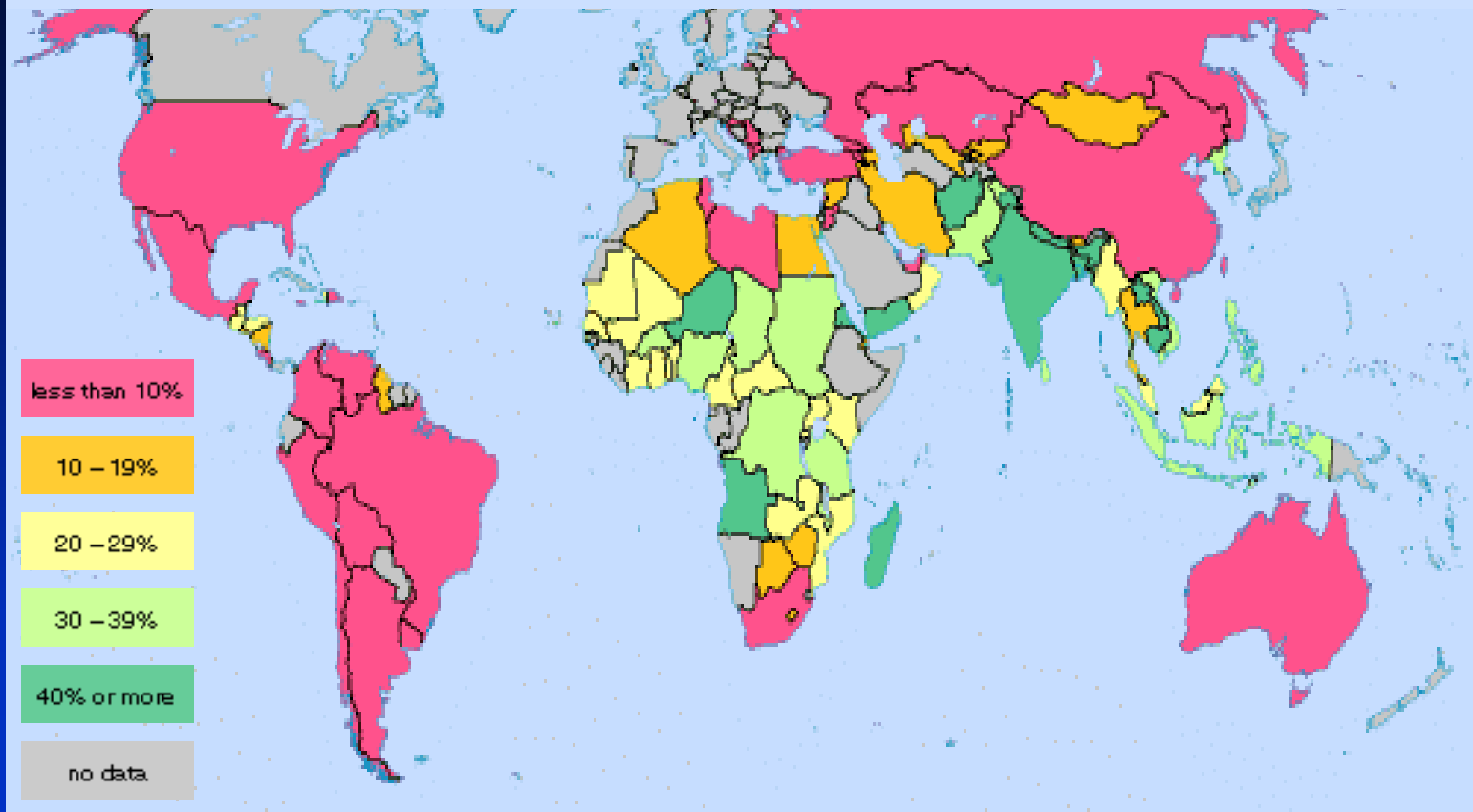
However, Many Challenges Remain

Although the proportion of people living on less than \$1 a day has decreased from 40% to 21%:

- ❖ Poverty is on the rise in Latin America and Caribbean, Eastern Europe and Central Asia, and Africa.
- ❖ 2 billion people do not have access to clean drinking water.
- ❖ 115 million children are not in school.
- ❖ More than 40 million people are living with HIV-AIDS.

Agreement Needed on How to Move Forward

Malnutrition—another dimension of poverty. Proportion of children under 5 who are underweight (%).



Why? The World in 2050

- ❖ World income will be \$135 trillion, compared to \$35 trillion today
- ❖ 40 percent of world income will be in developing countries compared to 20 percent today
- ❖ 65 percent of people will live in urban areas.
- ❖ Population of 9 billion as opposed to 6 billion today
- ❖ Life expectancy of 72 years up from 64 today
- ❖ Death rate of children under 5 decreases to 17 per 1,000 live births down from 85.

Millennium Development Goals

- ❖ The goals set targets for reductions in poverty, improvements in health and education, and protection of the environment.
- ❖ They were adopted by the countries attending the Millennium Summit in New York at the United Nations.
- ❖ They measure progress from 1990 and look toward what can be accomplished by 2015.

<http://www.developmentgoals.org/>

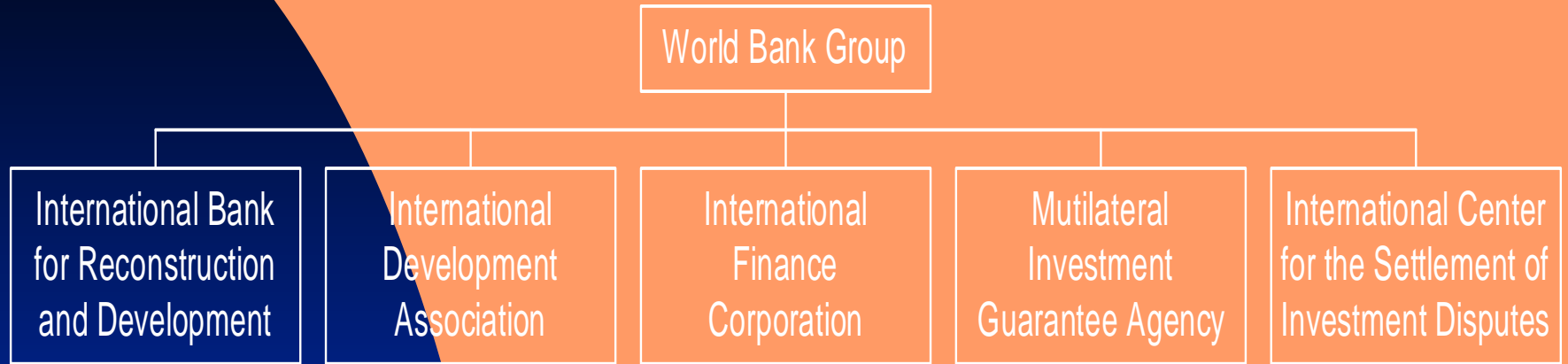
Priorities Today

- ❖ Improve delivery of basic education and health services.
- ❖ Provide social protection for vulnerable groups.
- ❖ Deliver access to services—infrastructure.
- ❖ Protect the environment.
- ❖ Support and encourage private business development.
- ❖ Promote reforms to create a stable economic environment.

Bank Funding, Research, and Learning

- ❖ Education: \$1.6 billion
- ❖ HIV-AIDS: \$1.6 billion for UNAIDS
- ❖ Health: \$3 billion for health, nutrition, and population projects.
- ❖ Debt Relief: 27 countries
- ❖ Environment: \$1.2 billion
- ❖ Partnerships
- ❖ Anti-corruption and Governance
- ❖ Post-Conflict Reconstruction
- ❖ Community-Driven Development

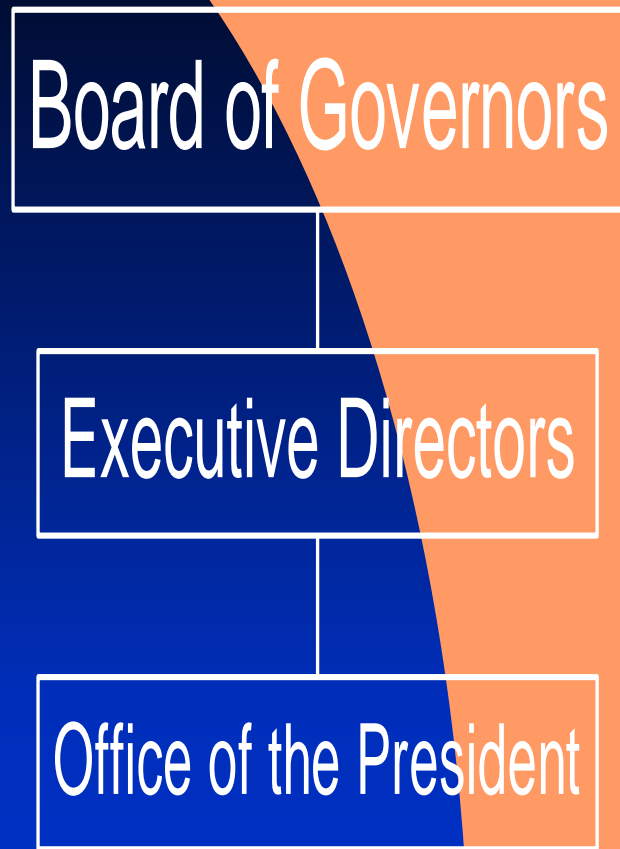
Today's World Bank Group



Source of Funds for Bank Loans and Credits

- ❖ IBRD has a AAA bond rating and raises funds on capital markets.
- ❖ IDA credits and grants to the world's poorest countries are funded largely from donor contributions, with additional funds from IBRD profits and credit repayments.

How the World Bank Operates



- ❖ 184 Member Countries appoint their Governors
- ❖ Governors delegate specific duties to Executive Directors
- ❖ President of the World Bank reports to the Board of Executive Directors

Annual and Spring Meetings

- ❖ Each autumn, the Boards of Governors of the World Bank Group and the IMF hold their Annual Meetings
- ❖ Spring Meetings the joint Bank-IMF Development Committee and the IMF's International Monetary and Financial Committee hold meetings to discuss progress on the work of the Bank and the Fund.

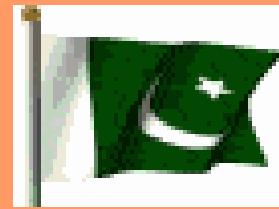
World Bank Staff

- ❖ Total Bank staff numbers about 10,000. 7,000 at HQ and 3,000 in the field.
- ❖ Developing country nationals represent 55% of total staff at HQ.

The World Bank Group

www.worldbank.org

World Bank in Pakistan





www.worldbank.org.pk

Key Outcomes, FY00-04

- **Macro turnaround; debt burden reduced and on solid downward trajectory**
- **Banking Sector 80% privatized, under strong regulator**
- **CBR reforms well advanced**
- **Telecom sector opened to competition; private investors entering market**
- **Public financial management strengthened.**
- **Power Sector about to be corporatized into separate generation and regional distribution entities**
- **Automatic price adjustment mechanisms for oil & gas adopted**
- **Major trade reforms; tariffs reduced and streamlined**
- **Regulatory and legal reforms to reduce cost of doing business**
- **Local Government elected**

Priority Challenges

-  **Sustaining growth while maintaining macroeconomic stability**
-  **Irrigation system rehabilitation and improvement**
-  **Power sector performance improved--- reduce fiscal drain**
-  **Lower costs of doing business to improve competitiveness**
-  **Improved social service delivery**
-  **Education strategy implemented**
-  **Government statistical system strengthened**
-  **Civil service reformed**

Lending Volumes in Recent Years--FY02-05

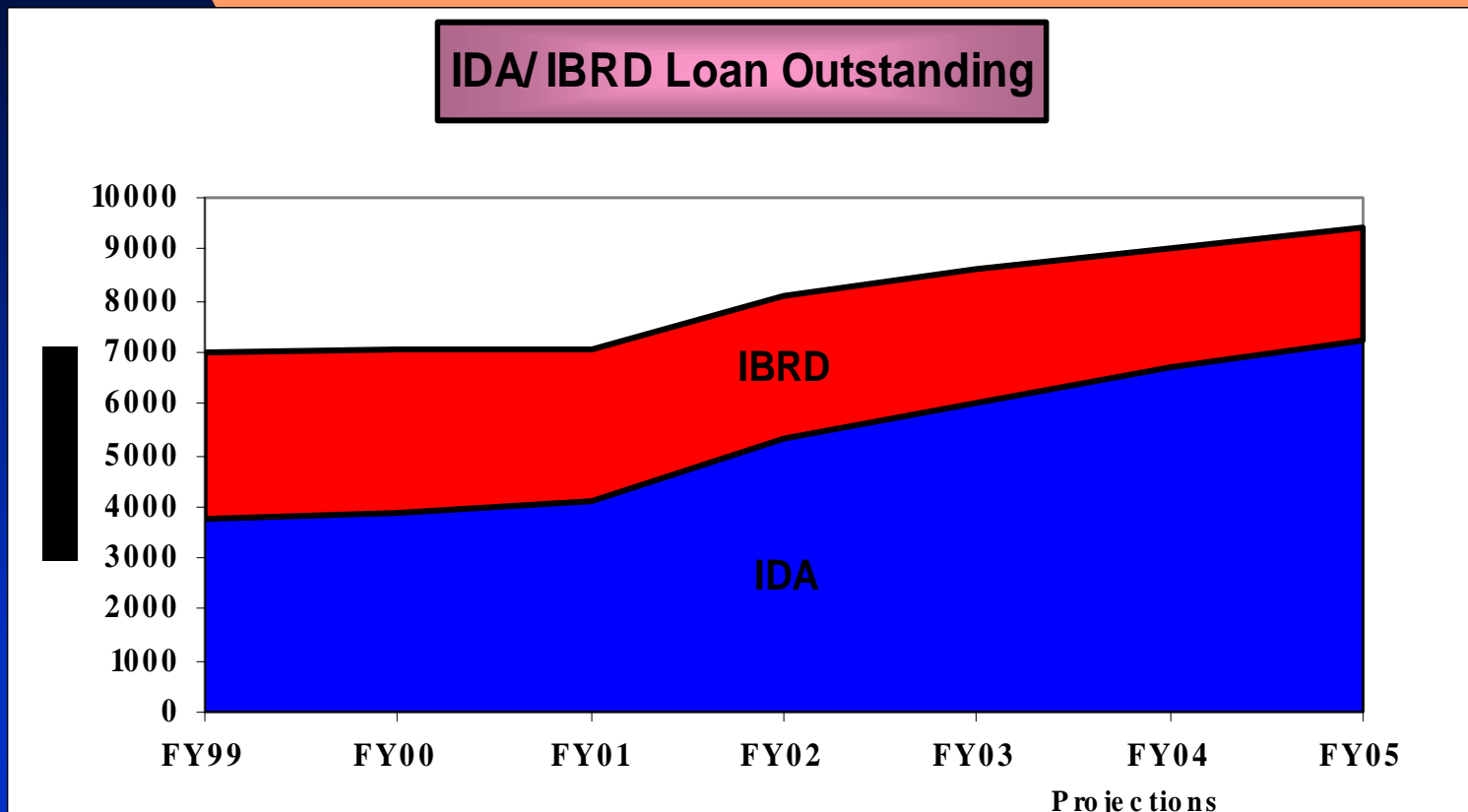
	FY02	FY03	FY04	FY05
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Indicative</i>
	US\$ million	US\$ million	US\$ million	US\$ million
Project Lending	300	106	591	255
Adjustment Lending	500	190	190	700
Total	800	296	781	955
Of Which: <i>IDA</i>	800	296	731	600
<i>IBRD</i>	-	-	50	355

Portfolio Of On-going Projects

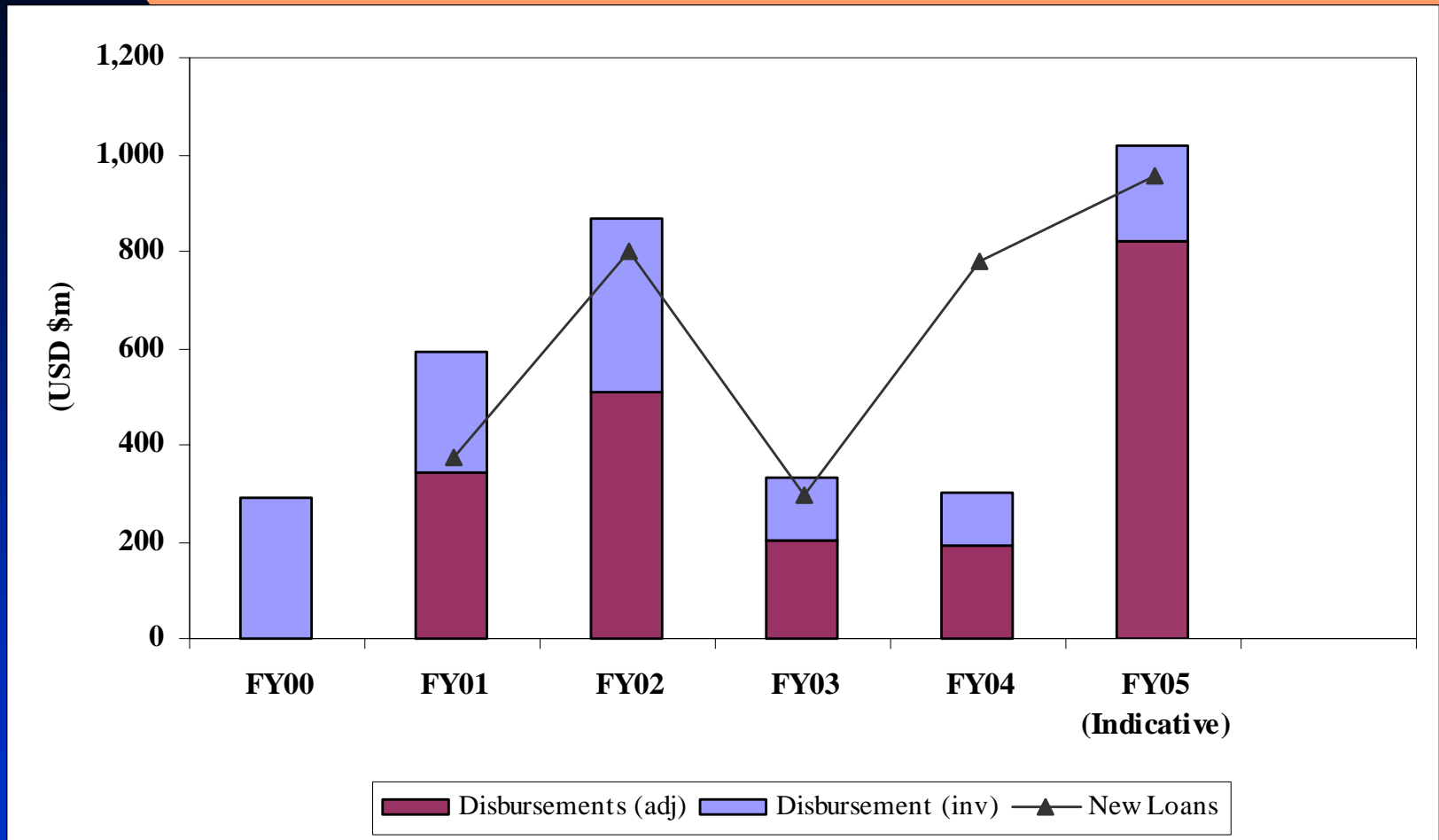
- **16 Projects under implementation**
- **Net Commitments of US\$1.2 billion**
 - *Share of commitments:***
 - * *35% Agriculture/ Environment*
 - * *30% Finance & Private Sector*
 - * *17% Infrastructure & Transport*
 - * *7% Public Sector Management*
 - * *8% Human Development*
 - * *10% Others*
- **Un-disbursed: US\$800 million**

IDA/IBRD share in the Portfolio

Increased IDA (interest free credits) share



Portfolio Disbursements FY02-05



Bank Lending Program FY04/05

FY04 (Actual)

- **National Highways Rehab**
- **PPAF II**
- **Sindh OFWM**
- **Pub. Sector TA**
- **NWFP CIP**
- **NWFP SAC II**
- **Punjab Education SAC**

FY05 (Planned)

- **PRSC I** *(Complete)*
- **Polio Eradication** *(Complete)*
- **BSAC** *(Complete)*
- **Tax Administration Reform** *(Complete)*
- **Punjab Barrage Rehab** *(Board presentation in March)*
- **Punjab Education Reform- II** *(Board presentation in March)*

Bank Lending Program FY06-09 Indicative

- PRSC II, III
- NWFP SAC III
- PIFRA II
- Provincial Development Credits (Health, Education)
- Power – Trans/Dist
- Punjab Urban Services
- Housing Finance
- Safety Nets
- Balochistan Primary Education
- **Punjab Land Registration Project**
- **Sindh Water Sector Improvement**
- **Punjab Water Irrigation**
- **Railways Modernization**
- **National Highways -II**
- **Trade & Transport Facilitation –II**
- **Balochistan Irrigation**
- **Private Power**
- **Private Infrastructure**

Analytical Studies FY04/05 & Beyond

FY04 (Actual)

- **Financial Sector Assessment**
- **Devolution Study**
- **Rural Factor Markets Study**
- **Punjab Economic Report**

FY05 (Planned)

- **Water Sector CAS**
- **Gender Assessment**
- **NWFP Economic Report**

FY06/09 Indicative

- **Rural DPR**
- **Economic Growth & Competitiveness**
- **Poverty Assessment**
- **Public Expenditure Review**
- **Provincial Economic Reports**
- **Municipal Services Study**
- **Sector Strategies (Health/Education)**
- **Labor Market Study**
- **Administrative Barriers to Investment (FIAS)**
- **Transport Competitiveness Study**