

International Business
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Lecture – 44
World Bank

Hi everyone. Welcome to the class. So, in the last lecture, we were you know we started with the International Economic Institutions, right.

So, it is a very important time, and I am standing here you must all be aware of the corona virus which is now spreading up like wildfire. It has affected the you know not only China, but some of the other countries also slowly getting into it and when such kind of an epidemic happens, right, we think only you know that lives are lost, but along with lives you know the impact it makes on international trade and business is quite immense. For example, you see most many of the products from China, now have been stopped by many countries because of the fear, right. And the human resource movement is now stopped for the same reason, right.

The importance of trade and business and how trade and businesses are linked with human beings. It is very important to understand, and when such kind of natural calamities or epidemics happen as in this case this corona virus we can see, that how much it impacts the entire economy for that particular country, right, the economic condition, right

So, in the last class we talked about the Bretton Wood's agreement, in which you know 44 nations started the international monetary system in which they wanted to make a trade easier and simpler, right.

So, this was during the World War, II World War time. And then this Bretton Wood's agreement from this Bretton Wood system. But in 1970s around it was demolished, it was stopped, it was closed and in because the simple reason was that it was using a fixed rate system the Bretton Wood's agreement was following a fixed rate system. But when Nixon was the president of America Richard Nixon he wanted through his advisors he wanted that it should be more of a floating rate system.

And during the Bretton Wood's system, it was you know in such a way it was done that the US dollar was you know pegged against the gold, right and the other countries currencies were pegged against the us currency. But then, after the death of the Bretton Wood system you can say then came up two institutions and one of them being the IMF the International Monetary Fund, which we were discussing and then the World Bank, right.

So, the international monetary fund has plays a very vital role in the economic, in managing the economies of the world. For example, what it does is basically it works like a facilitator; it works like a savior, help or somebody to help. So, it runs understands the economy of every nations at least its member countries and tries to understand it better.

So, whenever some economy is not doing well, so the IMF plays a very vital role the IMF tries to understand what is the problem and then it also provides a solution. The solution can be in terms of like for example, first identifying the problem then it could be like providing support, lending support to the consent country and then also followed with policy making and advice, right.

So, this helps and we have seen some examples in the last class we discussed for example, the case of Vietnam, the case of Ireland, where these economies came up from a very bad situation. And they, Vietnam became one of the most open economies and developed countries among the Asian economies at least, right. So, we will continue from there.

So, the IMF's two roles we had discussed, one of them was the surveillance role and the second role was the role of lending, right. And, the IMF we discussed that it lends you know to the countries on basis of the quota, right. And the quota is decided on basis of the voting power of the country, that means how much it impacts the global economy, accordingly it has a voting power, right. So, and on basis of that it decides the quota, right.



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C. Capacity Development:

- The IMF provides technical assistance and training to help member countries build better economic institutions and strengthen related human capacities.
- This includes, **for example**, designing and implementing more effective policies for taxation and administration, expenditure management, monetary and exchange rate policies, banking and financial system supervision and regulation, legislative frameworks, and economic statistics.
- This also includes:
 - Reducing Inequality ✓
 - Gender Equality ✓
 - Climate Action ✓



So, a third point which we will discuss today is capacity development. So, the third function of the IMF is the capacity development. So, what it says? The IMF provides technical assistance and training to help member countries build better economic institutions and strengthen related human capacity.

So, for example, you see designing and implementing more effective policies for taxation and administration, ok. Expenditure management. So, as you saw if you recall in case of you know many of the you know 2008 crisis that happened many of the countries, the at least the countries in the European most of the countries were affected largely the European countries as USA and all.

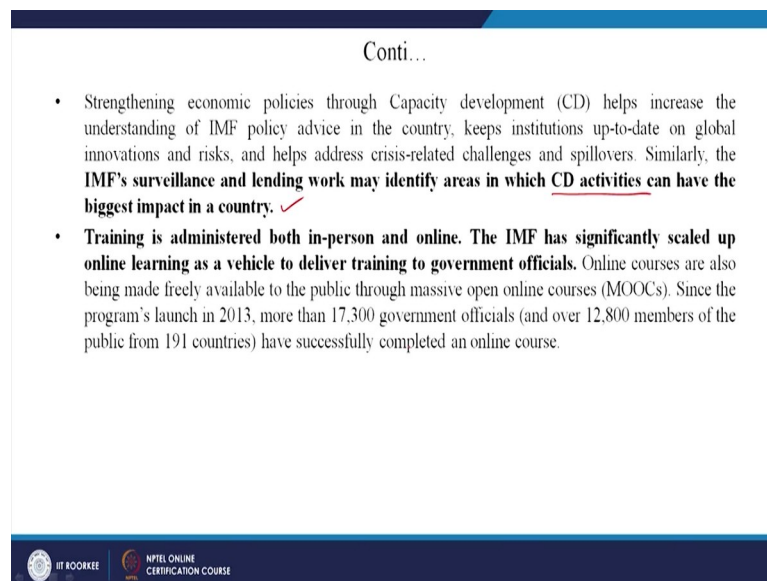
So, what happened was there was a very ah very bad management, I would say very poor or bad management of funds, right. Credits were given without any proper checkup, checking and everything. So, this all resulted in a condition where the economy crashed, ok.

So, expenditure management, monetary and exchange rate policies, right. So, what is the monetary policy? What is kind of monetary policy should a government have, the central bank have? What is the exchange rate policy? Right. So, banking and financial system supervisions or structural reforms we are talking about in the last lecture.

So, the structural reforms what should how should banks be working. In some cases banks ah need to be merged, right, in order to reduce the number of unnecessary workforce and unnecessary cost of the bank to make it more lean and operational. So, legislative frameworks and economic statistics.

So, the capacity development is that part where the you know IMF helps the countries to train their people, to understand the economic you know to build better economic institutions, right. This also includes to reduce inequality, gender equality, and climate action, because you see the IMF although is the financially it has a large influence on the finance, but it is it looks at a holistic or overall growth of the of any nation, right. So, it you know through not only from the economic for the economic development, it also looks at stability of a country also, right and the policies.

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- Strengthening economic policies through Capacity development (CD) helps increase the understanding of IMF policy advice in the country, keeps institutions up-to-date on global innovations and risks, and helps address crisis-related challenges and spillovers. Similarly, the **IMF's surveillance and lending work may identify areas in which CD activities can have the biggest impact in a country.** ✓
- **Training is administered both in-person and online. The IMF has significantly scaled up online learning as a vehicle to deliver training to government officials.** Online courses are also being made freely available to the public through massive open online courses (MOOCs). Since the program's launch in 2013, more than 17,300 government officials (and over 12,800 members of the public from 191 countries) have successfully completed an online course.

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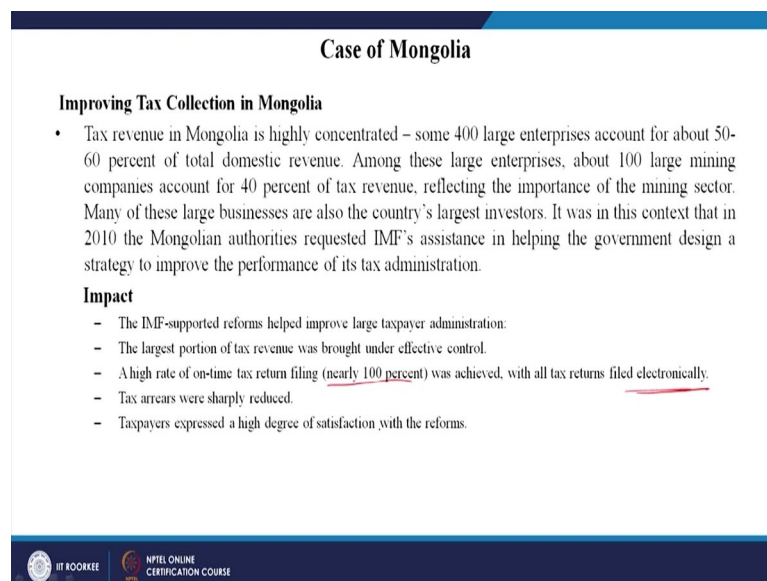
So, strengthening economic policies through capacity development helps increase the understanding of IMF policy advice in the country. Keeps institutions up-to-date on global innovations and risks, and helps address crisis related challenges and spillovers. So, is there has been any crisis in the recent, for example, the crisis could have been because of a war like situation, could have become because suddenly of a change in the governance structure or a policy.

For example, as we said trade investment mechanisms, trade related. So, if a country has just moved into a new policy trade policy, so maybe it will have a loss for a short term period. So, in such conditions how you should operate.

Similarly, the IMF surveillance and lending work may identify areas in which the capacity development activities can have the biggest impact in a country. So, what are the priority areas the IMF tries to find out?

Training is administered both in person and online. The IMF has significantly scaled up online learning as a vehicle to deliver training to the government officials, ok. Online courses are also being made freely available to the public through MOOCs as this course for example. Since the program's launch in 2013, more than 17,300 government officials have completely have successfully completed online courses. So, this is something you know the roles that the IMF does.

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Case of Mongolia

Improving Tax Collection in Mongolia

- Tax revenue in Mongolia is highly concentrated – some 400 large enterprises account for about 50-60 percent of total domestic revenue. Among these large enterprises, about 100 large mining companies account for 40 percent of tax revenue, reflecting the importance of the mining sector. Many of these large businesses are also the country's largest investors. It was in this context that in 2010 the Mongolian authorities requested IMF's assistance in helping the government design a strategy to improve the performance of its tax administration.

Impact

- The IMF-supported reforms helped improve large taxpayer administration.
- The largest portion of tax revenue was brought under effective control.
- A high rate of on-time tax return filing (nearly 100 percent) was achieved, with all tax returns filed electronically.
- Tax arrears were sharply reduced.
- Taxpayers expressed a high degree of satisfaction with the reforms.

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So, we will talk about a case of Mongolia today. So, how what happened in Mongolia? Improving tax collection. So, tax revenue in Mongolia is highly concentrated, right. Some 400 large enterprises account for about 50 to 60 percent of the total domestic revenue. This is what has happened.

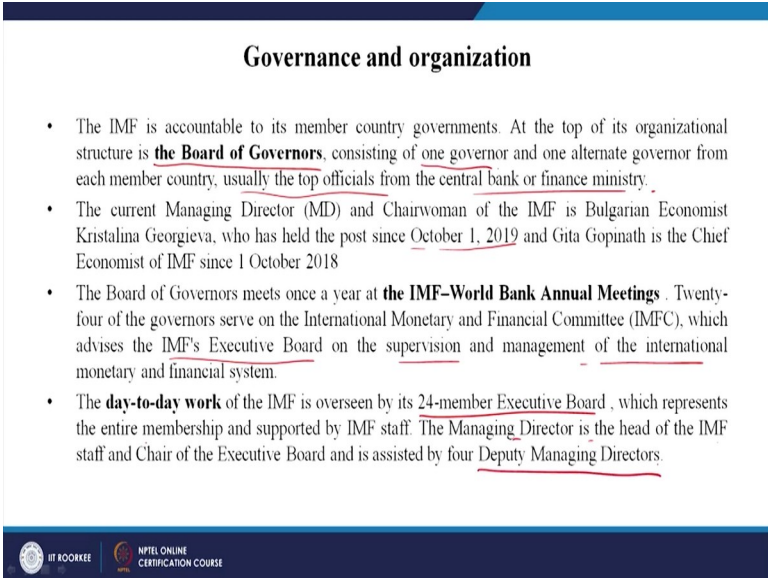
Among these large enterprises, about 100 large mining companies account for 40 percent of the tax revenue. So, there are total 400 let us say large once which account for 50 to

60 percent of the total domestic revenue. Among these 400, 100 contribute about 40 percent. So, reflecting the importance of the mining sector.

Many of these large businesses, also the country's largest investors it was in this context that in 2010 the Mongolian authorities requested IMF's assistance in helping the government design a strategy to improve the performance of its tax administration. Now, what happened? What was the impact? So, the IMF intervened due to the request of Mongolia.

The IMF supported reforms helped improve large taxpayer administration. So, large number of people were brought under the tax bracket. The largest portion of tax revenue was brought under effective control. A high rate of on time tax return filing was achieved nearly 100 percent that is exemplary, right the very great with all tax returns filed electronically, right. Tax and when you do it electronically you need to have train people for that also, right. Tax arrears were sharply reduced. Taxpayers expressed a high degree of satisfaction with the reforms. So, all these led to a very effective condition or a good positive condition for Mongolian tax structure, right, and finance for them.

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Governance and organization

- The IMF is accountable to its member country governments. At the top of its organizational structure is **the Board of Governors**, consisting of one governor and one alternate governor from each member country, usually the top officials from the central bank or finance ministry.
- The current Managing Director (MD) and Chairwoman of the IMF is Bulgarian Economist Kristalina Georgieva, who has held the post since October 1, 2019 and Gita Gopinath is the Chief Economist of IMF since 1 October 2018
- The Board of Governors meets once a year at **the IMF-World Bank Annual Meetings**. Twenty-four of the governors serve on the International Monetary and Financial Committee (IMFC), which advises the IMF's Executive Board on the supervision and management of the international monetary and financial system.
- The **day-to-day work** of the IMF is overseen by its 24-member **Executive Board**, which represents the entire membership and supported by IMF staff. The Managing Director is the head of the IMF staff and Chair of the Executive Board and is assisted by four **Deputy Managing Directors**.

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The IMF is accountable to its member country governments, right, at the top of its organizational structure. So, now, we will talk about the governance. What is the structure of the IMF? Right. So, when you talk about the IMF structure at the top is the Board of Governors, right, consisting of one governor and one alternate governor from

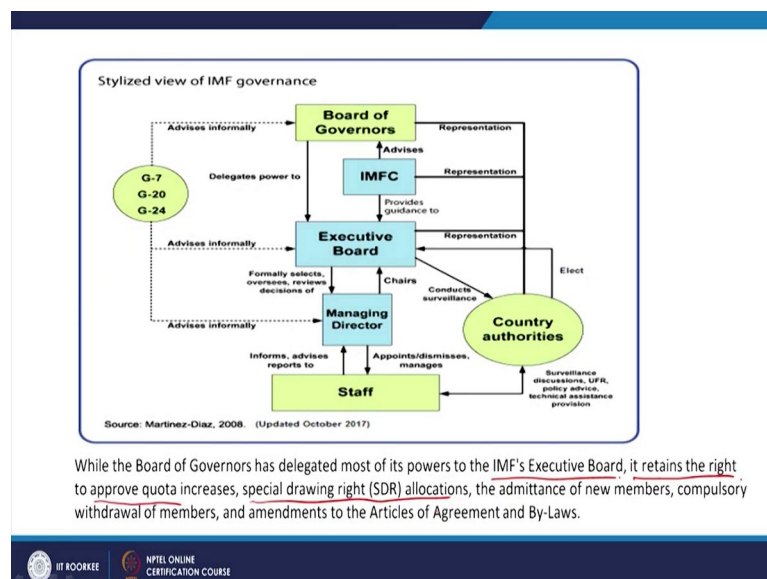
each member country. Usually they are the top officials from the central bank or finance ministry, ok.

At the present the current Managing Director and Chairwoman of IMF is the Bulgarian Economist Kristalina Georgieva, right, who has held this post since October 2019 just a few months now. And Gita Gopinath happens to be the chief economist of the IMF since October 2018, right. And if you remember the you know recently Gita Gopinath statement regarding the credit rating and you know economic condition of India was also a largely discussed very recently.

The Board of Governor meets once a year at the IMF World Bank annual meetings there are 24 governors, right, in the Board of Governors there are 24. So, 24 of the governors are on the international monetary and financial committee which advises the IMF's executive board on the supervision and management of the IMF system, right.

The day-to-day work of the IMF is seen by its 24 member executive board which represents the entire membership and supported by the IMF staff, right. This is how it looks like. So, there are this managing director is the head of the IMF and chair of the executive board and is assisted by 4 deputy managing directors. So, this is how it looks like, right.

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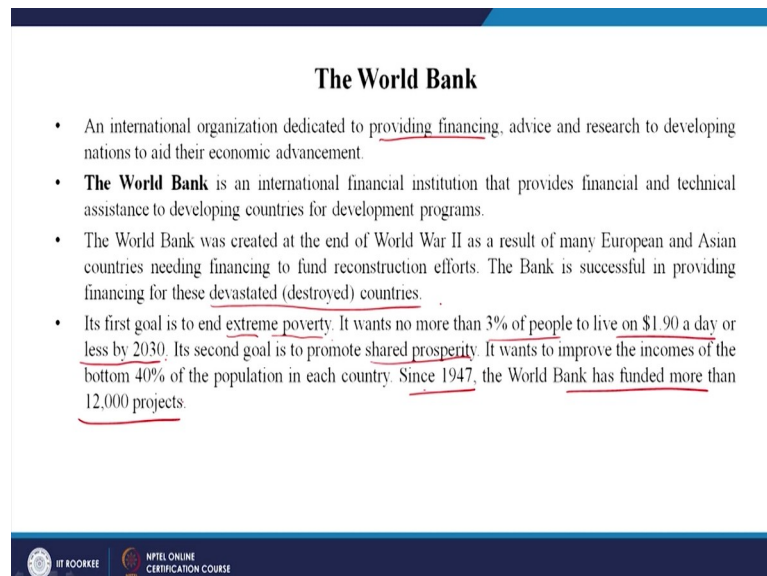


Just I can tell you can go through it, right. So, these are the different member countries. So, they advise the Board of Governors IMFC, right. The executive board, managing director, staff, so they are interconnected and the countries, authorities, they also have representation. While the Board of Governors has delegated most of its powers to the IMF executive board, now the board of governor has given most of its power to the to the IMF's executive board now.

So, the executive board looks into the day to day operations. But it retains the right to approve the quota increases. So, the quota is to be increased or not that is still kept this function is by the Board of Governors. The special drawing right allocations and admittance of new members, compulsory withdrawal of members and amendments to the articles of the agreement and by laws. So, these some of these activities are still managed by the Board of Governors. But otherwise the other operations are completely delegated to the IMF's executive board, right.

The next important institution which was which was an outcome from the world the Bretton Wood system was the World Bank, right. So, one was the IMF, the other was the World Bank.

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The World Bank

- An international organization dedicated to providing financing, advice and research to developing nations to aid their economic advancement.
- **The World Bank** is an international financial institution that provides financial and technical assistance to developing countries for development programs.
- The World Bank was created at the end of World War II as a result of many European and Asian countries needing financing to fund reconstruction efforts. The Bank is successful in providing financing for these devastated (destroyed) countries.
- Its first goal is to end extreme poverty. It wants no more than 3% of people to live on \$1.90 a day or less by 2030. Its second goal is to promote shared prosperity. It wants to improve the incomes of the bottom 40% of the population in each country. Since 1947, the World Bank has funded more than 12,000 projects.

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So, what is this World Bank? So, like a bank we can understand, it is like a bank, right. So, it must be giving some funding some loan. The international organization dedicated to provide finance, advice and research to developing nations to aid their economic

advancement is the function or the role of the World Bank, right. It is an international organization which provides finance, advice and research.

The World Bank is an international financial institution that provides financial and technical assistance true, right to the developing countries. So, you must have heard developed several World Bank programs, for let us say cleanliness, for you know improving hygiene, for reducing let us say pollution for cleaning rivers, so many different kind of activities.

The World Bank was created at the end of the World War II as I have mentioned as a result of the from it was an outcome of the Bretton Wood's conference. We have already system, we have discussed. The bank is successful in providing financing for this devastated or destroyed countries.

The first goal of the World Bank is to end extreme poverty. It wants no more than 3 percent of people to live on 1.9 dollars a day or less by 2030. So, that is the you know the goal or vision. Its second goal is to promote shared prosperity, not a skewed prosperity that is only a few countries are very rich and others are very poor or a few people like for example, in India, a few families hold almost you know a large portion of the GDP, right, the wealth. It wants to improve the incomes of the bottom 40 percent of the population in each country. Since 1947, the World Bank has funded more than 12,000 projects, ok. Let us say a be it you know infrastructural projects it be anything as I said.

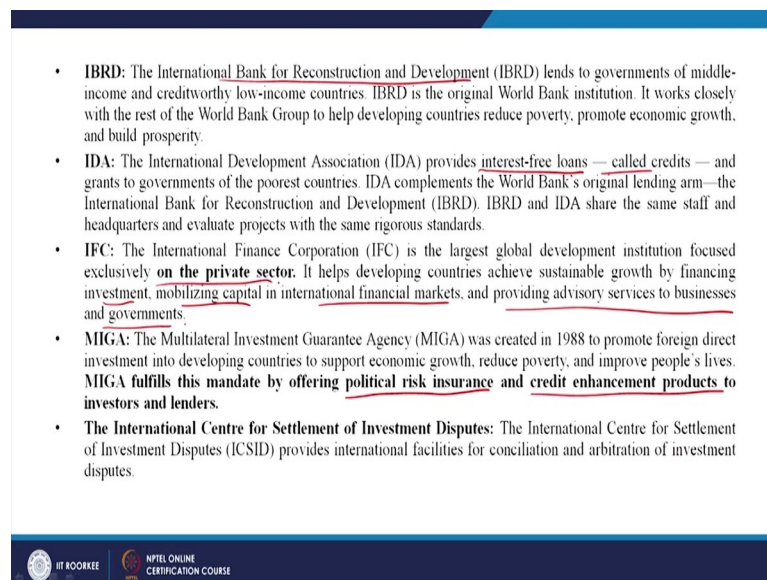
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So, the World Bank group under it there are several organizations we can see. It comprises two institutions, the World Bank itself consists of two institutions the international bank for reconstruction and development IBRD this one, and the international development association, this one, right. So, the IBRD was founded in 1946, IDA was founded in 1960.

In contrast, the World Bank Group comprises 3 more institutes for example, the International Finance Corporation, this one, 1956; Multilateral Investment Guarantee Agency, MIGA, 1988, and International Centre for Settlement of Investment Disputes, right 1966. So, the entire World Bank group has 5 major institutions, right within it.

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- **IBRD:** The International Bank for Reconstruction and Development (IBRD) lends to governments of middle-income and creditworthy low-income countries. IBRD is the original World Bank institution. It works closely with the rest of the World Bank Group to help developing countries reduce poverty, promote economic growth, and build prosperity.
- **IDA:** The International Development Association (IDA) provides interest-free loans — called credits — and grants to governments of the poorest countries. IDA complements the World Bank's original lending arm—the International Bank for Reconstruction and Development (IBRD). IBRD and IDA share the same staff and headquarters and evaluate projects with the same rigorous standards.
- **IFC:** The International Finance Corporation (IFC) is the largest global development institution focused exclusively on the private sector. It helps developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments.
- **MIGA:** The Multilateral Investment Guarantee Agency (MIGA) was created in 1988 to promote foreign direct investment into developing countries to support economic growth, reduce poverty, and improve people's lives. MIGA fulfills this mandate by offering political risk insurance and credit enhancement products to investors and lenders.
- **The International Centre for Settlement of Investment Disputes:** The International Centre for Settlement of Investment Disputes (ICSID) provides international facilities for conciliation and arbitration of investment disputes.

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So, let us see the IBRD first one. The international bank for reconstruction and development lends to the governments of middle income and creditworthy, low income countries, right. It is the original World Bank institution. It works closely with the rest of the World Bank group to help developing countries, reduce poverty, promote economic growth and build prosperity. So, as the name itself says bank for reconstruction and development. So, it is largely funds you know tries to help those countries which have which are going through some difficult times.

Now, second is the IDA, which provides interest free loans called credits and grants to the governments of the poorest countries, right. So, this bank provides loans to those poor countries. IDA complements the World Banks original lending arm, the IBRD. The

IBRD and IDA together share the same staff and headquarters and evaluate projects with the same rigorous standards, ok. But only the interest area slightly varies, right in between them. So, this is more on the providing the loans.

Third is the IFC. This is the largest global development institution focused exclusively on the private sector. So, what it says? The international finance corporation is the largest global development institution focused exclusively on the private sector. It helps developing countries to achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to business and governments, right. So, this these are the first 3.

Then the 4th and 5th. The 4th large ah the 4th institution under the World Bank group is the MIGA. So, the multilateral investment guarantee agency, it created in '88 was done to promote FDI investment into the developing countries, right. To support economic growth, because every country might not have a large amount of reserve with it to develop infrastructure everything, right. So, many a times we need FDI investments from outside.

So, if for example, poor countries would like to keep their you know reserves for better utilization like school, medical, road, everything. So, in order to provide a let us say plant or a factory or something you need foreign investment some direct investment.

So, this MIGA helps in promoting the FDI into the developing countries to support the economic growth, reduce poverty and improve people's lives. It fulfills the mandate by offering political risk insurance, right and credit enhancement products to investors and lenders, right. So, the MIGA helps in offering political risk insurance, right.

The last one is the international centre for settlement of investment disputes, so investment related disputes, right. So, this provides international facilities for conciliation and arbitration of investment disputes. So, this body helps in try to settle down settle any kind of investment related disputes among the member nations, right or the parties, the different parties, right.

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| Fact file | |
|----------------------|---|
| Formation | July, 1944 |
| Type | International Financial Organization |
| Headquarter | Washington D.C., United States |
| Membership: | IBRD-189, IDA-173, IFC- 185, MIGA-181, ICSID-154 https://www.worldbank.org/en/about/leadership/members#5 |
| Official language: | Arabic, Chinese, English, French, Russian, Spanish |
| President: | David Malpass |
| Parent organization: | World Bank Group |

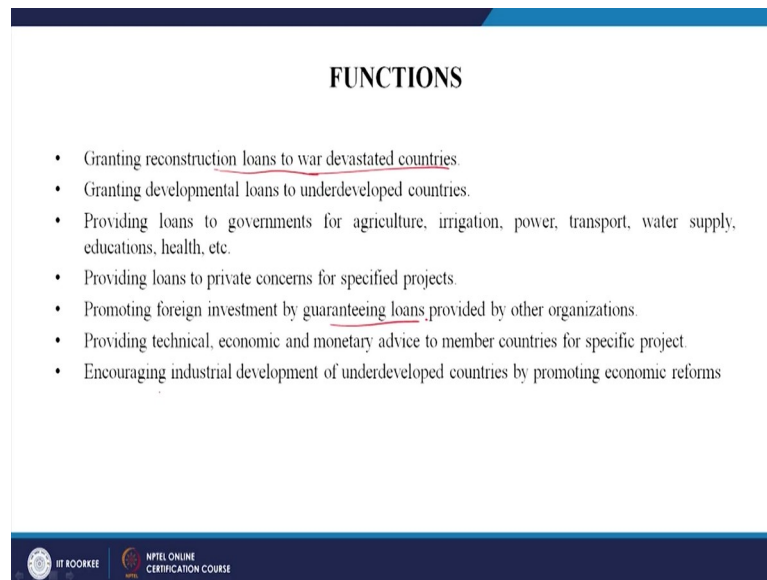
- The first president of World Bank was Eugene Meyer
- To become a member of the Bank, under the IBRD Articles of Agreement, a country must first join the International Monetary Fund (IMF). ✓
- Membership in IDA, IFC and MIGA are conditional on membership in IBRD.

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So, this is a fact file of the World Bank, so July 44 it came into existence. So, that these are different things headquartered in Washington DC. So, these are the membership, members official language used is here. The president at the moment is David Malpass and parent organization is obviously, this.

The first president was Eugene Meyer. To become a member of the bank under the IBRD articles of agreement a country must first join the IMF. This is important. So, in order to become a member of the bank you must first join the IMF. Membership in IDA, IFC and MIGA are conditional on membership in the IBRD. So, these are the some of the facts related to the World Bank, right.

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The slide is titled "FUNCTIONS" and lists seven bullet points. At the bottom, there are logos for IIT ROORKEE and NPTEL ONLINE CERTIFICATION COURSE.

- Granting reconstruction loans to war devastated countries.
- Granting developmental loans to underdeveloped countries.
- Providing loans to governments for agriculture, irrigation, power, transport, water supply, educations, health, etc.
- Providing loans to private concerns for specified projects.
- Promoting foreign investment by guaranteeing loans provided by other organizations.
- Providing technical, economic and monetary advice to member countries for specific project.
- Encouraging industrial development of underdeveloped countries by promoting economic reforms

What are its functions? Now, let us talk more about functions in detail. So, the major functions are first it grant granting reconstruction loans to war devastated countries. So, IBRD for example, with the name itself says reconstruction, right. So, when it helps in providing loans to war devastated countries for example, some of the African nations, some of the nations like Afghanistan, Pakistan, Syria, so all these.

Granting developmental loans to underdeveloped countries. Providing loans to governments for agriculture, irrigation, power, transport, water supply, education, health etcetera. It provides loan to private concerns for specified projects. So, for some specific specified projects also they provide loans to private concerns also. Foreign investment, they promote by guaranteeing loans provided by other organizations.

So, they what they do basically? So, they promote foreign investment by guaranteeing loans, right. They act as a guarantor, right. Then, provide technical, economic and monetary advice to the member countries. Encourage industrial development of underdeveloped countries by promoting economic reforms. So, this is some of the major functions of the World Bank, are these, ok.


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CONTI...

The Bank's stated purpose is to "bridge the economic divide between poor and rich countries." It does this by turning "rich country resources into poor country growth." It has a long-term vision to "achieve sustainable poverty reduction."

To achieve this goal, the Bank focuses on six areas:

- Overcome poverty by spurring growth, especially in Africa. ✓
- Help reconstruct countries emerging from war, the biggest cause of extreme poverty.
- Provide a customized solution to help middle-income countries remain out of poverty.
- Spur governments to prevent climate change. It helps them control communicable diseases, especially HIV/AIDS, and malaria. It also manages international financial crises and promotes free trade.
- Work with the Arab League on three goals. They are to improve education, build infrastructure, and provide micro-loans to small businesses.
- Share its expertise with developing countries. Publicize its knowledge via reports and its interactive online database.



The bank stated purpose is to bridge the economic divide between the poor and the rich countries. So, the major objective of the World Bank is to bridge the gap. So, there is a huge gap between some of the African countries and let us say some of the European countries. So, now to bridge this gap is a major purpose.

It does this by turning rich country resources into poor country growth, right. It is a long term vision to achieve sustainable poverty reduction. So, the bank focuses on 6 areas largely to achieve these goals.

Overcome poverty by spurring growth, especially in Africa. Help reconstruct countries emerging from war, the biggest cause of extreme poverty, right. So, we have seen after a war what happens, right people do not get food, there is malnutrition, children's dying of hunger. So, to help this reconstruct such countries. So, provide a customized solution to help middle-income countries remain out of poverty. So, to help some solution, so that the middle income countries they would not come into this poverty problem.

Spur the governments to prevent climate change. So, yes, one of the major job that the World Bank is helping in is to prevent climate change, right, which is today we have see talk we are talking a lot about global warming, climate change. So, it is working a lot on it. It helps them control communicable diseases. So, today only I stopped, when I started the lecture I started with the corona virus, right. So, it helps, the World Bank helps comes into it plays a major role. So, helps in controlling the communicable diseases

especially HIV, AIDS, malaria. So, there are lot of programs on malaria, lot of funding be done for you know scientific fund research and development. It also manages international financial crisis and promotes free trade

Work with the Arab league on 3 goals, they are to improve education, build infra and provide micro loans to small businesses. And share its expertise with the developing countries, publicizes its knowledge via reports and its interactive online database.

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The slide is titled "Some examples" and lists the "1. LED-Kenya Project". It describes the project's objective and three components. The objective is to strengthen local businesses and the business enabling environment in communities impacted by oil, gas, mining and infrastructure investments in Kenya. The project will cover 3 components:

- COMPONENT 1: Local Content Development:** Enhance opportunities for local businesses to participate in the supply chains of multinational firms by improving access to information along with improving local firm capacity to meet standards and international requirements.
- COMPONENT 2: Local Economic Development:** Support the creation of diverse market opportunities for local businesses and improve the competitiveness of local businesses to access new markets such as agricultural and livestock value chains or renewable energy. This will include a focus on supporting women and youth entrepreneurship, capacity building, and facilitating access to finance with local financial institutions.
- COMPONENT 3: Institutional capacity building:** Work to promote a sustainable and conducive environment for private sector development. This will include, among others: support with the development of a strategies for Biashara Centers, training of trainers (to localize training capacity), enhancement of corporate governance of local Boards and Advisory Councils.

The project will focus on empowering gender balanced participation in the structures and activities of the governance of communities.

At the bottom of the slide, there are logos for IIT ROORKEE and NPTEL ONLINE CERTIFICATION COURSE.

Let us talk about one such example. So, one case which was from Kenya. So, this is the LED-Kenya project, right. So, what is the, what was the role of World Bank let us see. So, the objective of the Kenya local economic development project LED, local economic development, is to strengthen local business and the business enabling environment in communities impacted by oil, gas, mining and infrastructure investments in Kenya.

The project will cover 3 components, right. Component 1, local content development. So, what is local content development? Enhance opportunities for local businesses to participate in the supply chain of multinational firms by improving access to information along with improving local firm capacity to meet standards and international requirements. So, basically we have seen because of lack of information or lack of data many a times people are not able to take advantage. So, it helps in giving access to information, right.

Second local economic development. Support the creation of diverse market opportunities and improve the competitiveness of the local business to access new markets such as agricultural, livestock value chains or renewable energy. This will include a focus on supporting women and youth entrepreneurship, capacity building and facilitating the access to finance with local financial institutions, right.

The third component of this is the institutional capacity building. So, first one content, economic development, third one capacity building. Work to promote a sustainable and conducive environment for private sector development. So, a country cannot be always run by the government, right.

So, the private sector also has to develop the country. So, this will include among other support, support with the development of strategies for Biashara Centers, training of trainers to localize the training capacity, enhancement of corporate governance of local Boards and Advisory Councils.


The project will focus on empowering gender balanced participation in the structure and activities of the governance of these communities, right.

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EMPOWERING WOMEN AND GIRLS TO TRANSFORM THE SAHEL

- The \$295 million **Sahel Women Empowerment and Demographic Dividend Project (SWEDD)** was initiated in 2015 to help Benin, Burkina Faso, Chad, Côte d'Ivoire, Mali, Mauritania, and Niger to empower women and adolescent girls; increase their access to quality reproductive, child, and maternal health services; and help countries develop policy agendas that make demography and gender central to growth.
- Religious leaders are conducting community dialogue to support girls' secondary education, delayed childbearing, birth spacing, family planning, and combating gender-based violence. Men are enrolled in learning programs to encourage participation in household tasks, healthy sexual and reproductive health behaviors, and reduced violence against women and children. Established safe spaces are teaching girls life skills, including problem solving, negotiation, refusal techniques, reproductive health knowledge, and nutrition. Adolescent girls and young women are being trained for professions with higher income opportunities. In Chad, for instance, over 13,000 vulnerable girls have received support through the provision of school kits, payment of school fees, housing, and academic support, resulting in a halving of the dropout rate. Nearly 400 safe spaces have been created in schools, and 280 women have received training in renewable energies and the operation and maintenance of heavy agricultural machinery.
- SWEDD also helps parliamentarians, judges, and lawyers improve legislation, expand knowledge and application of existing laws, and extend their services to rarely served victims. Ministries are building capacity to collect data and conduct analysis that can inform population policy and investments.



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So, this is another program of the World Bank empowering women and girls to transform the Sahel, right. So, you can go through this. This was one more program.

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Conti...

PROVIDING ON-THE-JOB SKILLS FOR URBAN YOUTH IN PAPUA NEW GUINEA

- Since 2010, Papua New Guinea's Urban Youth Employment Project has helped the country respond to an increasingly pressing socioeconomic situation, where more than half the population under age 24 had limited job prospects. In Port Moresby, it engaged 18,500 youth in training and work placement activities, established about 18,000 new bank accounts, and created about 815,000 days of work.
- Before the program, 70 percent of participants reported they never had a waged job, 33 percent never attended high school, 35 percent were involved in crime, and 74 percent never had a bank account. Six months after their on-the-job training, nearly half (41 percent) of the participants reported that they had secured full-time or part-time work, while employers reported that 97 percent of project participants were qualified for full-time work.
- Co-financed by Australia's Department of Foreign Affairs and Trade, the project is now the country's most significant public program addressing youth unemployment. Its full-service approach—taking long-term unemployed youth through vocational training, job matching, and fully subsidized work placements—will now be expanded to include Lae City, Papua New Guinea's industrial hub.



THE WORLD BANK ANNUAL REPORT 2019

And there is one more I have given an example. You can read providing on the job skills for urban youth in Papua, New Guinea. So, the World Bank helped, how they helped in improving the condition of the people out there.



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Conti...

The Rural Roads Project in Rajasthan

- Since 2004, the \$41-billion PMGSY program has benefited about 323,000 habitations across India by building new roads and upgrading old ones.*
- The World Bank has supported the program with a total loan of \$1,800 million under the Rural Roads Project. Another \$500 million has also been approved as additional funding till the year 2020.
- So far, 36,000 kms of roads have been completed under the World Bank financed Rural Roads Projects and have opened for traffic.
- These roads connect almost 50,000 habitations.

Source: omms.nic.in (Nov 2019)



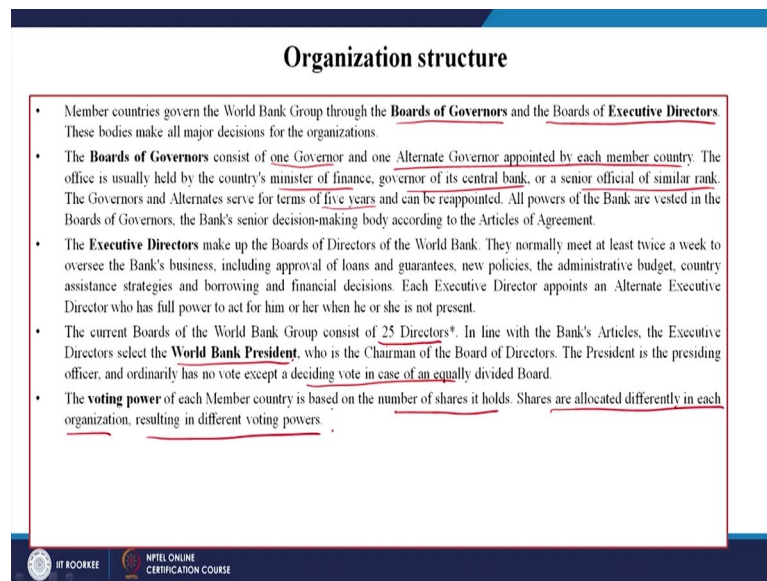
 

And this was a project in Rajasthan. In 2004, in India the 41 billion Prime Minister you know Grameen Yojana, Sadak Yojana program has benefited 3,23,000 habitations across India by building new roads and upgrading old ones. The World Bank supported the program with a total loan of 1800 million dollars and another 500 million

has been approved, right. So far 36,000 kilometers of road have been completed under the World Bank finance rural project scheme, right. And have opened for traffic. These roads these roads almost connect 50,000 habitations.

So, these are some of the very inspiring and very good works done by the World Bank across the world. So, largely in those countries where they the need is very high.

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Organization structure

- Member countries govern the World Bank Group through the **Boards of Governors** and the **Boards of Executive Directors**. These bodies make all major decisions for the organizations.
- The **Boards of Governors** consist of one Governor and one Alternate Governor appointed by each member country. The office is usually held by the country's minister of finance, governor of its central bank, or a senior official of similar rank. The Governors and Alternates serve for terms of five years and can be reappointed. All powers of the Bank are vested in the Boards of Governors, the Bank's senior decision-making body according to the Articles of Agreement.
- The **Executive Directors** make up the Boards of Directors of the World Bank. They normally meet at least twice a week to oversee the Bank's business, including approval of loans and guarantees, new policies, the administrative budget, country assistance strategies and borrowing and financial decisions. Each Executive Director appoints an Alternate Executive Director who has full power to act for him or her when he or she is not present.
- The current Boards of the World Bank Group consist of 25 Directors*. In line with the Bank's Articles, the Executive Directors select the **World Bank President**, who is the Chairman of the Board of Directors. The President is the presiding officer, and ordinarily has no vote except a deciding vote in case of an equally divided Board.
- The **voting power** of each Member country is based on the number of shares it holds. Shares are allocated differently in each organization, resulting in different voting powers.

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What is the organization structure of the World Bank now? So, the World Bank you know the member countries govern the World Bank group through the Board of Governors and the board of Executive Directors, like the IMF we have to seen, right.

So, there is one governor and one alternate governor appointed by each member country. The office is usually held by the countries ministry of finance, governor of its central bank, or a senior official of similar rank, right. They are appointed for a 5 year period and can be reappointed. All powers of the bank are vested in the Board of Governors, the bank's senior decision-making body according to the Articles of Agreement.

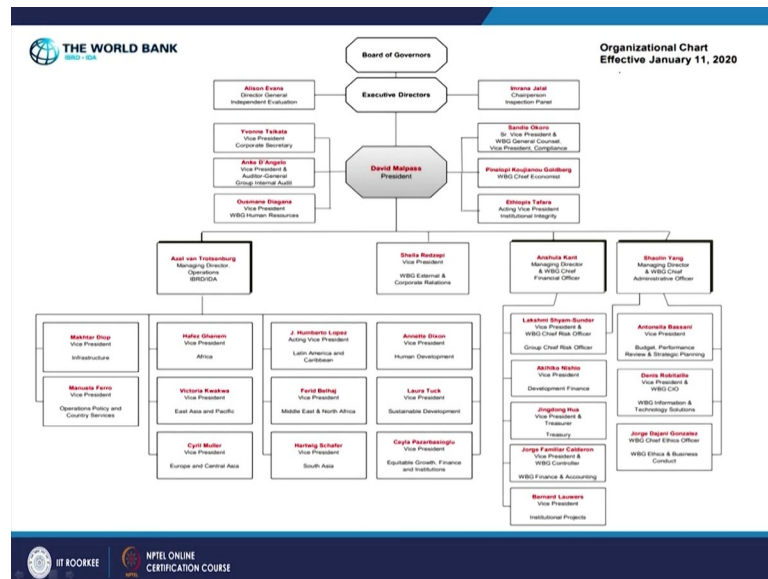
The Executive Directors make up the Board of Directors of the World Bank. They normally meet at least twice a week to oversees the banks business, including approval of loans and guarantees, new policies, the budget, country assistance strategies, when a what kind of assistance is required for a particular country, they will discuss about it, and borrowing and financial decisions. Each executive director appoints an alternative

Executive Director who has full power to act for him or her when he or she is not present. In her or his or his absence as she the alternate director will work.

The current board of the world group consist of 25 directors. In line with the Bank’s Articles, the Executive Directors selects the World Bank President, who is the Chairman of the Board of Directors. The President is the presiding officer and ordinarily has no vote except a deciding vote in case of an equally divided board. If they are equal then the deciding vote is given by him.

The voting power of each member countries based on the number of shares it holds. Shares are allocated differently in each organization resulting in different voting powers, ok.

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So, this is I think it is this is the most recent one. So, January 11, 2020 the organizational chart how it looks like, right. So, the Board of Governors, Executive Directors, the President David Malpass, and then you have you know different organizations and their different members. So, you can if you go, if you look at it you will get a better idea and detail. So, this is the most recent one, right.

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TABLE 19 IBRD TOP COUNTRY BORROWERS, FISCAL 2019
MILLIONS OF DOLLARS

| COUNTRY | COMMITMENTS | COUNTRY | COMMITMENTS |
|-------------------------|-------------|----------|-------------|
| India | 3,024 | China | 1,330 |
| Indonesia | 1,950 | Morocco | 1,255 |
| Jordan | 1,591 | Turkey | 1,113 |
| Egypt, Arab Republic of | 1,500 | Ukraine | 950 |
| Argentina | 1,391 | Colombia | 930 |

TABLE 16 IBRD DISBURSEMENTS, BY REGION, FISCAL 2015-19
MILLIONS OF DOLLARS

| REGION | FY15 | FY16 | FY17 | FY18 | FY19 |
|---------------------------------|--------|--------|--------|--------|--------|
| Africa | 816 | 874 | 427 | 734 | 690 |
| East Asia and Pacific | 3,596 | 5,205 | 3,961 | 3,476 | 5,048 |
| Europe and Central Asia | 5,829 | 5,167 | 2,799 | 4,134 | 2,209 |
| Latin America and the Caribbean | 5,726 | 5,236 | 3,885 | 4,066 | 4,847 |
| Middle East and North Africa | 1,779 | 4,427 | 5,335 | 3,281 | 4,790 |
| South Asia | 1,266 | 1,623 | 1,454 | 1,698 | 2,598 |
| Total | 19,012 | 22,532 | 17,861 | 17,389 | 20,182 |

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Now, let us talk about a few of the agencies and what is their importance, now what have they you know how they have contributed. For example, the IBRD, right which we have one of the World Bank groups.

The IBRD top country borrowers have been largely countries like India, Indonesia, Jordan, Egypt, and Argentina, right, so followed by China, Morocco. So, these are the commitments 3024, 1950 until Columbia. How much disbursement they have done by from 2015 to 19 fiscal in millions of dollars.

So, you can see Africa 816, 874, 427 it is up to 69 And East Asia and pacific, this is the value. So, it has been. So, this are something. In total if you see, in 15, they 19,012 billion dollars; in 16, 22,532 million dollars, then it goes on. So, these are some of the disbursements done by the IBRD for the you know reconstruction and development purpose, right.

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TABLE 17 IBRD COMMITMENTS BY SECTOR, FISCAL 2015-19
MILLIONS OF DOLLARS

| SECTOR | FY15 | FY16 | FY17 | FY18 | FY19 |
|---|---------------|---------------|---------------|---------------|---------------|
| Agriculture, Fishing, and Forestry | 843 | 561 | 754 | 2,561 | 1,025 |
| Education | 1,496 | 1,788 | 1,074 | 1,685 | 1,875 |
| Energy and Extractives | 3,361 | 4,599 | 4,434 | 3,084 | 2,847 |
| Financial Sector | 3,433 | 2,657 | 1,879 | 764 | 2,299 |
| Health | 893 | 1,181 | 1,189 | 2,204 | 1,674 |
| Industry, Trade, and Services | 1,684 | 3,348 | 2,694 | 3,416 | 2,361 |
| Information and Communications Technologies | 90 | 194 | 503 | 324 | 611 |
| Public Administration | 3,175 | 5,111 | 4,754 | 2,189 | 5,327 |
| Social Protection | 2,687 | 1,393 | 778 | 2,091 | 2,115 |
| Transportation | 3,202 | 4,569 | 2,551 | 2,074 | 1,485 |
| Water, Sanitation, and Waste Management | 2,664 | 4,192 | 2,000 | 2,610 | 1,571 |
| Total | 23,528 | 29,729 | 22,611 | 23,002 | 23,191 |

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Some of the sectors in which they have committed are basically agriculture, fishing, forestry, education, energy, financial sector, health industry, services information and telecommunications, public administration, social protection, transportation, water sanitation and waste management.

So, these are some of the areas and each the values are accordingly in each sector, it also it has been given. This table might be very helpful to you. So, you can go through it and understand where the focus has been largely there, and in which year which sector they have largely focused that you can see it, right.

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International
Development
Association (IDA)

TABLE 25 IDA TOP COUNTRY BORROWERS, FISCAL 2019
MILLIONS OF DOLLARS

| COUNTRY | COMMITMENTS | COUNTRY | COMMITMENTS |
|---------------|-------------|-------------------------------|-------------|
| Ethiopia | 2,610 | Mozambique | 980 |
| Bangladesh | 2,237 | Congo, Democratic Republic of | 812 |
| Pakistan | 1,224 | Burkina Faso | 797 |
| Kenya | 1,060 | Niger | 733 |
| Côte d'Ivoire | 1,050 | Mali | 599 |

TABLE 22 IDA DISBURSEMENTS, BY REGION, FISCAL 2015-19
MILLIONS OF DOLLARS

| REGION | FY15 | FY16 | FY17 | FY18 | FY19 |
|---------------------------------|---------------|---------------|---------------------------|---------------|---------------|
| Africa | 6,595 | 6,813 | 6,623 | 8,206 | 10,190 |
| East Asia and Pacific | 1,499 | 1,204 | 1,145 | 1,252 | 1,282 |
| Europe and Central Asia | 314 | 365 | 310 | 298 | 931 |
| Latin America and the Caribbean | 383 | 303 | 229 | 223 | 340 |
| Middle East and North Africa | 194 | 44 | 391 | 569 | 647 |
| South Asia | 3,919 | 4,462 | 3,970 | 3,835 | 4,159 |
| Total | 12,905 | 13,191 | 12,668^a | 14,383 | 17,549 |

IDA on the other hand the IDA stop country borrowers have been again Ethiopia, Bangladesh, Pakistan, right. So, this one provides loan, right, we have seen credits. Mozambique, Mali, and in terms of value it is 15 was 12,905 millions of dollars and in 19 it was 17,549 million of dollars, right.

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TABLE 23 IDA COMMITMENTS BY SECTOR, FISCAL 2015-19
MILLIONS OF DOLLARS

| SECTOR | FY15 | FY16 | FY17 ^a | FY18 | FY19 |
|---|---------------|---------------|-------------------|---------------------------|---------------------------|
| Agriculture, Fishing, and Forestry | 2,525 | 1,849 | 2,025 | 1,442 | 2,796 |
| Education | 2,124 | 1,431 | 1,773 | 2,836 | 1,767 |
| Energy and Extractives | 1,461 | 2,814 | 1,891 | 4,028 | 3,468 |
| Financial Sector | 661 | 443 | 1,227 | 546 | 870 |
| Health | 2,197 | 1,191 | 1,246 | 2,062 | 1,736 |
| Industry, Trade, and Services | 687 | 841 | 1,541 | 1,991 | 1,963 |
| Information and Communications Technologies | 265 | 78 | 519 | 419 | 779 |
| Public Administration | 2,744 | 1,500 | 1,954 | 5,013 | 3,109 |
| Social Protection | 1,928 | 2,475 | 1,913 | 2,112 | 2,163 |
| Transportation | 2,191 | 2,277 | 3,271 | 1,455 | 1,709 |
| Water, Sanitation, and Waste Management | 2,183 | 1,271 | 2,102 | 2,105 | 1,572 |
| Total | 18,966 | 16,171 | 19,463 | 24,010^b | 21,932^c |

And the commitments by the sector in fiscal 2015 to 19, it has been in different again you can see this fishing same thing. So, how it has differed you can see. So, this is all the

commitments in terms of revenue, the this different organizations under the World Bank group they have done, right.

So, lastly today we have understood that the World Bank and the IMF, they the major purpose is to look at not only the financial and economic health. But also to look into the social health of a country, right, to bring the country into stability to and to ensure that each that the member countries, they do not you know they are not they do not fall into trap of financial debt or you know economic debt you know a kind of a trap or kind of a problem or if there is a structural issue which comes up.

So, in any kind of condition they help in capacity development they give loans, they provide assistance, you know they provide they try to serve do you know kind of a surveillance and try to understand which countries are going through what kind of conditions.

So, they also talk about that the ratings of countries. For example, the IMF talks about the rating. So, recently the India for example, India's rating was brought down and that created not a very good thing for India because when the IMF cuts down the rating or the suppose the rating comes down. So, maybe investors would look at it in a with a different view, right, not a very positive view.

So, all these things are a very important and today we have discussed with it. So, I think this is all we have for the day and we will wind up here, right. So, thank you very much. I hope you have understood the role of economic institutions, international economic institutions and how they shape the world, right.

So, thank you very much.