

PRESS RELEASE

In Fight to Improve Lives of the World's Poor, World Bank Group Delivers Nearly \$53 Billion in Support to Developing Countries in FY13

July 23, 2013

IDA financing at all-time high; Support for projects in sub-Saharan Africa at highest level ever; IFC and MIGA provide record amounts of financing and guarantees

WASHINGTON, July 23, 2013 – The World Bank Group committed \$52.6 billion in loans, grants, equity investments, and guarantees to help promote economic growth, increase shared prosperity, and fight extreme poverty in developing countries during fiscal year 2013, which ended on June 30.

Despite a difficult global economic environment, the commitments for IDA – the World Bank's fund for the poorest countries – were at an all-time high, and the Bank Group's investments in private sector financing and political insurance guarantees also were at record highs.

The Bank recently raised its growth forecast for 2013 to 5.1 percent for developing countries, up from 5.0 percent in 2012, and noted that developing-country GDP is forecast to strengthen in coming years. Risks from advanced economies have declined and growth prospects are increasing, despite ongoing contraction in the Euro Area. Growth in some countries has been held back and is unlikely to reach pre-crisis growth rates unless supply-side reforms are completed.

Despite the slowly recovering global economy, the World Bank Group supported an estimated 1,956 operations to promote opportunity and get needed services to the poor – for example, by investing in nutrition, promoting the private sector, building infrastructure, and strengthening governance and institutions.

The World Bank Group institutions contributing to this financial outcome are: the International Bank for Reconstruction

World Bank Group Commitments fiscal years 2013 and 2012 (in US\$ billions)		
World Bank Group	FY13*	FY12*
IBRD	15.2	20.6
IDA	16.3	14.7
IFC+	18.3	15.4
MIGA	2.8	2.7
TOTAL	52.6	53.4
*Preliminary and unaudited numbers.		
+Own account only. Excludes nearly \$6.5 billion in FY13 and nearly \$5 billion in FY12 in funds mobilized from other investors.		

and Development (IBRD), which provides financing, risk management products, and other financial services to middle-income countries; the International Development Association (IDA), the World Bank's Fund for the Poor, which provides interest-free loans and grants to the poorest countries; International Finance Corporation (IFC), which makes equity investments, and provides loans, guarantees and advisory services

to private-sector business in developing countries; and the Bank Group's political risk insurance agency, the Multilateral Investment Guarantee Agency (MIGA).

"The Bank's performance has been strong during my first year as President, and we are well positioned to address the economic challenges developing countries face during these still uncertain times," said **World Bank Group President Jim Yong Kim**. *"At the Spring Meetings, our shareholders endorsed two new goals: ending extreme poverty by 2030 and boosting shared prosperity by fostering income growth for the bottom 40 percent of the population in every developing country. We are realigning all of the Bank's efforts to achieve these goals.*

"We are also modernizing the Bank and developing a new strategy which will use these new goals to galvanize development efforts and deliver transformational development solutions to countries," **Kim** said. *"I commend the Bank Group's staff for their dedication to this task and look forward to even greater progress in the year to come."*

IDA commitments in FY13 reached a record \$16.3 billion, up from \$14.7 billion in FY12. The largest share of resources was committed to Africa, which received roughly 50 percent of total IDA lending in FY13, followed by South Asia at around 25 percent of total.

As countries continued to recover from the financial crisis, IBRD commitments totaled \$15.2 billion – still higher than pre-crisis levels (averaging \$13.5 billion in fiscal years 2005-08), but returning to the level of demand projected in the April 2010 [review](#) of IBRD finances. East Asia and the Pacific, Europe and Central Asia, and Latin America and Caribbean received the largest shares of IBRD lending, receiving \$3.66 billion, \$4.59 billion, and \$4.77 billion respectively.

In FY13, new World Bank Group commitments to agriculture and related sectors were \$8 billion. For IBRD/IDA, assistance to agriculture and related sectors has risen from an average of 9 percent of total lending in FY10-12, to 12 percent in FY13. At \$4.4 billion, International Finance Corporation's (IFC) agriculture investments were at the highest level ever. Altogether, the commitments meet the projection in the World Bank Group's Agriculture Action Plan 2013-2015, of between \$8 billion to \$10 billion. World Bank IBRD/IDA agricultural assistance to Sub-Saharan Africa was particularly strong, reaching \$1.4 billion, a 35 percent increase over FY10-12.

The World Bank is helping countries build resilience to external shocks associated with market volatility and natural disasters by facilitating access to market-based risk management tools and capital market solutions. In FY13, the Bank executed \$4.8 billion in currency and interest rate management transactions on behalf of member countries. The Bank also worked with 55 countries to strengthen their institutional capacity to develop and implement a public debt and risk management strategy. In addition, 49 countries and organizations received technical assistance to strengthen the capacity to manage foreign currency reserves and other financial assets. This involves central banks, pension funds, sovereign wealth funds, and several international organizations and bodies.

IFC, the largest global development institution focused exclusively on the private sector, delivered a record amount of financing to businesses in developing countries—leveraging the power of the private sector to create jobs and tackle the world’s most urgent development challenges.

Preliminary and unaudited data indicate that IFC investments totaled nearly \$25 billion, including funds mobilized from other investors. That marked an increase from \$20.4 billion in FY12. It included a record \$18.3 billion in commitments made on IFC’s own account—an increase of 19 percent over FY12. It also included \$6.5 billion mobilized from other investors. These investments supported more than 600 projects across the world.

IFC maintained its strategic focus on the poorest countries and regions—especially sub-Saharan Africa, where IFC investments climbed to a record of nearly \$5 billion, including funds mobilized from other investors. Nearly half of all IFC investment projects were in the poorest countries eligible to borrow from IDA.

“In a challenging environment, IFC achieved significant development impact and financial results for our clients,” said IFC CEO Jin-Yong Cai. “We invested and mobilized more money than ever before, helping improve lives in more than 100 countries.”

The Bank Group’s political risk insurance arm, the Multilateral Investment Guarantee Agency (MIGA) issued \$2.8 billion in guarantees — another record high. The agency supported 30 projects across the globe. The Agency insured an additional three projects through the West Bank and Gaza Investment Guarantee Trust Fund it administers. At \$1.5 billion, representing more than half of new business, the bulk of MIGA’s guarantees issued this year support investments in sub-Saharan Africa. Projects in the region cover a broad swath of sectors, but MIGA’s support to the energy sector is the most significant: a large share of MIGA’s new issuance in the region was for projects that will address the continent’s power deficit, which has a significant impact on competitiveness.

“This fiscal year MIGA saw continued strong demand for our guarantees,” said Keiko Honda, MIGA’s Executive Vice President. “Importantly, our portfolio was highly diversified this fiscal year, as MIGA-supported projects spanned all regions and sectors – with almost three-quarters of our new projects supporting investments in the world’s poorest countries and nearly half supporting projects in fragile and conflict-affected countries. Many of the projects we’ve insured will be transformational for the host countries.”

Financial commitments provided by the World Bank Group to the countries of sub-Saharan Africa, a major priority for the institution, increased by \$2.5 billion in FY13 to \$14.7 billion, a record high for the institution. IBRD and IDA credits, grants, and guarantees to sub-Saharan Africa increased by \$800 million from the previous year to \$8.25 billion; IFC committed a record of nearly \$5 billion for private sector development projects in sub-Saharan Africa; and \$1.5 billion in MIGA guarantees went to projects in the region.

About the World Bank Group

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. It comprises five closely associated institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), which together form the World Bank; the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a distinct role in the mission to fight poverty and improve living standards for people in the developing world.