

Building a Brighter Future for South Asians

CELEBRATING IDA ACHIEVEMENTS,
GEARING UP FOR IDA19





This publication is a product of the South Asia
Region of the World Bank

Photos courtesy of World Bank staff and
consultants

2019



**IDA is critical in South Asia
to deliver on sustained and
inclusive growth, human capital
development and resilience.**

WHO WE ARE | SOUTH ASIA

South Asia has been the world's fastest-growing region in previous years and has made much progress in reducing poverty and boosting shared prosperity.

- ◆ South Asia's Gross Domestic Product (GDP) grew 6.5 percent in 2018 and is expected to reach 6.2 percent in 2019.
- ◆ The number of extreme poor decreased from more than a half-billion people in 1990 to 216 million in 2015.
- ◆ Yet, South Asia is still home to almost a third of the global poor.
- ◆ In South Asia, multi-dimensional poverty, which measures household and individual deprivations in health, education, and standards of living, is about 27 percent, far above the global average of 18 percent.





South Asia is facing risks and vulnerabilities

- ◆ Global financial and trade uncertainties
- ◆ Human capital deficits
- ◆ Climate change threats and natural disasters
- ◆ Fragility and conflict

The demand for IDA support is high

South Asia is the second-largest region for the International Development Association (IDA), with an IDA18 core allocation of above \$10 billion - \$6.1 billion in fiscal year 2018 and \$4.9 billion in fiscal year 2019.

IDA ENGAGEMENT | GOALS ACHIEVED

IDA has spurred transformative changes in South Asia. India and Sri Lanka graduated from IDA in 2017. Our goal is to help other South Asian countries reach that goal.



INDIA

Between 2000-01 and 2017-18, IDA helped an extra 33 million students enroll in elementary school (from 156.6 million students in 2000-01 to 189.9 million in 2017-18).

Since 1997, World Bank-supported programs have provided treatment to more than 20 million tuberculosis patients, averting 3.5 million deaths.

Since 2000, IDA has helped 36 million people in 40,000 villages gain access to better drinking water.



SRI LANKA

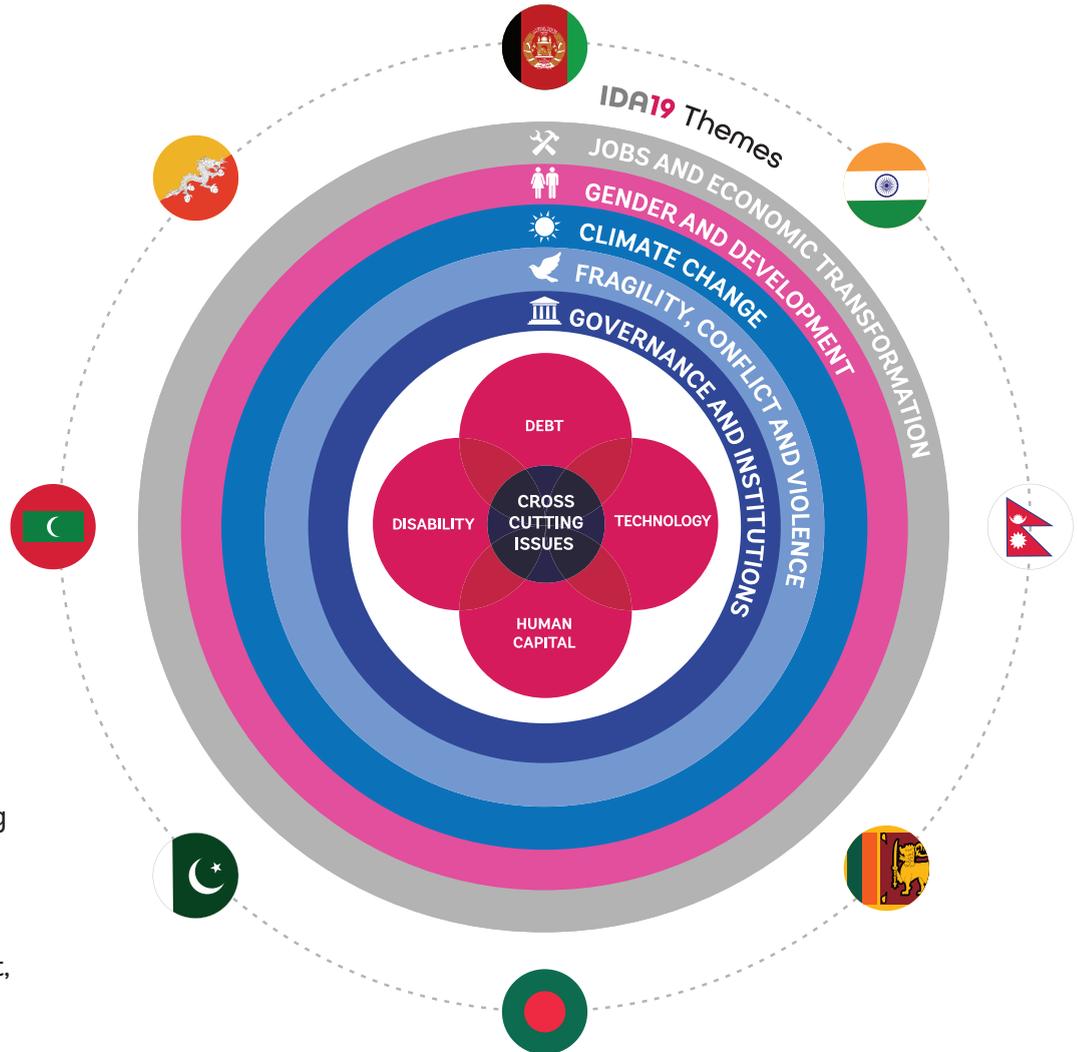
With IDA support, all public universities and some private higher education institutions now offer courses to equip undergraduate students with the skills they need on the global market.

Existing school libraries have received more than 1,500,000 library books in 3,062 titles in Sinhala, Tamil and English. New libraries got 100,000 book sets.

IDA helped redevelop the conflict-affected North and East of Sri Lanka, including the completion of 790 km of rural roads, 49 km of flood storm drainages, four rural water supply schemes, 400 public facilities (such as markets, parks, playgrounds, and cemeteries), and 11 km of rural electrification schemes.



MOVING AHEAD | MAXIMIZING WBG IMPACT



ENDING EXTREME POVERTY AND BOOSTING SHARED PROSPERITY

Our support aligns with IDA19's overarching and special themes (Jobs and Economic Transformation, Gender and Development, Climate Change, FCV, Governance and Institutions), and cross-cutting issues (debt, human capital, disability, technology).

OUR 3 PRIORITIES



Sustainable & Inclusive Growth

- ◆ Macroeconomic stability
- ◆ Private sector-led jobs
- ◆ Quality infrastructure
- ◆ Access to financial markets
- ◆ Economic diversification

Human Capital Development

- ◆ Education & skills
- ◆ Health & reduction of stunting
- ◆ Women's empowerment

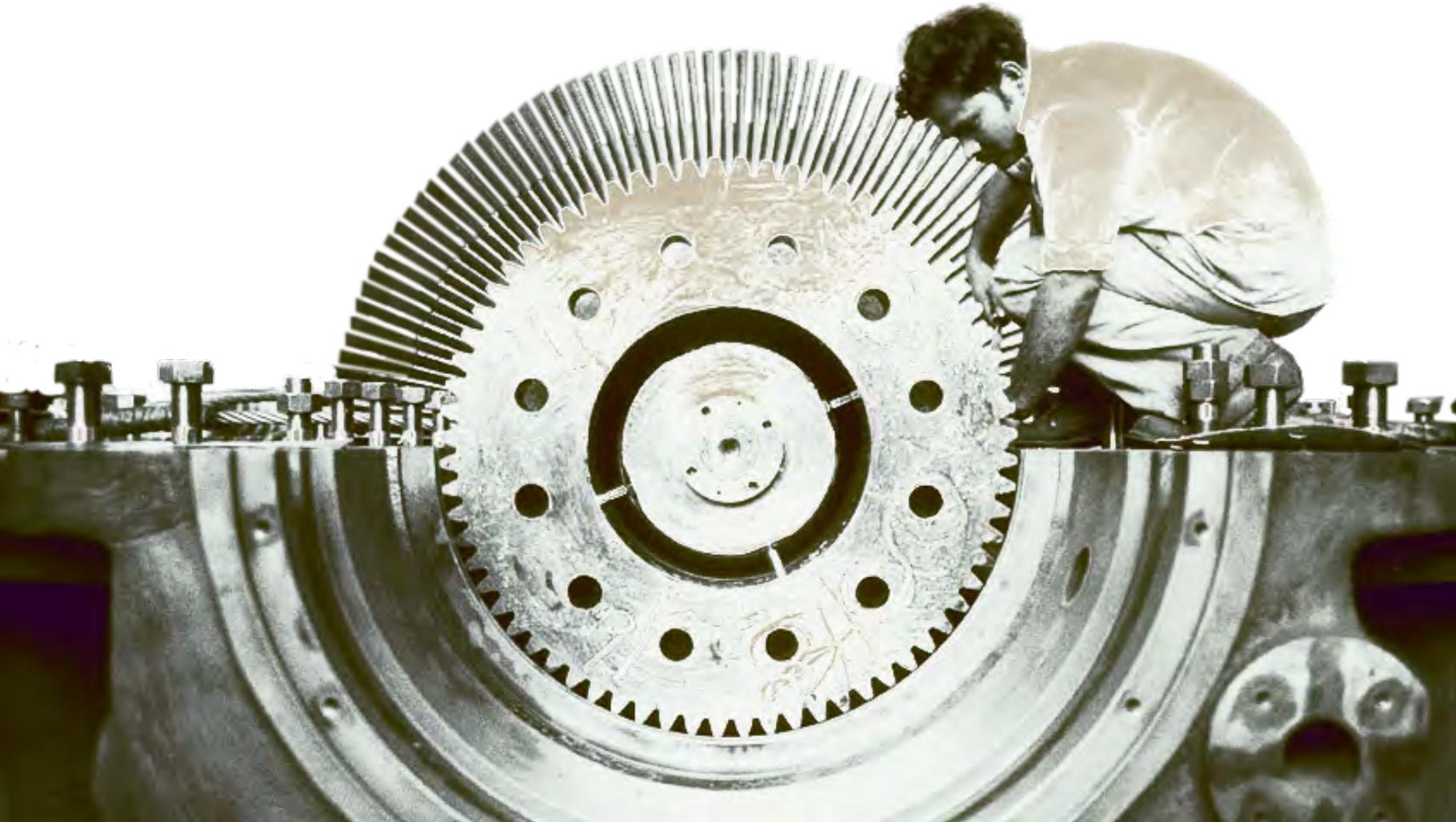


Resilience

- ◆ Refugees, returnees, IDPs & host communities
- ◆ Disaster preparedness
- ◆ Climate adaptation
- ◆ Environment management
- ◆ Plastics reduction



JOBS AND ECONOMIC TRANSFORMATION



Every month, through 2025, over 1.8 million young people in South Asia will reach working age. South Asian countries will need to create 11.7 million jobs a year to provide opportunities to them while attracting more women.

Agriculture still employs most of the working-age population across the region - close to 40 percent in Nepal and Bhutan and 42 percent in Pakistan. In Afghanistan and India, it accounts for around half of all jobs. The share of the manufacturing sector is relatively low across all countries in the region, ranging from 3 percent of employment in Bhutan to 9 percent in Sri Lanka.

**SOUTH ASIA
NEEDS
TO CREATE
11.7 MILLION
JOBS A YEAR**

EXPECTED & ACHIEVED RESULTS

- ◆ The World Bank Group is promoting jobs and economic transformation through investment projects supporting better infrastructure, agricultural productivity, and economic diversification.
- ◆ With IDA support 14 million households in the region are expected to enjoy better access to electricity. In Nepal alone, the electricity trade is expected to grow from 1 to 3 GW over three years.
- ◆ 2.7 million more farmers will adopt improved agricultural technology; around 450,000 people are benefitting from job-focused interventions.
- ◆ In Bangladesh, the Private Sector Development Support Project has helped attract nearly \$3 billion of investment, generated more than 23,000 jobs, and altered the industrial zone landscape of Bangladesh.
- ◆ In Pakistan, \$198 million was generated in private investment across manufacturing, health and beverage sectors through the Punjab Jobs and Competitiveness Program.



\$14 mln
households will have better access to electricity



\$2.7 mln
farmers will adopt improved agricultural technology



> 23,000
jobs were generated in Bangladesh



\$198 mln
was generated in private investment in Pakistan



GENDER AND DEVELOPMENT



South Asian countries' economies would grow an extra 25 percent if women had equal access to job opportunities and entrepreneurship. Only 26 percent of women ages 15 and up are employed in the region, compared to 48 percent worldwide.

South Asia is the world's top improver toward gender equality and has risen to 58.36 from 50 (out of 100) in gender equality over the last decade, overtaking East Asia and the Pacific and Sub-Saharan Africa. Yet, the region's overall score is second-lowest globally after the Middle East and North Africa.

**GENDER
EQUITY
COULD HELP
SOUTH ASIAN
ECONOMIES
GROW 25%**

EXPECTED & ACHIEVED RESULTS

- ◆ South Asia gender action plan aims to improve women's education and health, economic empowerment, and voice and agency.
- ◆ Overall, 77 percent of projects approved in FY18 and FY19 are contributing to improving the lives of women. Close to 234,000 women and children have received basic nutrition services, and three IDA-funded projects directly address gender-based violence.
- ◆ In Nepal, IDA is providing economic opportunities to women through routine maintenance works in 36 out of 77 districts across the country. The project has hired 2,870 road maintenance workers, of whom 70 percent are women belonging to vulnerable and deprived segments of local communities.
- ◆ In Pakistan, 11.4 million women in Punjab received essential health, nutrition, and population services in 2018, up from 3.2 million in 2015.



234,000

women and children have received basic nutrition services



2,870

road maintenance workers hired in Nepal, 70% are women



11.4 mln

women in Pakistan received essential health services



CLIMATE



800 million South Asians face declining incomes and lower living standards as rising temperatures will likely reduce crop yields and increase water scarcity and population displacements.

By 2050, India's GDP could drop by 2.8 percent, incomes could fall by 14.4 percent in Bangladesh, and by 10 percent in Sri Lanka.

**CLIMATE
CHANGE COULD
DIRECTLY
IMPACT 800
MILLION SOUTH
ASIANS**

EXPECTED & ACHIEVED RESULTS

- ◆ IDA is supporting climate change adaptation and mitigation across the region, including improved water resource management, early warning systems for more effective coastal management and fisheries, and climate-smart agriculture.
- ◆ More than 40 percent of projects approved in FY18 and FY19 contribute to reducing climate change impacts. IDA has also committed \$1.1 billion to support disaster management. In Bangladesh, with IDA financing for rural electrification and renewable energy 6.8 million remote households and rural shops have access to renewable energy. IDA is also financing additional 310MW generation capacity of renewable energy, which is expected to reduce carbon dioxide emissions by 377,000 tons per annum.
- ◆ Almost half of Maldives's population and over 70 percent of its critical infrastructure lie within 100 meters of its shoreline. For the first time in South Asia, IDA has extended a \$10 million Catastrophe Deferred Drawdown Option (Cat DDO), with an associated Pandemic Emergency Financing Facility (PEF). The Cat DDO will help Maldives better manage climate change threats, natural disasters, and diseases.



\$1.1 bln
to support disaster
management



6.8 mln
households and rural
shops have access to
renewable energy



377,000
tons of carbon dioxide
to be reduced per
annum



\$10 mln
has been extended to
help Maldives manage
climate change



FRAGILITY, CONFLICT AND VIOLENCE



**FRAGILITY
AND CONFLICT
CONTINUE TO
THREATEN
DEVELOPMENT
ACROSS
SOUTH ASIA**

In Afghanistan, the return of almost 1.7 million documented and undocumented refugees is stressing the country's economy and institutions. The number of injuries and deaths due to conflict has increased fivefold since 2007. Furthermore, in 2016 and 2017, over a million Afghans were internally displaced.

Since 2017, violence in Myanmar has driven more than 730,000 Rohingya refugees into Cox's Bazar in Bangladesh, one of the country's poorest districts. A third of this district's population is now made up of displaced Rohingya.

EXPECTED & ACHIEVED RESULTS

- ◆ IDA is supporting Afghanistan's 10-year Citizens' Charter National Program to improve core infrastructure and social services in one-third of the country. The project will help 10 million Afghans gain access to clean drinking water, health, education, rural roads, and electricity.
- ◆ In Bangladesh, IDA has committed \$240 million to provide essential health services, education and life skills training, and basic services for the Rohingya refugees. An additional \$300 million is being dedicated to the regional development of the Cox's Bazar to benefit both the host communities and the refugees.
- ◆ In Pakistan, the World Bank assisted the government in the early recovery of families affected by the militancy crisis in the Federally Administered Tribal Areas (FATA). Fifteen one-stop-shops were established for selected services (e.g. banking, health) and 360,000 families were provided cash grant support to meet basic needs.



10 mln

Afghans will benefit from infrastructure & social services



\$240 mln

to provide essential health services in Bangladesh



\$300 mln

for host communities and refugees in Bangladesh



360,000

families in Pakistan received cash grant support

**DESPITE
SOME PROGRESS,
SOUTH ASIA'S
GOVERNANCE
RANKS
THE LOWEST
GLOBALLY**

In 2018, 40 percent of companies surveyed noted corruption as a major constraint for business operations in South Asia.

Better governance and building strong and accountable institutions is a critical area of support in South Asian countries. It includes fiscal and public financial management as well as institution and capacity building at the national and sub-national levels.

EXPECTED & ACHIEVED RESULTS

- ◆ Overall, 11 e-government systems with an estimated 10 million users will be designed and implemented across South Asia and around 9.9 million people will benefit from social safety net programs.
- ◆ In Bhutan, IDA worked with the Bank of Bhutan and the Royal Monetary Authority to develop a new e-payment system that seamlessly supports cashless transactions between the government and banking system. It helps the government obtain real-time financial information to manage public resources and track expenditures better.
- ◆ The Pakistan Raises Revenue Project is helping the government to simplify the tax regime and strengthen the tax and customs administration. It is expected that coverage of active taxpayers will increase from 1.2 to at least 3.5 million.



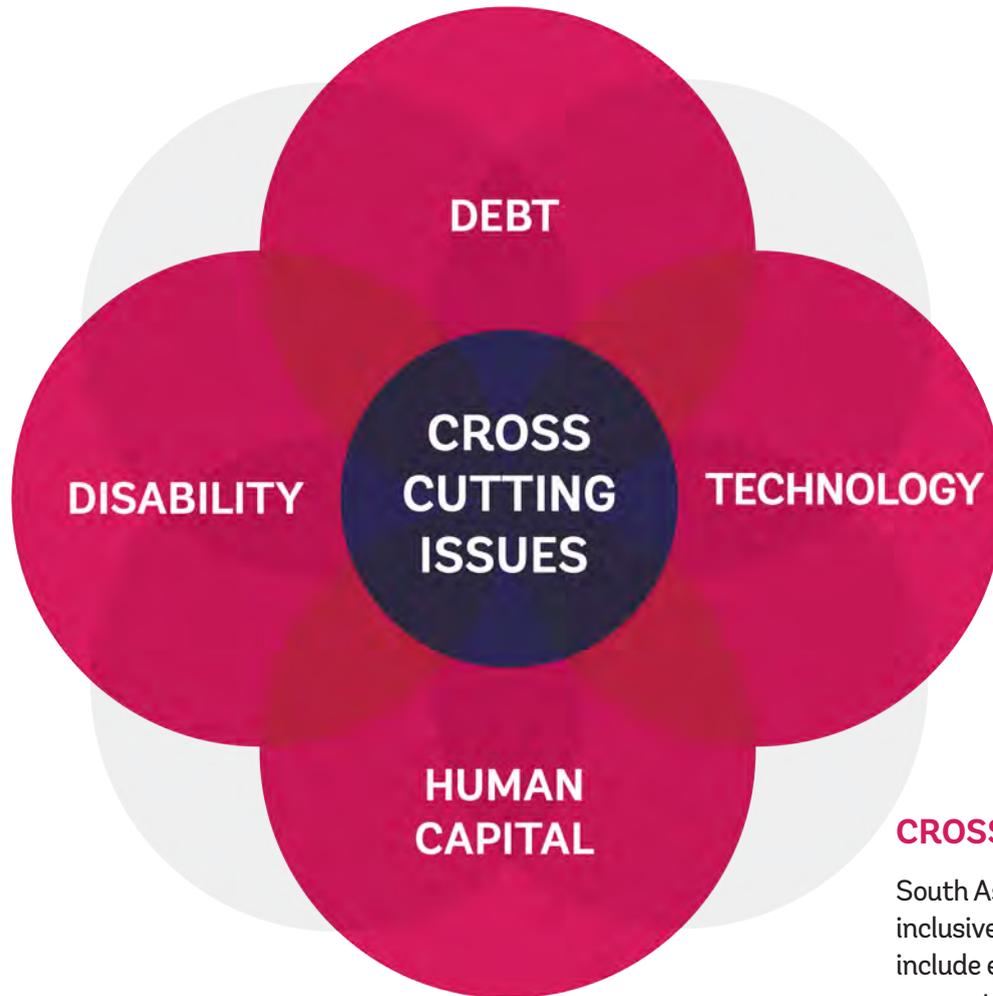
10 mln
users will benefit
from e-government
systems



9.9 mln
people will benefit
from social safety net
programs



2.3 mln
extra taxpayers will
receive better tax
services in Pakistan



CROSS-CUTTING ISSUES

South Asia is applying disruptive technologies to advance inclusive development. Key areas of scaling-up support include enabling policy architecture/environment, digital connectivity, government-technology/smart cities, human capital and disaster management.



DEBT

At 67 percent of GDP, South Asia has the world's highest median total government debt. In five of the region's eight countries, government debt is above 58 percent of GDP. Furthermore, the tax base is low, and fiscal policy tends to be procyclical.



EXPECTED & ACHIEVED RESULTS

- ◆ In Bhutan, IDA will support the government in strengthening policies to improve fiscal management and create jobs in the private sector. This includes a framework for a stabilization fund and non-hydro FDI inflows, and the introduction of Goods and Services Tax, amendments to procurement rules, and electronic public expenditure systems.
- ◆ In Maldives, IDA is helping strengthen the country's public sector financial management system. The quality and access to financial information has improved, including more budget transparency with public access to monthly budget execution reports within one month of completion, better debt reporting, and progress in disclosure of audit reports on public debt and guarantees.
- ◆ In Nepal, IDA is helping strengthen public financial management to support the country's transition to federalism.



67% GDP

South Asia has the world's highest median total government debt



Five

South Asian countries have government debt above 58% of GDP

TECHNOLOGY

In South Asia, digital technology has made governments more accountable to citizens, farmers more resilient, and water more readily available in remote areas. New technologies can help improve connectivity and access to financial services, streamline food value chains, improve food traceability and precision agriculture, and make agriculture more resilient to climate.



EXPECTED & ACHIEVED RESULTS

- ◆ The Digital CASA Regional Program will provide affordable internet access to 4.2 million users in parts of South and Central Asia.
- ◆ In India's Himachal Pradesh, the Shimla Water Supply and Sewerage Service Delivery Reform project is using drones and GIS technologies to capture high-resolution images. Digital imagery has helped the state government prepare a 24x7 water supply model for the city that identifies pressure management, transmission and distribution networks, and illegal connections.
- ◆ In Pakistan, Punjab's health field workers are using smartphones with geo-tagging to report on vaccination activities, leading to an expansion in vaccination coverage from 28 to 97 percent. Smart monitoring systems are also enabling greater transparency and performance management for improved health service delivery.



4.2 mln
users will benefit
from affordable
internet access



97%
of people in Punjab,
Pakistan, are covered
with vaccination

DISABILITY

Nearly 15 percent of the world's population has a disability. Persons with disabilities are more likely to experience adverse socioeconomic outcomes. In South Asia, persons with disabilities lack access to social safety nets, education, health services, and gainful employment. Fortunately, awareness of disability-inclusive development is on the rise globally and is becoming a part of national policies and programs. The United Nations Convention on the Rights of Persons with Disabilities has been signed and ratified by all South Asian countries.



EXPECTED & ACHIEVED RESULTS

- ◆ In Bangladesh, the Cash Transfer Modernization Project aims to build digital platforms to better administer four major social safety net programs. This will help reduce administrative costs and errors by identifying the most vulnerable people and transferring cash promptly. The program is expected to reach 5.6 million poor, elderly, widowed, and persons-with-disabilities. The Disability Allowance program is expected to reach 830,000 people with disabilities.
- ◆ In Pakistan, the Benazir Income Support Program is supporting vulnerable families by providing unconditional cash transfers through women of the households. Out of 5.4 million beneficiary households, 119,000 have women with a disability receiving the cash transfer.



830,000

persons with disabilities will benefit from Disability Allowance program in Bangladesh



119,000

women with disabilities received cash transfer in Pakistan

HUMAN CAPITAL

Human capital is a priority in South Asia. Sri Lanka, the highest ranked country in South Asia, ranks 74 (out of 157 countries) on the Human Capital Index (HCI). But overall, South Asia ranks low with high child stunting rates and low-quality education in most South Asian countries. Significant investments are now underway to improve the quality of health and education throughout the region. Bhutan and Pakistan are early adopters of the Human Capital Project.



EXPECTED & ACHIEVED RESULTS

- ◆ About 70 million people are expected to gain equitable access to health and nutrition services through the Afghanistan Sehatmandi and Bangladesh Health Sector Support projects.
- ◆ The Enhancing Employability and Resilience of Youth project in Maldives will improve human capital, increase job opportunities for young people, and promote equitable economic and social progress in the country. It will also improve female labor-force participation through new skills development programs and activities.
- ◆ In Pakistan, the Higher Education Development project is helping more than 1.2 million students acquire marketable skills through improved teaching and learning.



70 mln
people will gain
access to health and
nutrition services



1.2 mln
students to acquire
marketable skills in
Pakistan



The World Bank
1818 H Street N.W.
Washington, D.C. 20433 USA

 ida.worldbank.org | worldbank.org/sar
 [Facebook.com/IDA.wbg](https://www.facebook.com/IDA.wbg) | [Facebook.com/WorldBankSouthAsia](https://www.facebook.com/WorldBankSouthAsia)
 [Twitter.com/WBG_IDA](https://twitter.com/WBG_IDA) | [Twitter.com/WorldBankSAsia](https://twitter.com/WorldBankSAsia)