



World Bank's Support to India

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Why in News

Recently, the **World Bank** has approved **USD 1 billion** for **accelerating India's Covid-19 Social Protection Response Programme**.

- With this announcement, **commitment from the World Bank** towards emergency Covid-19 response in India has reached to **USD 2 billion**.
- Earlier, a **USD 1 billion support** was announced in April to support **India's health sector**.

Key Points

- **Social Protection Response Programme:**
 - It is pivoted towards **migrants, unorganised workers, informal sector**, and creating **an integration of the existing infrastructure of safety nets like the Public distribution system, Jan Dhan, Aadhar & mobile**.
 - It will expand the coverage of India's social protection system by helping **vulnerable groups access** to more **social benefits directly and across the country**.
 - **Geographic portability** would be introduced to ensure that social protection benefits could be accessed from anywhere in the country, providing relief to inter-State migrant workers.
 - It will support the Government of India's efforts towards a **more consolidated delivery platform** accessible to both rural and urban populations across state boundaries.
 - Such a system will also **strengthen India's federalism** by enabling and supporting states to respond quickly and effectively.

- **Phased Implementation:** This new support will be funded and operated in two phases:
 - An immediate allocation of **\$750 million** for fiscal year 2020 .
 - A **\$250 million** second tranche that will be made available for fiscal year 2021.
- **First Phase:** It will be implemented countrywide through the **Pradhan Mantri Garib Kalyan Yojana (PMGKY)** to benefit vulnerable groups, particularly migrants and informal workers.
- **Second phase:** It would deepen the social protection package, whereby additional cash and in-kind benefits based on local needs will be extended through state governments and portable social protection delivery systems.

Need

- Unprecedented **introduction of social distancing and lock downs** due to Covid-19, to slow down the spread of the virus, have impacted economies and jobs especially in the informal sector.
- **Over 90% of India's workforce** is employed in the **informal sector**, without access to significant savings or workplace based social protection benefits such as **paid sick leave or social insurance**.
- **Over 9 million migrants**, who cross state borders to work each year, are also at greater risk as social assistance programmes in India largely provide benefits to residents .
- In an urbanising India, **cities and towns** need **targeted support** as its social protection programmes are focused on rural populations.
- **Social protection is critical** when **half of India's population earns less than \$3 a day** and are close to the poverty line.

Source:PIB