



# The World Bank and Japan





# About The World Bank

## The Founding of the World Bank

The creation of the World Bank took place during the latter stages of World War II. In 1944, world leaders gathered at a conference in Bretton Woods, New Hampshire, to discuss stability and reconstruction in the postwar world economy. During the conference, agreements were signed to set up the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF). The agreements came into effect in 1945 and realized the establishment of the World Bank and the IMF.



July 1944: The Bretton Woods Conference

## Roles

The World Bank is a multilateral development bank dedicated to helping reduce poverty around the world. It provides financial and technical assistance to developing countries in order to bolster economic and social development, the improvement of living standards, and sustainable growth. The Bank provides support in broad themes such as agriculture, climate change, education, gender, governance, health, fragile and conflicted-affected countries, infrastructure, poverty, trade, transport, urban development, and many others. Specialized staff are stationed in more than 140 countries to help realize the specific development needs of many of the Bank's member countries.

## The World Bank Group Affiliates

The World Bank Group consists of five organizations: the **International Bank for Reconstruction and Development (IBRD)**, which provides loans and guarantees to middle-income and creditworthy low-income countries; the **International Development Association (IDA)**, which provides highly concessional financing to the poorest countries; the **International Finance Corporation (IFC)**, which invests in private-sector projects and provides advisory services for businesses and governments in developing countries; the **Multilateral Investment Guarantee Agency (MIGA)**, which helps promote foreign direct investment in developing countries by providing guarantees to investors against noncommercial risks; and the **International Centre for Settlement of Investment Disputes (ICSID)**, which supports conciliation and arbitration of international investment disputes.

## Operation and Policy Making



The World Bank Group operates under the authority of its Board of Governors consisting of each member country's governor (usually the minister of finance or the head of the country's central bank). The Boards of the World Bank Group and the IMF meet once a year at the Annual Meetings.

The Board of Governors delegates responsibility to the Board of Executive Directors for overall operation of the World Bank. The 25 Executive Directors work on site at the Washington, DC, headquarters. Five of them are appointed by the five largest shareholders (Japan is the second after the United States), while others are elected by other member countries every two years. Voting power in the World Bank is determined by a member's share in the Bank's capital stock, not a single vote for a single country.

The World Bank Group President is elected by the Board of Executive Directors and serves for a five-year term, which can be renewed.



David Malpass  
The 13<sup>th</sup> President  
April 2019–Present



Jim Yong Kim  
The 12<sup>th</sup> President  
July 2012–February 2019



Robert B. Zoellick  
The 11<sup>th</sup> President  
July 2007–June 2012



James D. Wolfensohn  
The 9<sup>th</sup> President  
June 1995–May 2005



Robert Strange McNamara  
The 5<sup>th</sup> President  
April 1968–June 1981



Eugene Robert Black  
The 3<sup>rd</sup> President  
July 1949–December 1962



Eugene Meyer  
The 1<sup>st</sup> President  
June 1946–December 1946

## IBRD and IDA Business Model

To meet IBRD's development goals, it is important for IBRD to intermediate funds for lending from the international capital markets. IBRD's annual funding volumes vary from year to year, and funds raised are used to finance its development projects and programs in member countries.

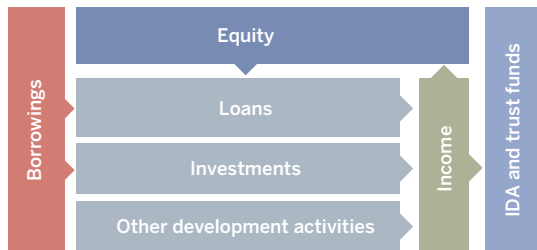
Prior to 2018, IDA has financed its operations with its own equity, including regular additions to equity provided by member countries as part of the three-year replenishment process. In 2018, IDA introduced its hybrid financing model to include market debt. By prudently leveraging its equity and blending market debt with additional equity contributions from members, IDA has increased its financial efficiency, and scaled up its financing to support the increasing demand for its resources.

–The World Bank and Japanese Market–

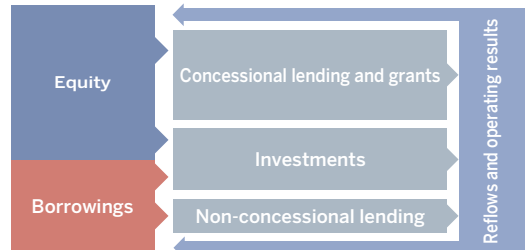
The World Bank has been issuing World Bank bonds in the Japanese capital market for more than 40 years. The World Bank's first bonds were issued in 1971 as "Samurai" bonds (Japanese yen-denominated bonds issued in the Japanese market by foreign issuers). To date, Japanese investors have purchased World Bank bonds equivalent to more than 10 trillion yen.

Currently, Japan is one of the most important markets for the World Bank, sharing more than one-third of its financing. (See <https://treasury.worldbank.org/en/about/unit/treasury>.)

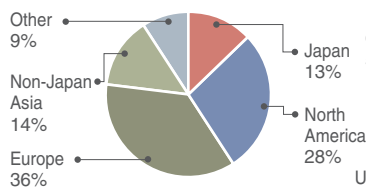
### IBRD Business Model



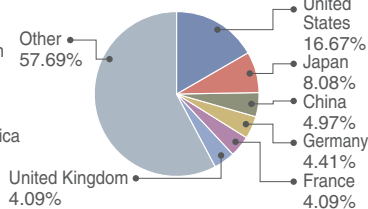
### IDA Business Model



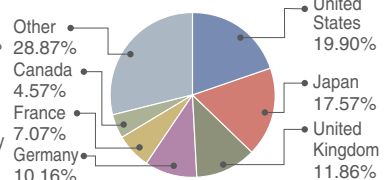
#### IBRD: Funding Allocation FY2020



#### IBRD: Share of Capital Stock FY2020



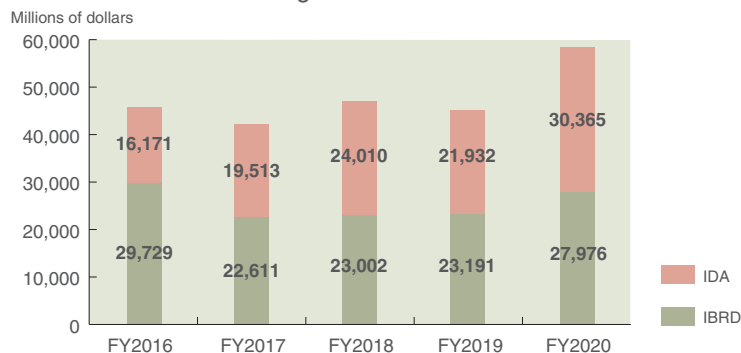
#### IDA: Share of Contributions FY2020



As of June 30, 2020

## Commitments

### World Bank Lending Commitments FY2016–2020



# Sixty Seven Years of the World Bank and

## 1950s and 1960s: Japan as a Major Borrower

Japan signed the San Francisco Peace Treaty



Signing documents on IDA Membership, December 27, 1960

Tokyo Olympics



WBG-IMF Tokyo Annual Meetings, 1964

1951

1952

**IBRD Membership**

(IBRD share of 2.77 percent; 9<sup>th</sup> largest)

1953

**Heavy Borrower**

(31 projects totaling US\$863 million)

1960

**IDA Membership as Donor**

(IDA share of 4.16 percent)

1964

**The World Bank Group-International Monetary Fund Tokyo Annual Meetings**

(102 IBRD members)

1966

**Final World Bank Loan Signed**

1967

**Graduated from Borrower Status**



Signing documents on IBRD Membership, August 13, 1952



Launch of Tokaido Shinkansen (bullet train) Line, 1964

## 1970s and 1980s: Greater Voice for Japan as a Creditor

1970

**World Bank Tokyo Office Established**

Nixon Shock

1971

**1<sup>st</sup> Placement of World Bank Bond in Japan**

Oil Shock

1973

1984

**2<sup>nd</sup> Largest Shareholder**

(IBRD share of 5.19 percent; IDA share of 25.43 percent)

1987

**Joint Japan/World Bank Graduate Scholarship Program (JJ/WBGSP) Established**



World Bank Bond



Meeting on the JJ/WBGSP at the World Bank, 1987



# Japan: An Exceptional History of Partnership

## 1990s–Present: Japan's Increasing Role as a Partner

Collapse of Japan's Bubble Economy

1990

Repayment Completed  
Policy and Human Resources Development Fund (PHRD) Established

Tokyo International Conference on African Development (TICAD) Launched

1993

Asian Currency Crisis

1997



JSDF established: Social Protection grants especially targeting the poorest

2000  
Japan Social Development Fund (JSDF) Established

2006

The Annual Bank Conference on Development Economics (ABCDE) in Tokyo

Lehman Brothers Shock

2008

4<sup>th</sup> Tokyo International Conference on African Development (TICAD IV)

Climate Investment Fund (CIF) Agreed at the Toyako, Japan, G8 Summit



WB and the UN held a joint press conference at the Toyako, Japan, G8 Summit, 2008



Signing ceremony for PHRD grant for the Philippines



TICAD IV Opening Ceremony, 2008

The Great East Japan Earthquake

2011  
2012

2<sup>nd</sup> World Bank Group-International Monetary Fund Tokyo Annual Meetings (188 IBRD members)



2012 Annual Meetings Development Committee Opening Press Conference, Tokyo, 2012



TICAD V logo, 2013

2013

5<sup>th</sup> Tokyo International Conference on African Development (TICAD V) in Yokohama

2014

Japan-World Bank Program for Mainstreaming DRM in Developing Countries" Launched



TICAD V Opening Ceremony, Yokohama 2013



TICAD VI logo, 2016

World Bank Disaster Risk Management (DRM) Hub Established in Tokyo

2015

3<sup>rd</sup> UN World Conference on Disaster Risk Reduction (WCDRR) in Sendai

2016

6<sup>th</sup> Tokyo International Conference on African Development (TICAD VI) in Nairobi, Kenya

2019

G20 Osaka Summit



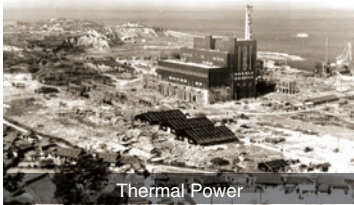
TICAD VII logo, 2019

7<sup>th</sup> Tokyo International Conference on African Development (TICAD VII) in Yokohama



# World Bank Loans to Japan

## Year Signed/Beneficiary and Project



Thermal Power



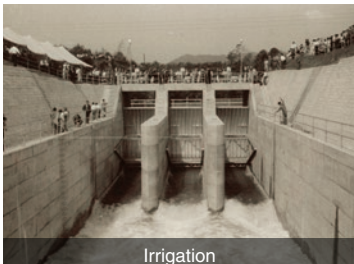
Steel Industry



Automobile Industry



Shipbuilding Industry



Irrigation

- 1953 **Kansai Electric Power Co. Ltd.:** two Tanagawa thermal power stations\*
- Kyushu Electric Power Co. Ltd.:** Karita thermal power station\*
- Chubu Electric Power Co. Ltd.:** Yokkaichi thermal power station\*
- 1955 **Yawata Iron and Steel Co. Ltd.:** steel-plate production facilities\*
- Nippon Steel Tube Co. Ltd.:** seamless tube production facilities\*
- Toyota Motor Co. Ltd.:** Koromo Plant truck and bus machine tools\*
- 1956 **Ishikawajima Heavy Industries Co. Ltd.:** Tokyo marine engine turbine production facilities\*
- Mitsubishi Shipbuilding & Engineering Co. Ltd.:** Nagasaki Shipyard diesel engine production facilities\*
- Kawasaki Steel Corporation:** Chiba plant hot and cold strip mills\*
- Agricultural Land Development Machinery Public Corporation:** several agricultural development projects
- 1957 **Aichi Waterworks Corporation:** public water project in Aichi Prefecture
- Kawasaki Steel Corporation (2nd loan):** Chiba Works blast furnace, coke oven\*
- Kansai Electric Power Co. Ltd. (2nd loan):** Kurobe No.4 hydroelectric power station\*
- Hokuriku Electric Power Co. Ltd.:** Arimine hydroelectric power station\*
- 1958 **Sumitomo Metal Industries Ltd.:** Wakayama Works blast furnace and blooming mill\*
- Kobe Steel Ltd.:** Nadahama blast furnace and Wakihama steel mill\*
- Chubu Electric Power Co. Ltd. (2nd loan):** Hatanagi No.1 and No.2 hydroelectric power stations\*
- Nippon Steel Tube Co. Ltd. (2nd loan):** Mizue Works steel converter\*
- Electric Power Development Co. Ltd.:** Miboro hydroelectric power station\*
- 1959 **Fuji Iron & Steel Co. Ltd.:** Hirohata Works blast furnace, converter, and blooming mill\*
- Yawata Iron & Steel Co. Ltd. (2nd loan):** Tobata Works blast furnaces\*
- Japan Highway Public Corporation:** Amagasaki – Ritto section of the Meishin Expressway
- 1960 **Kawasaki Steel Corporation (3rd loan):** Chiba works slab casting facilities construction\*
- Sumitomo Metal Industries, Ltd. (2nd loan):** Wakayama Works combined mill\*
- Kyushu Electric Power Co. Ltd. (2nd loan):** Shin-Kokura thermal power station\*
- 1961 **Japan National Railways:** Tokaido Shinkansen (bullet train) Line
- Japan Highway Public Corporation (2nd loan):** Ichinomiya – Ritto and Amagasaki – Nishinomiya sections of the Meishin Expressway
- 1963 **Japan Highway Public Corporation (3rd loan):** Tokyo – Shizuoka section of the Tomei Expressway
- 1964 **Japan Highway Public Corporation (4th loan):** Toyokawa – Komaki section of the Tomei Expressway
- Metropolitan Expressway Public Corporation:** Haneda – Yokohama section of the Metropolitan Expressway
- Electric Power Development Co. Ltd. (2nd loan):** Kuzuryugawa hydroelectric power stations (Nagano and Yugami)
- 1965 **Japan Highway Public Corporation (5th loan):** Shizuoka – Toyokawa section of the Tomei Expressway
- Hanshin Expressway Public Corporation:** Kobe Line No.1
- 1966 **Japan Highway Public Corporation (6th loan):** Tokyo – Shizuoka section of the Tomei Expressway

\*through the Japan Development Bank

(See [worldbank.or.jp/31/project](http://worldbank.or.jp/31/project).)



Hydroelectric Power



Transportation

# Role of the World Bank Tokyo Office

The World Bank Tokyo Office was established in 1970 for the purpose of financing through issuing World Bank bonds, as well as enhancing the partnership with Japan through activities in external affairs and recruitment of Japanese nationals.

## External Affairs

In its effort to improve understanding of global development agenda and to increase transparency and accountability of World Bank operation, the Tokyo Office undertakes the following activities:

- Providing information on development issues and World Bank operation
- Facilitating policy dialogue with the government and development organizations
- Providing information, data, and analysis for the media
- Promoting dialogue with Diet members through Parliamentary Network on the World Bank (PNoWB)
- Exchanging opinions with NGOs, civil society, and opinion leaders
- Promoting cooperation and dialogue with businesses and business foundations in Japan
- Offering information sessions and one-on-one dialogues on business opportunities with the World Bank
- Enhancing cooperation with universities and research institutes
- Encouraging dialogue with students and youth foundations



## The Japan-World Bank Program for Mainstreaming Disaster Risk Management (DRM) in Developing Countries

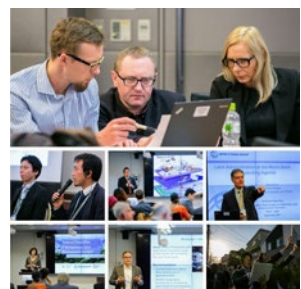
Reflecting on lessons learned from the 2011 Great East Japan Earthquake and Tsunami, the “Japan-World Bank Program for Mainstreaming Disaster Risk Management in Developing Countries” was launched in February 2014. The Program and the establishment of the World Bank Tokyo DRM Hub as its implementation arm have provided an operational platform for the joint Japan-World Bank disaster resilience partnership to connect Japan’s world-leading DRM expertise with developing countries. The Program – which has been renewed until World Bank Fiscal Year 2024 with additional funding from Japan – aims at supporting developing countries in mainstreaming DRM in national development planning and investment programs through project preparation of World Bank operations with a thematic focus on: i) Resilient Infrastructure, ii) Risk Identification, Risk Reduction, and Preparedness, and; iii) Disaster Risk Financing and Insurance (DRFI). The Program also strives to connect Japanese and global expertise in DRM with developing countries.



The Program is managed by the Global Facility for Disaster Reduction and Recovery (GFDRR) under the oversight of a Steering Committee comprising representatives from the Japanese Finance Ministry and the World Bank. Day-to-day operations of the Program are conducted by the Tokyo DRM Hub under the guidance of the World Bank’s Special Representative, Japan. Through the Program, the World Bank is now working across Global Practices to integrate DRM and resilience in its investments towards building quality infrastructure and resilient societies for all. In addition, Program activities are enabling the design and implementation of innovative disaster risk financing solutions for countries and regions to better manage disaster risks to safeguard their critical infrastructure and public assets. As of June 30, 2020, the Program has supported 139 TA grants totaling over \$120 million, in 70 countries.

## Tokyo Development Learning Center (TDLC)

Launched in 2004 in partnership with the Government of Japan, the Tokyo Development Learning Center (TDLC) is a pivotal World Bank program housed under the Global Practice for Urban, Disaster Risk Management, Resilience and Land (GPURL). Located in the heart of Tokyo, TDLC serves as a global knowledge hub that aims to operationalize Japanese and global urban development knowledge, insights, and technical expertise to maximize development impact of the urban development projects in World Bank Group client countries. TDLC program revolves around a unique knowledge ecosystem and operates four core activities: Technical Deep Dives (TDDs), Operational Support, Publications, and the City Partnership Program (CPP). During FY2016-2020, TDLC influenced a combined portfolio of US\$61.8 billion in committed World Bank lending operations in more than 80 countries.





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### The World Bank Tokyo Office

14th Floor, Fukoku Seimei Building  
2-2-2 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011 Japan  
Tel: (81-3) 3597-6650  
Fax: (81-3) 3597-6695  
Email: [ptokyo@worldbank.org](mailto:ptokyo@worldbank.org)