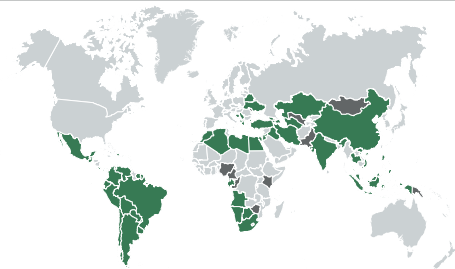
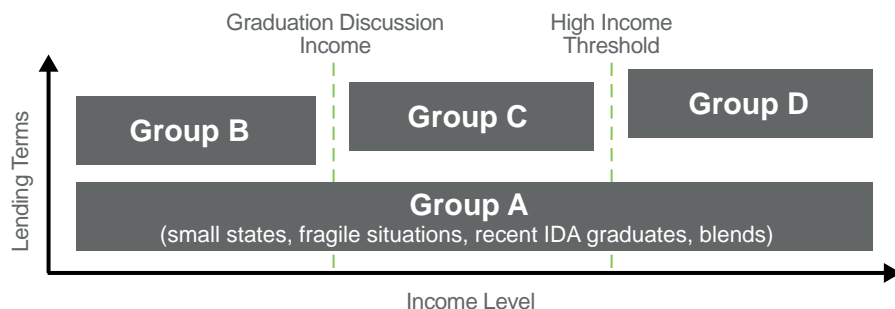


# IBRD Graduation

Transition Finance Toolkit



## TRANSITION PROCESS



The **International Bank for Reconstruction and Development (IBRD)** is part of the World Bank Group. IBRD provides loans, guarantees and advisory services to middle and low income countries assessed to be creditworthy for IBRD financing.

- **68 countries** classified are eligible to receive financing from IBRD as IBRD-only borrowers.
- An additional **17 countries** receive funding through IDA/IBRD blend status.

Note: All statistics as of 2018



### Graduation Criteria

- Discussion of IBRD graduation starts when countries exceed the 'Graduation Discussion Income (GDI)', currently at USD 6 795 (current USD, Atlas method), initiating a thorough country assessment.
- Exceeding the threshold does not automatically lead to graduation: the graduation process is country-specific.
- Important factors that determine graduation include the extent of access to external capital markets on reasonable terms and progress in establishing key institutions for economic and social development.

## TRANSITION IMPACT

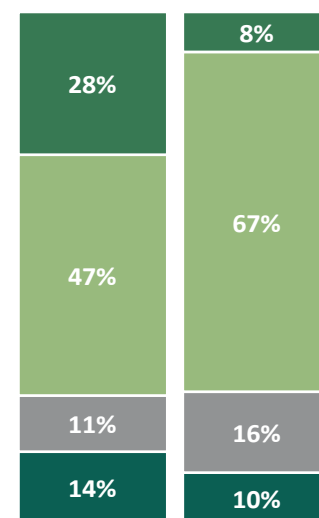


### Concessionality

- Prior to graduation, higher income per capita leads to a gradual increase in pricing categories, corresponding to an increase in the maturity premium (see figure above).
- The 2018 IBRD capital package prioritises additional financing towards countries below the GDI while continuing to engage with countries across the income spectrum. As income levels rise, lending to countries above the GDI is expected to decline, barring unforeseen shocks.
- Countries graduating from the IBRD no longer receive IBRD financing.



### External Financing Mix



↓ ODA ↑ OOF ↑ FDI ↓ Remittances

## RECENTLY EXCEEDED THE GDI

Dominican Republic (2018), Saint Vincent and the Grenadines (2017), Equatorial Guinea (2017), Botswana (2017), Maldives (2016), Saint Lucia (2015), Turkmenistan (2014), People's Republic of China (2014), Bulgaria (2014), Belarus (2014)

Note: Refers to countries that have recently crossed the GDI threshold.

## RECENT GRADUATES

Slovak Republic (2008), Latvia (2007), Hungary (2007), Lithuania (2006), Estonia (2006), Czech Republic (2005), Slovenia (2004), Democratic People's Republic of Korea (1995, back to IBRD in 1998 and re-graduated in 2016)



### Key Resources

- [IDA18 Mid-Term Review](#)
- [WBG Capital Package Proposal](#)
- [The Transition Finance Toolkit \(https://oe.cd/tf-toolkit\)](https://oe.cd/tf-toolkit)