

ESSENCE OF THE WORLD BANK AND ITS ROLE IN IMPROVING THE QUALITY OF LIFE IN UZBEKISTAN

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Abstract: *The article reveals the essence and structure of the World Bank, its role in the global economy. The main functions and goals of the bank are listed. The activities of the World Bank in the territory of the Republic of Uzbekistan and the assistance provided to countries to mitigate the consequences of the coronavirus pandemic are examined.*

Key words: *World Bank, International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), World Bank Group (WBG)*

While the level of poverty has been declining rapidly over recent years, the most important and complex challenges are still facing humanity. Today, more than 1 billion people still live in deep poverty. In today's world - the world of modern technology and capabilities, this is simply ethically unacceptable.

Today, one of the key problems of global governance at the present stage is the achievement of a qualitative breakthrough in the field of eliminating extreme poverty in "unstable states", the development of which is difficult due to the instability of state and public institutions. The main partner of the countries where almost one third of the world's population lives is the World Bank.

The World Bank (WB) is a multilateral lending institution, consisting of six closely related organizations that are members of the UN system, whose common goal is to provide financial assistance to developing countries at the expense of developed countries.

The World Bank is one of two large financial institutions created following the Bretton Woods Conference, held in the USA in 1944. Delegates from 45 countries, including representatives of the Soviet Union, discussed economic recovery and the structure of the world economy after World War II

With a deeply interconnected and rapidly changing global economy, the World Bank provides loans, advice and a number of other standard resources to more than 100 developing countries and countries with economies in transition. Assistance is provided in such a way as to maximize the benefits and mitigate the impact of external factors for poorer countries, as they are more involved in the global economy.

The World Bank uses its financial and human resources, as well as coordinates activities with other organizations aimed at providing individual assistance to each country in the establishment of a stable, continuous and equal development path. The focus is on providing assistance to the poorest and poorest countries.

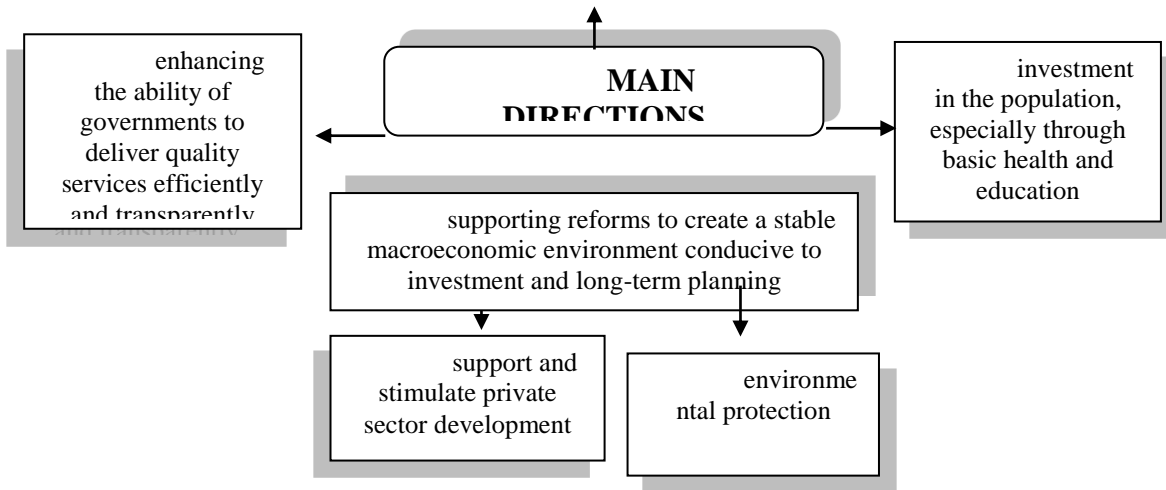


Fig 1. The main directions about the need for assistance from World Bank

“The goals of the World Bank are to foster sustainable globalization for all segments of the population, reduce poverty, accelerate economic growth without harming the environment, and create new opportunities for people and inspire hope in them.”

The World Bank is owned by more than 180 member countries whose opinions and interests are represented by the Board of Governors and the Board of Directors, located in Washington.

Every three years, the World Bank Group develops a framework document: “The strategy of the World Bank Group,” which is used as the basis for cooperation with the country. The strategy helps to link the bank’s programs, both in terms of providing loans, as well as analytical and consulting services, with the specific development goals of each borrowing country. The strategy includes projects and programs that can maximally influence the solution of the poverty problem and contribute to the dynamic socio-economic development. Prior to submitting to the World Bank Board of Directors, the strategy is discussed with the government of the borrowing country and other interested entities.

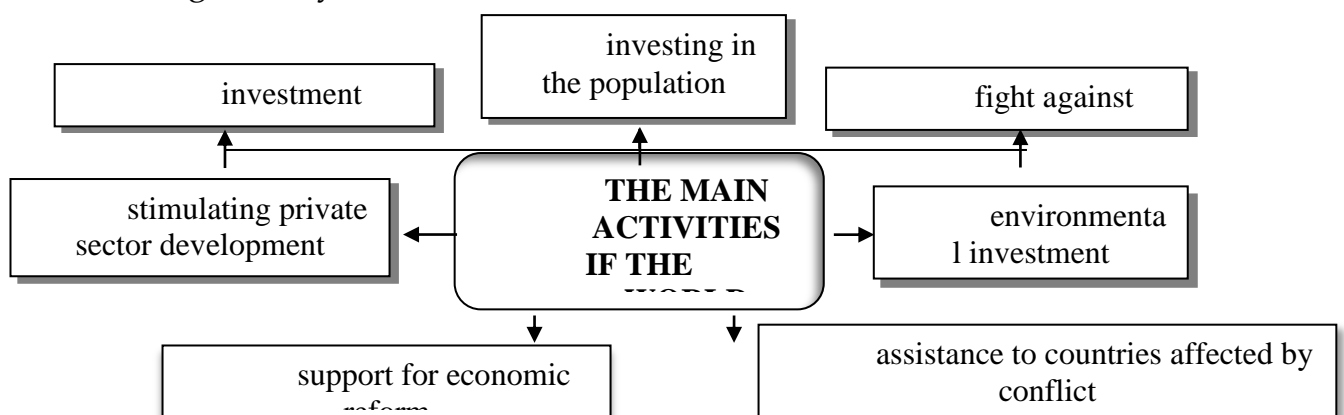


Fig. 2. The main activities of the World Bank.

Uzbekistan has become a member of the World Bank since July 2, 1992. Since then, the Bank has pledged 27 projects funded by the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), and 30 grants from technical assistance programs. Of these, as of September 2015, 16 projects and 28 grants were completed. The Bank's liabilities as of September 2015 amounted to about \$ 2 billion, including projects of the Global Partnership in Education (GEP) and the Global Environment Facility (GEF).

Ongoing cooperation with the World Bank is based on the Bank's Partnership Strategy with the Republic of Uzbekistan for the period 2016-2020, which provides for the financing of projects from soft loans of the International Development Association (IDA) and loans of the International Bank for Reconstruction and Development for 27 investment projects totaling 4.0 billion. Doll. with a World Bank loan of \$ 3.0 billion.

Today, the World Bank has approved a funding package of \$ 95 million to support emergency measures to mitigate the effects of the coronavirus pandemic (COVID-19) on the health and well-being of citizens of Uzbekistan. Project funds will be used to improve the national healthcare system, as well as support the poor and vulnerable segments of the population affected by the economic crisis triggered by the pandemic.

Under the project, with the assistance of the World Bank, about \$ 38 million will be spent on improving the national health system in the field of surveillance, prevention and control of the spread of coronavirus infection. They will also be used to purchase personal protective equipment, medicines, and vital medical equipment, including mechanical ventilation devices, to equip hospitals where patients infected with coronavirus are treated.

About \$ 57 million of project funds will be used to expand state programs to support low-income families and provide one-time payments to unemployed citizens.

The World Bank Group (WBG), one of the largest sources of financing and knowledge for developing countries, is undertaking large-scale and operational actions to help countries increase the effectiveness of their response to the pandemic. The Bank helps to improve control over the spread of infection and the functioning of health systems, helps the private sector to continue its work and maintain jobs. Over the next 15 months, the WBG will mobilize financial assistance of up to \$ 160 billion to help countries protect the poor and vulnerable, support businesses, and begin rebuilding their economies.

These goals will be achieved, including through the allocation of additional financial resources from the International Development Association (IDA - an

organization within the WBG) in the amount of \$ 50 billion in the form of grants and loans on concessional terms.

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