Early Warning System

WB-P513529

Unlocking Private capital for Long-term Infrastructure Financing and bond-market Transformation

Quick Facts

Countries	India
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2026-12-03
Borrower	National Bank for Financing Infrastructure and Development
Sectors	Finance, Infrastructure
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 30.00 million
Project Cost (USD)	$ 3,665.00 million

Project Description

According to the Bank’s website, the objective of this project is to enhance access to long-term capital markets for infrastructure financing in India through NaBFID's credit enhancement facility.

India faces a significant infrastructure financing gap, estimated at 4-5 percent of GDP annually, or roughly US$160 billion per year above current spending levels. While the government finances approximately 78 percent of existing infrastructure investment, this falls well short of the 8-10 percent of GDP required to meet long-term development goals through 2047. Two structural constraints drive this shortfall: a limited pipeline of bankable, well-prepared projects on the demand side, and an underdeveloped intermediation ecosystem on the supply side that prevents long-term domestic savings - held by pension funds, insurance companies, and provident funds - from being effectively deployed into infrastructure. Foreign participation remains similarly constrained by currency risk, limited hedging instruments, and the absence of credible borrowing histories among many Indian financial institutions active in the sector.

To address these gaps, the Government of India established the National Bank for Financing Infrastructure and Development (NaBFID) in 2021 as a dedicated development finance institution with a mandate to mobilize private and institutional capital, deepen bond markets, and reduce the rating and risk perception barriers that limit investor participation. NaBFID's balance sheet alone cannot close the financing gap, but it is strategically positioned to act as a catalytic platform - particularly through partial credit enhancement mechanisms that can multiply its impact by unlocking large pools of domestic patient capital without proportionately expanding public sector balance-sheet exposure.

Project UPLIFT operationalizes this vision by supporting NaBFID in launching a Credit Enhancement Facility (CEF) that provides irrevocable, subordinated, contingent credit support to eligible infrastructure bond issuers, thereby elevating their credit ratings into investment-grade territory and broadening access to long-tenor institutional capital. The World Bank Group - through IBRD loans and guarantees, alongside a MIGA Non-Honoring of Financial Obligations guarantee and parallel ADB financing - backstops CEF exposures, lowers regulatory capital requirements, and supports access to international investors. This "One WBG" approach is designed to crowd in private domestic and foreign capital at scale, lower borrowing costs, and extend debt maturities in line with infrastructure asset lives, directly advancing India's growth agenda while operationalizing the Country Partnership Framework's leveraging bank model.

Early Warning System Project Analysis

The project's environmental and social (E&S) risk is rated **Substantial**, reflecting the scale and complexity of underlying infrastructure activities in the portfolio and the involvement of multiple stakeholders.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 3665.00 million
IBRD Commitment: US$ 30.00 million

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- The National Bank for Financing Infrastructure and Development - NaBFID (Financial Intermediary)

Private Actors Description

The *National Bank for Financing Infrastructure and Development (NaBFID)* is a specialized development finance institution in India founded in April 2021 to support long-term non-recourse infrastructure financing.

Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

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Bank Documents

- Concept Environmental and Social Review Summary (ESRS) - Unlocking Private capital for Long-term Inf
- Concept Project Information Document (PID)