

## Introduction

The World Bank (WB) annually updates its income groupings and lending categories for all economies with populations of more than 30,000. The income groups and operational lending categories are established based on a view that poorer countries should receive softer conditions on loans from the Bank.

The main criteria to determine a country's income group is Gross National Income (GNI) per capita. GNI measures the total domestic and foreign value added claimed by a country's residents adjusted for inflation and terms of trade. Countries with GNI per capita below the threshold (\$1,135 for fiscal year 2010) are eligible for concessional, interest-free loans and grants from the International Development Assistance (IDA) part of the WB. Middle-income countries and credit-worthy poorer countries are eligible for loans, guarantees, risk management products, and analytical services from the International Bank for Reconstruction and Development (IBRD). Finally, some countries below the threshold GNI that are credit-worthy classify as Blend countries and are eligible for support from both the IDA and IBRD (see charts below).

## Changes in Country Classifications

In the 2009 update, 14 countries moved up an income group and one country shifted downward to reflect changes in national incomes from 2007 to 2008. Croatia was the only country to graduate to the High Income level while Belize slid from Upper Middle Income to Lower Middle Income. Of the other 13 climbers, about half are from the Sub-Saharan Africa or Latin America and the Caribbean regions. In addition to shifts in income groups, Cape Verde changed loan classification from IDA to Blend due to improvements in the WB's assessment of the country's credit-worthiness and the Slovak Republic graduated from IBRD loan status and entered the European Monetary Union (EMU).

Kosovo has been added to the list in recognition of the country's declaration of independence in February 2008 and its recent membership to the WB. Kosovo is in the Upper Middle Income group and has IDA loan status.

### WB Income Group Changes 2009

Change	Country
Low to Lower Middle	Côte d'Ivoire
	Nigeria
	Pakistan
	Papua New Guinea
	São Tomé and Príncipe
	Solomon Islands
Lower Middle to Upper Middle	Algeria
	Bosnia and Herzegovina
	Colombia
	Dominican Republic
	Macedonia, FYR
	Namibia
Peru	
Upper Middle to High	Croatia
Upper Middle to Lower Middle	Belize

### WB Income Groups

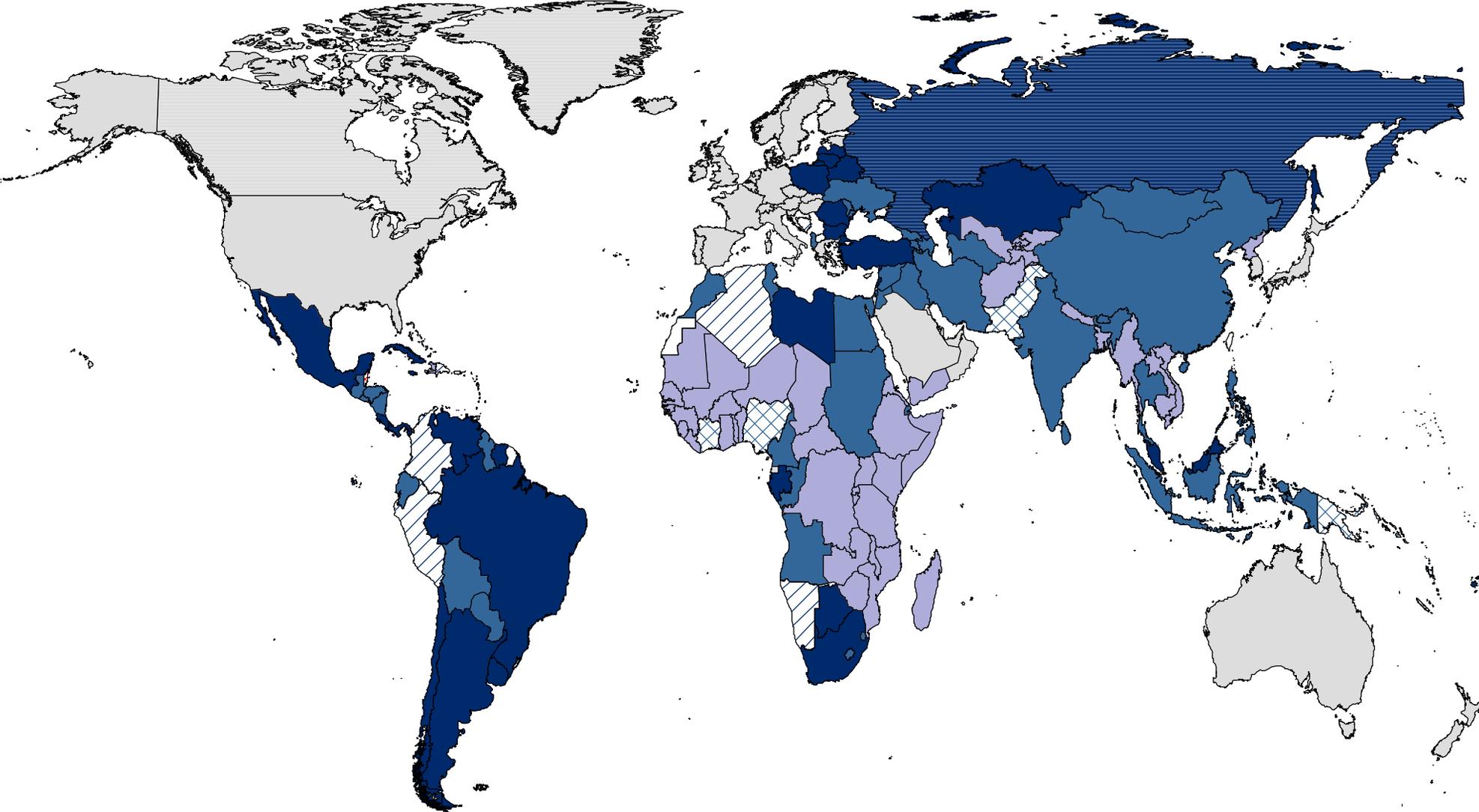
Income Group	GNI per capita (2008)
Low	\$975 or less
Lower Middle	\$976 - \$3,855
Upper Middle	\$3,856 - \$11,905
High	\$11,906 or more

### Loan Classifications

Code	Loan Type	Income Group
IDA	International Development Assistance: Concessional-interest-free loans and grants	Low income (< \$1,135 GNI p.c.)
IBRD	International Bank for Reconstruction and Development: Non-concessional	Middle income
Blend	Eligible for IDA and IBRD loans	Low income, credit-worthy



# World Bank Income Groups 2009



High Income  
Upper Middle Income  
Lower Middle Income  
Low Income

Moved up to High  
Moved up to Upper Middle  
Moved up to Lower Middle  
Moved down to Lower Middle