

India's funding of global bodies dips a tad in FY25

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India's financial commitments to international organisations have been fluctuating, of late.

Budget data show India's total contribution to international bodies decreased from ₹2,764.8 crore in the 2023-24 revised estimate (RE) to ₹2,620.9 crore in the 2024-25 budget estimate (BE), a 5.2 per cent decline.

DATA FOCUS

Historically, India's contributions have seen an upward trend, rising from ₹1,508.3 crore in 2015-16 to ₹2,298.6 crore in 2019-20. Countries typically contribute to international bodies as part of multilateral efforts aimed at alleviating global poverty, enhancing security, and ensuring financial stability, among other objectives, to carve out a significant role in global politics.

Amit Singh, Associate Professor at the Special Centre for National Security Studies at Jawaharlal Nehru University, explained, "Compared to countries like the US and China, India's contributions might seem smaller but overall, they are still substantial. Although growth in contributions has slightly decreased, we also need to allocate resources to address our domestic concerns."

In FY25, out of the 161 international bodies, a significant portion (42.9 per cent) experienced stagnant contributions.

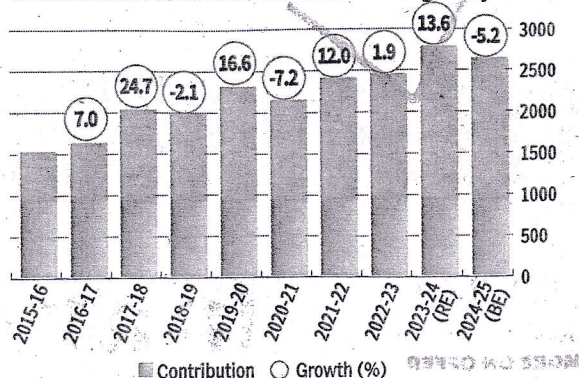
While 39.1 per cent saw an increase, around 9.9 per cent registered a decline and new funding was allocated to eight organisations.

Five bodies (3.1 per cent) did not receive any contributions during this financial year. "The funds are strategically allocated, with some organisations receiving more, based on the state's priorities and needs," Singh added.

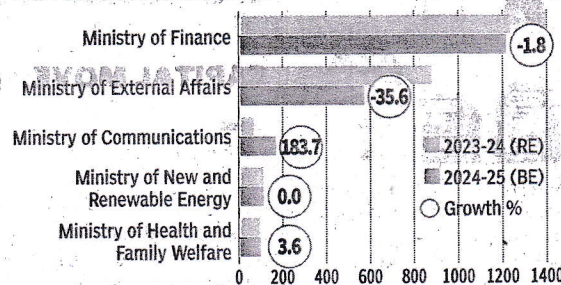
Professor of Diplomatic Practice at the School of International Affairs at the OP Jindal Global University and India's former Ambassador to France, Mohan Kumar,

Funding to global organisations

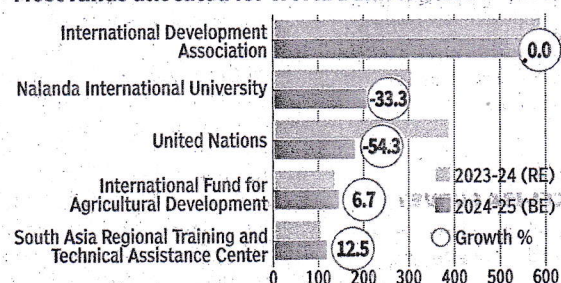
International contributions decline marginally (in ₹ cr)



Ministry of Finance and MEA contribute the most



Most funds allocated for World Bank-led IDA



Source: Budget

said, "If we have reduced contributions to certain institutions that don't add significant value to India, that's not necessarily a bad thing. However, we should correspondingly increase our contributions where they matter most."

"For example, our contributions to the UN are not up to the mark, so we to fund the UN more. It's essential to focus on fewer institutions and do well in those areas."

In terms of ministry-wise contributions, the Ministry of Finance led the way with ₹1,201.5 crore, followed by the Ministry of External Affairs (MEA) at ₹558.1 crore, and the Ministry of Communications with ₹155.6 crore.

However, both the Finance Ministry and the MEA recorded a year-on-year decline in contributions.

Kumar explained, "The MEA likely pays significant amounts to various UN agencies, such as UNCTAD and UNHCR, while the Ministry of Finance may handle payments to organisations like the World Bank, IMF, and others."

The International Development Association topped the list of India's financial contributions in FY25 with ₹582.6 crore from the Finance Ministry.

The Nalanda International University received ₹200 crore, and the United Nations was allocated ₹175 crore, both by the MEA.