



# WORLD BANK



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# Introduction

The International Bank for Reconstruction and Development (IBRD) known popularly as the World Bank. The world Bank is among the world's leading development institution with a mission to fight with poverty and improve living standards for the people in the developing world by promoting sustainable development through loans, guarantees, risk management products and analytic and advisory services. The world Bank is one of the United Nations' specialized agencies. The member countries are jointly responsible for how the institution is financed and how it's money is spent. The World Bank concentrate its efforts on reaching the Millennium Development Goals aimed at sustainable poverty reduction.

# History of World Bank

- The World Bank was established at Bretton Woods Conference held at Bretton Woods, New Hampshire in July, 1944 to lend to European Countries to help them to rebuild after World war II.
- It began, its operation in June , 1946. It was the world's first multilateral development bank, and was funded through the sale of World bonds.
- Its first loan were to France and other European countries to Chile, Mexico and India to build power plants and railways.
- By 1975, the Bank also lent money to countries to help with family planning, pollution control and environmentalism.
- After the Great Depression in the 1930s there was a need for an organization to create a system for exchange rate stability because there was uncertainty of the value of paper money and countries began cheating other countries in trade. To attain this object the bank issued its inaugural loan of \$250 to France in 1947 to finance infrastructural projects

# The World Bank Group

## **International Board for Reconstruction & Development (IBRD)**

- The International Bank for Reconstruction & Development (IBRD) lends to government of middle-income and creditworthy low-income countries

## **International Development Association (IDA)**

- The International Development Association (IDA) provides interest free loans called credit and grants to governments of the poorest countries

## **International Financial Corporation (IFC)**

- It is the largest global development institution for private sector investment by supporting high risk sectors of countries

## **The Multilateral Investment Guarantee Agency (MIGA)**

- The Multilateral Investment Guarantee Agency (MIGA) was created in 1988 to promote foreign direct investment into developing countries to support economic growth, reduce poverty & improve people's lives

## **The International Centre for Settlement of Investment Disputes (ICSID)**

- The International Centre for settlement Disputes (ICSID) provides international facilities for conciliation and arbitration of investment disputes

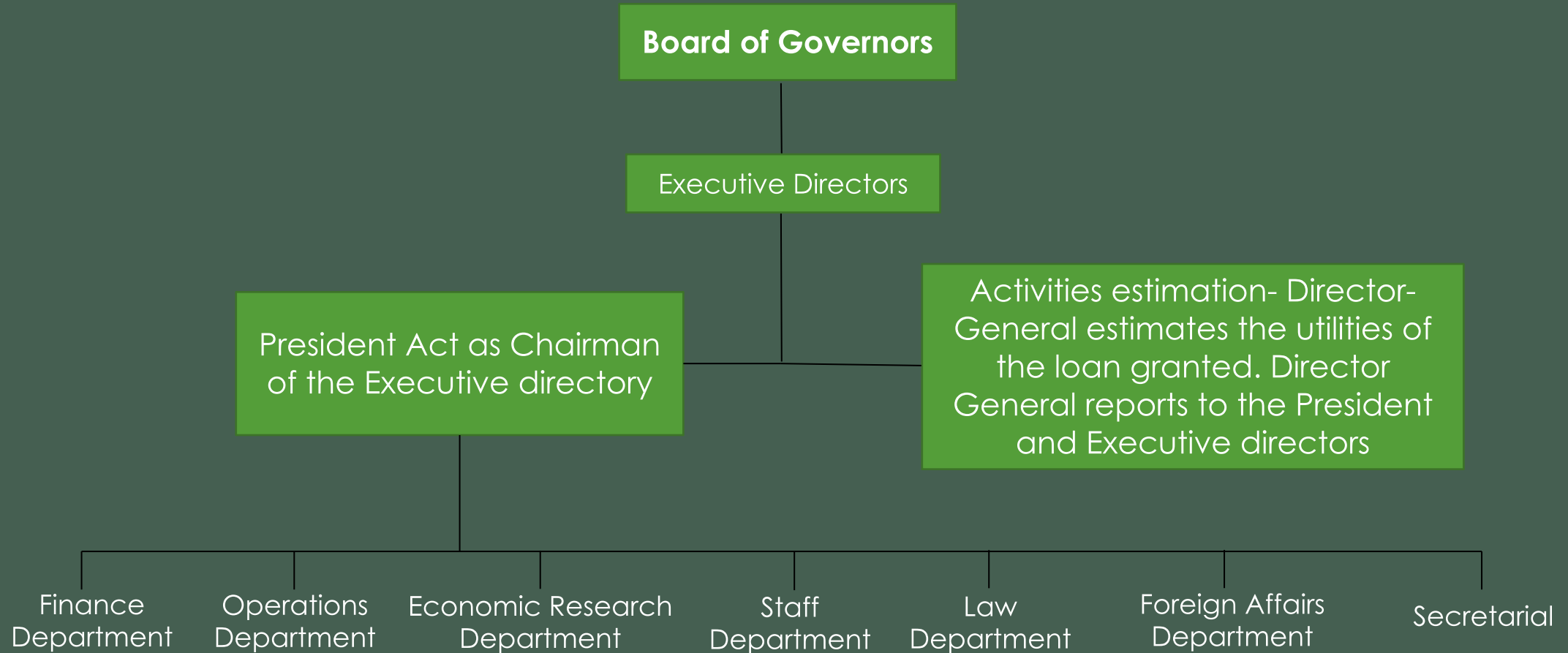


# Fact File

- **Motto:** Working for a world free of poverty
- **Formation:** July 1944
- **Founder:** John Maynard Keynes,  
Harry Dexter White
- **Type:** Monetary International Financial Organization
- **Headquarters:** 1818 H Street NW,  
Washington, D.C., U.S.
- **Membership:** 189 Countries (IBRD)  
173 Countries (IDA)
- **Key People:**
  1. David Malpass (President)
  2. Anshula Kant (Managing Director & Chief Financial Officer)
  3. Penny Goldberg (Chief Economist)



# Organization of the World Bank



# Membership of World Bank

- Presently 189 Countries are member of the IBRD and 173 countries are member of IDA
- Every Member of the International Monetary Fund (IMF) automatically becomes the member of the World Bank
- World Bank have two types of members: Founder members and General members.
- It has 30 founder member, who attained membership by 31<sup>st</sup> December, 1945 come under the category of Founder member
- The countries who have joined the World Bank after 31<sup>st</sup> December, 1945 come under the category of General category
- India is a founder member of World Bank
- Total Voting Rights of member countries is determined on the basis of member countries share in total capital of the bank.
- Each member has 250 votes plus one additional vote for each 100000 shares of the capital stock held

# Objectives of World Bank

- Reconstruction and Development
- Encouragement to Capital Investment
- Establishment of peace Time Economy
- Environmental Protection
- Infrastructural Protection
- Loan for Meeting Deficit in Balance of Payment



# Functions of World Bank

- Advances Loans
- Provides technical Assistance
- Imports Training
- Co-ordinates Development Assistance
- Settlement of International Disputes
- Provides Financial Assistance to World Welfare Institutions
- Conducts Economic Research
- Establishing Subsidiary Institutions

# World Bank's Contribution to India

- India is a founder member of Bretton Woods twins i.e. the IMF and the World bank, it has a permanent place on the Bank's Executive Board
- The Bank has also appointed a Residential Representative in New Delhi to maintain close liaison with the Government of India in regards to the development plans and projects of the country
- India has been the Largest recipient of development finance from the Bank. India's share in the Bank's total lending to all countries in 1988 was 15%
- World Bank's subsidiary institution International Development Association (IDA) provides loans from its soft window
- In 1950, the World Bank founded Aid India Club to provide massive assistance to finance India's developmental plans, Aid India Club is a consortium of the major lending countries, such as, U.K., U.S.A., German, France, Japan, Canada etc.

**Thank You**