

What is the World Bank

- The World Bank is an international organization dedicated to providing financing, advice and research to developing nations to aid their economic advancement.
- The World Bank was established in 1944, is headquartered in Washington D.C., and has more than 10,000 employees in over 120 offices worldwide.
- The World Bank was created out of the Bretton Woods agreement as a result of many European and Asian countries needing financing to fund reconstruction efforts

BRETTON WOOD CONFERENCE

- The Bretton Woods Agreement is the landmark system for monetary and exchange rate management established in 1944.
- It was developed at the United Nations Monetary and Financial Conference held in Bretton Woods, New Hampshire, from July 1 to July 22, 1944.
- Delegates from 44 countries met to create a new international monetary system.
- The creation of two global institutions that still play

important roles today, the International Monetary Fund (IMF) and the World Bank.

Why was the World Bank founded?

The World Bank is the largest public development institution in the world, lending around US\$ 25 billion a year to developing countries.

- The main purposes of the Bank are:
 1. To assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes,
 2. To ensure the growth of international trade in the long term and maintain a balance in payments by encouraging international investment, thereby assisting in raising the productivity, the standard of living and conditions of labour in their countries.

Who owns the World Bank?

The World Bank is owned by a cooperative institution whose shareholders are the 187 member countries.

Voting power on the Bank's board is based on how much each of its members has contributed to the bank.

The US government holds 20 per cent of the vote and is represented by a single Executive Director. The 47 sub-Saharan African countries, in contrast, have two Executive

Directors and hold only seven per cent of votes between them.

What is meant by the World Bank group?

The World Bank consists of institutions; each has its specific roles and responsibilities.

1. The International Bank for Reconstruction and Development- (IBRD) lends to governments of middle-income and creditworthy low-income countries.
2. The International Development Association- (IDA) provides interest-free loans – called credits – and grants to governments of the poorest countries. Together, IBRD and IDA make up the World Bank.
3. The International Finance Corporation- (IFC) is the largest global development institution focused exclusively on the private sector. We help developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments. The Multilateral Investment Guarantee Agency
4. The Multilateral Investment Guarantee Agency (MIGA) was created in 1988 to promote foreign direct investment into developing countries to support economic growth, reduce poverty, and improve people's lives. MIGA fulfils this mandate by offering political risk insurance (guarantees) to investors and lenders.
5. The International Centre for Settlement of Investment Disputes (ICSID) provides international facilities for

conciliation and arbitration of investment disputes.

Collectively, they contribute to fostering sustainable growth, supporting economic development, and reducing poverty through financial assistance, guarantees, and advisory services.