

Examrace

World Bank: World Bank Group is One of the World's Largest Sources

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- The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. Founded in 1944 and was known as International Bank for Reconstruction and Development.
- Twin Goal: Ending extreme poverty by 2030 and boosting shared prosperity of the poorest 40 % of the population in all countries.
- Its five institutions share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development.
- 5 institutions are: IBRD, IBD, IFC, MIGA, ICSID.
- It has 189 Member countries and its headquarter is in USA.
- **The International Bank for Reconstruction and Development (IBRD)** : It lends to governments of middle income and creditworthy low-income countries. Provides loans, credits, and grants.
- **International Development Association (IDA)** : provides low- or no-interest loans and grants to low-income countries.
- **International Finance Corporation (IFC)** : provides investment, advice, and asset management to companies and governments. It helps developing countries achieve sustainable growth. Also known as Private sector arm of World bank.
- **Multilateral Investment Guarantee Agency (MIGA)** : insures lenders and investors against political risk such as war. It also promotes FDI.
- **International Centre for Settlement of Investment Disputes (ICSID)** : settles investment-disputes between investors and countries. So, provides facilities for conciliation and arbitration of investment disputes.

Functions

- Extending loans, Credit, Grants.
- Promoting development in Member countries
- Securing Investors against external risk like war.
- Settling of disputes through arbitration.
- Providing assistance in form of advices, asset management, investment etc.

Practice Questions

Q 1 Why World Bank was established?

- (a) To promote the International Trade
- (b) To reconstruct the economies damaged during the Second World War
- (c) To improve the adverse Balance of Payment situation of the nonmember countries
- (d) None of the above

Ans: (b)

Q 2 Which of the following is not the function of the World Bank?

- (a) To provide long term loan to the member countries
- (b) To provide loan to private investors belonging to member countries on its own guarantee
- (c) To ensure exchange rate stability
- (d) To provides loan mainly for productive activities

Ans: (c)

Q 3 Who is the current President of the World Bank Group?

- (a) Robert Zoellick
- (b) David Malpas
- (c) Christine Lagarde
- (d) Jim Yong Kim

Ans: (b)

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