

Role of IBRD / World Bank

- = The second world war had dislocated the mechanism of multilateral trade and also caused great destruction of both life and property. Very few countries in Europe escaped the ravages of war. The economy of U.K. had badly affected. France and other nations too had their shares of world wide war misfortunes.
- = The other problem facing the world was the prevalence of great disparities in income and levels of living between the developed and developing countries.
- = Achievement of both these objectives was a Herculean task, consequently the Brettonwoods conference of 1944 gave birth to two international monetary institutions - The IMF and World Bank (IBRD) to achieve these objectives.

Objectives of World Bank.

1. To assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes, including
 - (a) the restoration of economies destroyed by war
 - (b) the reconversion of productive facilities to peace time needs
 - (c) the encouragement of the development of productive facilities and resource in less developed countries.
2. To promote private foreign investment by means of
 - (a) guarantees of participations in loans and other investments made by private investors and
 - (b) to supplement private investment when private

Capital is not available on reasonable terms by providing on suitable conditions, finance for productive purposes out of its own capital.

3. To promote the long term balanced growth of international trade and the maintenance of equilibrium in balance of payments by encouraging long term international investment thereby assisting in raising productivity, the standard of living of labourers in their territories.
4. To encourage loans made or guaranteed so that more useful and urgent projects, large and small alike are dealt with first.
5. The Bank will conduct operations with due regard to the effect of international investment on business condition in the territories of member countries.

Functions.

1. To provide loans for the economic development of member countries.
2. That the project for which loan is asked for has been carefully examined by a committee of experts regarding the feasibility and desirability of the project.
3. That the borrowing member possesses reasonable prospects for repayment.
4. That the proposed loan will mainly be directed to meet the foreign exchange requirement of the member country for economic development.
5. Keep watch on the utilisation of the loans granted.
6. For employment potential of the project

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7. Technical and Advisory assistance.

= It helps its member countries on matters relating to loan operations. It helps in identifying the technical, administrative and financial difficulties in its projects.

= The Bank has also set up 'Economic Development Institute (EDI) in Washington to participate in an international course of studies and training.

= Development Programming Through Survey Mission.

= It also acts as a mediator in solving dispute between member countries.

= The Bank has made good efforts to secure assistance for developing countries in addition to its conventional loans. 'Aid India Club' is established.

