Background

The World Bank Group consists of the International Bank for Reconstruction and Development (IBRD), the International Development Agency (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). The objective of the Group is to help raise living standards in developing countries. Its current portfolio includes 1,800 active projects representing an investment of some US$370 billion. Annual lending levels approximate US$22 billion.

Established in 1945, the IBRD provides loans on near-commercial terms. Funds are raised through bond sales on international capital markets on the strength of donor country paid-in and callable capital. In June 1991, the Bank had US$91 billion in outstanding loans. Loans are granted with a grace period of five years and 10- to 20-year repayment schedules.

International Development Agency

Established in 1960, IDA provides concessional loans to countries with a GNP of less than US$635 per capita, and to some small island states with a higher per capita GNP (a total of 54 countries are currently eligible). A target of 45 to 50 percent has been confirmed for Africa and 30 to 35 percent for Asia. Funding is provided through ODA-able subscriptions from donor countries. IDA had US$45 billion in outstanding loans in June 1991.

International Finance Corporation

Established in 1956, the IFC provides unguaranteed loans and equity investments to private businesses. The current capital base, drawn from Bank resources, is US$1.3 billion.

Multilateral Investment Guarantee Agency

Established in 1988, MIGA is designed to encourage equity flows and other direct investment to developing countries through the reduction of commercial investment barriers.