

# MANAGEMENT OUTLOOK

## SPECIALIZED AGENCIES OF UNO

**INTERNATIONAL  
BANK FOR RECON-  
STRUCTION AND  
DEVELOPMENT  
(IBRD, 1945, WASH-  
INGTON)**

**WORLD BANK  
(1944, WASHING-  
TON)**

**WORLD TRADE OR-  
GANIZATION(WTO,  
1948, GENEVA)**

**INTERNATIONAL  
DEVELOPMENT AS-  
SOCIATION(IDA,  
1960, WASHING-  
TON)**

**INTERNATIONAL  
FINANCE CORPORA-  
TION(IFC, 1955,  
WASHINGTON)**

**INTERNATIONAL  
MONETARY FUND**



UNITED NATIONS  
OF AMERICAS FOR SYSTEM

*SNAPSHOT OF THE INTERNATIONAL ORGANIZATIONS,  
THEIR MISSION, OBJECTIVES AND FUNCTIONS*

## UNITED NATIONS

The United Nations (UN) is an international organization whose stated aims are to facilitate cooperation in international law, international security, economic development, social progress, human rights and achieving world peace. The UN was founded in 1945 after

World War II to replace the League of Nations, to stop wars between countries and to provide a platform for dialogue. There are currently 192 member states, including nearly every recognized independent state in the world. From its headquarters on in-

ternational territory in New York City, the UN and its specialized agencies decide on substantive and administrative issues in regular meetings held throughout the year. Additional bodies deal with the governance of all other UN System agencies, such as the following.

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

### THE ORGANIZATION

Founded in 1944 to help Europe recover from World War II, the International Bank for Reconstruction and Development (IBRD) is one of five institutions that make up the World Bank Group. IBRD is the part of the World Bank that works with middle-income and creditworthy poorer countries to promote sustainable, equitable and job-creating growth, reduce poverty and address issues of regional and global importance. Structured something like a cooperative, IBRD is owned and operated for the benefit of its 185 member countries. Delivering flexible, timely and tailored financial products, knowledge and technical services, and strategic advice helps its members achieve results. Through the World Bank Treasury, IBRD clients also have access to capital on favorable terms in larger volumes, with longer maturities, and in a more sustainable manner than world financial markets typically provide.

IBRD raises most of its funds on the world's financial markets and has become one of the most established borrowers since issuing its first bond in 1947. The income that IBRD has generated over the years has allowed it to fund development activities and to ensure its financial strength, which enables it to borrow at low cost and offer clients good borrowing terms. To meet the increasingly sophisticated demands of middle-income countries, IBRD is overhauling financial and risk man-

agement products, broadening the provision of free-standing knowledge services and making it easier for clients to deal with the Bank.

The challenge facing the IBRD is to better manage and deliver its resources to best meet the needs of Middle-income countries. Middle-income countries, where 70 percent of the world's poor live, have made profound improvements in economic management and governance over the past two decades and are rapidly increasing their demand for the strategic, intellectual and financial resources the World Bank has to offer.

### IBRD FUNCTIONS

It aims to reduce poverty in middle-income and creditworthy poorer countries by promoting sustainable development through loans, guarantees, risk management products, and analytical and advisory services. The IBRD performs the following functions:- It supports long-term human and social development needs that private creditors do not finance; preserves borrowers' financial strength by providing support in crisis periods, which is when poor people are most adversely affected; uses the leverage of financing to promote key policy and institutional reforms (such as safety net or anticorruption reforms); creates a favorable investment climate in order to catalyze the provision of private capital; and provides financial support (in the form of grants made available from the IBRD's net income) in areas that are critical to the well-being of poor people in all countries.



**WORLD BANK**

**THE ORGANIZATION**

Since inception in 1944, the World Bank has expanded from a single institution to a closely associated group of five development institutions. The World Bank is a vital source of financial and technical assistance to developing countries around the world. It is not a bank in the common sense. It is made up of two unique development institutions owned by 185 member countries—the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). Each institution plays a different but collaborative role to advance the vision of an inclusive and sustainable globalization. The IBRD focuses on middle income and creditworthy poor countries, while IDA focuses on the poorest countries in the world. Together it provides low-interest loans, interest-free credits and grants to developing countries for a wide array of purposes that include investments in education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management.

**MISSION**

Its mission evolved from the International Bank for Reconstruction and Development (IBRD) as facilitator of post-war reconstruction and development to the present day mandate of worldwide poverty alleviation in close coordination with its affiliate, the International Development Association, and other members of the World Bank Group, the International Finance Corporation (IFC), the Multilateral Guarantee Agency (MIGA), and the International Centre for the Settlement of Investment Disputes (ICSID). It performs the following functions:- poverty reduction and the sustainable growth in the poorest countries, especially in Africa; solutions to the special challenges of post-conflict countries and fragile states; development solutions with customized services as well as financing for middle-income countries; regional and global issues that cross national borders--climate change, infectious diseases, and trade; greater development and opportunity in the Arab world; pulling together the best global knowledge to support development. At today's World Bank, poverty reduction through an inclusive and sustainable globalization remains the overarching goal of our work.



**Membership: 185 countries**

**World Bank  
International Bank for Reconstruction and Development (IBRD)  
International Development Association (IDA)**

**Affiliates  
International Finance Corporation (IFC)  
Multilateral Investment Guarantee Agency (MIGA)  
International Centre for Settlement of Investment Disputes (ICSID)**

**Headquarters: Washington, DC, and more than 100 country offices**

**Established: July 1, 1944 during a conference of 44 countries in Bretton Woods, New Hampshire**

**WORLD TRADE ORGANIZATION**

**THE ORGANIZATION**

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and

signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.



**Location:**  
Geneva, Switzerland

**Established:** 1 January 1995

**Created by:** Uruguay Round negotiations (1986-94)

**Membership:** 153 countries on 23 July 2008

## WTO FUNCTIONS

- Administering WTO trade agreements
- Forum for trade negotiations
- Handling trade disputes
- Monitoring national trade policies
- Technical assistance and training for developing countries
- Cooperation with other international organizations

## INTERNATIONAL DEVELOPMENT ASSOCIATION



The International Development Association (IDA) is the part of the World Bank that helps the world's poorest countries. Established in 1960, IDA aims to reduce poverty by providing interest-free credits and grants for programs that boost economic growth, reduce inequalities and improve people's living conditions. IDA complements the World Bank's other lending arm—the International Bank for Reconstruction and Development (IBRD)—which serves middle-income countries with capital investment and advisory services. IBRD and IDA share the same staff and headquarters and evaluate

projects with the same rigorous standards.

IDA is one of the largest sources of assistance for the world's 78 poorest countries, 39 of which are in Africa. It is the single largest source of donor funds for basic social services in the poorest countries. IDA lends money (known as credits) on concessional terms. This means that IDA credits have no interest charge and repayments are stretched over 35 to 40 years, including a 10-year grace period. IDA also provides grants to countries at risk of debt distress. Since its inception, IDA credits and grants have totaled US\$193 billion, averaging US\$10 billion a year in recent years and directing the largest share, about 50 percent, to Africa.

## INTERNATIONAL FINANCE CORPORATION

The world was a different place 50 years ago. No one spoke of emerging markets. There was no worldwide trend toward privatization, no communications revolution, no globalized economy. World population was less than half of what it is

today. It was into this environment that the International Finance Corporation was born in 1956. The International Finance Corporation is a member of the World Bank Group. IFC, as the private sector arm of the World Bank Group, shares its mission: To fight poverty with passion and



professionalism for lasting results. To help people help themselves and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors.

IFC fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing capital in the international financial markets, and providing advisory services to businesses and governments. IFC helps companies and financial institutions in emerging markets create jobs, generate tax revenues, improve corporate governance and environmental performance, and contribute to their local communities. The goal is to improve lives, especially for the people who most need the benefits of growth.

### IFC WORKS AND STRATEGIC PRIORITIES

IFC invests in enterprises majority-owned by the private sector throughout most developing countries in the world. Developing regions include: Sub-Saharan Africa, East Asia & the Pacific, South Asia, Europe & Central Asia, Latin Amer-

ica & the Caribbean and Middle East & North Africa.

IFC emphasizes five strategic priorities for maximizing its sustainable development impact: Strengthening its focus on frontier markets, particularly the SME sector; Building long-term partnerships with emerging global players in developing countries; Differentiating IFC from its competitors through sustainability; Addressing constraints to private sector investment in infrastructure, health, and education; and Developing domestic financial markets through institution building and the use of innovative financial products. For all new investments, IFC articulates the expected impact on sustainable development, and, as the projects mature, IFC assesses the quality of the development benefits realized.

IFC offers an array of financial products and services to its clients and continues to develop new financial tools that enable companies to manage risk and broaden their access to foreign and domestic capital markets.

### INTERNATIONAL MONETARY FUND

During the Great Depression of the 1930s, countries attempted to shore up their failing economies by sharply raising barriers to foreign trade, devaluing their currencies to compete against each other for export markets, and curtailing their

citizens' freedom to hold foreign exchange. These attempts proved to be self-defeating. World trade declined sharply and employment and living standards plummeted in many countries. This breakdown in





international monetary cooperation led the IMF's founders to plan an institution charged with overseeing the international monetary system—the system of exchange rates and international payments that enables countries and their citizens to buy goods and services from each other. The new global entity would ensure exchange rate stability and encourage its member countries to eliminate exchange restrictions that hindered trade. The IMF was conceived in July 1944, when representatives of 45 countries meeting in the town of Bretton Woods, New Hampshire, in the northeastern United States, agreed on a framework for international economic cooperation, to be established after the Second World War. The IMF came into formal existence in December 1945, when its first 29 member countries signed its Articles of Agreement. It began operations on March 1, 1947. Later that year, France became the first country to borrow from the IMF.

The IMF's membership began to expand in the late 1950s and during the 1960s as many African countries became independent and applied for membership. But the Cold War limited the Fund's membership, with most countries in the Soviet sphere of influence not joining.

## IMF MISSION



The International Monetary Fund (IMF) is an organization of 185 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. The IMF's fundamental mission is to help ensure stability in the international system. It does so in three ways: keeping track of the global economy and the economies of member countries; lending to countries with balance of payments difficulties; and giving practical help to members.


### Economic surveillance

The IMF oversees the international monetary system and monitors the financial and economic policies of its members. It keeps track of economic developments on a national, regional, and global basis, consulting regularly with member countries and providing them with macroeconomic and financial policy advice.

### Technical Assistance

To assist mainly low- and middle-income countries in effectively managing their economies, the IMF provides practical guidance and training on how to upgrade institutions, and design appropriate macroeconomic, financial, and structural policies.

### Lending



The IMF provides loans to countries that have trouble meeting their international payments and cannot otherwise find sufficient financing on affordable terms. This financial assistance is designed to help countries restore macroeconomic stability by rebuilding their international reserves, stabilizing their currencies, and paying for imports—all necessary conditions for relaunching growth. The IMF also provides concessional loans to low-income countries to help them develop their economies and reduce poverty.

The IMF is working on both continuing and emerging issues faced by today's global economy. It is tackling with the following current challenges: - Addressing the global financial crisis, Limiting the impact of high food and fuel prices on the poor, Sovereign wealth funds—getting consensus, helping to reduce global payments imbalances, working on exchange rate stability, tracking global trends and analyzing economic impact of global warming.