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The World Bank

The World Bank provides financial assistance to low- and middle-income countries to promote economic development. Established in 1945, the Bank initially focused on providing financing for large infrastructure projects. Its role over the past eight decades has broadened to include poverty reduction efforts through social projects (such as education and health) and budget support for governments.

The United States was instrumental in the creation of the World Bank after World War II. The United States has always had, and continues to have, the largest financial commitment to the Bank of any member country. Congress authorizes and appropriates U.S. financial contributions to the World Bank and exercises oversight of U.S. participation in the Bank.

Organizational Structure

The World Bank has two major lending facilities:

- The **International Bank for Reconstruction and Development (IBRD)**, created in 1945, provides loans, guarantees, risk management products, and advisory services to middle-income countries and some creditworthy low-income countries. The IBRD currently has 189 member countries.
- The **International Development Association (IDA)**, created at the suggestion of the United States in 1960, provides concessional loans and grants to the poorest countries. IDA has 175 member countries.

Governance

The IBRD and IDA operate according to procedures established by their **Articles of Agreement**, documents that outline the conditions of membership and general principles of organization, management, and operations. The World Bank's highest decisionmaking authority is the **Board of Governors**, which meets annually. Each member country is represented on the Board of Governors, usually by its finance minister or central bank governor.

The Board of Governors has delegated day-to-day authority over operational policy, lending, and other matters to the **Board of Directors**. The Board of Directors has 25 Executive Directors. The six members with the largest financial commitment to the Bank (China, France, Germany, Japan, the United Kingdom, and the United States) each appoint their own Executive Director. Other Executive Directors are elected to represent groups of countries.

Board decisions are reached through voting. Each member's voting share is weighted on the basis of its financial contributions to the Bank. Major policy decisions—including amending the Articles of Agreement—require 85% of the total voting share. Other decisions require lower voting thresholds; for example,

50% of the total voting share is required to approve specific projects. The U.S. voting share at the IBRD is 16.07% and at IDA is 9.77%. The United States is the only member of the IBRD with a voting share greater than 15% and thus veto power over major policy decisions.

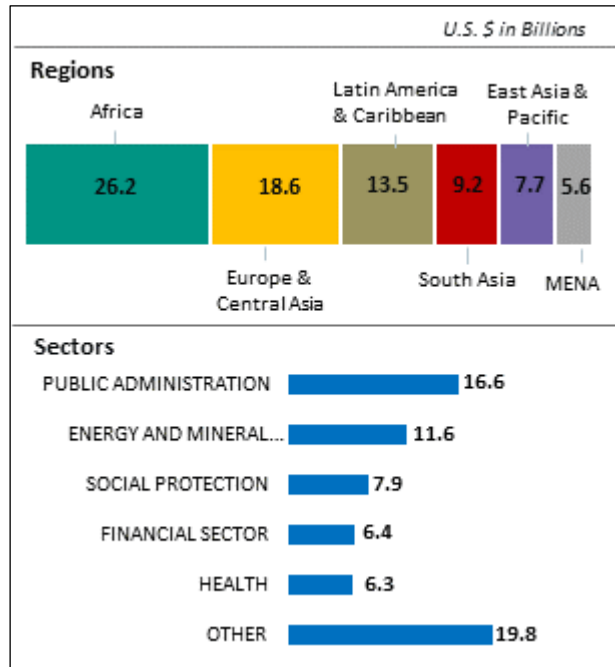
The President of the World Bank is selected by the IBRD Board of Directors for a five-year, renewable term. Since the Bank was established, its President has been a U.S. citizen nominated by the United States. Ajay Banga, who previously worked in the private sector, began his term as World Bank President in June 2023. The World Bank is headquartered in Washington, DC, and has more than 140 offices and 20,000 employees worldwide.

Projects and Financing

The IBRD and IDA approved new projects totaling \$40.8 billion and \$39.9 billion, respectively, in FY2025.

Countries in Africa, Europe and Central Asia, and Latin American and Caribbean were top recipients. Top sectors included public administration, energy and mineral resources, and social protections, among others (**Figure 1**).

Figure 1. IBRD/IDA Lending Commitments, FY2025



Source: World Bank Annual Report 2025 Appendixes.

Notes: MENA = Middle East and North Africa. The World Bank fiscal year is July 1 – June 30.

The World Bank is able to extend financial assistance to low- and middle-income countries due to the financial commitments of its more prosperous member countries. The IBRD's total capital is \$327 billion. Most of the capital

is guarantees from donor countries (“callable” capital, \$304 billion) and a smaller portion has been paid to the IBRD by donor countries (“paid-in” capital, \$23 billion). The United States has the largest financial commitment to the IBRD of any member country (16.68%). U.S. callable capital is \$50.6 billion and U.S. paid-in capital is \$3.9 billion.

The IBRD borrows money from international capital markets and then relends the money to eligible countries. The IBRD is able to borrow from international capital markets because it is backed by member governments’ guarantees. To date, the IBRD has never drawn on its callable capital. The IBRD earns income on the interest it charges on loans, which it uses to pay for World Bank operating expenses. The IBRD also annually transfers a portion of its net income to IDA.

IDA provides low-cost loans and grants based on direct contributions by donor countries, income transfers from IBRD, and IDA bond issuances. Donor countries meet every three years to negotiate replenishments of IDA resources. Since IDA was created, donor countries have committed \$315 billion to IDA, with U.S. contributions (\$62 billion) accounting for 19.56% of the total.

Debates about Effectiveness

U.S. policymakers have long debated the effectiveness of World Bank financing. Critics assert that World Bank’s cumbersome bureaucratic structure places undue administrative burdens on developing countries and that its development projects are insufficiently evaluated. Some also question whether World Bank financing “crowds out” private sector investment, and whether there is effective coordination among bilateral and multilateral aid providers, including the World Bank.

Proponents of the World Bank argue that it serves vital economic and political functions. Many World Bank projects provide basic necessities, such as food supplements, to the world’s poorest countries, that might not be otherwise financed by the private sector. The World Bank also generates and disseminates key economic data and research that may have widespread benefits. Some policymakers have argued that by pooling money from multiple donors, the World Bank enables the United States to amplify the impact of its financial contributions.

U.S. Policy and Congress

U.S. membership in the World Bank is authorized in the Bretton Woods Agreements Act (22 U.S.C. §§286 et seq.). Congress shapes U.S. policy at the World Bank through a variety of tools, including

- authorization and appropriation of U.S. financial commitments to the World Bank (see **text box**);
- legislation directing U.S. representatives at the World Bank to advocate for specific policies and to vote in a manner that advances such policies;
- legislation requiring reports from the Administration on specific World Bank issues; and
- Senate confirmation of U.S. representatives to the World Bank, including the Governor, the Executive Director, and their alternates.

Within the Administration, the Department of the Treasury is the lead agency managing U.S. participation in the Bank.

Key Congressional Committees

Authorizers

House Financial Services Committee (National Security, Illicit Finance, and International Financial Institutions Subcommittee)

Senate Foreign Relations Committee (Multilateral International Development, Multilateral Institutions, and International Economic, Energy, and Environmental Policy Subcommittee)

Appropriators

House Appropriations Committee (National Security, Department of State, and Related Programs Subcommittee)

Senate Appropriations Committee (State, Foreign Operations, and Related Programs Subcommittee)

Select Issues

Trump Administration Reform Priorities

In April 2025, during the Spring Meetings of the World Bank and the International Monetary Fund (IMF), Treasury Secretary Scott Bessent affirmed support for the Bretton Woods institutions, including the World Bank, while highlighting the need for reforms. Secretary Bessent emphasized that the World Bank should prioritize affordable energy investments in developing countries, regardless of the technology; stop lending to countries that have graduated from developing country status, including China; and reform procurement policies to prioritize transparency and value.

“Far from stepping back, America First seeks to expand U.S. leadership in international institutions like the IMF and the World Bank.”—*Treasury Secretary Scott Bessent, April 2025.*

Authorizations and Appropriations

For FY2026, the Trump Administration has requested authorization for a \$3.2 billion U.S. contribution to the 21st replenishment of IDA (IDA-21), to be appropriated over a three-year period (2025-2028). The request is 9% less than the amount Congress authorized for the previous IDA replenishment (IDA-20). The Administration is also seeking \$1.06 billion in appropriations for the first installment of IDA-21.

Additionally, the Trump Administration is requesting authorization to exempt IDA bonds from Securities and Exchange Commission (SEC) registration requirements, similar to the exemption granted to IBRD bonds. The Biden Administration previously requested this authorization as well. Legislation to provide this exemption, H.R. 1764, is currently pending Senate consideration.

U.S. Representation

The Trump Administration nominated Secretary Bessent to be the U.S. Governor of the World Bank in April 2025; this nomination is pending before the Senate. The Administration to date has not nominated candidates for Alternate Governor, Executive Director, or Alternate Executive Director. Currently, the positions are filled by Treasury staff in an acting capacity.

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