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Q15

With reference to the International Monetary and Financial Committee (IMFC), consider the following statements: 1. IMFC discusses matters of concern affecting the global economy, and advises the International Monetary Fund (IMF) on the direction of its work. 2. The World Bank participates as observer in IMFC's meetings. Which of the statements given above is/are correct? (a) 1 only (b) 2 only (c) Both 1 and 2 (d) Neither 1 nor 2 Official key: C.

UPSC Civil Services Prelims 2016 · General Studies · 2 marks · Economy

Indian economy, budget, schemes - Prelims GS Paper I.

Explanation

(a)

Statement 1 only. IMFC does advise the IMF on the global economy and the Fund's work, but the World Bank also sits as an observer. 1 alone is incomplete.

(b)

Statement 2 only. Observer status of the Bank is right, yet the IMFC's advisory role in statement 1 is also correct. This letter is not the key.

(c) Official key

Both 1 and 2. The International Monetary and **Financial Committee** is the IMF Governors' key advisory body on the world economy and the Fund's direction. The World Bank participates in IMFC meetings as an observer. That stored letter is the official key.

(d)

Neither. Both statements match IMFC practice, so 'neither' is not the key.

Summary

Official key is (c) both 1 and 2. IMFC steers IMF work at ministerial level; the World Bank attends as observer. Honour the stored letter (c).

Related possible facts

These can be asked in a future Prelims paper.

IMFC size

24 members, mirroring the IMF Board constituencies

Meets

Usually twice a year, at the IMF-World Bank Spring and Annual Meetings

Development Committee

Joint Bank-Fund ministerial committee, distinct from IMFC

IMF Board of Governors

Highest IMF organ; IMFC advises it

Observer examples

World Bank, and other invited international bodies

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