

PRICING SUPPLEMENT



**INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

Global Debt Issuance Facility

No. 2557

US\$100,000,000

Callable Fixed Rate Step-up Notes due April 9, 2010

Morgan Stanley

The date of this Pricing Supplement is April 7, 2003

This document ("**Pricing Supplement**") is issued to give details of an issue by International Bank for Reconstruction and Development (the "**Bank**") under its Global Debt Issuance Facility.

This Pricing Supplement supplements the terms and conditions in, and incorporates by reference, the Prospectus dated October 7, 1997, and all documents incorporated by reference therein (the "**Prospectus**"), and should be read in conjunction with the Prospectus. Unless otherwise defined in this Pricing Supplement, terms used herein have the same meaning as in the Prospectus.

Terms and Conditions

The following items under this heading "**Terms and Conditions**" are the particular terms which relate to the issue the subject of this Pricing Supplement. These are the only terms, which form part of the form of Notes for such issue:

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| 1 | No.: | 2557 |
| 2 | Aggregate Principal Amount: | US\$100,000,000. |
| 3 | Issue Price: | 100.00 per cent. of the Aggregate Principal Amount. |
| 4 | Issue Date: | April 10, 2003. |
| 5 | Form of Notes (Condition 1(a)): | Registered Notes only. |
| 6 | Authorized Denominations (Condition 1(b)): | Minimum denomination of US\$10,000. |
| 7 | Specified Currency (Condition 1(d)): | United States dollars (" US\$ "). |
| 8 | Maturity Date (Conditions 1(a) and 6(a)): | April 9, 2010 |
| 9 | Interest Basis (Condition 5): | Fixed Interest Rate (Condition 5(l)). |
| 10 | Fixed Interest Rate (Condition 5(l)): | |
| | (a) Interest Rate: | 3.00 per cent. per annum in respect of the period beginning on (and including) the Issue Date and ending on (but excluding) April 9, 2004 ; |
| | | 3.25 per cent. per annum in respect of the period beginning on (and including) April 9, 2004 and ending on (but excluding) April 9, 2005; |
| | | 3.50 per cent. per annum in respect of the period beginning on (and including) April 9, 2005 and ending on (but excluding) April 9, 2006; |
| | | 3.75 per cent. per annum in respect of the period beginning on (and including) April 9, 2006 and ending on (but excluding) April 9, 2007; and |
| | | 4.00 per cent. per annum in respect of the period beginning on (and including) April 9 |

period beginning on (and including) April 9, 2007 and ending on (but excluding) April 9, 2008.

4.25 per cent. per annum in respect of the period beginning on (and including) April 9, 2008 and ending on (but excluding) April 9, 2009.

5.00 per cent. per annum in respect of the period beginning on (and including) April 9, 2009 and ending on (but excluding) the Maturity Date.

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| (b) | Fixed Rate Interest Payment Dates: | April 9 of each year commencing on April 9, 2004 , and ending on the Maturity Date. |
| (c) | Fixed Rate Day Count Fraction: | 30/360, as provided in Condition 5(I)(b). |
| (d) | Initial Broken Amount: | USD299.17 per Authorised Denomination will be paid on April 9, 2004 |
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| 11 | Relevant Financial Centre: | New York. |
| 12 | Relevant Business Day: | New York and London. |
| 13 | Issuer's Optional Redemption (Condition 6(e)): | Yes. |
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| (a) | Notice Period: | Not less than 10 Relevant Business Days. |
| (b) | Amount: | All and not less than all. |
| (c) | Date(s): | Each Fixed Interest Payment Date commencing on April 9, 2004 and ending on April 9, 2009. |
| (d) | Early Redemption Amount (Bank): | Principal amount of the Notes to be redeemed. |

(e)	Notices:	<p>As long as the Notes are represented by a DTC Global Note and the DTC Global Note is being held on behalf of a clearing system, notwithstanding Condition 13, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders, provided that so long as the Notes are listed on the Luxembourg Stock Exchange, and the rules of the exchange so require, notice shall be published in a leading daily newspaper in either French or German language and of general circulation in Luxembourg.</p> <p>Any notice delivered to a clearing system in accordance with the preceding sentence shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the clearing system.</p>
14	Redemption at the option of the Noteholders (Condition 6(f)):	No.
15	Long Maturity Note (Condition 7(f)):	No.
16	Talons for Future Coupons to be attached to Definitive Bearer Notes (Condition 7(h)):	No.
17	Early Redemption Amount (including accrued interest, if applicable) (Condition 9):	Principal amount of the Notes to be redeemed plus accrued interest thereon.
18	Governing Law of the Notes:	English
Other Relevant Terms		
19	Listing (if yes, specify Stock Exchange Exchange):	Luxembourg Stock Exchange.
20	Details of Clearance System approved by the Bank and the Global Agent and Clearance and Settlement Procedures:	DTC, Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V., as operator of the Euroclear System. Payment for the Notes will be on a delivery versus payment basis.
21	Syndicated:	No.
22	Commissions and Concessions:	None.
23	Codes:	
	(a) CUSIP	45905UCQ5.
	(b) ISIN	US45905UCQ58.

- (c) Common Code 016529419.
- 24** Identity of Dealer(s)/Manager(s): Morgan Stanley & Co. International Limited.
- 25** Provisions for Registered Notes:
- (a) Individual Definitive Registered Notes Available on Issue Date: No. Interests in the DTC Global Note will be exchangeable for definitive Registered Notes only in the limited circumstances described in the Prospectus.
- (b) DTC Global Note(s): Yes; one.
- (c) Other Registered Global Notes: No.

General Information

The Bank's latest Information Statement was issued on September 17, 2002.

The following additional selling restrictions shall apply to the issue:

United Kingdom: Each Dealer is required to comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT.

By:

Authorised Officer.

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

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